

AGENDA
Wednesday, October 19, 2022
1:00 p.m.
Join on your computer or mobile app
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Or call in (audio only)
[+1 719-733-3651,,177537358#](#)

1:00 p.m.	1. Call to Order	Chair Wayne Williams	
1:05 p.m.	2. Invocation and Pledge of Allegiance		
1:10 p.m.	3. Consent Calendar These items will be acted upon as a whole, unless a specific item is called for discussion by a Board Member or a citizen wishing to address the Utilities Board. (Any items called up for separate consideration shall be acted upon following Compliance Reports.)	Chair Wayne Williams	
	3a. Approval of Minutes: September 28, 2022 3b. Appointment of Ruth Ann Schonbachler to the Utilities Policy Advisory Committee (UPAC)	Chair Wayne Williams	Approval
1:15 p.m.	4. Recognition: <ul style="list-style-type: none"> • Water Wise Garden Volunteers 		Information
1:25 p.m.	5. Customer Comments <ul style="list-style-type: none"> • During the customer comment period, comments are accepted for any topic not on the agenda. • Comments for specific agenda items will be taken following the presentation of the item and the Board's discussion. • Comments will be limited to three minutes per speaker. 	Chair Wayne Williams	Information

- **Following the comments from customers that have signed up to speak, an announcement will be made seeking additional comments and the Board will accept all those wishing to comment.**

1:35 p.m.	6.	<p>Compliance Reports:</p> <p>I-11 Compensation & Benefits G-9</p> <p>E-2.8 Emergency CEO Succession</p> <p>E-2 CEO Responsibilities</p> <ul style="list-style-type: none"> • ECA/GCA Monitoring • Water Outlook 	<p>Aram Benyamin, Chief Executive Officer</p>	Monitoring
1:45 p.m.	7.	Items Called Off Consent Calendar		
1:50 p.m.	8.	An Ordinance Pertaining to the Extension of Water Service	Board of Directors	Discussion
2:50 p.m.	9.	<p>Executive Session</p> <p>In accordance with City Charter art. III, § 3-60(d) and its incorporated Colorado Open Meetings Act, C.R.S. § 24-6-402(4)(b) and (e) and Utilities Board Bylaw Rules 10(c)(2) and (5), the Utilities Board, in Open Session, is to determine whether it will hold a Closed Executive Session. The issue to be discussed involves conferences with the City Attorney’s Office for the purpose of receiving legal advice on specific legal questions and instructing negotiators regarding a request for special contract service.</p> <p>The City Attorney’s Office, on behalf of the Chair of the Utilities Board, shall poll the Utilities Board members, and, upon consent of two-thirds of the members present, may conduct a Closed Executive Session. In the event any Utilities Board member is participating electronically or telephonically in the Closed Executive Session, each Utilities Board member participating electronically or telephonically in the Closed Executive Session shall affirmatively state for the record that no other member of the public not authorized to participate in the Closed Executive Session is present or able to hear the matters discussed as part of the Closed Executive Session. If consent to the Closed Executive</p>	<p>Bethany Burgess, Division Chief – Utilities, Office of the City Attorney</p>	

Session is not given, the item may be discussed in Open Session or withdrawn from consideration.

3:50 p.m.	10.	Colorado Springs Underground Damage Prevention Safety Program Update	Shelly Dornick, Regulatory and Compliance Program Manager	Discussion
4:00 p.m.	11.	Municipal Government Street Lighting	Scott Shirola, Pricing and Rates Manager	Discussion
4:10 p.m.	12.	Public Utility Regulatory Policies Act (PURPA)	Scott Shirola, Pricing and Rates Manager	Discussion
4:20 p.m.	13.	2022 Supplemental Appropriation to Annual Budget and Sources of Funds	Tristan Gearhart, Chief Planning & Finance Officer	Discussion
4:35 p.m.	14.	Pueblo Board of Water Works Clear Creek Reservoir Intergovernmental Agreement (IGA)	Kim Gortz, Water Resources Planning Supervisor	Discussion
4:50 p.m.	15.	Aurora/Colorado Springs Joint Water Authority Amended Transmission Contract (ACSJWA)	Lisa Barbato, Chief Systems Planning and Projects Officer	Discussion
5:05 p.m.	16.	Wastewater Service Agreement with Stratmoor Hills Sanitation District	Lisa Barbato, Chief Systems Planning and Projects Officer	Discussion
5:20 p.m.	17.	Rock Creek Metropolitan District Regional Services Request	Jenny Bishop, Water Resource Planning Engineer	Discussion

5:35 p.m.	18.	Board Member Updates	Board of Directors	Information
5:45 p.m.	19.	Adjournment	Chair Wayne Williams	

MINUTES
Colorado Springs Utilities Board Meeting
Wednesday, Sept. 28, 2022

Utilities Board members present via Microsoft Teams or Blue River Conference Room: Chair Wayne Williams, Vice Chair Mike O'Malley, Dave Donelson, Randy Helms, Bill Murray, Nancy Henjum, Tom Strand and Yolanda Avila

Utilities Board members excused: Stephannie Fortune

Staff members present via Microsoft Teams or Blue River Conference Room: Aram Benyamin, Tristan Gearhart, Lisa Barbato, Travas Deal, Mike Francolino, Renee Adams, Jamie Fabos, Abigail Ortega, Joe Awad, Scott Shirola, Natalie Watts, Kandy Drake, Sean Evans, Al Wells, Andie Buhl, Monica Indrebo, Jason Rigler and Noemi Martinez

City of Colorado Springs staff members present via Microsoft Teams or Blue River Conference Room: Bethany Burgess, Bob Cope, Tracy Lessig, Jackie Rowland, Renee Congdon, David Beckett, Michael Gustafson, Alex Ryden, Chris Bidlack and Ben Bolinger

Citizens present via Microsoft Teams or Blue River Conference Room: Bill Long, Gary Burghart, Larry Barrett, and Julie Adams and family

1. Call to Order

Chair Wayne Williams called the Utilities Board meeting to order at 1:00 p.m. and Ms. Andie Buhl, Utilities Board Administrator, called the roll.

2. Invocation and Pledge of Allegiance

Ms. Noemi Martinez, Springs Utilities Executive Assistant to the CEO, delivered the invocation and Chair Williams led the Pledge of Allegiance.

3. Consent Calendar

3a. Approval of Minutes: August 12, 2022 Workshop

3b. Approval of Minutes: August 17, 2022 Utilities Board Meeting

3c. Re-Appointment of Hilary Dussing to the Utilities Policy Advisory Committee (UPAC)

Board Member Henjum moved approval of the Consent Calendar and Board Member Strand seconded the motion. The Consent Calendar was unanimously approved.

4. Recognition

2022 Whack Dam It Golf Tournament in Support of Project COPE

Ms. Kandy Drake, Public Affairs Specialist, explained what Project COPE is and Mr. Sean Evans, Water Construction Maintenance Operations Superintendent I, provided background information about the golf tournament. They presented a check of \$19,000 to Project COPE, which is a record-breaking amount. Mr. Evans said Springs Utilities will match this donation dollar for dollar, effectively doubling the impact of this donation.

Chair Williams and the Utilities Board congratulated the tournament committee members for the success of this event.

A Resolution of Appreciation for the Martin Drake Power Plant Employees

Mr. Aram Benyamin, Chief Executive Officer, recognized the hard work and commitments of Martin Drake Power Plant employees. He said the future is bright, but the dedication of these employees is constant that will propel the organization forward.

Chair Williams read the Resolution of Appreciation for the Martin Drake Power Plant Employees. Board Member Strand moved approval and Board Member Avila seconded the motion. The resolution was unanimously approved.

Board Member Avila and Chair Williams also thanked these employees who took care of the community and applauded Mr. Benyamin for his leadership with the closure of Martin Drake Power Plant.

A Resolution Honoring the Memory of Utilities Policy Advisory Committee (UPAC) Member Rex Adams

Board Member Strand recognized Ms. Julie Adams, widow of Mr. Rex Adams, and her family, Mr. Larry Barrett, UPAC Vice Chair, and Mr. Gary Burghart, UPAC Chair. Board Member Strand expressed appreciation and recognition for Mr. Adams and his long service to the community as a member of UPAC. He read the resolution honoring the memory of Mr. Adams, and it was unanimously approved.

5. Customer Comments

Chair Williams also acknowledged the passing of Mr. Sam Masias, a citizen who often provided comment at Utilities Board meetings.

Ms. Deborah Stout-Meininger expressed frustrations about rates increasing, coal plants closing, and the unreliability of energy alternatives.

6. Compliance Reports

- I-7 Water Supply Management
- I-9 Treatment of Customers and Customer Information
- ER:1-3 Utilities Board Expected Results – Mid-Year Scorecard and CEO Performance Results G-4
- E-2 CEO Responsibilities

- ECA/GCA Monitoring
- Water Outlook
- Preparation to Customers on Natural Gas Market Volatility

Chair Williams explained that compliance reports are on the agenda by exception and asked if there were any questions. There were none.

Chair Williams also said the second water tour for the Utilities Board is Monday, October 3, 2022.

7. Items Called Off Consent Calendar

None

8. Electric and Gas Cost Adjustment Guideline Revisions

Mr. Scott Shirola, Pricing and Rates Manager, explained how the collection of fuel costs impacts the ability to invest in infrastructure. He provided background information about the Excellence in Governance Policy – Instructions and Guidelines, specifically Instruction Pricing of Services (I-1) and Electric and Gas Cost Adjustment Guideline (G-6). He said cost adjustments are made up of two parts, which he referred to as a two-part cost adjustment composition:

- Part one: Recovery of forecasted quarterly expense
- Part two: True-up of over/under collected fuel cost over defined period

Mr. Shirola said Springs Utilities recommends and Finance Committee supports revisions to the collection balance refunding/recovery guideline. He reviewed the current and revised guidelines:

Current Guideline

- Balances refunded/recovered over 12 months when balances are within +/- \$5.0 million
- Accelerated refunding/recovery when balances exceed +/- \$5.0 million (multiplier)

Revised Guideline

- Balances refunded/recovered over 24 months when balances are within +\$10.0 to -\$5.0 million
- Balances refunded/recovered over 12 months when balances exceed +\$10.0 to -\$5.0 million

Mr. Shirola concluded with an overview of draft/redline revisions to (I-1) and (G-6). Board Member Henjum moved approval of the revisions and Board Member Murray seconded the motion. It was unanimously approved.

9. Utilities Policy Advisory Committee (UPAC) Cost Recovery Mechanisms Assignment Draft Scope

Mr. Tristan Gearhart, Chief Planning & Finance Officer, said the draft scope for UPAC's next assignment is cost recovery mechanisms. He said public feedback will be incorporated into any recommendation. He explained the purpose and need of this assignment, which is to review continued changes within and outside City limits that will require investment in new Springs Utilities resources and infrastructure. Mr. Gearhart said during the assignment, UPAC will:

- Review current situation, cost recovery mechanisms and benchmark other utilities' resource and infrastructure cost recovery methodologies
- Review Springs Utilities' Integrated Resource Plans and new considerations related to changes in our community
- Evaluate potential cost recovery mechanisms to accommodate these changes
- Request input from the City of Colorado Springs and other stakeholders
- Oversee public outreach related to the assignment

Mr. Gearhart also reviewed the objectives for cost recovery mechanisms:

- Maintain fiscal stability of the enterprise
- Maintain targeted financial metrics
- Base recovery mechanisms on the cost of service
- Remain competitive
- Maintain financial viability of each separate regulated service
- Minimize risks
- Align with the City's and the Enterprise's strategic goals
- Align with Utilities Integrated Resource plans
- Support resource and economic efficiency
- Allocate costs to appropriate parties

Mr. Gearhart concluded with a preliminary timeline for this assignment. Board Member Henjum moved approval of the UPAC draft scope and Board Member Helms seconded the motion. It was unanimously approved.

10. Bent County Intergovernmental Agreement (IGA)

Ms. Lisa Barbato, Chief Systems Planning and Projects Officer, listed all internal and external partners who have been involved in this process and introduced Ms. Abigail Ortega, General Manager of Planning. Ms. Ortega said in 2018, Springs Utilities and Bent County began discussions on how future water projects could be developed to preserve and enhance the local economy. She reviewed the goals of this agreement, which are to:

- Meet the requirements for Bent County 1041 permits
- Provide Bent County appropriate mitigation as Springs Utilities develops additional water supply within the County
- Provide Springs Utilities an identified path and process to receive Bent County approval of future water supply projects
- Protect, preserve, and enhance the Bent County economy
- Do the above while respecting the private property rights of farmers

Ms. Ortega listed and explained each key term for this agreement:

- Apply to 15,000-acre feet of new water supply, delivered to Colorado Springs system in either Colorado Canal or Pueblo Reservoir
- Parcels enrolled in Water Sharing Program will not participate in more than two consecutive years
- Limited amount of acreage may be removed from irrigation permanently
- Bent County will have the opportunity to participate in water storage and water supply projects that Springs Utilities develops within the County
- Bent County will become signatories to the Arkansas Valley Preservation Principles
- Monetary mitigation
 - Springs Utilities will reimburse Bent County for its expenses incurred in negotiating the IGA
 - Springs Utilities will make an upfront payment of \$2,500,000
 - Springs Utilities will make two payments to Bent County as it develops new projects
 - For economic mitigation
 - The funds will be released to the County when water is successfully delivered into Colorado Springs system
 - Springs Utilities will pay Bent County a perpetual per acre-foot payment for water developed and delivered under the IGA

Ms. Ortega concluded with next steps for the IGA. Mr. Bill Long, Bent County Consultant, thanked the many efforts made by Springs Utilities over the last four years during this process. Chair Williams explained how local and federal officials expressed thanks for this partnership and said this is all very critical work.

The Utilities Board agreed to put this item on Regular Utilities Business instead of Consent at City Council.

11. Resolutions Approving Water Rights Acquisitions

Ms. Ortega reviewed a vicinity map for water rights acquisitions and gave an overview for each transaction:

Transaction One

- Purchase 80 Fort Lyon Canal Company shares
 - Convert property from flood irrigation to sprinkler pivot irrigation
 - Purchase 80 shares from corner parcels
- Purchase right to use 105 shares
 - Ability to use additional shares in three out of every 10 years
- Acquire Easement to deliver water
- Total cost is \$724,750 plus additional mitigation

Transaction Two

- Purchase 2,919 Fort Lyon water shares

- Purchase 644.67 Acres of farmland in Bent County
- Acquire easements to 16 water augmentation stations
- Total cost is \$27,085,175 plus additional mitigation

Ms. Ortega explained a map of purchase properties, and Mr. Michael Gustafson, City Senior Attorney - Utilities Division, explained pending and completed due diligence for both transactions.

Ms. Ortega and Mr. Gustafson explained the benefits of this project and concluded with next steps. The Utilities Board agreed to put this item on Regular Utilities Business instead of Consent at City Council.

The Utilities Board took a break at 3:43 p.m. and returned at 3:53 p.m.

12. Fountain Valley Authority (FVA) Agreement for Short Term Water Service

Ms. Barbato provided background information explaining that Springs Utilities is one of five participants in the Fountain Valley Authority (FVA) and FVA treats and delivers Frying-Pan Arkansas Project water to participants. She said FVA also owns a water treatment plant that Springs Utilities manages and operates on behalf of FVA under a 1980s agreement.

Ms. Barbato said the reasoning for this short-term water service request is because a water tank upgrade is needed at the FVA treatment plant with an anticipated 9-month outage. She said Springs Utilities will deliver FVA partner water via reverse flow into the FVA system. Ms. Barbato said FVA will pay costs of service and make like amount of FVA member water available for Springs Utilities storage and use. She said the agreement is short term and necessary for Springs Utilities to meet contractual obligations and avoid an emergency outage.

Ms. Barbato concluded with recommendations for the Utilities Board to authorize Springs Utilities CEO signature of approval for the agreement. Board Member Strand moved approval of the agreement and Board Member Avila seconded the motion. It was unanimously approved.

13. Proposed Annexation-Related City Code Changes

Ms. Renee Congdon, Corporate Division Chief – Office of the City Attorney, explained how annexation is controlled by three sets of laws, and reviewed proposed changes to City Code regarding annexation so City Code is consistent with current practices and provides tools to adapting to changing legal landscape. She also said there are three sets of proposed changes, which are annexation considerations, exceptions to the exclusive provider provisions, and clarification outside City service.

1. Annexation Considerations

- Reorganization

- Moving “criteria” that were really conditions of annexation to “conditions” section
- Moving sections on cost-benefit analysis from Outside City Service to Annexation
- Separating outside City water and wastewater service from annexation
- Moving the details of outside City water and wastewater service to Chapter 12 of City Code (Utilities)
- Clarification of what Springs Utilities analyzes when reviewing an annexation petition
- Expands conditions imposed on annexations

2. Exclusive Provider

Ms. Congdon said current City Code 12.1.11 states, “The Utilities shall, to the maximum extent of its capabilities and consistent with its purposes, be the sole and exclusive provider of electric, natural gas, water and wastewater utility services within the corporate limits of the City.” She said this interprets Springs Utilities as the exclusive provider of all four utility services within City boundaries. Ms. Congdon reviewed the proposed exceptions:

- Strategic - may be granted if:
 - In the best interest of Colorado Springs Utilities not to serve a property and
 - Supports current Utilities Board directives or instructions
- Legal – may be granted if:
 - Serving the property would create legal problem for Colorado Springs Utilities (violation of or inconsistent with law or legal obligation under contract)

Ms. Congdon reviewed the new process, which includes:

- Utilities Board granting exception based on a recommendation of Springs Utilities’ CEO
- Notice recorded against property
- Agreement between property owner and Colorado Springs Utilities

3. Outside City Service

- Special contract service
 - Only for service to other entities, such as special districts, municipalities, etc.
 - Entities then sell service to customers at retail
- Agreement to annex
 - Service to individual properties at retail outside of City limits

Ms. Congdon concluded with next steps.

14. Board Member Updates

Board Member Helms advocated for Springs Utilities to invest in nuclear energy.

Board Member Henjum expressed excitement for the upcoming water tour on October 3, 2022.

Board Member Avila thanked Springs Utilities' Delta Team for participating at the Fiestas Patrias event on Saturday, September 17, 2022.

Board Member Strand said he is looking into the possibility of Springs Utilities being governed by a separate body other than City Council. He also said the budget needs to be better communicated to the community, as there are a lot of concerns from constituents about the overall 26% budget increase.

Board Member Donelson highlighted that City Council voted to lower electric rates, and that natural gas customers will pay a lower rate now than this time last year.

Vice Chair O'Malley also advocated for nuclear energy and natural gas.

Chair Williams explained the current volatility of natural gas. He also thanked staff who attended the Chamber and EDC D.C. Fly-In with him earlier this month.

15. Executive Session

Ms. Bethany Burgess, Office of the City Attorney – Utilities Division Chief, read the following language to enter Executive Session:

In accordance with City Charter art. III, § 3-60(d) and its incorporated Colorado Open Meetings Act, C.R.S. § 24-6-402(4)(f) and Utilities Board Bylaw Rules 10(c)(6), the Utilities Board, in Open Session, is to determine whether it will hold a Closed Executive Session. The issue to be discussed is the 2022 mid-year performance review of the Chief Executive Officer.

The City Attorney's Office, on behalf of the Chair of the Utilities Board, shall poll the Utilities Board members, and, upon consent of two-thirds of the members present, may conduct a Closed Executive Session. In the event any Utilities Board member is participating electronically or telephonically in the Closed Executive Session, each Utilities Board member participating electronically or telephonically in the Closed Executive Session shall affirmatively state for the record that no other member of the public not authorized to participate in the electronic Closed Executive Session is present or able to hear the matters discussed as part of the Closed Executive Session. If consent to the Closed Executive Session is not given, the item may be discussed in Open Session or withdrawn from consideration.

Ms. Burgess polled the Utilities Board and they voted unanimously to enter Executive Session.

The Utilities Board took a break at 4:07 p.m. and entered Executive Session at 4:12 p.m.

The Utilities Board ended Executive Session at 5:30 p.m.

16. Adjournment

The meeting adjourned at 5:36 p.m.

Board Memo Agenda Item

Staff Report

Date: October 19, 2022
To: Utilities Board
From: Aram Benyamin, Chief Executive Officer
Subject: Appointment of Ruth Ann Schonbachler to the Utilities Policy Advisory Committee (UPAC)

NARRATIVE:

Desired Action: Approval (on Consent)

Executive Summary: A vacancy for a regular member of the Utilities Policy Advisory Committee (UPAC) needs to be filled to complete a vacated term through September 30, 2023. Pursuant to the UPAC Bylaws, Utilities Board fills vacancies by appointment for the remaining term. Based on Ruth Ann Schonbachler's position as an alternate member, it is recommended the Utilities Board appoint Ms. Schonbachler as a regular UPAC member effective November 1, 2022 through September 30, 2023.

The UPAC is a fact-finding body whose mission is to review, analyze and, when appropriate, provide recommendations to the Utilities Board regarding the various overall strategic operating and financial policies for Colorado Springs Utilities.

Benefits: N/A

Board Policy: N/A

Cost/Budget: N/A

Affected Parties: Utilities Board members and Colorado Springs Utilities staff that supports the Board.

Alternatives: The Utilities Board may fill the vacancy with either a different alternate member or another eligible candidate.

Submitter: Kerry Baugh

Email address: kbaugh@csu.org

Division/ Customer and Enterprise Services/

Phone number: 719-668-3810

Department: Public Affairs Department

Date submitted: Oct. 6, 2022

SPG Staff Use Only: Consent Calendar Yes

No

ITEM NO. 4

RESOLUTION #22-09

**A RESOLUTION OF THE COLORADO SPRINGS UTILITIES BOARD
APPOINTING RUTH ANN SCHONBACHLER AS A REGULAR COMMITTEE MEMBER OF THE
UTILITIES POLICY ADVISORY COMMITTEE (UPAC) TO FILL A VACATED TERM
EFFECTIVE NOVEMBER 1, 2022**

- WHEREAS, the Utilities Policy Advisory Committee (UPAC) is composed of citizens appointed by the Utilities Board; and
- WHEREAS, the UPAC is a fact-finding body whose mission is to review, analyze and, when appropriate, provide recommendations to the Utilities Board regarding the various overall strategic operating and financial policies for Colorado Springs Utilities; and
- WHEREAS, the Bylaws of UPAC contain rules regarding terms of committee membership eligibility; and
- WHEREAS, Ruth Ann Schonbachler has been an alternate committee member of the UPAC since October 1, 2021; and
- WHEREAS, a regular member vacancy currently exists due to the unexpected death of a UPAC member; and
- WHEREAS, Ruth Ann Schonbachler is eligible and willing to accept appointment to fill the remainder of the unexpired term through September 30, 2023.

NOW, THEREFORE, BE IT RESOLVED BY THE COLORADO SPRINGS UTILITIES BOARD:

Ruth Ann Schonbachler is hereby appointed as a regular committee member of the Utilities Policy Advisory Committee effective November 1, 2022 through September 30, 2023.

Dated at Colorado Springs, Colorado this 19th day October 2022.

BY: _____
Wayne Williams, Utilities Board Chair

ATTEST:

Aram Benyamin, Secretary

Board Memo Agenda Item

Staff Report

Date: October 19, 2022
To: Utilities Board
From: Aram Benyamin, Chief Executive Officer
Subject: Water Wise Garden Volunteers

NARRATIVE:

Desired Action: Information

Executive Summary: Colorado Springs Utilities hosts two Water Wise Gardens that serve as critical education around the best plant selections and irrigation efficiency for our climate.

These gardens would not be successful without the more than 45 garden volunteers who tirelessly work each week to ensure the gardens remain beautiful and approachable for the thousands of customers who visit them each year.

Our garden volunteers hail from a variety of occupations and age groups and many have been with us for more than 20 years (some have been with us for nearly as long as the gardens themselves—30+ years). In 2013 they formed a non-profit called *Friends of the Mesa Garden* and contributed a metal sculpture to the entrance of the Garden and funded the metal houses in the water wise neighborhood.

Our volunteers take extra time to learn from us and spread their knowledge throughout the community. Some of our volunteers are nearly as knowledgeable as staff when it comes to landscape conservation and wise water use. We are so grateful for the incredible role these individuals play in our community and for our Utilities.

Benefits: Recognize the important role the garden volunteers play in our community and for our Utilities.

Board Policy: N/A

Cost/Budget: N/A

Affected Parties: N/A

Alternatives: N/A

Submitter: Julia Gallucci	Email address: jgallucci@csu.org
Division/ Department: SPP / Water Conservation	Phone number: 719-205-9401
	Date submitted: Sept. 13, 2022

SPG Staff Use Only: Consent Calendar

Yes

X

No

ITEM NO. 5



Date: October 19, 2022

To: Utilities Board

From: Aram Benyamin, Chief Executive Officer

Subject: **Excellence in Governance Monitoring Report Compensation and Benefits (I-11)**

Desired Action: Monitoring

Compliance: The CEO reports compliance with the instructions.

INSTRUCTIONS			
Category:	Utilities Board Instructions to the Chief Executive Officer	Reporting Timeframe:	September 1, 2021 – August 31, 2022
Policy Title (Number):	Compensation and Benefits (I-11)	Reviewing Committee:	Personnel
Monitoring Type:	Internal		
Monitoring Frequency:	Annual		

The Chief Executive Officer shall direct that employee compensation plans address individual accountability, reward for job performance, encourage organizational flexibility and responsiveness and are consistent with the geographic and professional markets for the job duties performed. Accordingly, the CEO shall:

- 1. Communicate an administrative procedure to employees which allows them to appeal the methodologies followed that result in the annual salary and benefits proposed for the upcoming year.*

In conjunction with the proposed 2022 budget presentation, employees were notified of the proposed salary and benefits in an annual wage and benefits memo. This memo included a specific salary and benefits appeal process. There were no appeals submitted during this reporting period.

2. *Develop executive compensation plans that are consistent with professional markets and include:*
 - A. *Data sources from similar local, regional and national, comparably sized utilities that typically fall within the range of one-half to two times Colorado Springs Utilities' employee population and annual revenue.*
 - B. *Multi-service utilities.*
 - C. *An appropriate balance of public and private organizations.*
 - D. *A mix of custom market survey data and published survey sources.*

An executive market pricing study was conducted during the monitoring period which included the Chief Executive Officer, Officers and General Managers. The study was conducted by a third-party consultant, Gallagher. Data sources included both custom and published surveys from similar regional and national comparably sized utilities. The data included multi-service utilities and represented an appropriate balance of public and private organizations.

3. *Provide severance to Officers and General Managers in the event of involuntary separation without cause in accordance with approved Utilities Board guidelines and at the discretion of the Chief Executive Officer in accordance with the At-Will Senior Management Severance Guidelines.*

Severance was provided to two employees meeting the criteria within this monitoring period. The severance packages offered and accepted were compliant with G-9: At-Will Senior Management Severance.

4. *Provide severance to any other employees only with Utilities Board Approval.*

Severance pay was provided to one employee during this monitoring period and it was approved by the Utilities Board.

Date: October 19, 2022

To: Utilities Board

From: Aram Benyamin, Chief Executive Officer

Subject: **Excellence in Governance Compliance Report
Chief Executive Officer Responsibilities (E-2.8)
Emergency Chief Executive Officer Succession**

Desired Action: Monitoring

Compliance: The CEO reports compliance with the instructions.

INSTRUCTIONS			
Category:	Utilities Board/Chief Executive Officer Partnership Expectations	Reporting Timeframe:	2022 Calendar Year
Policy Title (Number):	Chief Executive Officer Responsibilities (E-2.8)	Monitoring Frequency:	Annually
Monitoring Type:	Internal		

The Utilities Board and the Chief Executive Officer work in partnership to achieve excellence in governance and operations to attain long-term organizational success and sustainability.

E-2 Chief Executive Officer Responsibilities

8. *The Chief Executive Officer protects the Utilities Board from a sudden loss of the Chief Executive Officer's services by having at least two Officer emergency successors familiar with current issues and business procedures; by traveling with only one of the designated emergency successors and by allowing no more than three Officers to travel together.*

The designated Officer emergency successors are:

- The Chief Operations Officer
- The Chief System Planning and Projects Officer
- The Chief Planning and Financial Officer

All travel has been arranged in accordance with policy.



Date: October 19, 2022

To: Utilities Board

From: Aram Benyamin, Chief Executive Officer

Subject: **Excellence in Governance Monitoring Report**
Utilities Board/Chief Executive Officer Partnership Expectations (E-2)

Desired Action: Monitoring

EXPECTATIONS	
Category:	Utilities Board/Chief Executive Officer Partnership Expectations
Policy Number:	E: 2 (Chief Executive Officer Responsibilities)

October 2022 Water Outlook using data as of September 30, 2022

Locally, temperatures were above average, and precipitation was below average in September. Demands were less than last year at this time.

2022 Demands: September use averaged 89.5 million gallons per day (MGD), which was about 1.5% less than last September. Year-to-date demand is averaging 69.1 MGD, which is 1.4% more than last year at this time. Temperatures in September were above the 30-year average at 66.9 degrees Fahrenheit, which was 3.8 degrees above normal. Year-to-date temperatures have averaged 55.4 degrees Fahrenheit, which is 1.5 degrees above normal. Total precipitation for September was 0.50 inches, which was 37% of normal. Year to date precipitation is 12.66 inches, which is 87.1% of normal.

Current Reservoir Levels: Local storage is currently at about 42,331 acre-feet (64% of capacity). The 1991-2021 average is 68% of capacity. Rampart Reservoir is at 65% of capacity, and Pikes Peak storage is at 62% of capacity. System wide, total storage is about 193,500 acre-feet (75% of capacity). Last year at this time, total system wide storage was 77% of capacity. It was about 75% at this same time in 2020, about 83% of capacity in 2019, about 76% of capacity in 2018, about 88% of capacity in 2017, about 81% of capacity in 2016, about 85% of capacity in 2015, about 78% of capacity in 2014, and about 56% in 2013. The 1991-2021 average system wide storage for the end of September is 77% of capacity.

Water Supply Outlook: Some drought status still remains across Colorado, but conditions have improved. The 12-week Evaporative Drought Demand Index (EDDI) shows mixed wet and dry

signals in Colorado. The three-month climate outlook continues to predict much higher chances of above-average temperatures and higher chances of below-average precipitation. NOAA forecasts a third consecutive La Niña winter, which tends to favor drier weather in southwest U.S. and wetter weather to the north. We continue to closely monitor supply, demand and storage to maximize available water supply.

Operational Notes: Total system storage is at 75 % of capacity and holds about 2.7 years of demand, which is slightly below average for the end of September. Local storage contains about 217 days of demand.

Electric Cost Adjustment (ECA)

On September 27, 2022, City Council approved the ECA rate of \$0.0462 per kWh effective October 1, 2022. As of September 30, 2022, the ECA under collection balance was \$9.6 million. The under-collection balance changed by \$3.1 million from the \$12.7 million under collection balance reported last month. Colorado Springs Utilities continues to provide regular updates to the Utilities Board and will propose adjustments as appropriate.

Gas Cost Adjustment (GCA)

On September 27, 2022, City Council approved the GCA rate of \$0.7775 per Ccf effective October 1, 2022. As of September 30, 2022, the GCA under collection balance was \$11.1 million. The under-collection balance changed by \$0.7 million from the \$11.8 million under collection balance reported last month. Colorado Springs Utilities continues to provide regular updates to the Utilities Board and will propose adjustments as appropriate.



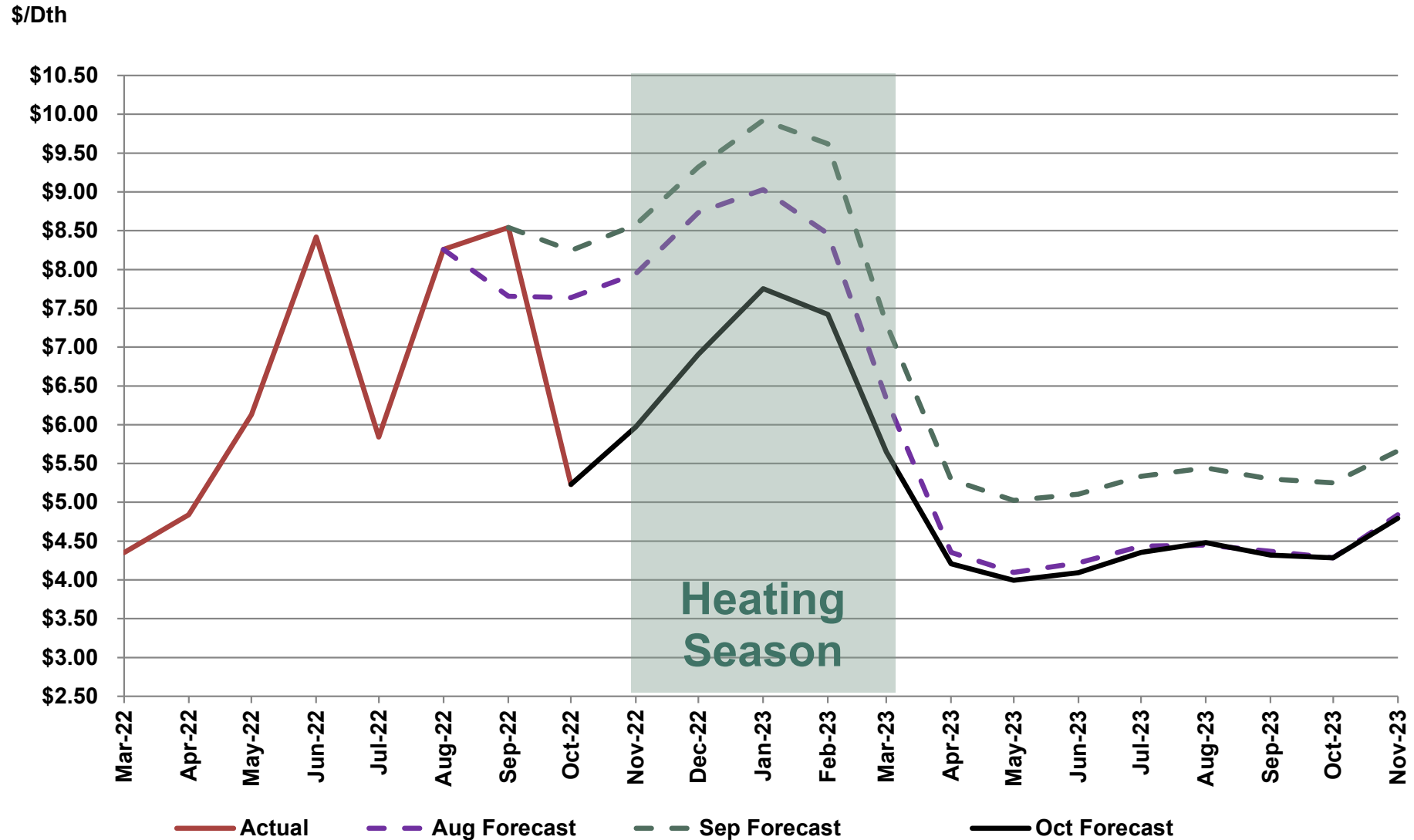
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Electric Cost Adjustment Gas Cost Adjustment

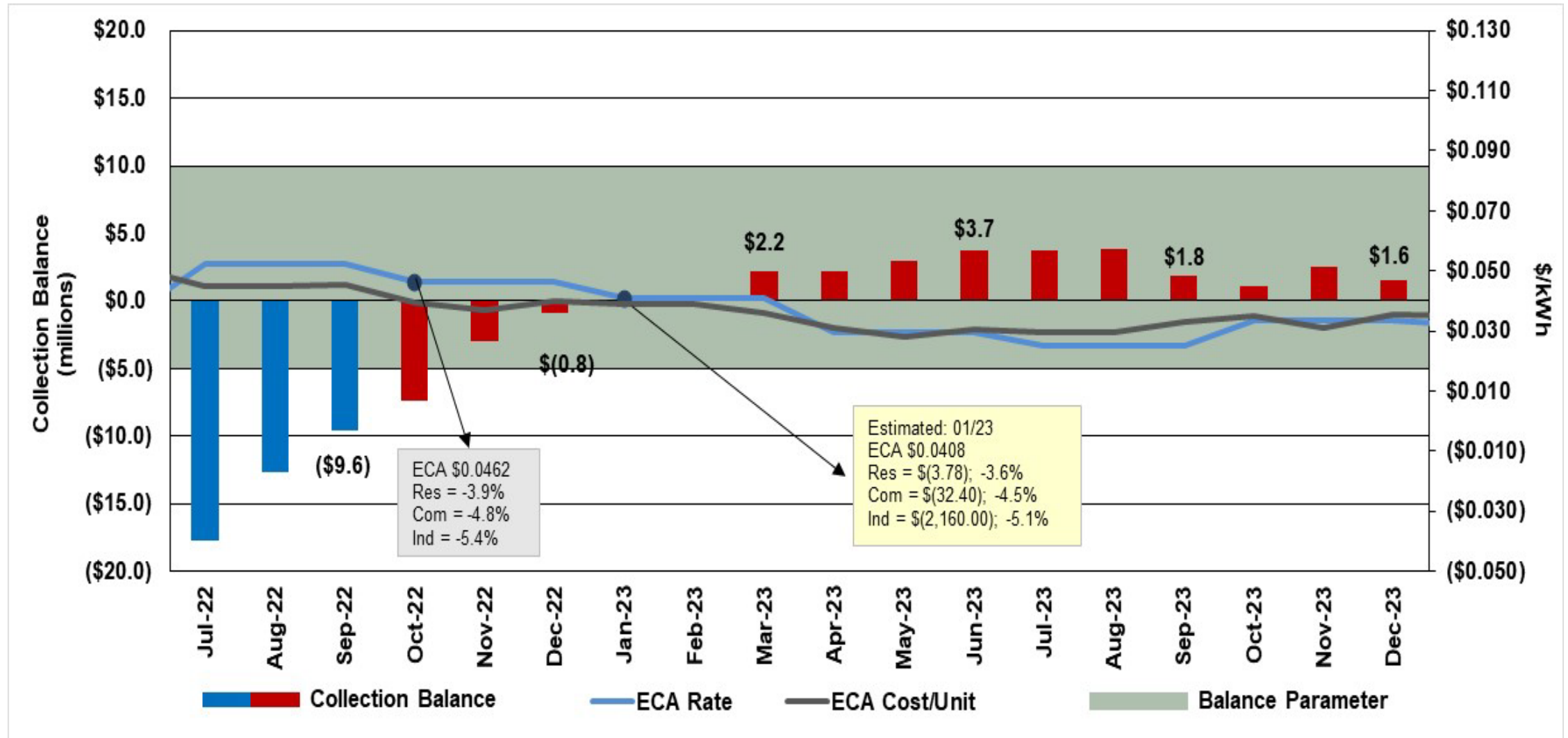
Scott Shirola, Pricing and Rates Manager

October 19, 2022

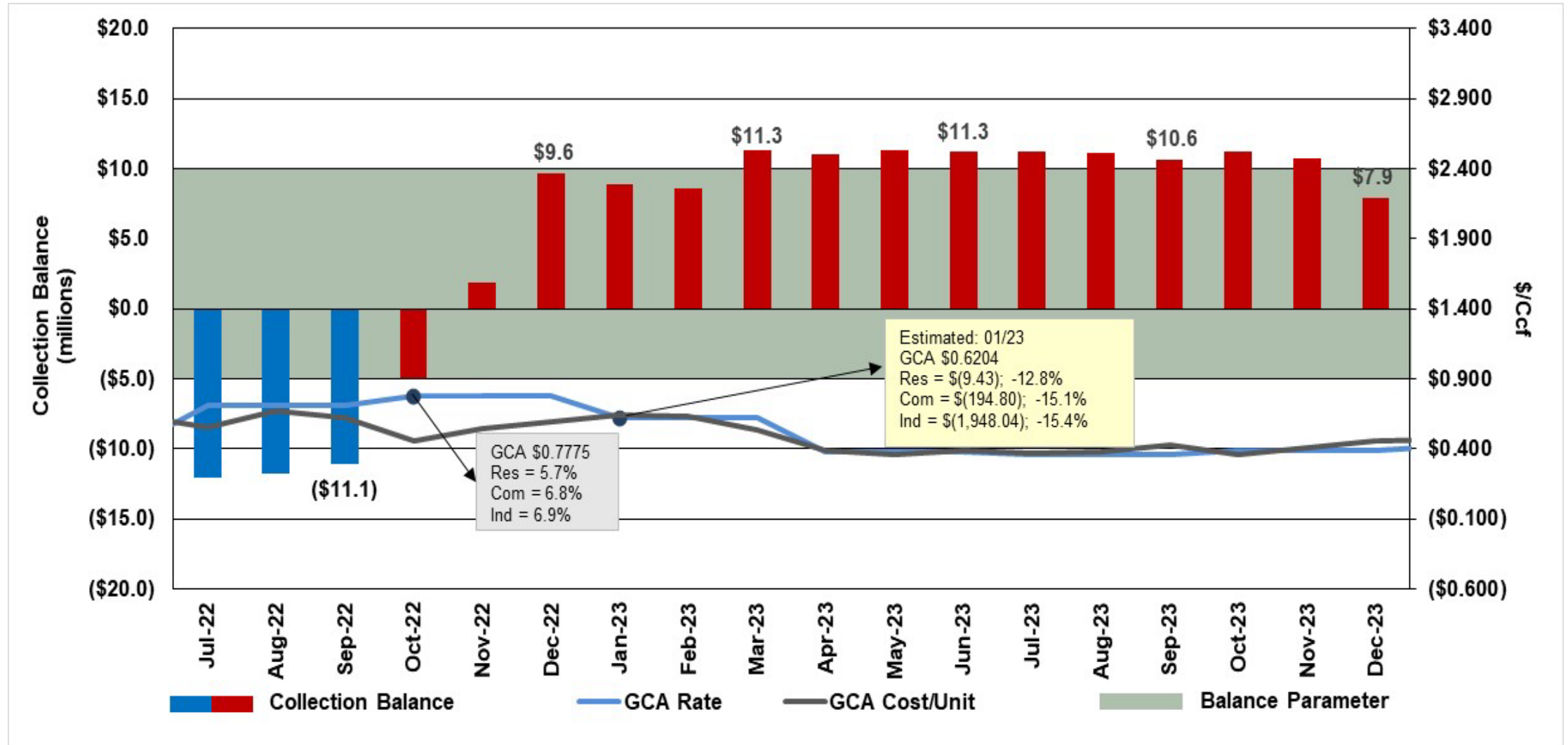
Natural Gas Prices as of October 1, 2022



ECA Projections October 2022



GCA Projections October 2022





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Water Outlook

Kalsoum Abbasi, PE

Planning Supervisor, Water Conveyance

October 19, 2022

Local Weather Conditions as of September 30, 2022

Precipitation (Inches of Moisture)

- September 2022 – 0.50 in. (37.0% of normal)
- 2022 YTD Total – 12.66 in. (87.1% of normal)

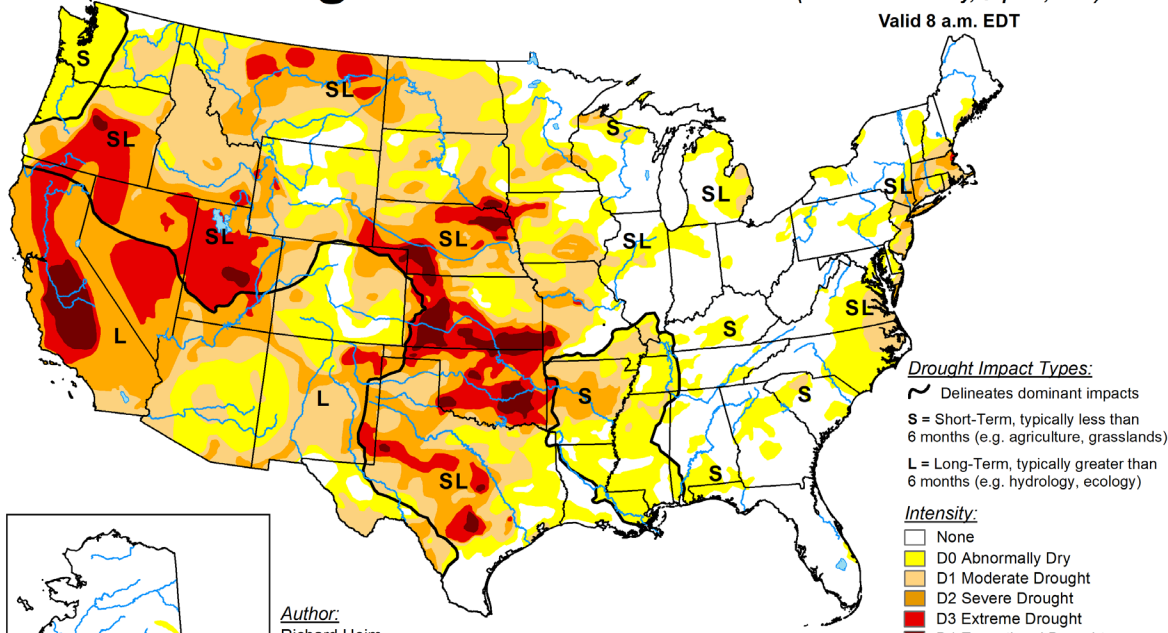
Average Temperature (Degrees F)

- September 2022 – 66.9 Deg. (3.8 deg. above normal)
- 2022 YTD Average – 55.4 Deg. (1.5 deg. above normal)



U.S. Drought Monitor

September 27, 2022
 (Released Thursday, Sep. 29, 2022)
 Valid 8 a.m. EDT



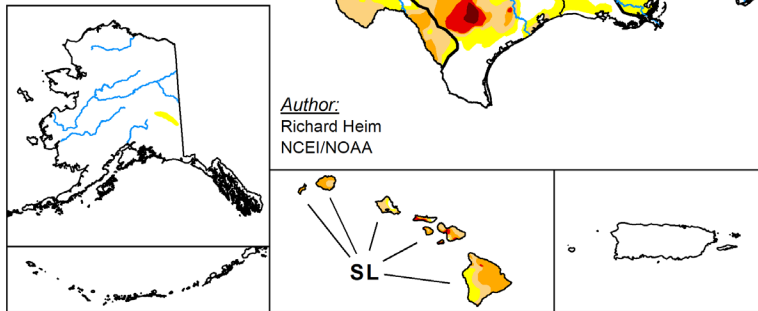
Drought Impact Types:
 ~ Delineates dominant impacts
 S = Short-Term, typically less than 6 months (e.g. agriculture, grasslands)
 L = Long-Term, typically greater than 6 months (e.g. hydrology, ecology)

Intensity:
 None
 D0 Abnormally Dry
 D1 Moderate Drought
 D2 Severe Drought
 D3 Extreme Drought
 D4 Exceptional Drought

The Drought Monitor focuses on broad-scale conditions. Local conditions may vary. For more information on the Drought Monitor, go to <https://droughtmonitor.unl.edu/About.aspx>

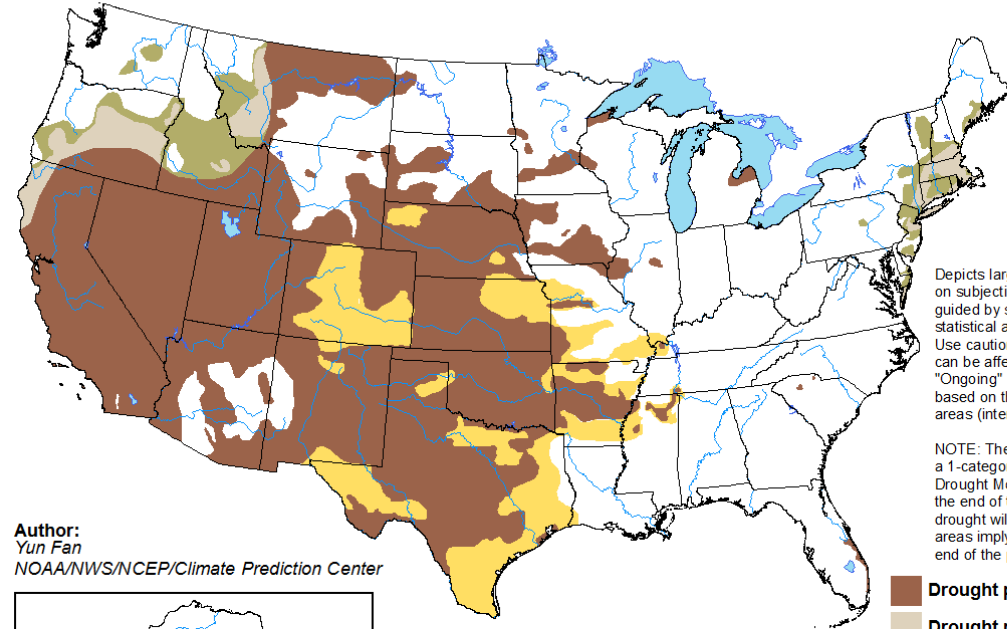


Author:
 Richard Heim
 NCEI/NOAA



U.S. Seasonal Drought Outlook Drought Tendency During the Valid Period

Valid for September 15 - December 31, 2022
 Released September 15



Depicts large-scale trends based on subjectively derived probabilities guided by short- and long-range statistical and dynamical forecasts. Use caution for applications that can be affected by short lived events. "Ongoing" drought areas are based on the U.S. Drought Monitor areas (intensities of D1 to D4).

NOTE: The tan areas imply at least a 1-category improvement in the Drought Monitor intensity levels by the end of the period, although drought will remain. The green areas imply drought removal by the end of the period (D0 or none).

- Drought persists
- Drought remains but improves
- Drought removal likely
- Drought development likely

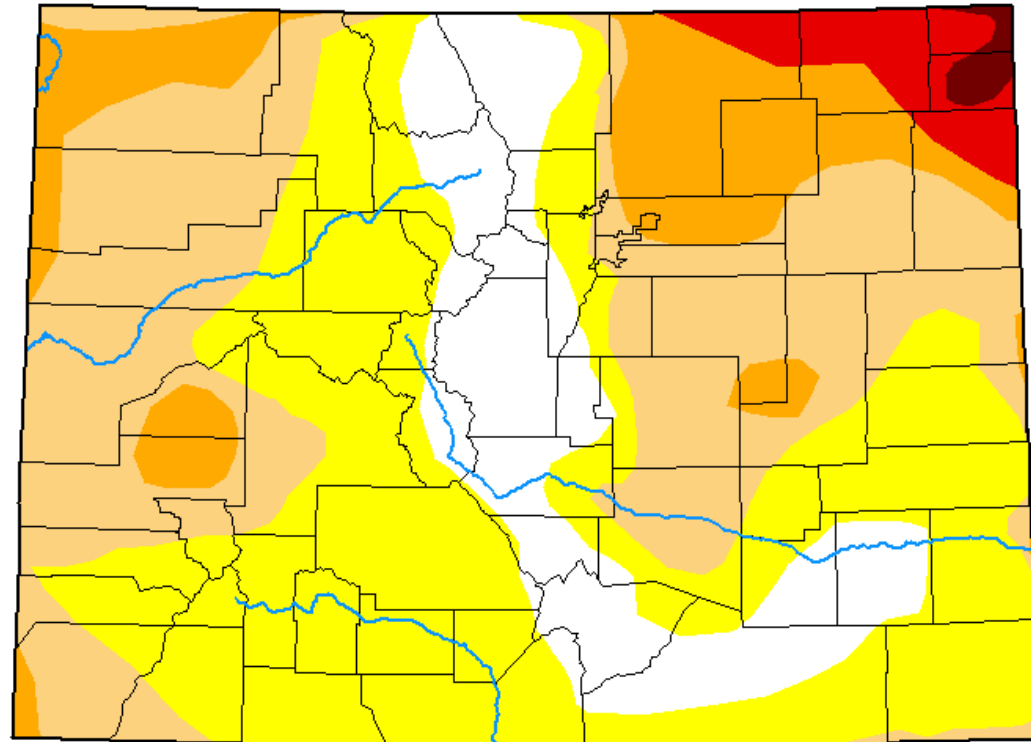
Author:
 Yun Fan
 NOAA/NWS/NCEP/Climate Prediction Center









<http://go.usa.gov/3eZ73>

U.S. Drought Monitor Colorado

September 27, 2022
(Released Thursday, Sep. 29, 2022)
Valid 8 a.m. EDT



Intensity:

-  None
-  D0 Abnormally Dry
-  D1 Moderate Drought
-  D2 Severe Drought
-  D3 Extreme Drought
-  D4 Exceptional Drought

The Drought Monitor focuses on broad-scale conditions. Local conditions may vary. For more information on the Drought Monitor, go to <https://droughtmonitor.unl.edu/About.aspx>

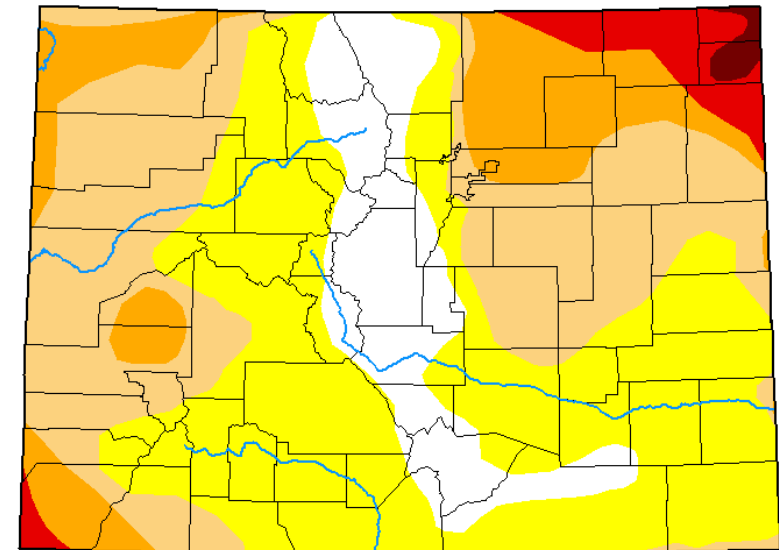
Author:

Richard Heim
NCEI/NOAA



droughtmonitor.unl.edu

Last Month: August 30, 2022



2022 Demands

September

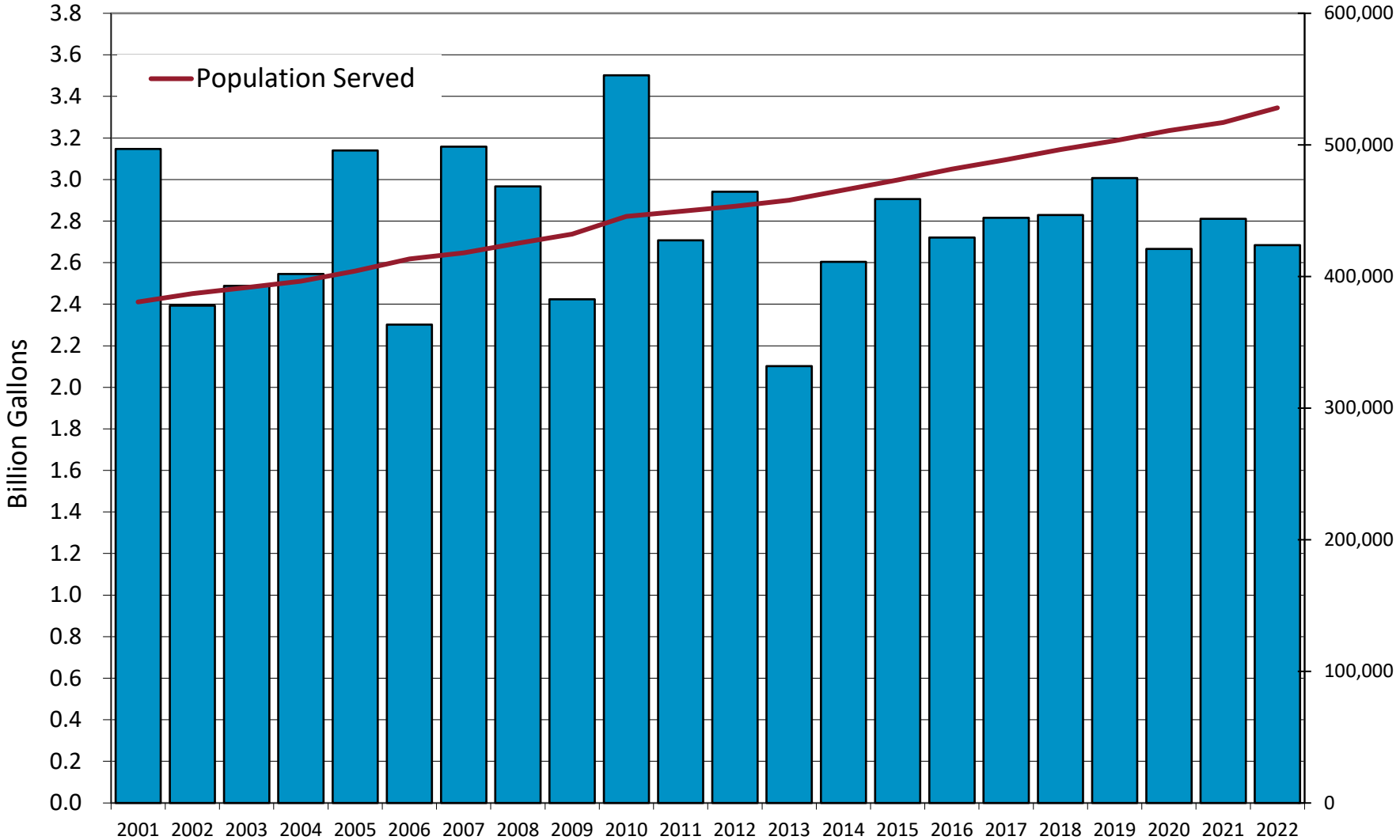
- Averaged 89.5 MGD
- 1.5% less than September 2021

2022 Year to Date

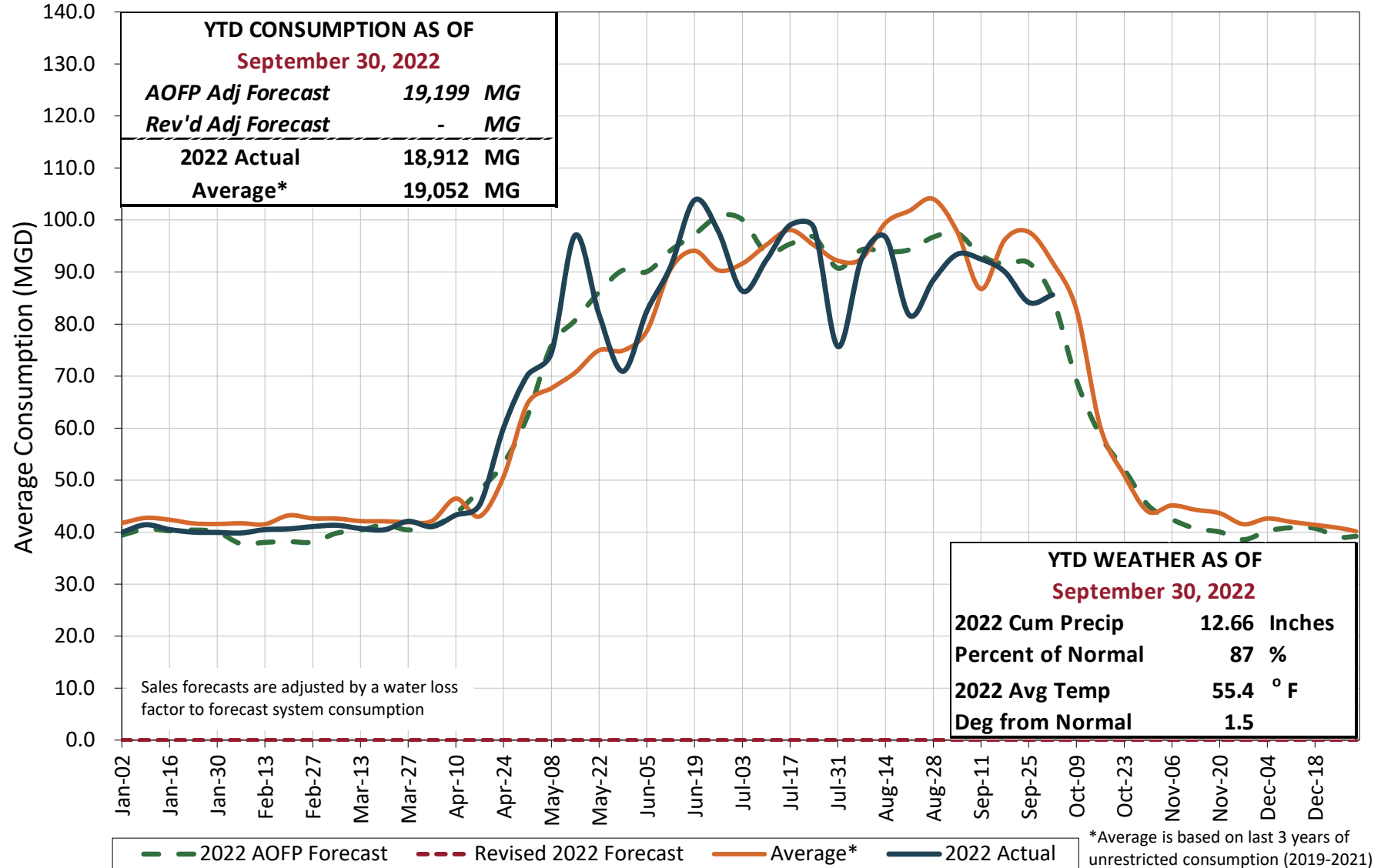
- Averaging 69.1 MGD, 18.9 BG total
 - 1.4% more than 2021
 - 0.25 Billion Gallons more than 2021



Monthly Water Use for September



2022 Actual Consumption (Weekly Data)



Reservoir Levels

September 30, 2022

- Pikes Peak 62 %
 - 91-21 Avg. 69 %
- Rampart 65 %
 - 91-21 Avg. 67 %
- Local Total 64 %
 - 91-21 Avg. 68 %
- System Total 75 %
 - 91-21 Avg. 77 %



Upper Blue Reservoir

Colorado Springs' System Wide Storage:

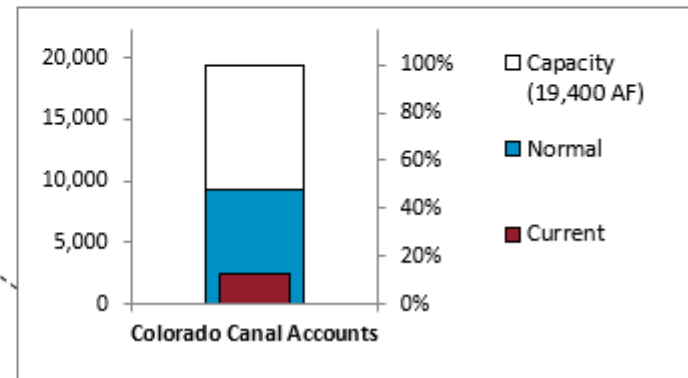
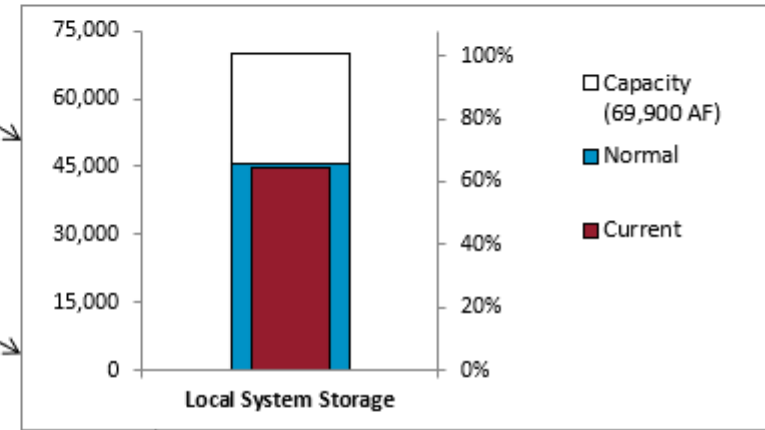
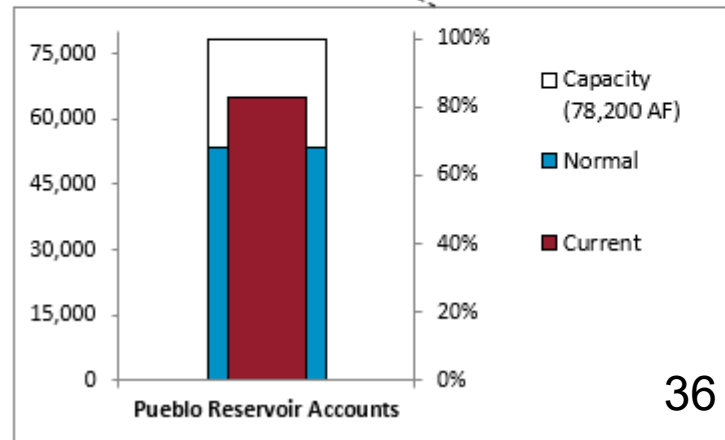
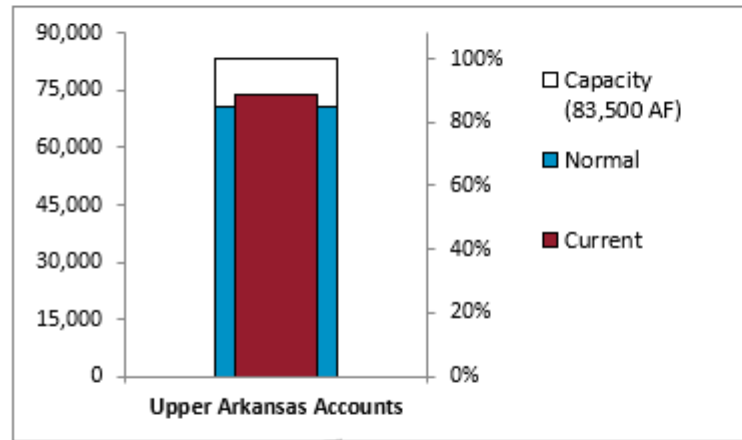
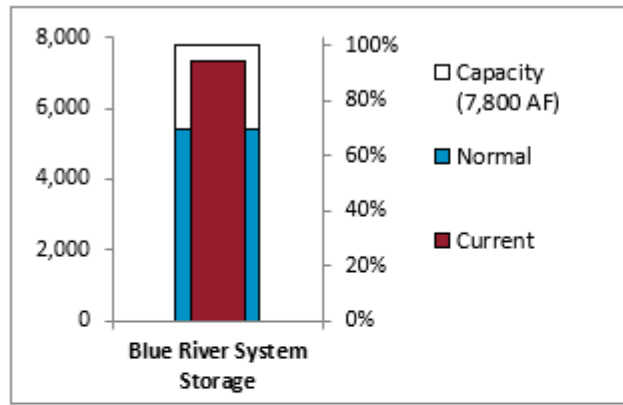
September 30, 2022 193,500 af

74.8 %

2001-2021 avg 184,600 af

71.3 %

Average YTD Demand 69 MGD



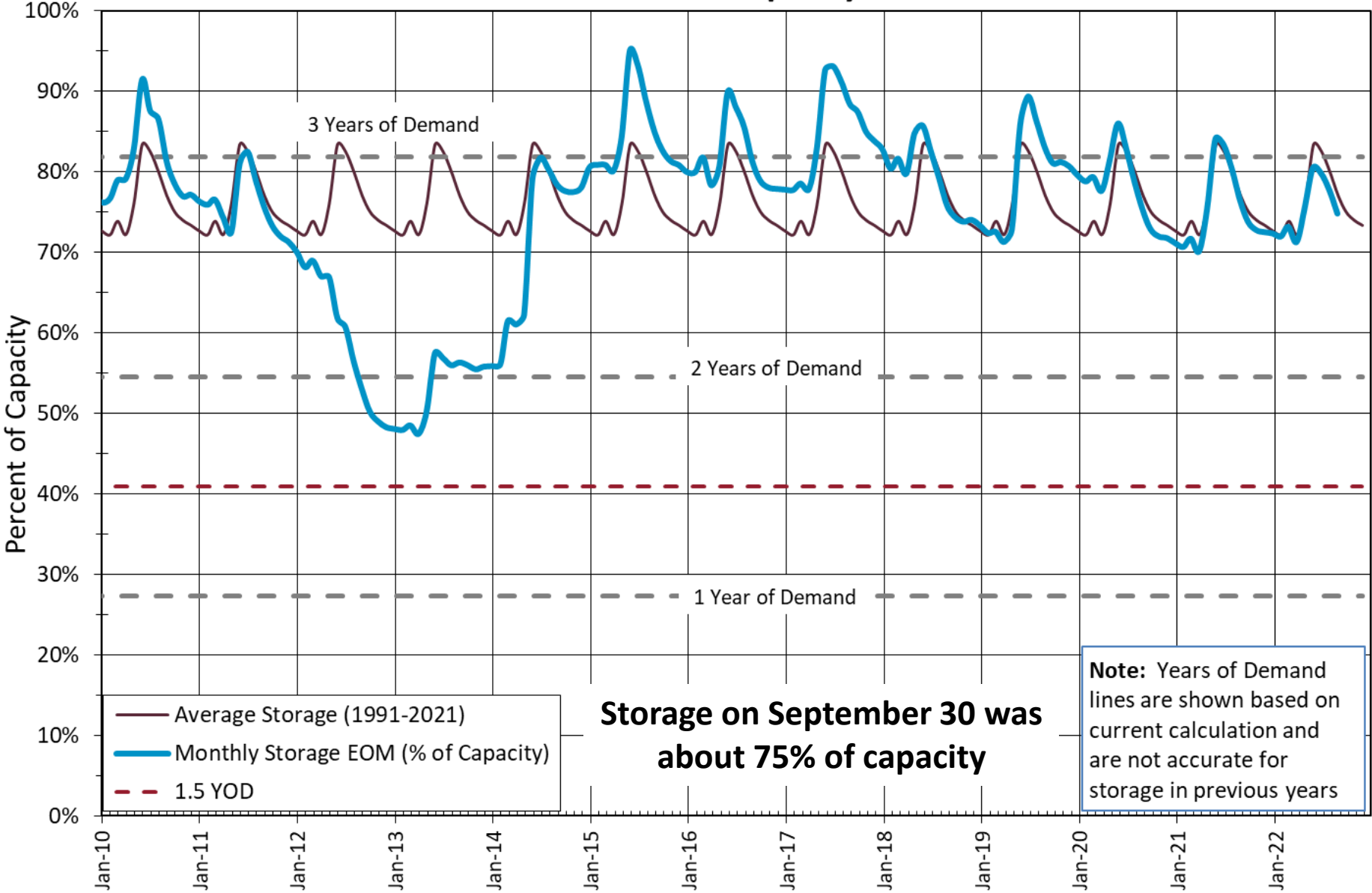
MAX. 20 MGD

MAX. 68 MGD



36 of 178

Monthly Storage Percent of Capacity



2022 Regional Water Contracts

Donala Water & Sanitation District

- Through September 30, 2022: Conveyed 125.10 AF for \$476,277
- Premium to Municipal Government: \$79,380

Security Water District

- Through September 30, 2022: Conveyed 17.0 AF for \$85,295
- Premium to Municipal Government: \$14,215

Outside Service Area Augmentation Leases - PF, LLC (Seven Falls), Emerald Valley Ranch

- Through September 30, 2022: Leased 4.0 AF for \$2,196
- Premium to Municipal Government: \$366

Total 2022 YTD Revenue from Regional Contracts: \$563,769



Water Outlook

- Situation Outlook Summary
 - System-wide storage at 75% of capacity, slightly below our long-term average
 - About 2.7 years of demand in storage, based on the past 3 years of demand
 - Have 217 days of demand in local storage
- The 12-week EDDI shows mixed evaporative demands for CO; Conditions have improved but some dryness remains across the state
- Three-month outlook predicts
 - Much higher chances of above-average temperatures across Colorado
 - Higher chances of below-average precipitation across Colorado
 - Forecasting a third consecutive La Niña winter, which tends to favor drier weather in southwest U.S. and wetter weather to the north
- We continue to monitor supply, demand, and storage to maximize available water supply



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Board Memo Agenda Item

Staff Report

Date: October 19, 2022
To: Utilities Board
From: Aram Benyamin, Chief Executive Officer
Subject: An Ordinance Pertaining to the Extension of Water Service

NARRATIVE:

Desired Action: Discussion

Executive Summary: As a result of persistent drought in the western United States and Colorado River Basin and due to increasing demands on the City's water supply, attached please find a proposed ordinance requiring that extensions of Colorado Springs Utilities' water service boundary be approved by a supermajority vote of Councilmembers present and supported by a written record demonstrating that: (1) the City's water rights are sufficient to meet at least 130% of all water service obligations, including existing demand and the projected demand for water services within the proposed extension of services, and the area shares at least 25% contiguity with the City boundary; (2) a unique and extraordinary event or circumstance necessitates an extension of water services to serve critical interests of the City; or (3) the area is entirely contained within the City limits, or the area is owned or leased by the City, or the extension of water service to the area has a de minimis impact on the overall City's water rights.

Benefits: Providing increased assurance that the City's water rights will meet existing and anticipated water service obligations.

Board Policy: I-7 Water Resource Management

Cost/Budget: If approved, this Ordinance may limit Utilities' water and wastewater revenue growth resulting from expansion of Utilities' water service boundary. This may necessitate additional water and wastewater rate increases. Densification within Utilities' existing water service boundary would mitigate the need for rate increases.

Affected Parties: Owners of property not currently located within the City's existing boundaries who are not currently receiving water service from Colorado Springs Utilities.

Alternatives: N/A

Submitter: Bethany Burgess, City Attorney

Email address: bethany.burgess@coloradosprings.gov

Division/ Department: Division Chief – Utilities, Office of the City Attorney

Phone number: 719-385-5909

Date submitted: October 12, 2022

SPG Staff Use Only: Consent Calendar

Yes

No

ITEM NO. 8

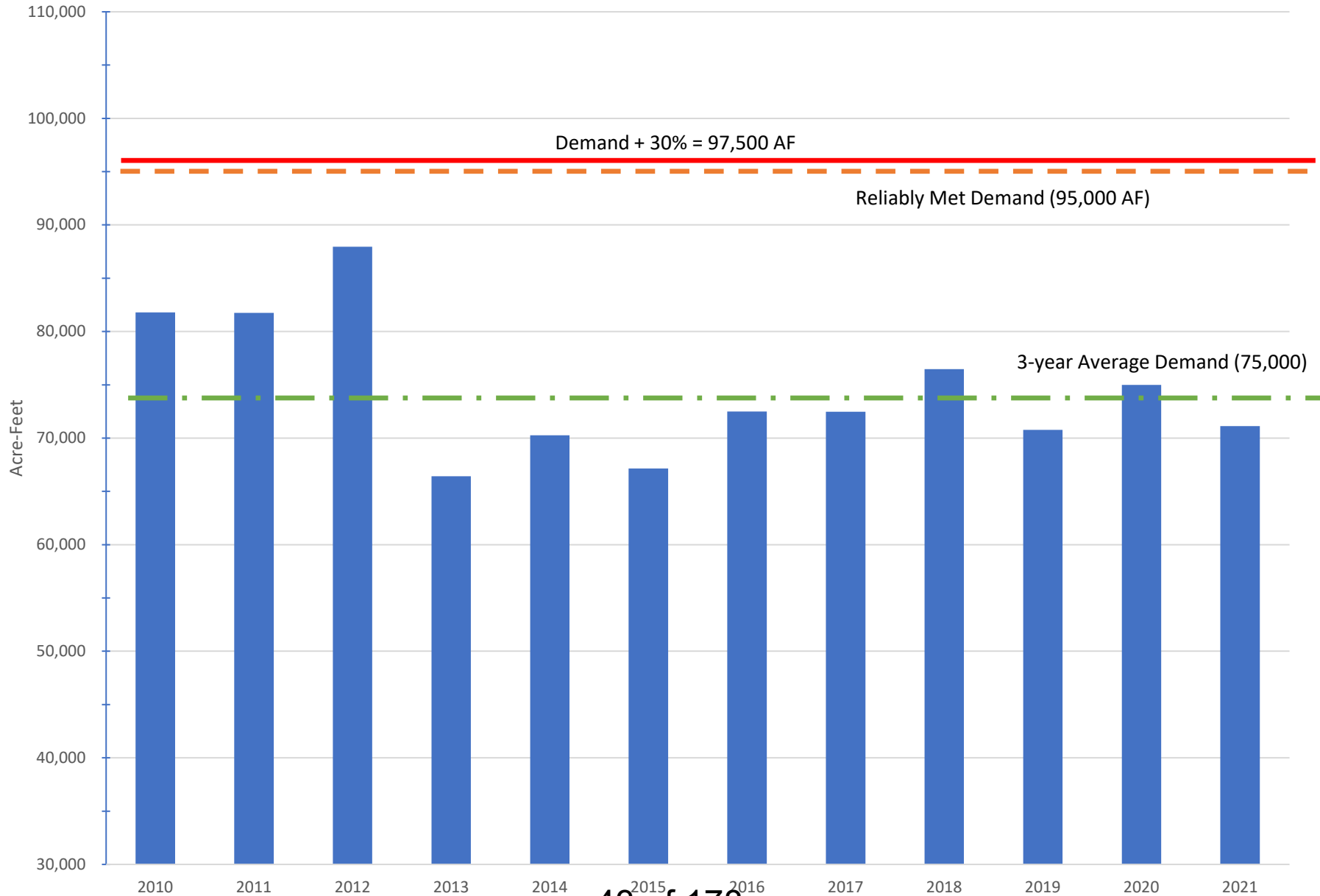


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Ordinance – Extension of Water Service

October 19, 2022

Annual Demand (Acre-Feet)



ORDINANCE NO. 22-_____

AN ORDINANCE CREATING SECTION 305 (SERVICE; EXTENSION LIMITATION) OF PART 3 (WATER SERVICE) OF ARTICLE 4 (WATER CODE) OF CHAPTER 12 (UTILITIES) OF THE CODE OF THE CITY OF COLORADO SPRINGS 2001, AS AMENDED, PERTAINING TO THE EXTENSION OF WATER SERVICE

WHEREAS, persistent drought in the western United States and Colorado River Basin have placed a risk of future constraints on the City's water supply; and

WHEREAS, the City Council recognizes that enclaves and irregularly shaped boundaries create an inefficient delivery of municipal services which should be avoided; and

WHEREAS, the City Council has legislative discretion over water services within and outside of the City, as set forth in City Charter section 6-70 (Utility Rates) and Part 2 (Annexations) of Article 6 (Planning Commission and Annexations) of Chapter 7 (Planning, Development, and Building); and

WHEREAS, the City Council adopts this ordinance to reasonably limit the extension of water services.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF COLORADO SPRINGS:

Section 1. Section 305 (Service; Extension Limitation) of Part 3 (Water Service) of Article 4 (Water Code) of Chapter 12 (Utilities) of the Code of the City of Colorado Springs 2001, as amended, is created to read as follows:

12.4.305: SERVICE; EXTENSION LIMITATION:

A. Due to increasing demands on the City's water supply, and to ensure that the City's water rights will meet existing and anticipated water service obligations, extending water service into any area not within either the existing City limits or the water service boundary as of the effective date of this section is subject to the recommendation of approval by the Utilities Board and approval by City Council.

B. City Council approval shall require a vote of a supermajority of at least 66% of the Councilmembers present finding that the proposed water extension is warranted based on a substantiated and written record demonstrating that:

1. The City's water rights are sufficient to meet at least 130% of all water service obligations, including existing demand and the projected demand for water services within the proposed extension of services, and the area shares at least 25% contiguity with the City boundary; or

2. A unique and extraordinary event or circumstance necessitates an extension of water services to serve critical interests of the City; or

3. The area is entirely contained within the City limits, or the area is owned or leased by the City, or extension of water service to the area has a de minimis impact on the overall City's water rights.

C. This section shall apply to any extension of Utilities water services notwithstanding any provision to the contrary.

Section 2. This ordinance shall be in full force and effect from and after its final adoption and publication as provided by Charter.

Section 3. Council deems it appropriate that this ordinance be published by title and summary prepared by the City Clerk and that this ordinance be available for inspection and acquisition in the office of the City Clerk.

Introduced, read, passed on first reading and ordered published this ____ day of _____, 2022.

Finally passed: _____

Council President

ATTEST:

Sarah B. Johnson, City Clerk

CAO: _____
COS: _____

Board Memo Agenda Item

Staff Report

Date: October 19, 2022
To: Utilities Board
From: Aram Benyamin, Chief Executive Officer
Subject: Colorado Springs Underground Damage Prevention Safety Program Update

NARRATIVE:

Desired Action: Discussion

Executive Summary: The Colorado Springs Underground Damage Prevention Safety Program is a city ordinance (City Code, Chapter 12 Section 10) which enables Colorado Springs to bring the enforcement of Colorado's excavation and one call law, from the hands of a State Commission, down to the local level for closer oversight.

After completion of public process, the Program was approved in late 2020 and effective Jan. 1, 2021. Outreach and education were conducted throughout 2021 and monetary fines began Jan. 1, 2022. In accordance with the ordinance, Regulatory and Compliance Program Manager Shelly Dornick has been appointed as the Program Manager for this safety program.

Benefits: The Pipeline and Hazardous Materials Safety Administration (PHMSA) recently completed its annual review of Colorado's enforcement measures to include the Colorado Springs Utilities' Underground Damage Prevention Safety Program. This resulted in both the state and local safety program meeting the requirements for an adequate determination for the State of Colorado.

Board Policy: N/A

Cost/Budget: N/A

Affected Parties: N/A

Alternatives: N/A

Submitter: Melissa Brown	Email address: mbrown@csu.org
Division/ Department: Operations / Regulatory and Compliance	Phone number: 719-668-8429
	Date submitted: October 10, 2022

SPG Staff Use Only: Consent Calendar	<input type="checkbox"/>	Yes	<input checked="" type="checkbox"/>	No	ITEM NO. 10
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Colorado Springs Underground Damage Prevention Safety Program Update

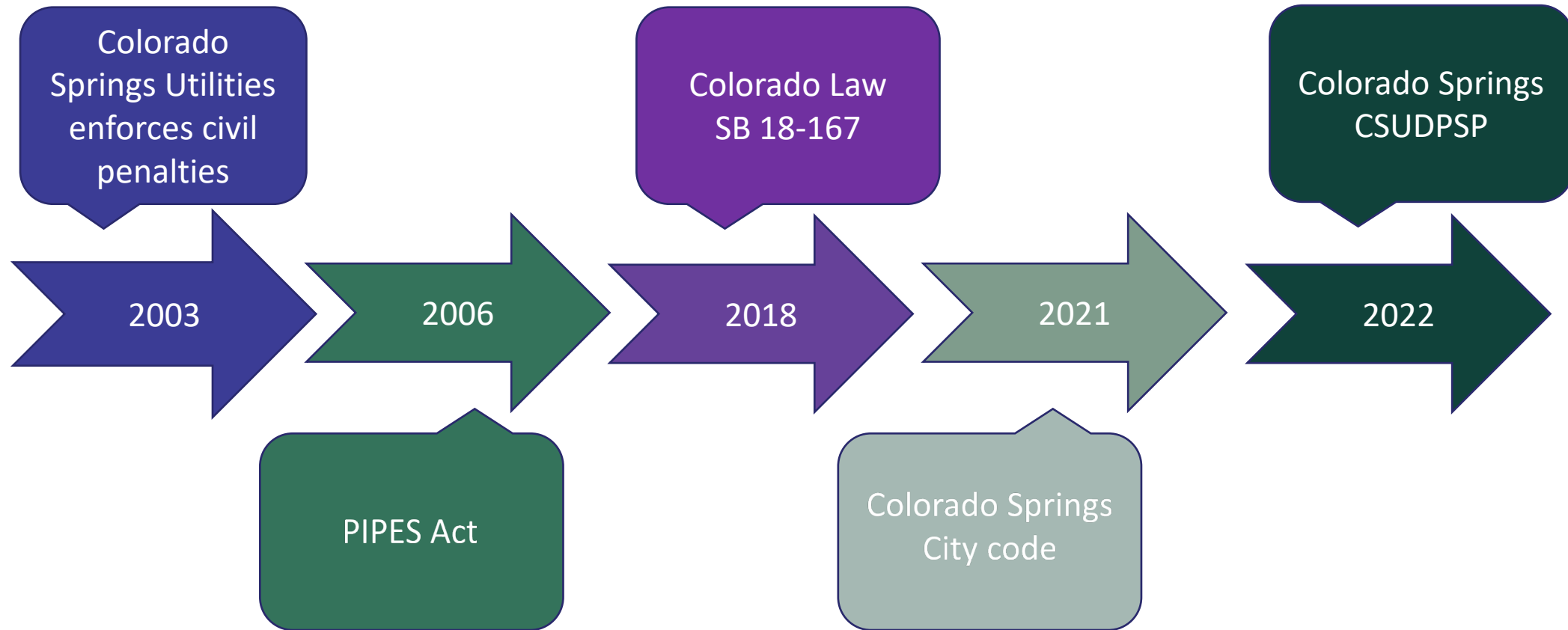
October 19, 2022

Shelly Dornick, Regulatory and Compliance Program Manager

Introductions

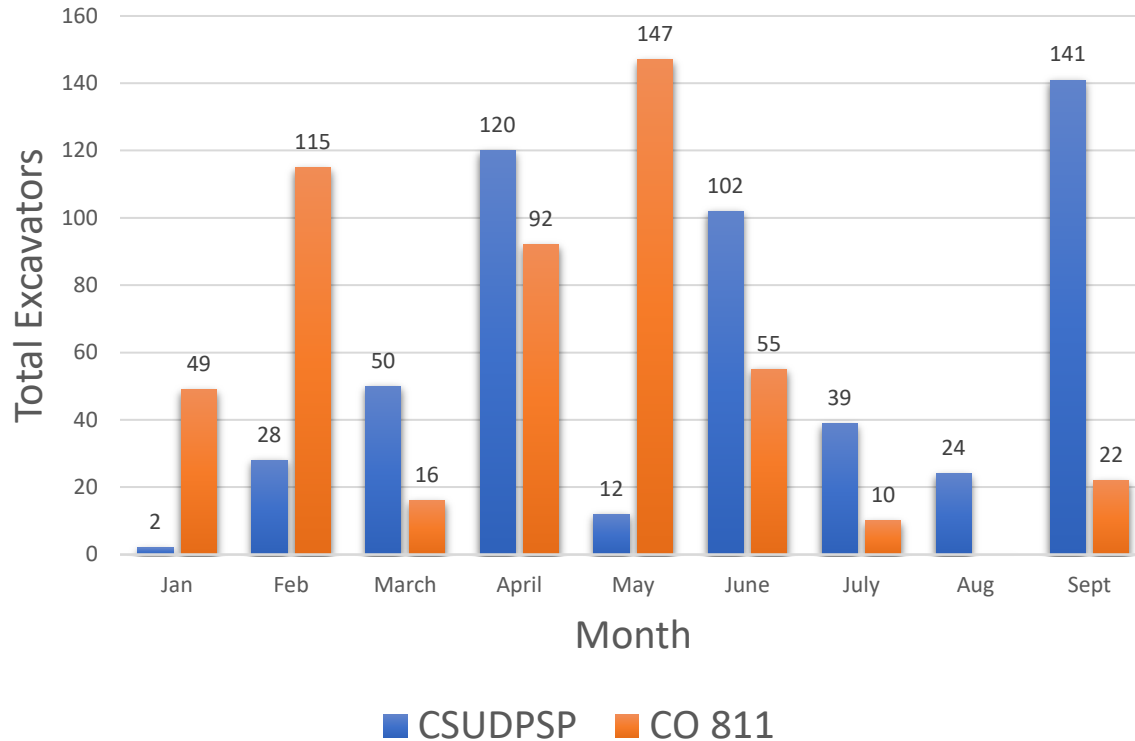
- **Shelly Dornick**
 - **Program Manager Colorado Springs Underground Damage Prevention Safety Program**
 - **Over 20 years working in Damage Prevention with Colorado Springs Utilities**
 - **Director Colorado 811 Board**
 - **Chairperson of El Paso County Damage Prevention Council**
- **Sean Frech**
 - **22 Years utility industry**
 - **Regulatory and Compliance Specialist Senior**

How did we get here?



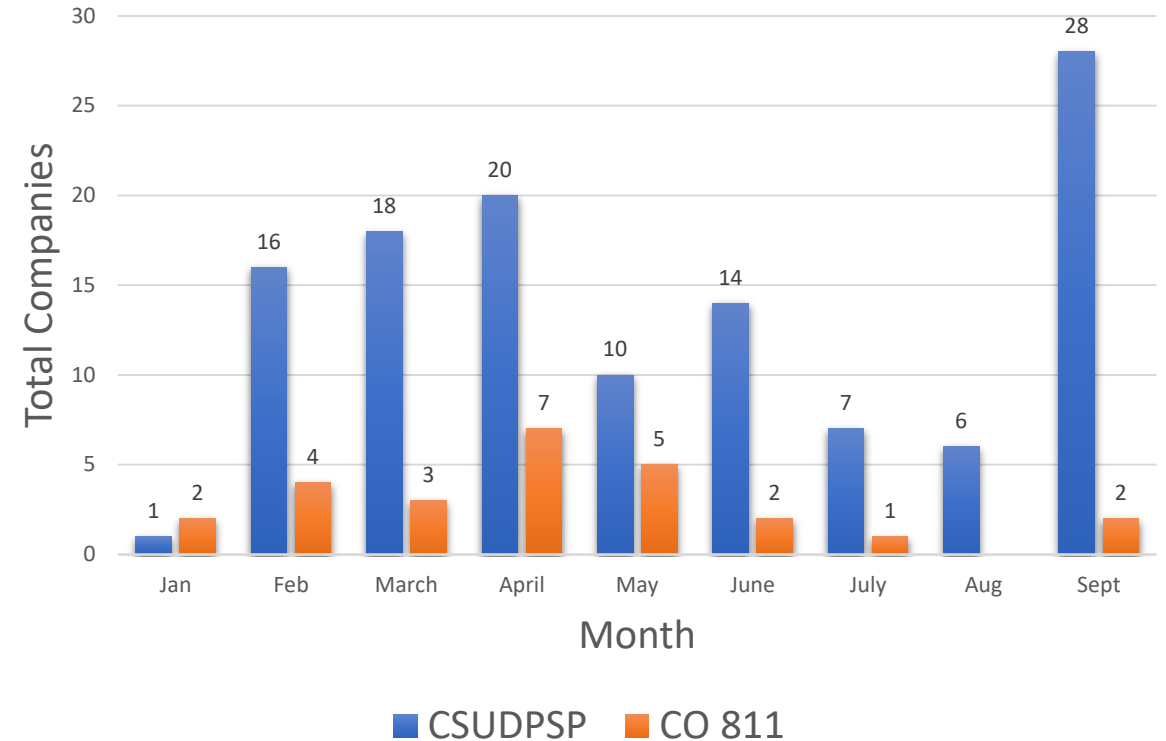
Education – January – September 2022

Education Attendance - Excavators



1024 Total Excavators Educated

Education Attendance - Companies



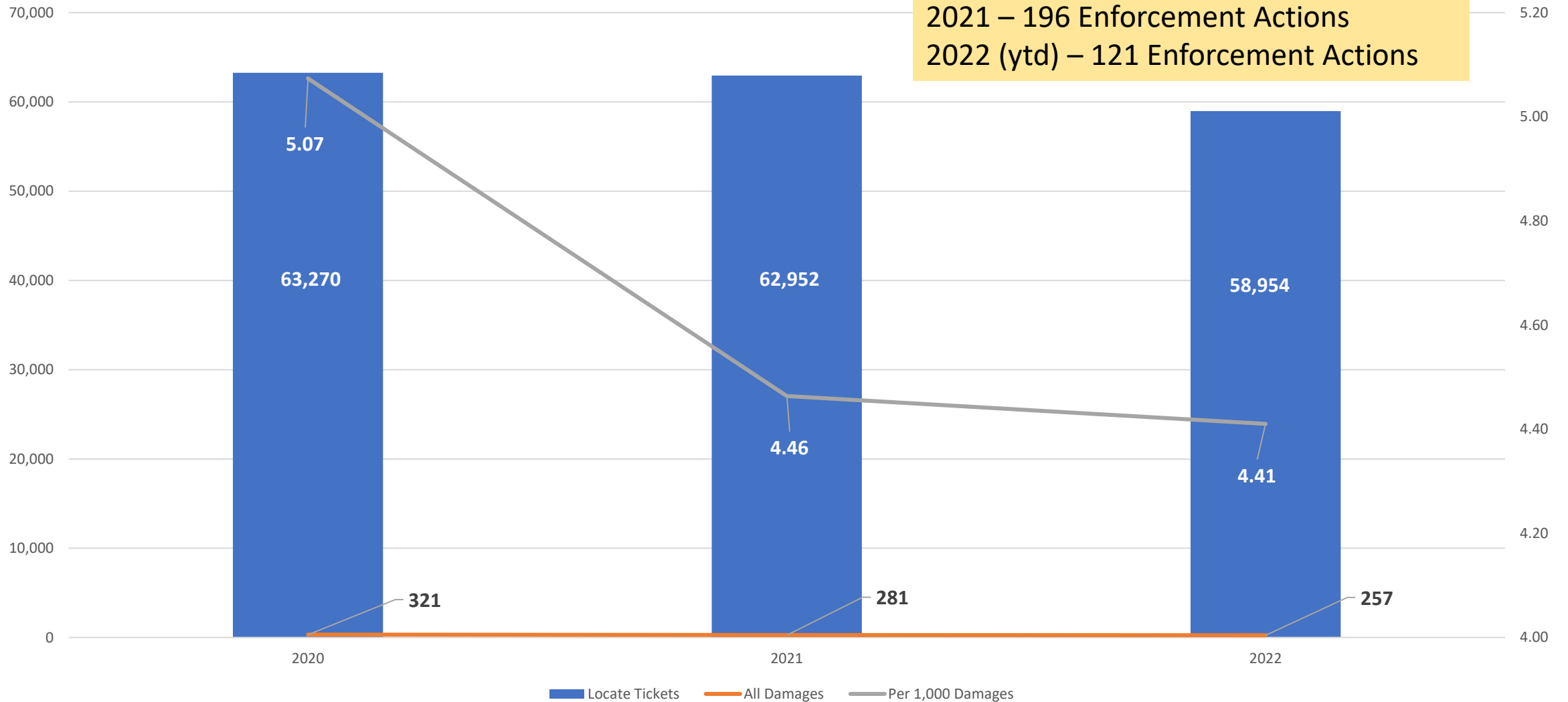
146 Total Companies Educated

Total Damages Per 1,000 Tickets

January – August

2020-2022

2021 – 196 Enforcement Actions
 2022 (ytd) – 121 Enforcement Actions



Audit Results



U.S. Department
of Transportation
**Pipeline and
Hazardous
Materials Safety
Administration**

- On September 9, 2022, the U.S. Department of Transportation’s Pipeline and Hazardous Materials Safety Administration (PHMSA) conducted an evaluation of the Colorado Division of Oil and Public Safety’s and the City of Colorado Springs’s enforcement of the Colorado excavation damage prevention law.
- Based on this evaluation, PHMSA has determined that the enforcement of Colorado’s excavation damage prevention law is “adequate.”
- Additional observations:
 - The Colorado State Safety Commission was advised to model their remediation process after the Colorado Springs process.
 - Colorado received a near perfect score!



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Board Memo Agenda Item

Staff Report

Date: October 19, 2022
To: Utilities Board
From: Aram Benyamin, Chief Executive Officer
Subject: Municipal Government Street Lighting

NARRATIVE:

Desired Action: Discussion

Executive Summary: The street lighting infrastructure operated by Colorado Springs Utilities within the City of Colorado Springs is part of the system of utilities owned and operated for the convenience and necessity of the residents of the City. Colorado Springs City Code § 12.9.103 authorizes Springs Utilities to assess and collect a street lighting service charge from the City for the provision of street lighting services. Additionally, City Code § 12.9.105 requires Utilities to annually prepare a revenue requirement for the provision of street lighting service setting forth the amount that must be recovered for the provision of street lighting service pursuant to City Code § 12.9.103.

Utilities will be requesting that City Council set the Street Lighting Revenue Requirement for the provision of street lighting services from January 1, 2023 through December 31, 2023 in the amount of \$4,401,000.

Benefits: Supports the 2023 Preliminary Budget and Annual Operating and Financial Plan

Board Policy: Pricing of Services (I-1)

Cost/Budget: The 2023 Municipal Government Street Lighting Revenue Requirement is consistent with amounts included in the 2023 Preliminary Budget.

Affected Parties: City of Colorado Springs

Alternatives: Utilities Board to provide alternative direction

Submitter: Scott Shirola	Email address: sshirola@csu.org
Division/ Planning and Finance	Phone number: (719) 668-8661
Department: Division/Pricing and Rates	Date submitted: October 12, 2022

SPG Staff Use Only: Consent Calendar

Yes

No

ITEM NO. 11



Colorado Springs Utilities
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Municipal Government Street Lighting

Scott Shirola, Pricing and Rates Manager

October 19, 2022

Background

- Two distinct Street Lighting services
 - Municipal Government (MG) Street Lighting service
 - Electric Contract Service – Street Light (Tariff E7SL)
- Municipal Government Street Lighting
 - Established by City Code as a separate service of Colorado Springs Utilities
 - Cost of Service based MG Street Lighting Revenue Requirement calculation
- Electric Street Light – E7SL
 - Tariff rate available in Colorado Springs Utilities' Electric service territory

2023 Revenue Requirement

Municipal Government Street Lighting by Resolution

Line No.	Description	2022	2023	Difference
<u>(a)</u>	<u>(b)</u>	<u>(c)</u>	<u>(d)</u>	<u>(e)</u>
1	Direct Functional Expenditures			
2	Operation and Maintenance	\$ 1,114,820	\$ 1,383,968	\$ 269,148
3	Administrative and General	899,725	912,571	12,846
4	Debt Service	504,628	473,001	(31,627)
5	Cash Funded Capital	832,812	1,025,682	192,870
6	Additions to Cash	(1,147,462)	(1,327,643)	(180,181)
7	Less: Revenue Credits	13,324	17,686	4,362
8	Total Direct Functional Expenditures	\$ 2,191,200	\$ 2,449,893	\$ 258,693
9	Allocated from 2018 Electric Cost of Service Study	1,127,715	1,127,715	-
10	Total Cost of Service	\$ 3,318,915	\$ 3,577,608	\$ 258,693
11	Fuel	756,085	823,392	67,307
12	Total Street Lighting	\$ 4,075,000	\$ 4,401,000	\$ 326,000

Street Light Revenue Requirement Summary

Year Approved	Service Period	Resolution Number	Amount
2016	Jan 1 - Dec 31, 2017	121-16	\$ 4,075,140
2017	Jan 1 - Dec 31, 2018	131-17	4,075,000
2018	Jan 1 - Dec 31, 2019	123-18	4,075,000
2019	Jan 1 - Dec 31, 2020	113-19	4,075,000
2020	Jan 1 - Dec 31, 2021	100-20	4,075,000
2021	Jan 1 - Dec 31, 2022	151-21	4,075,000
Proposed 2022	Jan 1 - Dec 31, 2023		4,401,000

Next Steps

- November 8, 2022 – City Council Meeting
 - Propose Resolution setting Municipal Government Street Lighting Revenue Requirement



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Board Memo Agenda Item

Staff Report

Date: October 19, 2022
To: Utilities Board
From: Aram Benyamin, Chief Executive Officer
Subject: Public Utility Regulatory Policies Act (PURPA)

NARRATIVE:

Desired Action: Discussion

Executive Summary: The federal Public Utilities Regulatory Policies Act (PURPA) was established in 1978 to promote conservation and efficiency in response to the energy crisis of the 1970s. Section 111(a) of PURPA, 16 U.S.C 2621, requires electric utilities to consider each standard established by subsection (d) and make determinations of the appropriateness of implementing such standards.

The 2021 Infrastructure Investment and Jobs Act added two new standards for mandatory consideration under PURPA, Section 111(d). Procedural compliance requires Colorado Springs Utilities to commence a 12-month consideration period, for demand response/demand flexibility and electric vehicle charging rates, by November 15, 2022. Springs Utilities anticipates requesting approval of a resolution opening a proceeding to consider the new standards at the November 8, 2022 City Council meeting. Eventual findings and determinations are expected to be incorporated into a future rate case proceeding.

Benefits: Procedural compliance with federal standards.

Board Policy: N/A

Cost/Budget: N/A

Affected Parties: Colorado Springs Utilities' electric customers.

Alternatives: Utilities Board to provide alternative direction.

Submitter: Scott Shirola	Email address: sshirola@csu.org
Division/ Department: Planning and Finance Division/Pricing and Rates	Phone number: (719) 668-8661
	Date submitted: October 12, 2022

SPG Staff Use Only: Consent Calendar

Yes

No

ITEM NO. 12



Colorado Springs Utilities
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Public Utilities Regulatory Policies Act

Scott Shirola, Pricing and Rates Manager

October 19, 2022

Background

- Public Utility Regulatory Policies Act (PURPA) of 1978
 - Established to promote conservation and efficiency
 - Requires electric utilities to consider implementation of established standards
- Additional standards for consideration established in:
 - Energy Policy Acts of 1992 and 2005
 - Energy Independence and Security Act of 2007
 - Infrastructure Investment and Jobs Act (IIJA) of 2021

IIJA Standards – Shall Consider

- Demand Response and Demand Flexibility
 - Promotion of demand-response and demand flexibility practices to reduce electricity consumption during periods of unusually high demand
 - Establishment of rate mechanisms for the timely recovery of the cost of promoting demand response and demand flexibility practices
- Electric Vehicle (EV) Charging Rates
 - Promotion of affordable and equitable EV charging options
 - Improvement of customer experience associated with EV charging
 - Acceleration of third-party investment in EV charging
 - Appropriate recovery of the marginal cost of delivering electricity to EVs and EV charging infrastructure

Procedural Requirements

- Commence consideration by November 15, 2022
 - Resolution opening proceeding to consider new standards
 - November 8, 2022 Regular City Council Meeting
- Findings and determination by November 15, 2023
 - Decision and Order and Resolution to be incorporated into 2024 Rate Case
 - November 14, 2023 Regular City Council Meeting (tentative schedule)



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Board Memo Agenda Item

Staff Report

Date: October 19, 2022
To: Utilities Board
From: Aram Benyamin, Chief Executive Officer
Subject: 2022 Supplemental Appropriation to Annual Budget and Sources of Funds

NARRATIVE:

Desired Action: Discussion

Executive Summary: Colorado Springs Utilities (Utilities) determined that a supplemental budget appropriation is necessary in the amount of \$275,974,579, primarily due to increased fuel costs and capital expenditures. An amendment is necessary to increase the Annual Sources of Funds by the amount of \$305,663,241, to reflect an overall increase in revenues recovering fuel costs. Utilities' base rates will not be impacted by this supplemental appropriation because the relevant funds related to Utilities' Electric and Gas Cost Adjustments have already been made.

Benefits: Discussion about amending the Utilities annual sources and uses for 2022.

Board Policy: Financial Condition and Activities (I-2)

Cost/Budget: Utilities sources of funds would be increased by \$305,663,241 and the uses by \$275,974,579.

Affected Parties: N/A

Alternatives: N/A

Submitter: John Hunter	Email address: jhunter@csu.org
Division/ Department: Planning and Finance Division/Pricing and Rates	Phone number: (719) 668-8711
	Date submitted: October 12, 2022

SPG Staff Use Only: Consent Calendar

Yes

X

No

ITEM NO. 13



Colorado Springs Utilities
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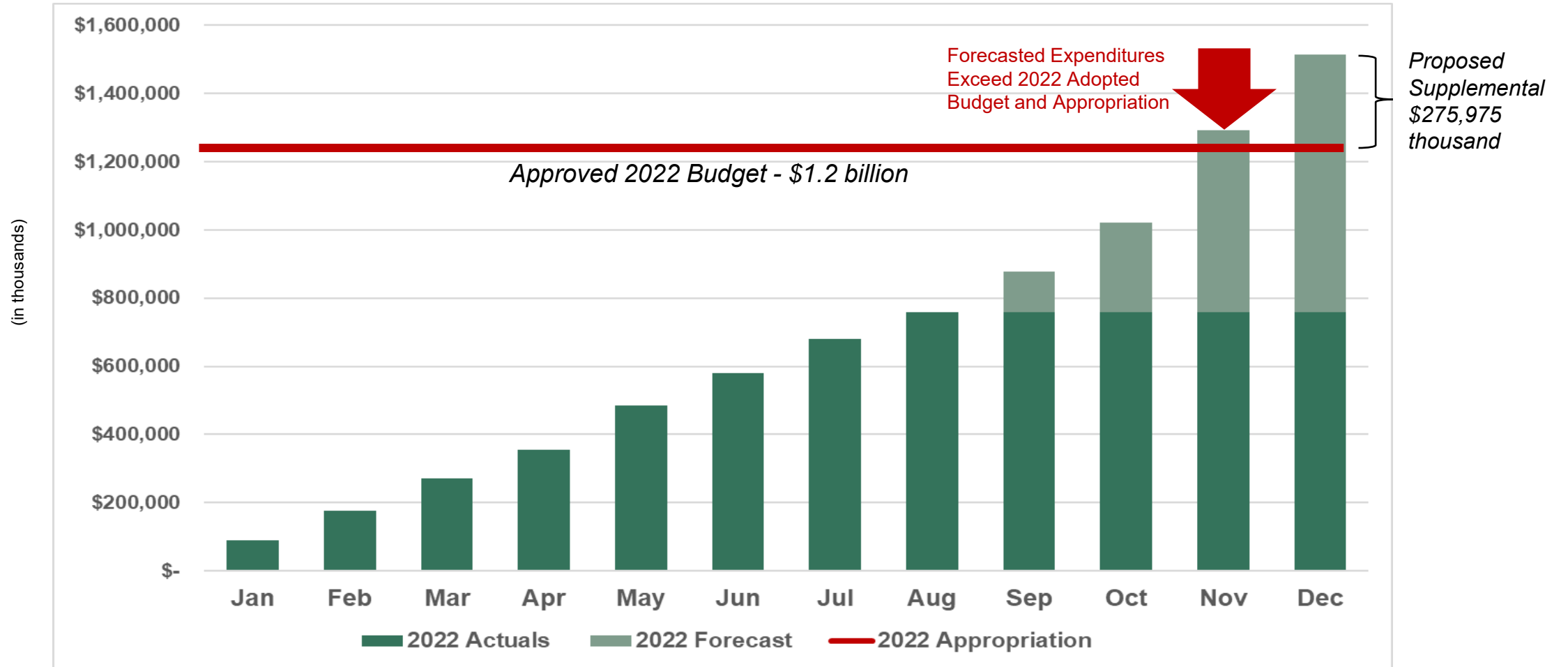
2022 Supplemental Appropriation to Annual Budget and Sources of Funds

Tristan Gearhart, Chief Planning and Finance Officer

October 19, 2022

City Code § 12.1.104

Supplemental Appropriations Ordinance must be approved in order for Utilities to expend funds in excess of the original appropriation



Uses of Funds (in thousands)

Budget Summary (in thousands)

	2022 Projected Year-end	2022 Approved Budget	Increase / (Decrease)	% Change
Total Uses of Funds	\$1,512,145	\$1,236,170	\$ 275,975	22.3%

Key Drivers

- Increased electric and natural gas fuel related costs (\$244 million)
- Increased capital expenditures related to water rights acquisition (\$27 million)

Sources of Funds (in thousands)

Revenue Summary (in thousands)

	2022 Projected Year-end	2022 Approved Budget	Increase / (Decrease)	% Change
Total Sources of Funds	\$1,489,829	\$1,184,166	\$ 305,663	25.8%

Key Drivers

- Revenue recovering increased fuel costs

Next Steps

- October 25: City Council – First Reading
- November 8: City Council – Second Reading (Propose Consent)
 - Ordinance amending approved 2022 Budget and Sources of Funds



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Board Memo Agenda Item

Staff Report

Date: October 19, 2022
To: Utilities Board
From: Aram Benyamin, Chief Executive Officer
Subject: Pueblo Board of Water Works Clear Creek Reservoir Intergovernmental Agreement (IGA)

NARRATIVE:

Desired Action: Discussion

Executive Summary: Pueblo Water is the owner and operator of Clear Creek Reservoir, located in the Upper Arkansas Basin in Chaffee County. Pueblo Water is investigating and intends to pursue a project to enlarge the current Clear Creek Reservoir capacity of 11,015 acre feet to approximately 30,000 acre feet of capacity. Colorado Springs Utilities desires to participate with Pueblo Water in investigating the feasibility of an additional enlargement of Clear Creek Reservoir.

Colorado Springs Utilities and Pueblo Water have negotiated the attached intergovernmental agreement that provides the terms of Colorado Springs Utilities' participation in the feasibility study and for Colorado Springs Utilities and Pueblo Water to negotiate further intergovernmental agreements for Colorado Springs Utilities' participation in the enlargement of Clear Creek Reservoir if the study determines an enlargement is feasible.

Colorado Springs Utilities will be requesting Utilities Board authorization to take a resolution approving the intergovernmental agreement to City Council on the consent calendar.

Benefits: Developing the Integrated Water Resource Plan goal of 90,000 to 120,000 acre-feet of new storage.

Board Policy: None

Cost/Budget: The cost of the feasibility study is \$304,056.00 and will be shared equally.

Affected Parties: Colorado Springs Utilities and Pueblo Board of Water Works

Alternatives: N/A

Submitter: Kim Gortz

Email address: kgortz@csu.org

Division/ System Planning and Projects

Phone number: 719-668-8030

Department: Water Resources Planning

Date submitted: Sept. 23, 2022

SPG Staff Use Only: Consent Calendar

Yes

X

No

ITEM NO. 14



Colorado Springs Utilities
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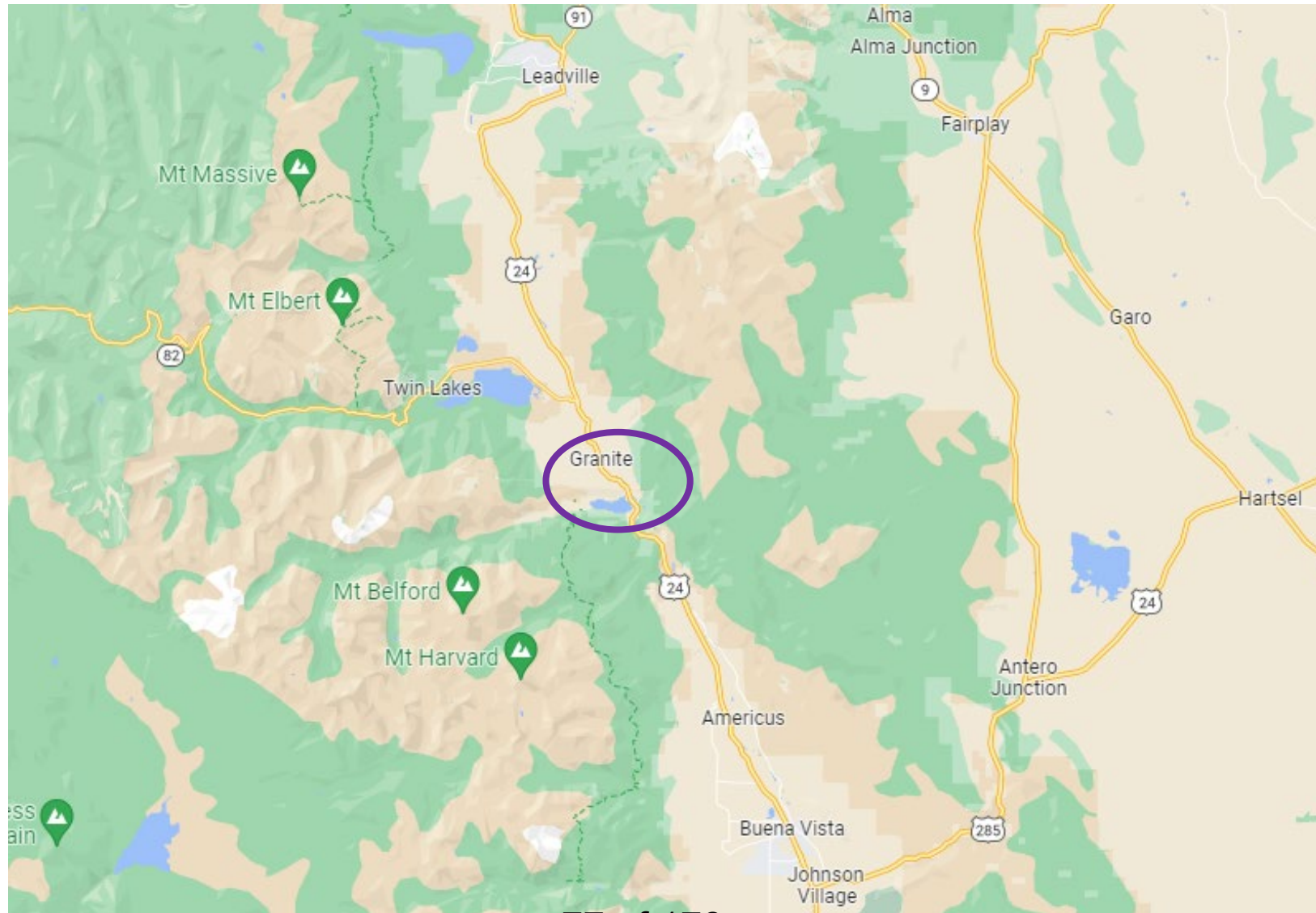
Pueblo Board of Water Works Clear Creek Reservoir Intergovernmental Agreement (IGA)

Kim Gortz, Water Resources Planning Supervisor

PBWW Clear Creek Reservoir IGA

- PBWW owns and operates Clear Creek Reservoir, located near Granite, CO in Chaffee County.
- PBWW is conducting a study to determine the feasibility of enlarging the reservoir from 11,015 acre-feet to approximately 30,000 acre-feet of capacity.
- Colorado Springs Utilities desires to investigate the feasibility of an additional enlargement of the reservoir to assist with meeting the future water supply demands of its customers.
- The parties negotiated an IGA providing for Colorado Springs Utilities' participation in the feasibility study and for the parties to negotiate further intergovernmental agreements for Colorado Springs Utilities' participation in the enlargement.

Project Location



Recommendation

- Proceed with consideration of IGA on City Council consent agenda for the November 8, 2022, meeting.



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A RESOLUTION APPROVING AN INTERGOVERNMENTAL AGREEMENT BY AND BETWEEN THE CITY OF COLORADO SPRINGS, COLORADO ON BEHALF OF ITS ENTERPRISE COLORADO SPRINGS UTILITIES, AND THE BOARD OF WATER WORKS OF PUEBLO, COLORADO

WHEREAS, the City of Colorado Springs (the “City”) on behalf of its enterprise Colorado Springs Utilities is authorized to enter into intergovernmental agreements with other Colorado governmental entities for the provision of any function or service with the approval of the City Council of the City of Colorado Springs (“City Council”); and

WHEREAS, the Board of Water Works of Pueblo, CO (“Pueblo Water”) is a public municipal utility that provides water service to the City of Pueblo, Colorado, and other water users within the vicinity of the City of Pueblo, Colorado; and

WHEREAS, Pueblo Water operates and controls Clear Creek Reservoir located in the Upper Arkansas Basin, Chaffee County, Colorado, and its decreed water storage rights of 11,439 acre-feet of absolute storage and 18,561 acre-feet of conditional storage; and

WHEREAS, Pueblo Water is investigating the feasibility of constructing an enlargement to Clear Creek Reservoir to improve the water supply for Pueblo Water; and

WHEREAS, Colorado Springs Utilities desires to participate with Pueblo Water in the investigation of the feasibility of an enlargement of Clear Creek Reservoir to allow Colorado Springs Utilities to, among other things, meet the water supply demands of a growing population, mitigate against droughts, and diversify its water storage portfolio, all consistent with Colorado Springs Utilities’ Integrated Water Resources Plan, and if it is feasible for the Parties to enlarge Clear Creek Reservoir to a size that exceeds Pueblo Water’s current needs and Colorado Springs Utilities’ future needs, to negotiate a further agreement for Colorado Springs Utilities to participate in the enlargement of Clear Creek Reservoir and to acquire a right to store water therein to meet its water supply demands; and

WHEREAS, Colorado Springs Utilities and Pueblo Water recognize that it is in their mutual interests to work collaboratively to investigate the feasibility of enlarging Clear Creek Reservoir; and

WHEREAS, Colorado Springs Utilities and the County desire to enter into the attached intergovernmental agreement that enables Colorado Springs Utilities to participate in and contribute funds to Pueblo Water’s feasibility study for the enlargement of Clear Creek Reservoir and outlines the circumstances under which Colorado Springs Utilities will have the first right to negotiate future intergovernmental agreements under

which Colorado Springs Utilities and Pueblo Water will pursue the design, permitting, construction, operation, and maintenance of an enlargement of Clear Creek, and the allocation of enlarged storage therein as between Pueblo Water and Colorado Springs Utilities; and

WHEREAS, City Council has determined that it is in the best interests of the City and Colorado Springs Utilities to enter into the Intergovernmental Agreement, attached hereto and incorporated herein.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF COLORADO SPRINGS:

Section 1. The City Council hereby finds that approval of the attached Intergovernmental Agreement is in the best interests of the citizens of the City of Colorado Springs and the ratepayers of Colorado Springs Utilities, and hereby approves the attached Intergovernmental Agreement.

Section 2. The City Council hereby authorizes the Chief Executive Officer of Colorado Springs Utilities, or his designee, to execute the attached Intergovernmental Agreement on behalf of Utilities.

Section 3. This Resolution shall take effect as of the date and time of its approval.

DATED at Colorado Springs, Colorado, this _____ day of _____, 2022.

ATTEST:

Council President

Sarah B. Johnson, City Clerk

INTERGOVERNMENTAL AGREEMENT

This Intergovernmental Agreement (“Agreement” or “IGA”), effective as of November ____, 2022, is entered into by and between the Board of Water Works of Pueblo, Colorado (“Pueblo Water”) an independent board established pursuant to Article 15 of the Charter for the City of Pueblo, Colorado (“Pueblo Charter”) and the City of Colorado Springs, a Colorado municipal corporation and home rule city, acting on behalf of its enterprise Colorado Springs Utilities (“Utilities”). Collectively, the entities that execute this IGA are referred to as the “Parties,” and individually by name or as “Party.”

Introductory Statement

- A. Utilities is a four-service, municipal utility that provides, among other things, water service to the City of Colorado Springs, Colorado (“City”) and others water users within the vicinity of the City.
- B. Pueblo Water is a public municipal utility that provides water service to the City of Pueblo, Colorado, and other water users within the vicinity of the City of Pueblo, Colorado.
- C. Pursuant to the Pueblo Charter: (a) title to water works property is in the name of the City of Pueblo, Colorado; (b) Pueblo Water exercises the entire control, management, and operation of water works property; and (c) Pueblo Water has the power to exercise all powers which are granted to cities of the first class by the Constitution and Laws of the State of Colorado, and is further authorized to make and execute contracts in the name of the City of Pueblo, Colorado;
- D. Pueblo Water operates and controls Clear Creek Reservoir (“Clear Creek”) located in the Upper Arkansas Basin, Chaffee County, Colorado, and its decreed water storage rights of 11,439 acre-feet of absolute storage and 18,561 acre-feet of conditional storage.
- E. Pueblo Water is investigating the feasibility of constructing an enlargement to Clear Creek to improve the water supply for Pueblo Water.
- F. Utilities desires to participate with Pueblo Water in the investigation of the feasibility of an enlargement of Clear Creek to allow Utilities to, among other things, meet the water supply demands of a growing population, mitigate against droughts, and diversify its water storage portfolio, all consistent with Utilities’ Integrated Water Resources Plan. If it is feasible for the Parties to enlarge Clear Creek to a size that exceeds Pueblo Water’s current needs and provide storage space for Utilities’ needs, the Parties will seek to negotiate a further agreement for Utilities to participate in the enlargement of Clear Creek and to acquire a right to store water therein to meet Utilities water supply demands; and
- G. Both Utilities and Pueblo Water recognize that it is in their mutual interests to work collaboratively to investigate the feasibility of enlarging Clear Creek.

NOW THEREFORE, in consideration of the mutual benefits, covenants and agreements set forth herein, the receipt and sufficiency of which is acknowledged, the Parties agree as follows:

AGREEMENT

1. The scope of work for the “Feasibility Study” to be performed under this Agreement is attached hereto as Exhibit 1.
2. The term of this IGA will be for the duration of the Feasibility Study, the delivery and acceptance of the reports contemplated by the Feasibility Study, and, if requested by Utilities, for the duration of negotiations of the “Phase II IGA” described below.
3. The Parties anticipate the Feasibility Study will be completed by the spring of 2023. The Parties will share equally the cost of the Feasibility Study and the costs for any additional work that may be mutually requested by the Parties that is not included within the scope of work in Exhibit 1.
4. To determine the largest feasible capacity for the Clear Creek site, the Parties agree that the maximum potential enlargement will be a high-water line of which does not inundate within 100 feet of Chaffee County Parcel ID # 300715100006.
5. The anticipated total cost for the Feasibility Study is \$304,056, which does not include the costs for any additional work that may be mutually agreed upon and requested by the Parties that is not included within the scope of work in Exhibit 1. Utilities agrees to reimburse Pueblo for one-half of all costs that are incurred by Pueblo Water in obtaining the Feasibility Study pursuant to this IGA, including expenses related to the Feasibility Study prior to the effective date of this IGA and incurred on or after May 17, 2022. Pueblo Water will provide Utilities with an invoice setting forth the specific items being billed with a breakdown of individual cost items. Utilities will pay all invoices within 63 days of receipt.
6. Upon the completion of the Feasibility Study, if the study concludes that it is physically feasible to enlarge Clear Creek by an amount of not less than 15,000 acre-feet of additional storage, and the Parties agree there that there is a reasonable likelihood that the necessary permits and other authorizations for the enlargement can be obtained, and the total cost of the enlargement is reasonable, then the Parties will enter into further negotiations for one or more subsequent intergovernmental agreements for the design, permitting, construction, operation, and/or maintenance of the enlargement of Clear Creek Reservoir and the allocation of storage therein. The subsequent intergovernmental agreement negotiations will be based on the general terms stated in Exhibit 2 hereto.
7. In consideration for its payment of one-half of the cost of the feasibility study, Pueblo Water grants Utilities the first right to negotiate subsequent intergovernmental agreements pursuant to which the Parties will pursue the design, permitting, construction, operation, and maintenance of an enlargement of Clear Creek, and the allocation of enlarged storage therein as between Pueblo Water and Utilities. If Utilities wishes to exercise its first right to negotiate

subsequent intergovernmental agreements, it must give written notice to Pueblo Water within 63 days after completion and delivery of the Feasibility Study to Utilities. The Parties will thereafter diligently negotiate in good faith and seek to reach agreement on the Phase II IGA for the joint enlargement of Clear Creek.

8. If, after not less than 182 days after Utilities' provision of notice in paragraph 7, the Parties are unable to reach agreement on one or more subsequent intergovernmental agreements for permitting, design, construction, operation, and/or maintenance of the enlargement of Clear Creek Reservoir and the allocation of storage therein as between Pueblo Water and Utilities, then on 14 days advance written notice either Party may terminate the negotiations. The time for good faith negotiations may be modified by written agreement of the Parties.

9. If the negotiations of a subsequent intergovernmental agreement between Utilities and Pueblo Water are terminated, Pueblo Water may negotiate with one or more other interested parties for the design, permitting, construction, operation, and maintenance of the enlargement of Clear Creek and the allocation of storage therein as between Pueblo Water and such third parties.

10. Breach and Enforcement. It is specifically understood that, by executing this IGA, each Party commits itself to perform pursuant to the terms and conditions contained herein and that the failure of any Party to fulfill any obligation set forth herein shall constitute a breach of this IGA. The Parties agree that after compliance with the mediation requirements of paragraph 10 below, this IGA may be enforced for specific performance, injunctive, or other appropriate relief, as may be available according to the laws and statutes of the State of Colorado.

11. Mediation. Before a Party commences any action for enforcement of this IGA or to terminate this IGA, the Parties will try to resolve their differences in the manner outlined herein.

11.1. The aggrieved Party shall provide written notice to the other Party of the Party's intent to invoke the dispute resolution procedures set forth in this paragraph.

11.2. The Parties shall first attempt to resolve any dispute by direct negotiations for thirty-five (35) days from the date of notice.

11.3. If the Parties are unable to resolve the dispute within thirty-five (35) days, the dispute shall be addressed through non-binding mediation prior to litigation. The Parties shall meet and agree on the appointment of a mediator to address the disputed matter(s). If the Parties are unable to agree on a mediator within fourteen (14) days, both Parties shall nominate a mediatory and the two mediators will select a third mediator, and the three mediators will mediate the dispute. The costs associated with appointing and paying the fees of the mediator(s) shall be divided equally between the Parties. The Parties will commence mediation within thirty-five days after selection of the mediator(s), and within twenty-one days completion of the mediation, the mediator(s) will submit a non-binding report to the Parties. If the dispute is not resolved within fourteen days after the report of

the mediator is received by the Parties, either Party may initiate proceedings to judicially resolve the dispute.

11.4. To the extent that any Party's claim or claims associated with the dispute could be barred or limited by an affirmative defense based on the statute of limitations, laches or statute of repose, such defense will be tolled beginning on the day the notice of dispute was provided and ending twenty-one days after the submittal of the non-binding report of the mediator.

12. Force Majeure. A Party will be excused from performing its obligations under this IGA during the time and to the extent that it is prevented from performing by a cause beyond its control, including, but not limited to: any incidence of fire, flood, or strike; acts of God; acts of the Government (except the Parties); war or civil disorder; violence or threat thereof; severe weather; commandeering of material, products, plants, or facilities by the federal, state, or local government (except the Parties); or national fuel shortage, when satisfactory evidence of such cause is presented to the other Party, and provide further, that such nonperformance is beyond the reasonable control of, and is not due to the fault or negligence of, the Party not performing.

13. Controlling Law and Venue. This IGA is made and performed in Colorado. The laws of the State of Colorado shall be applied in the interpretation, execution, and enforcement of this IGA (without reference to conflicts of laws). The Parties agree that the exclusive venue for any trial of any action arising out of any dispute hereunder shall be in the state District Court located in the County of Pueblo, Colorado and, if necessary, for exclusive federal questions, the United States District Court for the District of Colorado.

14. No Attorney's Fees or Costs. In the event of any litigation, arbitration, or other dispute resolution proceeding arising out of or related to this IGA, each Party agrees to be responsible for its own attorney's fees and other professional fees, costs, and expenses associated with such proceedings.

15. Political Subdivisions. This IGA is entered into pursuant to sections 29-1-201 through 203, C.R.S. Each of the Parties hereto is a political subdivision of the State of Colorado within the meaning of section 29-1-202(2), C.R.S., and therefore each is a government within the meaning of section 29-1-202(1).

16. Obligations of Utilities. Notwithstanding anything herein to the contrary, all financial obligations of the City of Colorado Springs pursuant to this IGA are the sole obligations of Utilities acting through the City of Colorado Springs' utility enterprise, Colorado Springs Utilities, and not the financial obligations or other indebtedness of the City of Colorado Springs. Nothing herein constitutes, nor will be deemed to constitute, the creation of a debt or multi-year fiscal obligation of the City of Colorado Springs, or an obligation of future appropriations by the City Council, contrary to Article X, § 20 of the Colorado Constitution or any other constitutional or statutory debt limitation.

17. Appropriations. This Agreement is expressly made subject to the limitations of the Charter of the City of Colorado Springs. Nothing herein shall constitute, or be deemed to

constitute, the creation of a debt or multi-year fiscal obligation or an obligation of future appropriations by the City Council of Colorado Springs or any other constitutional, statutory, or charter debt limitation. Notwithstanding any other provision of this Agreement, with respect to any financial obligations of Colorado Springs which may arise under this Agreement in any fiscal year after the year of execution, in the event the budget or other means of appropriation for any such year fails to provide funds in sufficient amounts to discharge such obligation, such failure (i) shall act to terminate this Agreement at such time as the then-existing and available appropriations are depleted, and (ii) neither such failure nor termination shall constitute a default or breach of this Agreement, including any sub-agreement, attachment, schedule, or exhibit hereto, by Colorado Springs. Colorado Springs shall notify Pueblo Water as soon as reasonably practicable in the event of non-appropriation or in the event a spending limitation becomes applicable. Notwithstanding the foregoing, if Colorado Springs does not appropriate sufficient funds for the performance of its obligations under this Agreement and thereby cannot meet its obligations, Colorado Springs shall not be entitled to participate in the enlargement of Clear Creek.

18. Notice. Any notice required or permitted to be given hereunder will be in writing and will be deemed given when delivered personally or three days after the date of mailing when given by certified or registered mail, return receipt requested, postage prepaid, addressed as follows:

If to Colorado Springs:

Chief System Planning and Projects Officer
Courier Service Address:
Colorado Springs Utilities
ATTN: Chief System Planning and Projects Officer
121 S. Tejon St., 5th Floor
Colorado Springs, CO 80903

United States Postal Service Address:
Colorado Springs Utilities
P.O. Box 1103, Mail Code 950
Colorado Springs, CO 80947-0950

Manager of Water Resources
Colorado Springs Utilities
ATTN: Manager of Water Resources
United States Postal Service Address:
1521 Hancock Expressway, Mail Code 1825
Colorado Springs, CO 80903

City Attorney's Office-Utilities Division
Courier Service Address:
City of Colorado Springs

30 South Nevada, Suite 501
Colorado Springs, Colorado 80903

United States Postal Service Address:
P.O. Box 1575, Mail Code 510
Colorado Springs, Colorado 80901-1575

If to Pueblo Water:

Executive Director
Board of Water Works of Pueblo
P.O. Box 400
Pueblo, Colorado 81002-0400

William A. Paddock
Karl D. Ohlsen
Carlson Hammond & Paddock, LLC
1900 North Grant Street, Suite 1200
Denver, CO 80203

or at such other address as any Party may designate by giving written notice thereof to the other Parties hereto in accordance with this paragraph.

19. Governmental Immunity. Nothing in this IGA shall be construed to waive, limit, or otherwise modify, in whole or in part, any governmental immunity that may be available by law to any of the Parties, their respective officials, employees, contractors or agents, or any other person acting on behalf of the Parties, and in particular, governmental immunity afforded or available to the Parties pursuant to the Colorado Governmental Immunity Act, C.R.S. §§ 24-10-10, *et seq.*

20. Entire Agreement. This IGA (including the attachment) represents the entire agreement of the Parties relating to the IGA, and it supersedes any other prior agreements and understandings of any type, both written and oral, between the Parties with respect to the subject matter hereof.

21. Headings. Paragraph headings and titles contained herein are for convenience and reference only and are not intended to define, limit, or describe the scope or intent of any provision of this IGA.

22. Waiver. No waiver or breach of any of the provisions of this IGA by any Party will constitute a continuing waiver of any subsequent breach by said Party, or any other Party whether of the same or any other provision of this IGA. By entering this IGA, neither Party intends to waive any argument, claim, defense, or otherwise, at law or in equity, concerning any future project not covered, approved, or contemplated by this IGA.

23. Pronouns. Except as otherwise provided herein, nouns, pronouns and variations thereof are intended to refer to the singular or plural, and masculine or feminine, as the context may require. Any reference to a law, regulation, rule, or document includes law, regulation, rule, or document as it may be amended from time to time.

24. Severability. Each paragraph of this IGA is interdependent with the others and is not severable unless by mutual written consent of the Parties hereto. If a court of competent jurisdiction holds that any term(s) of this IGA is invalid or unenforceable, for any reason, as to any Party, the Parties will immediately negotiate valid alternative term(s) that as nearly as possible give effect to any invalid or unenforceable terms(s).

25. Counterparts. This IGA may be executed in counterparts by each Party, each of which will be deemed original, and all of which constitute one IGA.

26. Attorney Representation. The Parties agree they drafted this IGA jointly with each having the advice of legal counsel and an opportunity to contribute to its content. Therefore, this IGA will not be construed based on authorship.

27. Successors and Assigns. This agreement is binding on the successors and assigns of the Parties who succeed to the operation of their respective municipal water supply systems.

28. No Third-Party Beneficiaries. This IGA is intended to describe the rights and responsibilities of and between the Parties hereto and is not intended to, and will not be deemed to, confer rights upon or to benefit any persons or entities not signatories hereto, nor to limit, impair, or enlarge in any way the powers, regulatory authority, or responsibilities of any Party or any other governmental entity not a Party hereto.

IN WITNESS WHEREOF, the Parties have duly executed this IGA effective as of the date stated in first paragraph of this IGA.

City of Colorado Springs
on behalf of its enterprise
Colorado Springs Utilities

Aram Benyamin,
Chief Executive Officer

Date

Approved as to form:

Colorado Springs City Attorney

Date

Board of Water Works of Pueblo, Colorado

Seth J. Clayton, Executive Director

Date

Exhibit 1

DRAFT

EXHIBIT 2

DRAFT

EXHIBIT 1

AGREEMENT FOR PROFESSIONAL SERVICES

THIS AGREEMENT, between the Board of Water Works of Pueblo, Colorado (herein referred to as Pueblo Water), and GEI Consultants, Inc. (GEI) is as follows:

ARTICLE 1 – SERVICES TO BE PERFORMED BY GEI

GEI will perform the services described in Attachment A, which is attached hereto and incorporated by reference as part of this Agreement. All deliverables provided by GEI, as provided in this Agreement, will be Pueblo Water's property. GEI is not liable for any claims, liability or cost arising or allegedly arising out of any unauthorized modification or misuse of the project deliverables by Pueblo Water or any person or entity that acquires or obtains the plans and specifications from or through Pueblo Water.

ARTICLE 2 – COMPENSATION

Pueblo Water will pay GEI for the performance of Services an amount not to exceed \$304,056 as described in Attachment A. Monthly invoices will be issued by GEI for all Services performed under the terms of this Agreement. Pueblo Water shall pay each invoice within net 30 days. Interest at the rate of 1 percent per month will be charged on all past-due amounts, unless not permitted by law.

ARTICLE 3 – STANDARD OF CARE

GEI will exercise the same degree of care, skill, and diligence in the performance of the Services as is ordinarily provided by members of GEI's profession currently practicing in the same locality under similar circumstances.

ARTICLE 4 – INSURANCE

During the performance of the Services under this Agreement, GEI and any subcontractors will maintain the following insurance: 1) General Liability Insurance, with a limit of \$1,000,000 for each occurrence and \$1,000,000 in the aggregate. 2) Automobile Liability Insurance, with a combined single limit of \$1,000,000 for all Owned, Hired and Non-owned Autos. 3) Workers Compensation Insurance in accordance with statutory requirements and Employers Liability Insurance, with a limit of \$500,000 for each occurrence. 4) Professional Liability Insurance, with a limit of \$1,000,000 per claim and in the aggregate.

GEI will, upon written request, furnish Pueblo Water certificates of insurance. GEI and any subcontractors will be required to include Pueblo Water and GEI as additional insured on their

General Liability and Auto Liability Insurance policies including Primary and Non-Contributory language. A waiver of subrogation must be included under all coverage's except Professional Liability. Copies of the Additional Insured Endorsements and Waivers of Subrogation must be furnished with the certificates of insurance.

Subject to the stability of the insurance market, GEI agrees that the provisions for Professional Liability Insurance will remain in force for a period of two (2) years following termination of this Agreement.

The insurance coverage enumerated in this Article will be primary over any insurance carried by Pueblo Water and constitute requirements; said enumeration will in no way lessen or limit the liability of GEI under the terms of this Agreement. GEI may procure and maintain, at GEI's own cost and expense, any additional kinds and amounts of insurance that, in GEI's own judgment, may be necessary for GEI's protection.

ARTICLE 5 – PUEBLO WATER RESPONSIBILITIES

Pueblo Water will supply or cause to be supplied to GEI, information and data currently existing and available, without costs, to Pueblo Water, which is required by GEI.

ARTICLE 6 – TERMINATION OF AGREEMENT

Pueblo Water will have the right to terminate this Agreement for Pueblo Water's convenience upon written notice to GEI, and GEI will terminate performance of Services on a schedule acceptable to Pueblo Water. Such notice shall be delivered at least fifteen (15) days prior to the termination date contained in said notice unless otherwise agreed in writing by the parties. In the event of termination for Pueblo Water's convenience, Pueblo Water will pay GEI for services rendered to the date of termination, subject only to the satisfactory performance of GEI's obligations under this Agreement. Such payment shall be GEI's sole right and remedy for such termination.

ARTICLE 7 – CAPTIONS AND HEADINGS

The captions and headings in this Agreement are for convenience of reference only, and will not be used to interpret, define, or limit its provisions.

ARTICLE 8 – SEVERABILITY

If any term or condition of this Agreement or the application thereof to any person(s) or circumstances is held invalid, such invalidity will not affect other terms, conditions or applications which can be given effect without the invalid term, condition or application. To this end, the terms and conditions of this Agreement are declared severable.

ARTICLE 9 – NO THIRD PARTY BENEFICIARIES

Nothing contained in this Agreement is intended to confer upon any person other than the parties hereto any rights, benefits or remedies of any kind or character whatsoever, and, except as otherwise specifically stated herein, no person will be deemed a third party beneficiary under or by reason of this Agreement

ARTICLE 10 – CONSTRUCTION AGAINST THE DRAFTER

In the event of an ambiguity in this Agreement, the rule of construction that ambiguities will be construed against the drafter is inapplicable, and the parties hereto are to be treated as equals and no party will be treated with favor or disfavor.

ARTICLE 11 – ASSIGNMENT

Except as described in Attachment A, GEI will not assign or subcontract any portion of this Agreement without the express and prior written consent of Pueblo Water.

ARTICLE 12 – MODIFICATIONS

This Agreement may not be modified or amended except by a written instrument executed by or on behalf of each of the parties to this Agreement which specifically states that it amends this Agreement.

ARTICLE 13 – WAIVER

The failure of either party to insist upon strict performance of any of the provisions contained in this Agreement will not constitute a waiver of its rights as set forth in this Agreement, at law or in equity, or a waiver of any other provisions or subsequent default by the other party.

ARTICLE 14 – ENTIRE AGREEMENT

This Agreement, including any addenda, exhibits, attachments, supplements and schedules, constitutes the entire agreement between Pueblo Water and GEI with respect to the subject matter hereof and supersedes all other oral and written representations, understandings or agreements relating to this Agreement.

ARTICLE 15 – COMPLIANCE WITH LAW

GEI will comply with applicable Federal, state and local laws, orders, rules and regulations relating to the performance of the Services.

ARTICLE 16 – INDEPENDENT CONTRACTOR

The parties agree that GEI is acting, and will continue to act, as an independent contractor and not as an employee of Pueblo Water in GEI's performance under this Agreement.

(A) FOR THIS AGREEMENT AND FOR ALL OTHER LAWFUL PURPOSES, GEI SHALL BE CONSIDERED AN INDEPENDENT CONTRACTOR AND NOT AN EMPLOYEE OF PUEBLO WATER, AND THEREFORE GEI AT ALL TIMES RESERVES THE RIGHT TO CONTROL ITS OWN EMPLOYEES, SUBCONTRACTORS OR AGENTS. THE SOLE INTEREST AND RESPONSIBILITY OF GEI IS TO ENSURE THAT THE ABOVE-DESCRIBED SERVICES SHALL BE PERFORMED IN ACCORDANCE WITH APPLICABLE LAW, RECOGNIZED STANDARDS OF PRACTICE, AND THE TERMS OF THIS AGREEMENT. NEITHER GEI, NOR ANY OF ITS EMPLOYEES SHALL BE ENTITLED TO UNEMPLOYMENT COMPENSATION INSURANCE BENEFITS UNLESS SUCH COVERAGE IS PROVIDED BY GEI OR SOME ENTITY OTHER THAN PUEBLO WATER.

(B) GEI SHALL PROCURE AND MAINTAIN IN FULL FORCE AND EFFECT AT ALL TIMES DURING THE PERFORMANCE OF SERVICES UNDER THIS AGREEMENT WORKERS' COMPENSATION INSURANCE AS PROVIDED BY COLORADO STATUTES, IRRESPECTIVE OF THE NUMBER OF EMPLOYEES ENGAGED IN THE WORK.

(C) GEI AGREES TO PAY ALL APPLICABLE STATE AND FEDERAL TAXES ON THE MONIES RECEIVED BY GEI UNDER THIS AGREEMENT.

ARTICLE 17 – GOVERNMENTAL IMMUNITY

No term or condition of this Agreement is to be construed or interpreted as a waiver, express or implied, by Pueblo Water of any of the immunities, rights, benefits, protections, or other provisions, of the Colorado Governmental Immunity Act, C.R.S. §24-10-101 et seq., as applicable now or hereafter.

ARTICLE 18 – NOTICE

All notices and other communications that are required or permitted to be given to the parties under this Agreement will be sufficient in all respects if given in writing and delivered in person, by express courier, or by First Class U.S. Mail, postage prepaid. Notice delivered in person or

by courier will be effective upon such delivery; notice provided through U.S. Mail will be effective three days after deposit in the U.S. Mail. Notice will be given to the receiving party at the following addresses:

If to GEI: GEI Consultants, Inc.
 Attn: Nick D. Miller, P.E., Project Manager
 4601 DTC Boulevard, Suite 900
 Denver, CO 80237

If to Pueblo Water: Board of Water Works of Pueblo, Colorado
 Attn: Executive Director
 Mail: or Hand Delivery:
 P.O. Box 400 319 West 4th Street
 Pueblo, CO 81002-0400 Pueblo, CO 81003

or to such other address as such party may have given to the other by notice pursuant to this Article.

ARTICLE 19 – GOVERNING LAW AND VENUE

This Agreement will be governed by the laws of the State of Colorado in all respects, including matters of validity, construction, performance, and enforcement. Venue on any action arising out of this Agreement will be proper only in Pueblo County, State of Colorado.

ARTICLE 20 – DEFAULT

Each and every term and condition hereof shall be deemed to be a material element of this Agreement. In the event either party should fail or refuse to perform according to the terms of this Agreement, such party may be declared in default thereof.

ARTICLE 21 – REMEDIES

In the event a party has been declared in default, such defaulting party shall be allowed a period of ten (10) business days to provide a corrective action plan to cure said default. In the event the default remains uncorrected within a mutually agreed to cure date by the parties or if the parties cannot agree upon a cure date, the party declaring default may elect to (a) terminate the Agreement and seek damages; (b) treat the Agreement as continuing and require specific performance; or (c) pursue any other remedy at law or equity.

ARTICLE 22 – INDEMNIFICATION


GEI agrees to indemnify Pueblo Water for any claims, damages, losses, and costs, including, but not limited to, attorney's fees and litigation costs, arising out of claims by third parties for property damage or bodily injury, including death, to the proportionate extent caused by the negligence or willful misconduct of GEI, GEI's employees, affiliated corporations, and subcontractors in connection with the Services.

ARTICLE 23 – FORCE MAJEURE


Any delays in or failure of performance by GEI shall not constitute breach hereunder if and to the extent such delays or failures of performance are caused by occurrences beyond the reasonable control of GEI. In the event that any event of force majeure as herein defined occurs, GEI shall be entitled to a reasonable extension of time and compensation for performance of its Services under this Agreement.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the 17th day of May, 2022.

BOARD OF WATER WORKS OF PUEBLO, COLORADO

By: 
Seth J. Clayton, Executive Director

GEI CONSULTANTS, INC.

By: 
Nick Miller, Senior Project Manager



May 10, 2022

Geotechnical
Environmental
Water Resources
Ecological

Mr. Alan Ward
Water Resources Division Manager
Board of Water Works of Pueblo, Colorado
319 W. 4th Street
Pueblo, CO 81002

Subject: Proposal for Clear Creek Reservoir Enlargement Study – Phase 2

Dear Mr. Ward:

The Board of Water Works of Pueblo, Colorado (Pueblo Water) is committed to providing the highest quality water to its customers and ensuring that Pueblo's water supply system is operated and maintained in an efficient and cost-effective manner. With this mission in mind, Pueblo Water would like to continue to evaluate enlargement alternatives at Clear Creek Reservoir, to potentially store both its native and trans-mountain water and assess some dam safety improvements at this facility. GEI Consultants, Inc. (GEI) appreciates this opportunity to provide Pueblo Water our proposal to study the Clear Creek Reservoir enlargement and assist Pueblo Water in achieving its objectives for this project.

Pueblo Water has teamed with Colorado Springs Utilities (CS-U) to help support the advancement of the conceptual designs for the Clear Creek Dam. GEI previously evaluated four conceptual reservoir raise alternatives that ranged from a 4-foot raise up to a 36-foot raise. The reservoir raise alternatives would have maximum storages that range from about 12,600 acre-feet up to about 29,900 acre-feet. Based on discussions with Pueblo Water and CS-U, the team would like to advance the largest reservoir raise alternative with a maximum storage volume of about 29,900 acre-feet and maximum normal pool at elevation (El.) 8916.0.

Through our conversations with Pueblo Water, GEI envisions the main goals of the enlargement study will be to:

- Perform detailed topographic surveys of the site to develop base maps for use in final design;
- Assess technical feasibility and potential issues associated with enlargement of storage capacity;

- Identify constructability issues that may affect feasibility and cost of the enlargement;
- Prepare reliable construction cost estimates of the enlargement conceptual designs;
- Determine whether there is an optimal point for the enlargement alternatives between El. 8912 and El. 8920, where additional storage can be obtained most cost-effectively; and
- Prepare a report documenting assumptions, analysis results, findings and recommendations, including conceptual level drawings depicting the enlargement alternatives.

Proposed Scope of Work

The primary sources of information to support the study will be prior reports and existing monitoring data. The following tasks will be undertaken to complete the Phase 2 Clear Creek Reservoir Enlargement Study:

- 1. Topographic Survey:** GEI will utilize our subcontractor River Science to perform a land survey, obtain high resolution elevation data and aerial imagery with an unmanned aircraft system (UAS). We will incorporate the bathymetric survey performed in 2016 into our data set. River Science will provide GEI with a combined Digital Elevation Model (DEM) of the entire site that will be certified by a Professional Land Surveyor (PLS). Details of River Science's scope of work is included as **Attachment 1**.
- 2. Site Reconnaissance:** Perform engineering and geologic reconnaissance mapping of potential borrow areas upstream of the dam, near the right abutment and within potential spillway areas. The mapping will focus on characterizing the materials and the extent and variability of the materials. A key component of the mapping will be to identify potential borrow materials on site. The engineering and geologic reconnaissance mapping will provide additional site-specific data to support reservoir enlargement alternatives.
- 3. Preliminary Geotechnical Investigation:** GEI will perform a preliminary geotechnical investigation at Clear Creek Dam to identify and classify potential borrow sources on or nearby Pueblo Water property. The intent of the investigation will be to assess the potential volume and material properties available on site. The preliminary investigation will include a series of geophysical surveys accompanied with test pits to identify and assess the material variations shown in the geophysical survey lines. Based on our previous drilling experience at the site, drilling boreholes is very challenging due to the presence of large boulders. Accordingly, we did not

include any boreholes because the test pits can accomplish the task in a more cost-effective manner. The preliminary investigation will focus on possible borrow locations upstream near the campground, near the proposed spillway structure and excavation on BLM land by the South Dike, and along the proposed route for the raised Forest Service access road. For any excavation on federal land, consultation will be performed with respective agency's regional office to ensure compliance with permitting requirements. Investigations performed within wetlands or other waters are permitted under a Nationwide Permit (NWP) 6 for Surveying Activities, pre-construction notification is not required for this NWP. The proposed preliminary geotechnical investigation is summarized in **Attachment 2**. The geotechnical investigation will include a limited laboratory testing program to determine the material properties of the samples collected. The laboratory testing will focus on material classifications and gradations to evaluate if the materials are suitable for use in raising the embankment dam. The preliminary geotechnical investigation and laboratory testing will be summarized and documented in the Enlargement Study Report (Task 9).

In addition to performing the geotechnical investigation, GEI will also utilize our previously developed GeoStudio seepage and slope stability models to evaluate the stability of Highway 24 with the raised reservoir levels. Based on the previous study results, the critical sections for Highway 24 were at the embankment maximum section and through the South Dike section. These sections showed an increased phreatic surface and pore water pressures through the highway embankment due to the raised reservoir water surface selected for larger embankment alternatives. The previous analyses generally focused on the dam embankment seepage and slope stability results and identified the increased phreatic surface through the highway embankment. Since Pueblo Water is choosing to move forward with the larger reservoir and embankment raise alternative, additional evaluations of the impacts to the Highway 24 embankment will be performed. The additional evaluations will focus on potential modifications to mitigation measures to minimize impacts on the highway. The potential mitigations could include a deeper or wider cutoff wall configuration and a larger more effective seepage collection system. In addition, we will evaluate varied subsurface stratigraphy configurations to assess the impacts the assumed stratigraphy has on the seepage results. Additionally, we will perform sensitivity analyses of the foundation and highway embankment material properties to determine the potential impacts the assumed material properties have on the seepage and stability results at the highway embankment. The results of the seepage and stability analyses will be documented in a draft Geotechnical Evaluation

Technical Memorandum (TM) for review and comment by Pueblo Water and CS-U. The TM will be finalized based on the comments and will be included as an appendix in the Enlargement Study Report (Task 9).

4. **Hydrology:** GEI will complete a hydrologic hazard analysis in accordance with the Colorado SEO 2020 Rules and Regulations for Dam Safety and Construction. The first step in this process is to update the Clear Creek Dam hydrology study developed in 2016 with the new rainfall values developed in the 2020 Colorado-New Mexico Regional Extreme Precipitation Study (REPS) Tool. The previous hydrology study performed by GEI defined the watershed boundary, evaluated soils infiltration, estimated basin response, and routed the flood through the watershed and reservoir past the dam. The Probable Maximum Precipitation (PMP) for the watershed was developed using Hydrometeorological Report (HMR) 51 and HMR 52, which have been superseded with the REPS study for the Colorado area.

The principal determinant of spillway sizing criteria and related design features for dam safety is based on the consequences that would occur if a dam fails during a hydrologic event, or the hydrologic hazard. The new hydrologic hazard approach uses consequences to determine an Inflow Design Flood (IDF) magnitude that results in risk that is acceptably low. Hydrologic hazard determination involves dam breach analysis associated with flood routing, and downstream consequence analysis. Consequence analysis includes estimating Population at Risk (PAR), warning adequacy, fatality rates, and expected life loss. For Clear Creek Dam, the existing sunny day dam failure inundates large parts of Buena Vista, and other developed areas. Increasing the reservoir storage and level will increase the risks to downstream PAR. Due to the location of hazards within the floodplain of the downstream reach, GEI is assuming that Pueblo Water will accept an Extreme Hydrologic Hazard rating for the new facility. Based on an Extreme Hydrologic Hazard, the proposed spillway for the expanded facility will be required to pass the controlling Probable Maximum Flood (PMF).

GEI will update the precipitation values and comprehensive rainfall-runoff model using the existing basin delineation, loss rates, unit hydrographs, and routing parameters as well as the new PMP values developed with the 2020 REPS Tool. Other key input parameters for the hydrologic model include reservoir storage capacity, estimated spillway rating curves, and initial watershed and reservoir conditions. GEI will perform rainfall-runoff simulations for the PMF scenarios developed in the REPS Tool, which includes the 6-hour, 24-hour, and 72-hour storm

events, and route the floods through the reservoir and spillway. Inflows, outflows, and peak water surface elevations at the reservoir will be reported for the evaluated floods.

A Hydrology Report will be submitted to Pueblo Water for review and acceptance prior to advancing the enlargement study. The report will include all study assumptions, modeling methods, calculations, PMF results, and conclusions and recommendations for Clear Creek Dam and the enlargement study. The report will also include figures and maps supporting the hydrologic study development and conclusions. The Hydrology Report will be prepared as a separate document that can be submitted to the SEO for review and approval at Pueblo Water's discretion.

- 5. Reservoir Enlargement Conceptual Design:** GEI will review prior engineering reports and data documenting the configuration, construction and performance of the existing dam and appurtenant facilities. Following the survey and base map developed, GEI will advance the design concept for raising the storage level in the reservoir and address other dam safety improvements. The design concept will include a detailed assessment of impacts on the private property upstream of the reservoir that would be inundated by the raised reservoir. The design concept will determine if there are critical design considerations for the enlargement alternatives between El. 8912 and El. 8920. The dam enlargement concept will be a zoned earthen embankment downstream crest raise as shown in the previous enlargement study (GEI, 2016). GEI will review our previous seepage and stability model and results of the enlargement alternatives and determine if any adjustments are needed to improve the performance of the embankment. Following the updated hydrologic study and IDF development, appropriate spillway and outlet works configurations will be incorporated into the raise design concept. GEI will develop design criteria to establish the design intents of the new outlet works and spillway. The design criteria and design configurations will be described in detail in the Reservoir Enlargement Study Report (Task 9). The reservoir enlargement conceptual design will also include preliminary design of the county road realignment on the north side of the reservoir, which will include plan and profile views and typical sections. These will be used to support quantity development for the cost estimate.
- 6. Constructability Assessments and Opinion of Probable Construction Costs (OPCC):** GEI will review and update the previously developed construction cost estimates for the conceptual design of the enlargement alternative. GEI will assess construction-related issues, particularly materials availability, processing and

handling of materials, and site access. The constructability assessment will include borrow development and borrow sourcing analysis. The assessment will identify up to three locations and determine the property owner, haul distance to and from the site, and the potential implications on the construction cost estimates should that site be used. The study results will provide Pueblo Water information needed to initiate early discussions with any of the potential identified property owners. Additional construction considerations will include weather and construction season at high elevation, reservoir drawdown and water control, dewatering, construction risks, and other factors. These considerations will be factored into the OPCC prepared using quantity estimates and unit costs developed by GEI. The constructability assessment, borrow sourcing study results, and OPCC will be summarized in the Reservoir Enlargement Study Report (Task 9).

- 7. Evaluation of Enlargement Options:** GEI dam experts will prepare for and facilitate a workshop with Pueblo Water and CS-U to review the design concepts, constructability issues and cost estimates and perform an interactive evaluation of the enlargement options and determine the preferred reservoir raise elevation between El. 8912 and El. 8920 (targeting a total storage capacity of approximately 30,000 acre-feet). This evaluation will consider the base dam safety improvements, additional costs for added storage, borrow and material availability, impacts on the upstream private property, county road realignment, and other potential construction-related and permitting issues.
- 8. Environmental Permitting Evaluation:** GEI is including a detailed scope of work in **Attachment 3**, which details the initial tasks we anticipate will be required to successfully permit the dam and reservoir raise at Clear Creek Reservoir. While historical natural resource surveys have been completed for the site, the extent and type of studies necessary for the proposed project need to be updated and/or verified to support evaluation of a feasible permitting path forward. Under Phase I, GEI proposes to perform preliminary desktop investigations followed by field surveys for areas below the reservoir, and verification of conditions and habitat at locations above the reservoir. Following field work, GEI will prepare a report which summarizes the assessment, resources identified, as well as challenges and fatal flaws. This report will also detail future surveys and/or data collection necessary to successfully permit the project. Our team of environmental scientists, ecologists, and biologists will complete all onsite natural resource assessments with the specific goal of using the outcome of these surveys to inform the design and associated environmental permitting that will occur as part of the future Phase II (not included

in this scope). Based on our knowledge of the site, the proposed project area includes land owned by the U.S. Forest Service (USFS) and the Bureau of Land Management (BLM); therefore, we anticipate that compliance with the National Environmental Policy Act (NEPA) will be required. Therefore, all tasks performed under Phase I will be implemented with this in mind. GEI will also utilize the information gathered from surveys, design, and project objectives to facilitate the formulation of a Purpose and Need Statement to support future permitting efforts.

9. Reservoir Enlargement Study Report: GEI will prepare a draft report with analysis results, findings, and recommendations, as well as conceptual level drawings to depict the enlargement conceptual design. Following discussion with Pueblo Water staff and receipt of review comments, we will prepare a final report.

10. Project Management: GEI assumes there will be formal project meetings with Pueblo Water to discuss key project issues. For each of these meetings, we will establish an agenda, facilitate discussions and prepare meeting minutes. The proposed formal meetings are as follows:

- Kickoff Meeting
- Progress Review Meeting (after Task 4)
- Enlargement Evaluation Workshop (during Task 7)
- Draft Report Review Meeting (during Task 9)

GEI will schedule bi-weekly phone meetings to address/resolve issues as they may arise, provide progress updates, discuss project findings and obtain direction for the study. Our approach to project delivery is founded on open communication and being responsive to your needs, and we will work proactively in partnership with Pueblo Water's project manager to complete this phase of the project in an effective and efficient manner. GEI's project manager will prepare monthly written progress reports that will accompany our invoices.

Proposed Budget

GEI’s proposed budget to perform this work, based on the scope of work presented above, is estimated to be \$304,056. The following table summarizes the cost breakdown, by task, for the proposed efforts:

Task	Total Hours	GEI Labor	GEI Expenses	Sub-Consultants	Total
Task 1 – Surveying and Base Mapping	14	\$2,966	\$178	\$22,239	\$25,383
Task 2 – Site Reconnaissance	38	\$8,786	\$1,103	-	\$9,889
Task 3 – Preliminary Geotechnical Investigation	415	\$69,739	\$11,384	\$11,500	\$92,623
Task 4 – Hydrology	90	\$14,680	\$881	-	\$15,561
Task 5 – Reservoir Enlargement Conceptual Design	168	\$25,816	\$1,549	-	\$27,365
Task 6 – Constructability Assessments and OPCC	48	\$8,448	\$507	-	\$8,955
Task 7 – Evaluation of Enlargement Options	42	\$7,270	\$436	-	\$7,706
Task 8 - Environmental Permitting Evaluation	416	\$50,050	\$4,128	\$34,039	\$88,217
Task 9 – Study Report	72	\$12,024	\$721	-	\$12,745
Task 10 – Project Management	64	\$14,728	\$884	-	\$15,612
Total:	1,367	\$214,507	\$21,771	\$67,778	\$304,056

A detailed breakdown of the total hours, expenses and subconsultant costs are provided in **Attachment 4**.

Project Schedule

Once a Notice-To-Proceed (NTP) is issued, we anticipate that the services associated with this study can be completed within approximately 10 months. The first draft version of the Study Report to Pueblo Water is anticipated to be submitted within 9 months from NTP and would finalize the report within three weeks of receiving Pueblo Water’s comments on the draft report.

Project Team

GEI has assembled a team of highly qualified professionals with the project experience, technical knowledge and project management skills to provide a high quality, cost effective, on-schedule, and on-budget delivery of this study.

Nick Miller, P.E. is our proposed Project Manager, providing direction for all aspects of the study and responsible for all project deliverables. He has nearly 20 years of progressive engineering and management experience, primarily related to embankment dams, spillways, outlet works and dam appurtenances. Nick's primary experience includes the planning and design of dams, feasibility studies, spillway design and analysis, dam breach and inundation studies, probable maximum flood (PMF) studies and extensive hydrologic and hydraulic computer modeling. He also has experience in dam construction oversight, inspections and construction management services. In addition to being a licensed professional engineer, he is a professional hydrologist certified by the American Institute of Hydrology.

Chad Masching, P.E. brings 20 years of progressively responsible experience in dam engineering and water resource planning. Chad is skilled in civil, geotechnical, structural, and hydraulic design and his experience includes the planning and design of embankment and concrete dams, spillways, outlet works and conveyance piping, surface water management and groundwater relief systems and deep foundations. Chad will serve as the senior technical reviewer, providing overall technical guidance to the project team, similar to the role he played on the 2016 Study.

Nate Jorgensen, P.E. will serve as the Project Engineer and the Hydrology & Hydraulics Lead. He brings nearly 10 years of experience on dam projects nationwide for municipal, state, private, and federal agencies. Nate's experience includes the planning and design of spillways, dam breach and inundation studies, probable maximum flood (PMF) studies and hydrologic modeling.

Andrew Lockman, P.G., is a geological engineer with an in-depth background in embankment design, rehabilitation, and restoration and fully understands the geotechnical aspects of this project, including the issues related to seepage, concerns related to borrow materials, construction considerations, and stability concerns. He is skilled in geologic mapping and has mapped the geology for water storage dams in Colorado and has performed field mapping for the Colorado Geological Survey's Keystone Quadrangle map. The project team identified above will be supported by GEI staff engineers, office support resources and CADD technicians.

Sarah Skigen-Caird is an environmental scientist with over 18 years of professional experience. She has worked extensively with aquatic and terrestrial ecosystems, vegetation surveys, wildlife surveys, wetland delineations, CWA 404 permitting, restoration of disturbed systems, and biomonitoring study design. Sarah has ongoing work throughout

Colorado and the intermountain west leading natural resource surveys and permit acquisition for projects ranging from dam rehabilitation to restoration of food damaged stream reaches. Sarah's work includes permitting activities within the Albuquerque, Omaha, and Sacramento Districts.

GEI is very enthusiastic about delivering engineering services on the Clear Creek Reservoir Enlargement Study and we appreciate your consideration of our proposal. We have assembled a very strong and well experienced project delivery team that looks forward to the opportunity to serve Pueblo Water on this project. Should you have any questions regarding our proposed efforts, please contact Nick Miller at (303) 264-1046 or nmiller@geiconsultants.com.

Sincerely,
GEI Consultants, Inc.



Nick D. Miller, P.E.
Project Manager



Chad M. Masching, P.E.
Vice President

Attachment 1 – Surveying Subconsultant Scope of Work

April 4, 2022

Attn: Nick Miller

RE: Clear Creek Reservoir Elevation Model (revised SOW)

SCOPE OF WORK

A feasibility study to assess the potential of raising Clear Creek Dam has requested River Science to provide elevation data for the reservoir's surrounding land. River Science and associates are experts in generating high accuracy and precision digital elevation models (DEMs) that often require bathymetric surveys. Working relationships with Red Rock Land Surveys Inc, provides professional land surveyor certified work when required. To complete this topographic survey, River Science will complete the following three tasks to survey the area of interest shown in Figure 1.



Figure 1: Proposed survey area (blue polygon) of the surrounding lake and lakebed elevation (bathymetry).

TASK 1 – LAND SURVEY

River Science will generate a DEM and orthoimage of the land surrounding the reservoir using a photogrammetric technique known as Structure-from-Motion (SfM). This will be accomplished following protocols of Javernick, et al., 2014 and will require ground control points (GCPs), aerial imagery, and SfM processing. GCPs are necessary to transform the DEM into the appropriate projected coordinate system (i.e. State Plane Colorado, North, US Feet, or as requested by GEI). GCP centroids will be surveyed with RTK-GPS and placed strategically to capture i) the surrounding elevations > 35 feet above the existing dam and ii) the entire dam structure.

SUBTASK 1A – CERTIFIED ELEVATIONS

During this field work, additional RTK-GPS points will be collected by Red Rocks Land Surveys to independently quantify the accuracy and precision of the DEM (i.e. ground truthing). This data will be used to independently certify the elevations provided by this work and allow GEI the ability to design construction plans on the final DEM deliverables.

TASK 2 – AERIAL IMAGERY ACQUISITION

Aerial imagery will be collected from an unmanned aircraft system (UAS, or drone). Imagery will be full color and high resolution (i.e. ground sample distances of <10 cm) and captured with significant forward and side overlap (i.e. 70%) necessary for the SfM image alignment and scene reconstruction.

TASK 3 - DEM GENERATION

The final task will be combining the land and existing bathymetric surveys into a single DEM. This will be accomplished by merging the two separate point cloud datasets into a single point cloud, and creating a surface using a Triangular Irregular Networks (TIN) and breaklines (dam structure, water surface elevation, etc.). This TIN will then be converted into raster format (geoTIFF) and contours at the request of GEI. The final DEM will have elevation root mean square errors less than 0.10 meters (i.e. Level 2 DEM Quality set by the National Geospatial Program Standards) in non-vegetated areas.

ASSUMPTIONS:

This proposal assumes the following:

- GEI will coordinate with all landowners to ensure they are well informed of the survey and that River Science has access and permission in all necessary areas.
- River Science will have the right to use an UTV all around the lake where the soil conditions are suitable
- River Science will have the ability to fly UAS (drones) for aerial image acquisition over the area outlined in Figure 1. If a special use permit is required, River Science will include a bill for time and expenses.
- Land survey work will be conducted during leaf-off conditions and relatively free of snow to provide the best ground survey and elevation representation.

DELIVERABLES

- DEM
- Orthoimagery
- Contours at requested interval spacings (e.g. 0.1, 0.5, and/or 1-foot intervals)
- Accuracy Report with Elevation Certification Letter

COST

The proposed bid (Table 1) includes all associated cost for this project.

Table 1: Tasks and labor costs based on expediated project timeline.

Task	Cost
Task 1 - Land Survey	\$5,376
Task 1A - Certified Elevations	\$2,400
Task 2 - Image Acquisition	\$2,464
Task 3 - DEM Generation and Report	\$6,832
Expenses (travel, lodging, etc.)	\$3,145
10% Contingency	\$2,022
Total	\$22,239

Please let me know if you have any questions.

Luke Javernick, PH.D.
Executive Director
www.River.Science
719.428.9609

REFERERNCCE

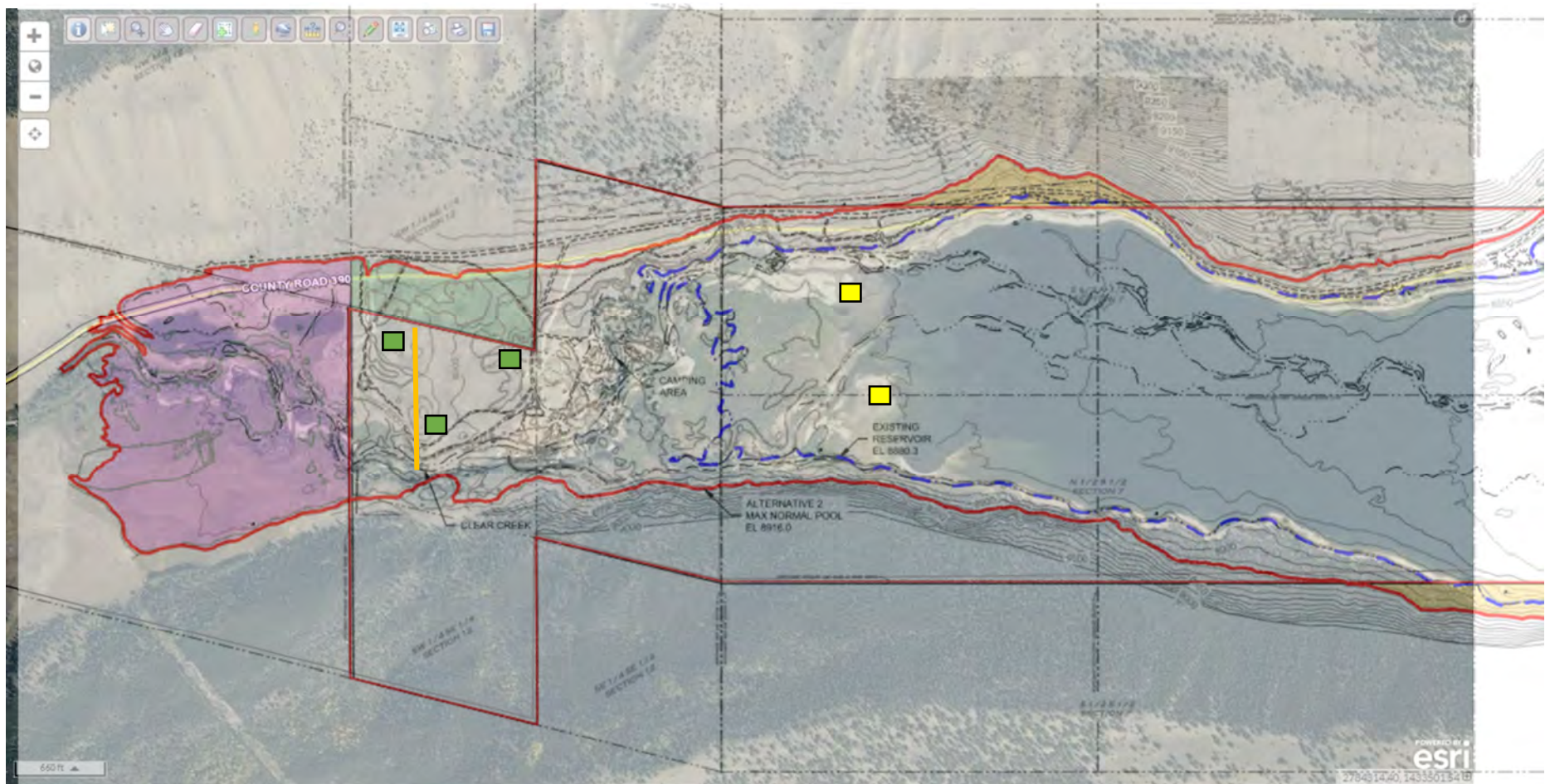
Javernick L, Brasington J, Caruso B. (2014). Modelling the topography of shallow braided rivers using structure-from-motion photogrammetry, 213(0):166–182. doi:10.1016/j.geomorph.2014.01.006

ATTACHMENT 2 - Proposed Geotechnical Investigation

- Geophysics Line
- Test pit
- Shallow bulk sample

Preliminary Borrow Investigation Area 1 – Near Camping Area

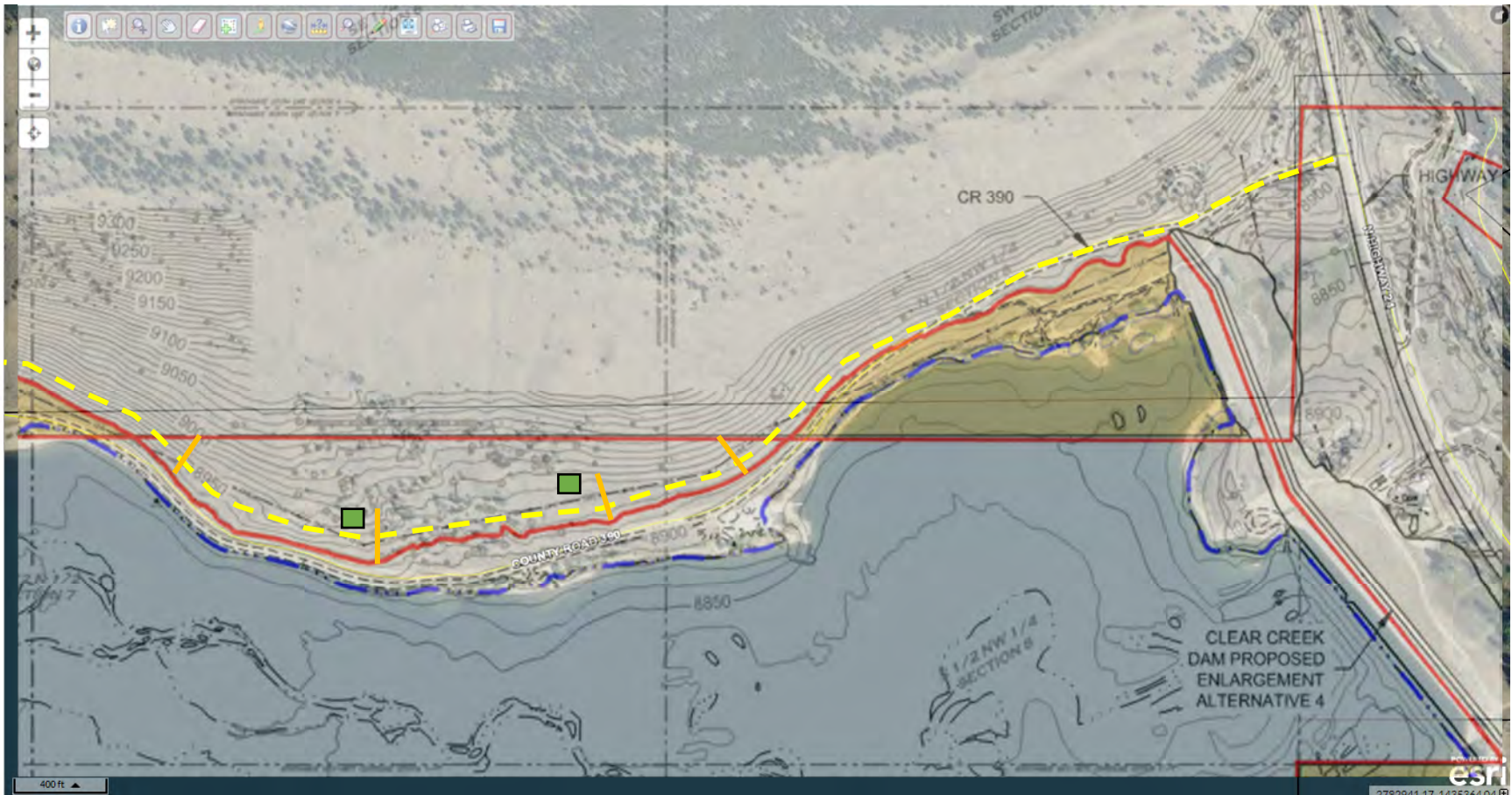
- 3 test pits, 2 shallow bulk samples
- 1 geophysics line



- Geophysics Line
- Test pit

Forest Service Road Realignment – Roadway

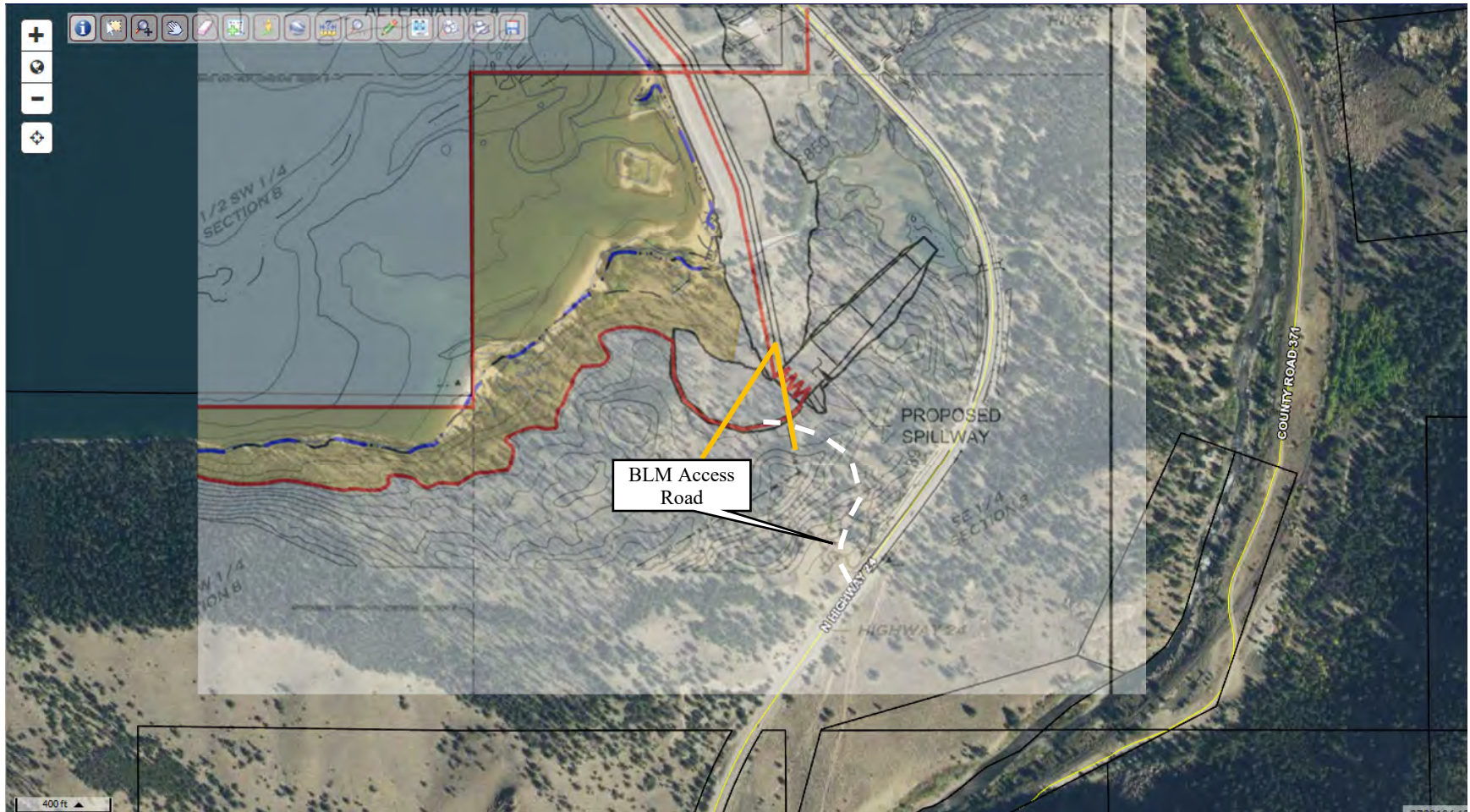
- 2 Test pits
- 4 geophysics lines



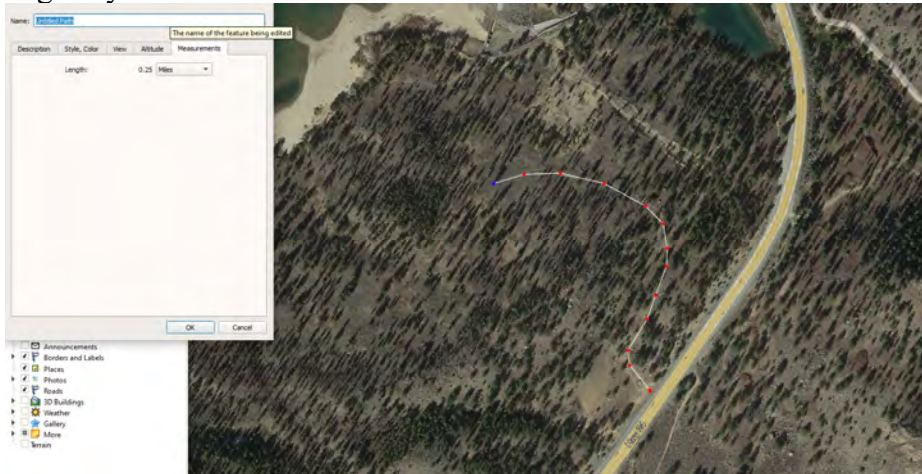
— Geophysics Line

BLM Land - Spillway Excavation and Borrow Investigation

- 2 long geophysics lines for excavation and borrow investigation
- Geologic reconnaissance



Highway 24 BLM access



Attachment 3 - Development of a Permitting Scope and Program: Phase I

GEI is including the following scope of work which details the initial tasks we anticipate will be required to successfully permit the dam raise at Clear Creek Reservoir. While historical natural resource surveys have been completed for the site, the extent and type of studies necessary for the proposed project need to be updated and/or verified in order to support the permitting path forward. Under Phase I, Task 1 GEI will perform preliminary desktop investigations followed by field surveys to delineate aquatic resources and habitat below the dam. Conditions for the area upstream of the dam will be verified, including wetlands and sensitive habitats (not to include those areas designated as private land). Task 2 will evaluate all resource inventories, potential challenges, and identify supplemental surveys necessary to address any data gaps. The report generated as a result of Task 2 analysis will summarize all available data and identify any fatal flaws, should they exist. Task 3 will be specifically focused on facilitating formulation of a Purpose and Need Statement for the project, as required under the National Environmental Policy Act (NEPA), GEI will support Pueblo and CS-U in this process.

Our team of environmental scientists, ecologists, and biologists will complete all onsite natural resource assessments with the specific goal of using the outcome of these surveys to inform the design and associated environmental permitting that will occur as part of the future Phase II (not included in this scope). Based on our knowledge of the site, the proposed project area includes land owned by the U.S. Forest Service (USFS) and the Bureau of Land Management (BLM); therefore, we anticipate that compliance with NEPA will be required. Therefore, all tasks performed under Phase I will be implemented with this in mind.

Task 1: Field Surveys to Support Fatal Flaw Analysis

In advance of the site visit, GEI staff will conduct a preliminary desktop investigation using aerial photography, National Wetland Inventory (NWI) maps, Natural Resources Conservation Service (NRCS) soil survey maps, the National Wetland Plant List, Colorado Natural Heritage Program Wetland Inventory maps, and other relevant historic documents, photos, maps, and information sources to identify key areas for further investigation. Surveys previously completed for the site will also be reviewed as well as the Information for Planning and Consultation (IPaC) and Raptor Nest databases maintained by the U.S. Fish and Wildlife Service (USFWS) and Colorado Parks and Wildlife (CPW), respectively, as well as other key sensitive species information. This review will be completed within two weeks of receiving notice to proceed.

1a. Natural Resource Surveys

Aquatic Resources

GEI will plan to perform field surveys in July 2022 for the project area. This will include surveys of downstream wetlands and those fringing wetlands around the perimeter of the reservoir. Our aquatic resources delineation will utilize methods outlined in the 1987 U.S. Army Corps of Engineers Wetland Delineation Manual and associated Regional Supplements. The onsite investigation will include an assessment of soils, hydrology, and vegetation within each key area. The surveys above the reservoir will be for verification of conditions only, an official delineation for this area will be conducted once irrigation is fully terminated. All wetland boundaries and sample

points for relevant areas will be mapped in the field using a handheld Trimble Geo 7X or similar with sub-meter accuracy. Collected data will be post-processed using Pathfinder Office software to produce easy to read wetland maps.

Previous studies completed for the area upstream of the reservoir suggest that fens may be present. Fens are high-value aquatic systems and often treated with enhanced protections by regulatory agencies. This area has also been subject to the influences of irrigation for many years. Therefore, official delineation for this area above the reservoir will be delayed until after irrigation is terminated. While hydrologically artificial wetlands (i.e., those created as a result of irrigation) are typically not regulated, they generally cannot be differentiated from natural wetlands without halting irrigation for one or more growing seasons. In order to address this problematic condition, the surveys for this area will occur once irrigation activities have been terminated for at least one growing season.

GEI will also conduct a delineation of the ordinary high water mark (OHWM) for the reservoir and any downstream waterbodies within the relevant portions of the project area. The survey will include the perimeter of the reservoir and extent of Clear Creek within the project area. The delineation of the OHWM will employ methods as detailed in the relevant U.S. Army Corps of Engineers (USACE) guidance documents. Floodplain units will be mapped at select locations indicating a representative cross-section.

Sensitive Habitats

Habitat for sensitive species potentially located within or adjacent to the project area will be documented during field surveys. Surveys completed by Johnson Environmental Consulting in 2021 identified the presence of adult boreal toads above the reservoir. Early communication with Colorado Parks and Wildlife (CPW) has also indicated boreal toad populations within this drainage, both above and below the reservoir. Given the state listed status of this species, GEI will focus on the identification of potential habitat areas during field surveys as well as conduct call surveys to ensure these locations are considered during design development. To allow for accurate recordation of this species' habitat and presence within the project area, field data will be collected during the breeding season which occurs at this elevation from late May into September.

Our field surveys will also consider any additional sensitive species and habitat likely to be present within the area based on state and/or federal listings.

1b. Cultural Resources Class 1 and 2 Survey

Background Literature Review and Pre-Field Tasks

Logan Simpson will conduct a records search prior to beginning fieldwork. The search will include the inventory area and a surrounding one-mile buffer. The search will be conducted through the History Colorado, Office of Archaeology and Historic Preservation (OAHP). The cultural resources files at the BLM Royal Gorge Field Office and the USFS Leadville Ranger District will be examined to examine any site or project files not yet accessioned at OAHP. Other sources (e.g., historic documents, newspapers, General Land Office plats, etc.) will be consulted as necessary. The results of the literature review will provide data to re-locate/update previously recorded sites and provide information for the prehistoric, indigenous, and historic context for the area. The results of this file

search will be used to inform the project and permitting agencies as a field investigation scope of work is developed. In addition to the file search, the pre-field tasks include submitting a Field Work Authorization (FWA) to the BLM and a FWA and Work Plan to the USFS. The file search must be completed prior to the submittal of the USFS FWA Work Plan, as the results are required by the plan.

Development of a Cultural Resources Field Investigation Scope of Work

The information in the file search will be used to develop a scope of work for the field investigation by the project proponent, permitting federal agencies, GEI, and Logan Simpson. Issues to consider in the development of the scope of work include which federal agency has jurisdiction; the Area of Potential Affect (APE) as defined by the federal agency; status of previous cultural resource investigations; locations and types of previously located prehistoric and historic sites; the presence/absence and location of areas within the project that have a high probability of preserving cultural resources; and any other issues that may impact significant cultural resources.

The estimated budget of \$34,038 provided by Logan Simpson includes a full Class III survey field inventory, but costs for this field survey and reporting will need to be finalized once the work plan under this task has been completed (see attached scope of work from Logan Simpson).

Task 2: Environmental Permitting Fatal Flaw Analysis and Permitting Timeline

All historic information, combined with results from the 2022 field effort will be summarized, along with the information from the preliminary cultural work plan development. All data will be incorporated into a comprehensive report. This analysis will evaluate permitting requirements, additional work required to address data gaps, any fatal flaws, and ultimately establish a draft permitting timeline based on available information. Options for mitigation will be explored during this evaluation in an effort to address any potential adverse impacts.

Deliverable for Tasks 1 and 2: Comprehensive report which will address federal, state, and local permitting requirements, environmental resources present, identification of issues, challenges, and any fatal flaws. Resource-specific reports will be attached as appendices (e.g., aquatic resources delineation report). This deliverable is tentatively anticipated to be completed by the end of August 2022 but may need to be adjusted based on field survey timelines and work plan approvals from USFS and BLM.

Task 3: Purpose and Need Development Support

Our team of permitting experts will support Pueblo and CS-U through the process of developing a Purpose and Need Statement for the project. This statement will provide the basis for future permitting and provide a framework for agency and stakeholder engagement. We will use the previously completed studies and reports, coupled with 2022 data, to establish clear goals and objectives for the project, this will then inform the development of the Purpose and Need Statement. Information regarding water demand, operations, and water rights will be discussed as it relates to each utility. These topics will then be discussed in relation to the environmental impacts that may result from the project and how best to frame the Purpose Statement in consideration of these variables. The goal will be to arrive at a concise project purpose which will then help to inform

(and support) why the project is needed at this time, in this location. Additional data needs will be identified during this process.

Once finalized, a cohesive and accurate Purpose and Need Statement can be presented to federal and other regulatory agencies and shared with the public as the permitting process moves forward.

Deliverable Task 3: We expect 2 – 3 internal calls will be held to support this effort. Meeting minutes will be captured by our team. The Purpose and Need Statement will be the basis for a draft report detailing the essential data and critical components required to justify, and ultimately permit, the project.

Assumptions

- An Environmental Assessment is not included in this scope of work.
- Species-specific Biological Assessments are not included in this scope of work.
- Surveys will not be completed for areas of the project that overlap on private land.
- An evaluation of Traditional Cultural Properties and/or conducting ethnographic research is not included in scope.
- Public outreach is not included under Phase I services.

Based on current status of project, we anticipate the following agencies and associated permitting will be required:

PERMITTING AGENCY	REGULATORY STATUTE/ PERMITS REQUIRED	SUPPORTING STUDIES AND MATERIALS REQUIRED	ANTICIPATED SCHEDULE
LOCAL			
Chaffee County	1041 Permit	<ul style="list-style-type: none"> • Pre-application conference • Conceptual level design (minimum) and site maps for County review and public hearing process • Written narrative of assessed natural resources and associated impacts 	<ul style="list-style-type: none"> • Complete application is submitted by the County to the appropriate CPW office for review and comment. • CPW shall be permitted up to 45 days to review and offer comment. • Following receipt of comment from CPW, the County Administrator shall either issue a Statement of No Impact or notify that a permit must be obtained to satisfy the requirements of Chapter 9 of the 1041 Regulations.
STATE OF COLORADO			
Colorado Department of Natural Resources			
Colorado Parks and Wildlife	Consultation if state-sensitive species or habitat present	<ul style="list-style-type: none"> • State listed sensitive species and associated habitat. • Mitigation plan if species or habitat found. 	Consultation runs concurrent with CWA 404 and 1041 permit schedule
Colorado Department of Public Health and Environment			
Water Quality Control Division	Clean Water Act (CWA) 401*	• Erosion and Stormwater Control Plan	60-90 days; Submitted in advance of CWA 404 permit
FEDERAL			
U.S. Army Corps of Engineers, Albuquerque District	CWA 404	<ul style="list-style-type: none"> • Site development plans • Terrestrial and aquatic biological surveys • Wetlands and ordinary high water mark delineations • Reclamation/Mitigation Plan (stream/wetland disturbance areas) 	Once application is determined to be complete: NWP will be issued in 60-90 days; IP will be issued in 90-120 days
U.S. Fish and Wildlife Service, Grand Junction Office	Endangered Species Act (ESA); Section 7 Consultation via CWA 404 permit if T&E species or habitat present	<ul style="list-style-type: none"> • Federally listed threatened and endangered species and associated habitat • Mitigation plan if species or habitat found 	Consultation runs concurrent with CWA 404 permit schedule
U.S. Forest Service, Gunnison National Forest	Special Use Permit	<ul style="list-style-type: none"> • Application with supporting project-related information • Summary of impacts (i.e., tree removal) • Mitigation plan, if required due to impacts 	Consultation runs concurrent with CWA 404 permit schedule

PERMITTING AGENCY	REGULATORY STATUTE/ PERMITS REQUIRED	SUPPORTING STUDIES AND MATERIALS REQUIRED	ANTICIPATED SCHEDULE
Office of Historic Preservation & Archaeology	National Historic Preservation Act (NHPA); Section 106 consultation via CWA 404 permit, if resources impacted	<ul style="list-style-type: none"> • Class III cultural resources surveys • Mitigation/recovery plan if resources found 	Consultation runs concurrent with CWA 404 permit schedule

*Required if project impacts dictate an Individual Permit, as Nationwide Permits are programmatically certified.



May 3, 2022

Sarah Skigen-Caird
Ecology Division Manager/Sr. Environmental Scientist
GEI Consultants, Inc.
4601 DTC Boulevard, Suite 900 Denver, CO 80237

Re: Clear Creek Dam Class Resources Investigation

Dear Mrs. Skigen-Caird:

Logan Simpson is pleased to provide this proposal for a full Class III cultural resource inventory for the Clear Creek project in Chaffee County, Colorado. The attached Scope of Work describes the services that we will provide. In compensation for this effort, we are requesting **\$3,943 Cost Not to Exceed for the File Search and assistance developing a field scope of work. If a full field inventory is required, the additional cost will be \$30,095.** This amount will be recalculated once the actual scope of work has been determined by the project proponent and permitting agencies.

We look forward to the opportunity to work with you. If you need any additional information, please call me at (928) 226-0016 or email me at elaurila@logansimpson.com.

Sincerely,

A handwritten signature in black ink, appearing to read 'Erick Laurila', is written over a light blue horizontal line.

Erick Laurila
Principal



L O G A N S I M P S O N

Clear Creek Dam Project Cultural Resources Investigation Scope of Work

Introduction

GEI is seeking a cultural resources investigation for improvements/construction in support of the Clear Dam Rehabilitation Project, Chaffee County, Colorado. This effort will likely require the disturbance of 250 – 300 acres through construction and inundation located on private lands and lands under the jurisdiction of the Bureau of Land Management (BLM) and the U.S. Forest Service (USFS). The project will likely require a Section 404 permit from the U.S. Army Corps of Engineers (USACE). The project will cause ground disturbance, is located on federally administered lands, may require a Section 404 permit, and is therefore considered an undertaking and requires a cultural resources investigation in support of compliance with Section 106 of the National Historic Preservation Act. Logan Simpson has permits in good standing to conduct cultural resources investigations on BLM lands in Colorado (C-72890), Forest Service lands in Colorado (R2CRM015), and on state, local, and private lands in Colorado (OAHF 79286).

Task 1. Background Literature Review and Pre-Field Tasks

Logan Simpson will conduct a records search prior to beginning fieldwork. The search will include the inventory area and a surrounding one-mile buffer. The search will be conducted through the History Colorado, Office of Archaeology and Historic Preservation (OAHF). The cultural resources files at the BLM Royal Gorge Field Office and the USFS Leadville Ranger District will be examined to examine any site or project files not yet accessioned at OAHF. Other sources (e.g., historic documents, newspapers, General Land Office plats, etc.) will be consulted as necessary. The results of the literature review will provide data to re-locate/update previously recorded sites and provide information for the prehistoric, indigenous, and historic context for the area. The results of this file search will be used to inform the project and permitting agencies as a field investigation scope-of-work (SOW) is developed

In addition to the file search, the pre-field tasks include submitting a Field Work Authorization (FWA) to the BLM and a FWA and Work Plan to the USFS. The file search must be completed prior to the submittal of the USFS FWA Work Plan, as the results are required by the plan.

Task 2. Development of a Cultural Resources Field Investigation SOW

The information in the file search will be used to develop a SOW for the field investigation by the project proponent, permitting federal agencies, GEI, and Logan Simpson. Issues to consider in the development of the SOW include which federal agency has jurisdiction; the Area of Potential Affect (APE) as defined by the federal agency; status of previous cultural resource investigations; locations and types of previously located prehistoric and historic sites; the presence/absence and location of areas within the project that have a high probability of preserving cultural resources; and any other issues that may impact significant cultural resources.

Task 3. Recalculation of Fieldwork and Reporting Costs

Once a SOW is in place, the costs to conduct and report on the fieldwork will be recalculated to reflect the revised SOW.



L O G A N S I M P S O N

Task 4. Fieldwork and Reporting

Fieldwork will be conducted using a professional grade Global Positioning System (GPS) unit; the GPS unit will be set to North American Datum (NAD) 1983, UTM Zone 13N. The APE will be uploaded onto a handheld Trimble NOMAD Global Positioning System (GPS) receiver set to datum and projection to aid in navigation. Additionally, all previously recorded sites (if any are identified during the background literature review) will be uploaded to aid in their relocation.

The inventory will be conducted by walking parallel transects within the project area spaced no more than 20 meters (m) apart. Drainage channels and other sediment exposures will be inspected for exposed subsurface profiles. Site recording will include a written description, photographic documentation, and GPS-based mapping. Previously recorded sites within the survey area will be updated as needed. All cultural resources identified will be recorded to OAHP and federal agency standards. All identified cultural resources meeting the criteria of a site or isolated find will be documented on Colorado Cultural Resources Survey forms.

The project may require an historic architectural evaluation of the Clear Creek Dam. The dam was built in 1902 and qualifies as an historic structure. The dam is not listed as a recorded historic resource in the OAHP files; thus, it has not been evaluated for historic significance. The dam will be mapped, photographed, and described following using OAHP guidelines. Research will also be undertaken to provide a historic context for the dam in terms of water development in the Upper Arkansas River Basin in the early 1900s.

A report detailing the methods and results of the background research, field survey, and historic dam evaluation will be prepared to current OAHP, BLM, and USFS standards. The report will include a description of the project undertaking; results of the literature review; description of field methods; inventory results; and recommendations for any further work should such work be necessary. One copy of the draft report will be submitted to GEI for review. After any corrections are made corrections If revisions to the draft are required, Logan Simpson will address those comments within 10 (10) business days. Copies of the final report will be delivered to GEI and the federal agencies.

Schedule

Upon the notice-to-proceed (NTP) Logan Simpson will initiate the file search and the field work authorization process. This task will also include compiling a work plan for the USFS and having remote meetings with the BLM and USFS to discuss project specifics. This task should take 14 days, depending on agency schedules, to complete.

Once the pre-field tasks are completed the field work will be conducted. The field work is scheduled to take six days. No field work can be conducted until the ground is free of all snow cover. The draft report and site forms will require 45 days to complete once the field work is finished. The BLM and USFS require 30 days to review draft reports and site forms. Once the agency comments are received, the final report and site forms will be submitted within 14 days.

Assuming the NTP is issued on May 15, 2022, and the project area is free of snow by June 1, 2022, the entire project will be completed by September 5, 2022.

Assumptions

- GEI will assist with project coordination with the BLM and USFS



L O G A N S I M P S O N

- GIS shape files delineating the project boundary will be provided before the initiation of the project tasks.
- The project area will not exceed 250 acres.
- All previously recorded, and/or newly discovered sites, will require recording/updating. No more than nine sites (including the dam) will require documentation.
- A draft report will be produced for review by the BLM and USFS including the results of the Class III inventory and historic architectural evaluation if required. A final report will be produced incorporating edits from the review.
- Additional cultural resources services, including, but not limited to, monitoring, testing and/or data recovery, Historic American Building Survey (HABS)/Historic American Engineering Record (HAER) level documentation, and tribal consultation are not included in this scope of work
- Logan Simpson is not responsible for conducting an evaluation of Traditional Cultural Properties or conducting ethnographic research. If requested this service can be added.
- Logan Simpson is not responsible for delays to schedule due to inclement weather and fieldwork cannot commence until the ground is snow free.
- Access to the project area will be provided.

Cost Table

Cultural Resource Tasks – Clear Creek Dam

Task	Hrs.	Cost	Comment
Pre-Field	29	\$ 3,943	File search, meetings, mobilization, project management. SOW Revision and Work Plan
Field Inventory	150	\$ 14,681	All fieldwork on 250 acres
Dam Evaluation	54	\$ 4,376	Historic architecture work
Reports	139	\$ 11,039	Draft and Final, includes site forms
Total	377	\$ 34,039	

Attachment 4 - Detailed Budget Breakdown

GEI CONSULTANTS, INC.

PROJECT NAME: Clear Creek Dam Enlargement

PHASE: Phase 2

TASK:

DATE: 5/10/2022

TASK CODE:

- Task 1 - Topographic and Bathymetric Surveys
- Task 2 - Site Reconnaissance
- Task 3 - Preliminary Geotechnical Investigation and Evaluations
- Task 4 - Hydrology
- Task 5 - Reservoir Enlargement Conceptual Design
- Task 6 - Constructability and Costs
- Task 7 - Evaluate Enlargement Options
- Task 8 - Environmental Permitting Evaluation*(Ecology Rates)
- Task 9 - Study Report
- Task 10 - Project Management

LABOR COSTS	RATE	Task 1 - Topographic and Bathymetric Surveys		Task 2 - Site Reconnaissance		Task 3 - Preliminary Geotechnical Investigation and Evaluations		Task 4 - Hydrology		Task 5 - Reservoir Enlargement Conceptual Design		Task 6 - Constructability and Costs		Task 7 - Evaluate Enlargement Options		Task 8 - Environmental Permitting Evaluation* (Ecology Rates)		Task 9 - Study Report		Task 10 - Project Management		TOTAL # or HOURS for THIS PHASE	TOTAL BUDGET FOR THIS PHASE		
		TOTAL # or HOURS	TOTAL BUDGET	TOTAL # or HOURS	TOTAL BUDGET	TOTAL # or HOURS	TOTAL BUDGET	TOTAL # or HOURS	TOTAL BUDGET	TOTAL # or HOURS	TOTAL BUDGET	TOTAL # or HOURS	TOTAL BUDGET	TOTAL # or HOURS	TOTAL BUDGET	TOTAL # or HOURS	TOTAL BUDGET	TOTAL # or HOURS	TOTAL BUDGET	TOTAL # or HOURS	TOTAL BUDGET				
Technical Review	\$ 298.00	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -
Project Manager VIII	\$ 298.00	0	\$ -	0	\$ -	0	\$ -	10	\$ 2,980	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	10	\$ 2,980
Project Manager VII	\$ 262.00	8	\$ 2,096	28	\$ 7,336	34	\$ 8,908	0	\$ -	24	\$ 6,288	16	\$ 4,192	12	\$ 3,144	0	\$ -	16	\$ 4,192	48	\$ 12,576	186	\$ 48,732	186	\$ 48,732
Project Manager VI	\$ 217.00	0	\$ -	0	\$ -	24	\$ 5,208	0	\$ -	0	\$ -	0	\$ -	0	\$ -	179	\$ 26,850	0	\$ -	0	\$ -	0	\$ -	203	\$ 32,058
Senior Engineer V	\$ 186.00	0	\$ -	0	\$ -	94	\$ 17,484	20	\$ 3,720	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	114	\$ 21,204
Staff Engineer IV	\$ 160.00	0	\$ -	0	\$ -	124	\$ 19,840	0	\$ -	40	\$ 6,400	0	\$ -	4	\$ 640	137	\$ 13,700	0	\$ -	8	\$ 1,280	313	\$ 41,860	313	\$ 41,860
Staff Engineer III	\$ 145.00	6	\$ 870	10	\$ 1,450	24	\$ 3,480	0	\$ -	0	\$ -	0	\$ -	6	\$ 870	100	\$ 9,500	48	\$ 6,960	0	\$ -	194	\$ 23,130	194	\$ 23,130
Staff Engineer II	\$ 133.00	0	\$ -	0	\$ -	93	\$ 12,369	60	\$ 7,980	40	\$ 5,320	32	\$ 4,256	16	\$ 2,128	0	\$ -	0	\$ -	0	\$ -	0	\$ -	241	\$ 32,053
Staff Engineer I	\$ 120.00	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -
Drafting	\$ 122.00	0	\$ -	0	\$ -	4	\$ 488	0	\$ -	64	\$ 7,808	0	\$ -	4	\$ 488	0	\$ -	0	\$ -	0	\$ -	0	\$ -	72	\$ 8,784
Word Processing	\$ 109.00	0	\$ -	0	\$ -	18	\$ 1,962	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	8	\$ 872	8	\$ 872	8	\$ 872	34	\$ 3,706
TOTAL LABOR COSTS		14	\$ 2,966	38	\$ 8,786	415	\$ 69,739	90	\$ 14,680	168	\$ 25,816	48	\$ 8,448	42	\$ 7,270	416	\$ 50,050	72	\$ 12,024	64	\$ 14,728	1367	\$ 214,507	1367	\$ 214,507
SUBCONTRACT COSTS																									
River Science	\$ 22,239.00	1	\$ 22,239	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	1	\$ 22,239
Excavator and Test Pits	\$ 8,000.00	0	\$ -	0	\$ -	1	\$ 8,000	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	1	\$ 8,000
Lab Testing	\$ 3,500.00	0	\$ -	0	\$ -	1	\$ 3,500	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	1	\$ 3,500
Geophysics	\$ 7,200.00	0	\$ -	0	\$ -	1	\$ 7,200	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	1	\$ 7,200
Cultural Resources Sub	\$ 34,039.00	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	1	\$ 34,039	0	\$ -	0	\$ -	0	\$ -	1	\$ 34,039
TOTAL SUBCONTRACT COSTS		1	\$ 22,239	0	\$ -	3	\$ 18,700	0	\$ -	0	\$ -	0	\$ -	0	\$ -	1	\$ 34,039	0	\$ -	0	\$ -	0	\$ -	5	\$ 74,978
OTHER DIRECT COSTS																									
EXPENSES/BUDGET =	6.00%	0	\$ 178	0	\$ 527	0	\$ 4,184	0	\$ 881	0	\$ 1,549	0	\$ 507	0	\$ 436	0	\$ 3,003	0	\$ 721	0	\$ 884	0	\$ 12,870	0	\$ 12,870
TOTAL OTHER DIRECT COSTS		0	\$ 178	0	\$ 527	0	\$ 4,184	0	\$ 881	0	\$ 1,549	0	\$ 507	0	\$ 436	0	\$ 3,003	0	\$ 721	0	\$ 884	0	\$ 12,870	0	\$ 12,870
TRAVEL																									
AIRFARE	\$ 600.00	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -
MOTEL	\$ 150.00	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	5	\$ 750	0	\$ -	0	\$ -	0	\$ -	5	\$ 750
MEALS	\$ 75.00	0	\$ -	3	\$ 225	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	5	\$ 375	0	\$ -	0	\$ -	0	\$ -	8	\$ 600
RENTAL CAR	\$ 100.00	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -
MILEAGE	\$ 0.59	0	\$ -	600	\$ 351	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	600	\$ 351
PARKING	\$ 21.00	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -
TOTAL TRAVEL COSTS		0	\$ -	3	\$ 225	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	5	\$ 375	0	\$ -	0	\$ -	0	\$ -	8	\$ 600
TOTAL PROJECT COSTS		14	\$ 25,383	38	\$ 9,889	415	\$ 92,623	90	\$ 15,561	168	\$ 27,365	48	\$ 8,955	42	\$ 7,706	416	\$ 88,217	72	\$ 12,745	64	\$ 15,612	1367	\$ 304,056	1367	\$ 304,056

EXHIBIT 2 to IGA

TERM SHEET FOR POTENTIAL PHASE II IGA BETWEEN PUEBLO WATER AND UTILITIES TO ENLARGE CLEAR CREEK RESERVOIR

The following is a conceptual outline of the terms of the Phase II IGA for the enlargement of Clear Creek Reservoir. These terms are based on discussions between Utilities and Pueblo Water and will be subject to further negotiation in the formulation of the Phase II IGA.

1. **Term of the Agreement:** Utilities will have a perpetual right for firm storage in Clear Creek Reservoir and the ability to use Pueblo Water's portion of the expanded storage for 30 years following the end of construction.
2. **Construction Costs:**
 - a. Pueblo Water's current enlargement study contemplates four enlargement scenarios, 3,585¹ acre-feet; 6,385 acre-feet; 11,535 acre-feet; and 20,885 acre-feet. The maximum size of the enlargement will be determined by the Feasibility Study. All construction costs will be allocated pro-rata based upon the percentage of the cost of the smallest enlargement to the cost of designed size of the enlargement selected by the Parties. For example, if the enlargement is 20,885 acre-feet, then Utilities would be responsible for 87% of the costs and Pueblo Water would be responsible for 13% of the costs.
3. **Quantity of additional storage:** The biggest enlargement in the Feasibility Study contemplates an enlargement producing approximately 20,885 acre-feet of additional storage over the existing physical capacity of 11,015± acre-feet.
 - a. Utilities will acquire a perpetual right to 10,000 acre-feet of the additional storage.
 - b. Utilities will acquire a right to use Pueblo Water's portion of the additional storage (10,885 acre-feet) for the first 30 years after completion of construction of the enlargement. After the initial 30-year period the permanent right to use the 10,885 acre-feet of additional storage will revert to Pueblo Water.
 - c. Pueblo Water retains the right to "buy-back" some or all of the 10,885 acre-feet of additional storage during the initial 30-year period in which Utilities has the right to use Pueblo Water's additional storage. The price Pueblo Water pays Utilities if this right is exercised will be equal to the final cost per acre foot Utilities paid for the additional storage.
 - d. Either Party may store water in the other Parties' capacity on an if-and-when basis subject to a fee per acre-foot to be agreed upon prior to any such storage.

¹ This includes 2,000 acre-feet of existing storage space in Clear Creek Reservoir that is not currently used due to dam seepage concerns.

- e. Third parties may use storage space on a temporary or long-term basis subject to a right of first refusal by the other Party on any such arrangement.
 - f. The Feasibility Study should determine the absolute maximum enlargement for the reservoir prior, which may be more than 20,885 acre-feet.
- 4. Land Acquisition:**
- a. Private lands:
 - i. Pueblo Water will acquire and hold title to any additional private lands necessary for the expansion. Costs of such lands will be borne 52% by Pueblo Water and 48% by Utilities.
 - b. Federal lands and/or easements:
 - i. Pueblo Water will attempt to acquire federal lands via land trades.
 - ii. Easements will be sought if land trades are not feasible.
 - iii. Costs of federal lands and/ or easements will be borne 52% by Pueblo Water and 48% by Utilities.
 - iv. The value of Pueblo Water's land traded is not part of the costs to be paid by Utilities.
- 5. Design:**
- a. Parties will choose an enlargement alternative to refine to final design and used as the parties preferred alternative for permitting purposes.
 - b. Pueblo Water has final decision-making authority on design decisions but will regularly consult with Utilities on all design matters.
 - c. Design costs will be split based upon the same percentage used for construction costs.
- 6. Permitting:**
- a. Pueblo Water will take the lead on all permitting. However, given Utilities substantial experience in permitting large water projects, Pueblo Water will routinely and regularly consult with Utilities on all permitting matters. Pueblo Water will have final decision-making authority for permitting.
 - b. Permitting costs will be borne 52% by Pueblo Water and 48% by Utilities.
- 7. Construction Management:**
- a. Pueblo Water, after consultation with Utilities, will choose the contractor and will be responsible for construction management. Pueblo Water will regularly consult with Utilities on all construction matters. Pueblo Water will have final decision-making authority regarding construction matters.
- 8. On-going Operation & Maintenance:**
- a. Pueblo Water will be responsible for the coordination of all annual Operation and maintenance of the enlarged Clear Creek Reservoir.
 - b. The Parties will meet annually, each spring, to discuss and plan expected water operations for the upcoming 12 months.

- c. At the conclusion of each calendar year, Utilities will reimburse Pueblo Water for 20% of the costs associated with that years' operation and maintenance. A detailed accounting of said costs will be provided to Utilities along with the invoice.

9. Future capital repairs:

- a. Costs for all future capital repairs will be split pro-rata based upon the percentage of storage available to each Party at the time the capital repairs are made. Parties will take a pro-active approach to capital repairs, to limit future, larger repairs. Parties will exercise good faith efforts to fund and make capital repairs promptly.
- b. The Parties will consult, annually, to develop a 10-year plan for capital repairs.
- c. Pueblo Water will have final decision-making authority on the necessity and scheduling of capital projects but will regularly consult with Utilities on all such matters.

10. Emergency repairs:

- a. Pueblo Water will act, immediately, on any emergency related repairs. Pueblo Water, in its sole discretion, will determine what constitutes an emergency.
- b. Pueblo Water will inform Utilities of an emergency as soon as practicable.
- c. Emergency related costs will be split pro-rata based upon the percentage of storage available to each Party at the time of the emergency.

11. Water Rights:

- a. Pueblo Water holds absolute storage rights for the existing reservoir and conditional storage rights for an expanded reservoir. Pueblo Water also holds several absolute and conditional rights of exchange into the reservoir.
- b. Utilities also holds absolute and conditional rights of exchange into the reservoir.
- c. The respective priorities of the Parties water rights will be used to determine the right to inflow and exchange potential when there is not enough stream flow and/or reservoir inflow to satisfy the desired exchange rates of each Party.
- d. Neither Party may use its senior priority against the other Party to store in If and When space in the other Parties allocated storage space.
- e. Neither Party will make claims for new storage rights or exchange rights into the reservoir without first consulting with the other Party.

12. Outlet Works:

- a. Utilities, at its own expense, may make a connection from the outlet works of Clear Creek Reservoir to its Otero Pipeline as long as such connection does not interfere with Pueblo's ability to make releases to the Arkansas River.
- b. If the Parties combined desired release rate exceeds the capacity of the outlet works, then the release capacity will be allocated pro-rata based on how much of the total space is allocated to each Party at the time.

Board Memo Agenda Item

Staff Report

Date: October 19, 2022
To: Utilities Board
From: Aram Benyamin, Chief Executive Officer
Subject: Aurora/Colorado Springs Joint Water Authority Amended Transmission Contract

NARRATIVE:

Desired Action: Discussion

Executive Summary: In 1983, the cities of Aurora and Colorado Springs established a separate governmental entity and subdivision of the State of Colorado known as the Aurora-Colorado Springs Joint Water Authority. The Authority financed, constructed, operates, and maintains a pipeline from the outlet of Twin Lakes Dam to the Otero Pumping Station Intake and provides for the transmission of water owned or controlled by the two cities through the pipeline. The Authority currently provides water transmission service to the cities pursuant to an Amended First Revised Water Transmission Service Contract that expires on Dec. 31, 2022. The Authority and the two cities have negotiated a second amendment to the Revised Transmission Contract that extends its term through Dec. 31, 2027, with up to two five-year extensions at the cities' discretion. No changes were made to the remaining terms of the agreement. Colorado Springs Utilities will seek City Council's approval of the second amendment by resolution on the consent calendar at the Nov. 8, 2022 City Council meeting.

Benefits: Allows Colorado Springs Utilities and Aurora to continue receiving water transmission service from the Authority.

Board Policy: Instructions to the Chief Executive Officer, Water Supply Management (I-7)

Cost/Budget: Agreement is budget neutral. The cities will continue to make all payments required under the agreement.

Affected Parties: Aurora/Colorado Springs Joint Water Authority, City of Aurora, and Colorado Springs Utilities

Alternatives: N/A

Submitter: M. Patrick Wells, Manager

Email address: mpwells@csu.org

Division/ SPP/Water Resources and Demand

Phone number: (719) 668-3939

Department: Management

Date submitted: Sept. 29, 2022

SPG Staff Use Only: Consent Calendar

Yes

X

No

ITEM NO. 15



Colorado Springs Utilities
It's how we're all connected

Aurora/Colorado Springs Joint Water Authority Amended Transmission Contract

Lisa Barbato

Chief Systems Planning and Projects Officer

October 19, 2022

130 of 178

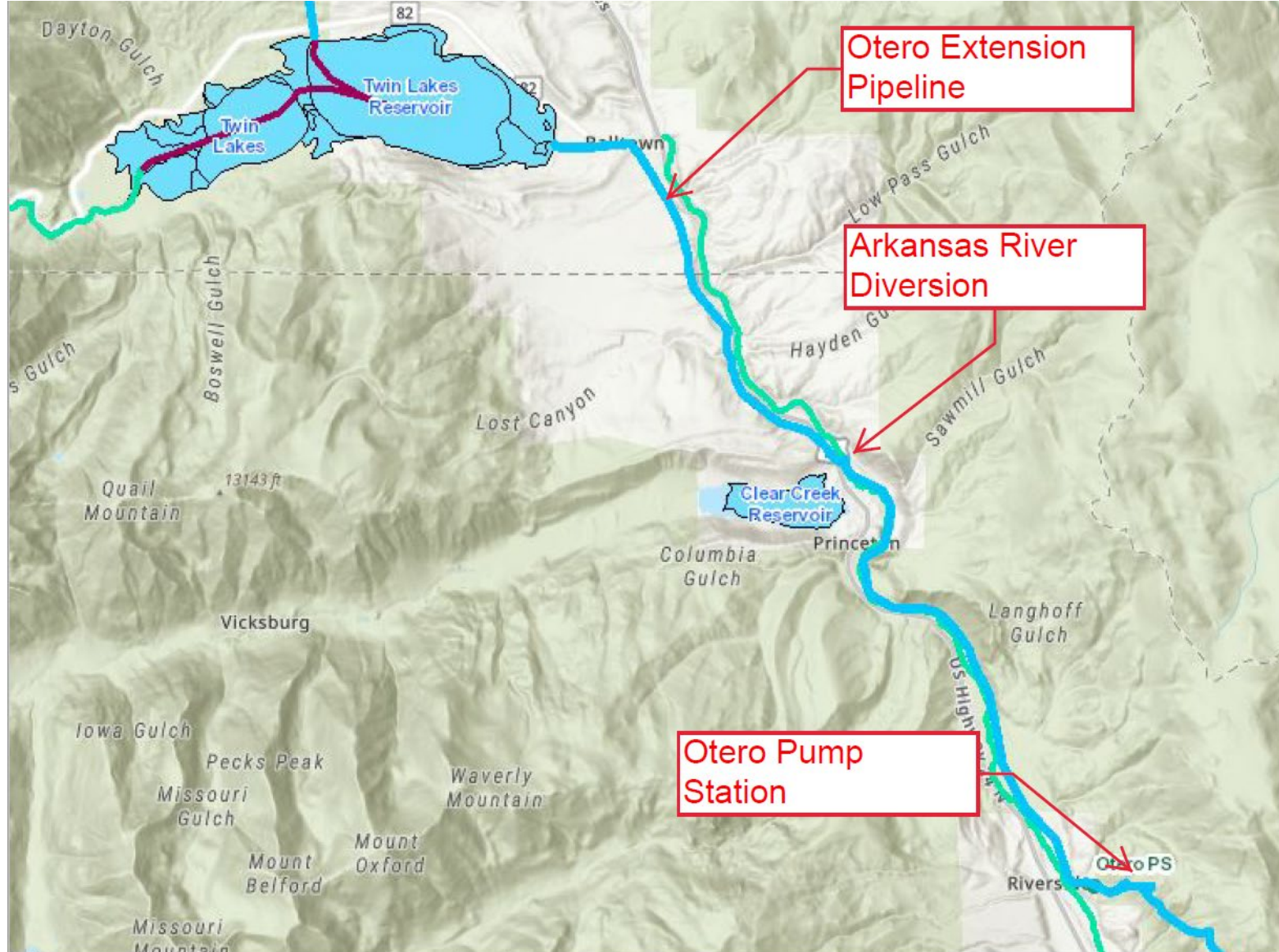
Background

- Aurora and Colorado Springs partnership
 - 1960s – Homestake Project
 - 1983 – Aurora-Colorado Springs Joint Water Authority
- Aurora-Colorado Springs Joint Water Authority
 - Finance, construct, and operate water systems assets and facilities on behalf of both cities

Background Continued

- 1983 Water Transmission Service Agreement
 - Authority financed, constructed, operated, and maintained the Otero Extension Pipeline
 - Agreement expired on Dec. 31, 2013
- April 2014 – Revised Water Transmission Service Contract
 - Provides terms under which the Authority will operate and maintain the Otero Extension Pipeline on behalf of Colorado Springs and Aurora
 - Term extended through Dec. 31, 2022

Otero Extension Pipeline



Current Status

- Authority and the two cities have negotiated amendment to the Transmission Contract which:
 - Extends term through Dec. 31, 2027, with up to two five-year extensions
 - Extensions may be approved administratively by the CEO
- Purpose of Agreement Extension:
 - Continued conveyance of cities' water through Otero Extension Pipeline under Transmission Contract
- Amendment must be approved by the City Councils

Next Steps

Approval of Resolution approving the Amendment

- October 19: Proceed with consideration of Resolution approving the Amendment on City Council consent agenda for the November 8, 2022, meeting.
- November 8: City Council Meeting Consent Calendar



Colorado Springs Utilities
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RESOLUTION NO. 22-____

A RESOLUTION APPROVING THE SECOND AMENDMENT
TO EXTEND FIRST REVISED WATER TRANSMISSION
SERVICE CONTRACT AMONG AURORA – COLORADO
SPRINGS JOINT WATER AUTHORITY AND CITY OF
AURORA, COLORADO AND CITY OF COLORADO
SPRINGS, COLORADO

WHEREAS, the cities of Aurora and Colorado Springs (“Cities”) have for many years worked cooperatively in developing water resources through the project commonly known as the Homestake Project and have enjoyed economies of scale in bringing water from western Colorado to the water systems of the Cities; and

WHEREAS, by contract executed May 13, 1983, the Cities established a separate governmental entity and subdivision of the State of Colorado known as the Aurora-Colorado Springs Joint Water Authority (“Authority”); and

WHEREAS, one specific purpose of the Authority was to finance, construct, operate, and maintain a pipeline from the outlet of Twin Lakes Dam to the Otero Pumping Station Intake (“Otero Extension Pipeline”) and provide for the transmission of the Cities’ water through the pipeline; and

WHEREAS, on June 1, 1983, the Cities and the Authority entered into a Water Transmission Service Contract that set forth the terms under which the Authority would finance, construct, operate and maintain the Otero Extension Pipeline and provide water transmission service to the Cities through the pipeline; and

WHEREAS, the Water Transmission Service Contract expired on December 31, 2013 and on April 3, 2014, the Cities and the Authority entered into a First Revised Water Transmission Service Contract that sets forth the terms under which the Authority operates and maintains the Otero Extension Pipeline and provide water transmission service to the Cities; and

WHEREAS, the First Revised Water Transmission Service Contract expired on December 31, 2019 and the Authority and the Cities entered into an Amendment to Extend Term of April 3, 2014, First Revised Water Transmission Service Contract that extends the term through December 31, 2021, with a single one-year automatic extension of the term; and

WHEREAS, the Amendment to Extend Term of April 3, 2014, First Revised Water Transmission Service Contract expires on December 31, 2022 and the Authority and the Cities have negotiated a Second Amendment to Extend First Revised Water Transmission Service Contract that extends its term through December 31, 2027, with up to two five-year extensions at the Cities’ discretion; and

WHEREAS, Colorado Springs Utilities requests that City Council: (1) approve the Second Amendment to Extend First Revised Water Transmission Service Contract; and (2) authorize and direct the Chief Executive Officer of Colorado Springs Utilities to execute the Second Amendment to Extend First Revised Water Transmission Service Contract.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF COLORADO SPRINGS:

Section 1: The City Council finds and determines that approving the Second Amendment to Extend First Revised Water Transmission Service Contract is in the best interest of the City.

Section 2: The Second Amendment to Extend First Revised Water Transmission Service Contract is hereby approved.

Section 3: The Chief Executive Officer of Colorado Springs Utilities is authorized and directed to execute the Second Amendment to Extend First Revised Water Transmission Service Contract in a form substantially similar to that attached hereto.

Section 4: The Chief Executive Officer of Colorado Springs Utilities is authorized to administer the Second Amendment to Extend First Revised Water Transmission Service Contract.

Section 5. This Resolution shall take effect as of the date and time of its approval.

DATED at Colorado Springs, Colorado, this _____ day of November, 2022.

Council President

ATTEST:

Sarah B. Johnson, City Clerk

SECOND AMENDMENT TO EXTEND FIRST REVISED WATER TRANSMISSION SERVICE CONTRACT AMONG AURORA – COLORADO SPRINGS JOINT WATER AUTHORITY AND CITY OF AURORA, COLORADO AND CITY OF COLORADO SPRINGS, COLORADO

This Second Amendment to Extend, made and entered into this ___ day of _____, 2022, by and among the Aurora-Colorado Springs Joint Water Authority (the “Authority”), a political subdivision of the State of Colorado, and the City of Aurora, Colorado (“Aurora”), and the City of Colorado Springs, Colorado (“Colorado Springs”), each of which cities is a municipal corporation of the State of Colorado and a home rule city, (such cities being herein collectively called “Cities,” or individually, “City”).

WITNESSETH

WHEREAS, on May 13, 1983, by executing the Establishing Contract for Aurora – Colorado Springs Joint Water Authority (the “Establishing Contract”), the Cities formed the Authority as a separate governmental entity pursuant to Section 18(2)(a) and (2)(b) of Article XIV, Constitution of the State of Colorado, and Section 29-1-204.2, Colorado Revised Statutes (1973), to effect the development of water resources, systems and facilities for the benefit of the Cities and their inhabitants.

WHEREAS, the Authority has acquired and constructed the Extension Pipeline Project comprising a pipeline (the “Otero Extension Pipeline”) from the outlet of Twin Lakes Dam to the Otero Pumping Station Intake; and

WHEREAS, each City has need for the water to be transmitted by the Extension Pipeline Project for purposes of providing water for all domestic, municipal, industrial, recreational, and other beneficial purposes for each City and the inhabitants thereof and to those persons or entities served by the municipal system of each City; and

WHEREAS, on June 1, 1983, the Parties entered a Water Transmission Service Contract (“1983 Service Contract”) for the provision of certain water transmission services by the Authority to the Cities, the term of which expired on December 1, 2013.

WHEREAS, on April 3, 2014, the Parties entered the First Revised Water Transmission Service Contract, which superseded and replaced the 1983 Water Transmission Service Contract, the term of which is set to expire on December 31, 2019.

WHEREAS, effective December 31, 2019, the Parties entered into an Amendment to Extend Term of April 3, 2014, First Revised Water Transmission Service Contract (“Amendment to Extend”), which extended the term of the First Revised Water Transmission Service Contract through December 31, 2021, with a single one-year automatic extension of the term, and

established that the First Revised Water Transmission Service Contract will automatically expire on the effective date of the termination of the Authority under the terms of the Establishing Contract;

WHEREAS, each City desires to continue to receive, and the Authority desires to continue to furnish, water transmission service by means of the Authority's Extension Pipeline Project on the terms and conditions herein set forth in the First Revised Water Transmission Service Contract, as previously amended and as amended herein.

WHEREAS, prior to the expiration of the term set forth in the Amendment to Extend, the Parties wish to further amend the First Revised Water Transmission Service Contract for a longer period, with express automatic extensions as described, below.

NOW, THEREFORE, in consideration of the mutual undertakings herein contained, the Authority and each City agree as follows:

1 Extended Term: Section 1 of the First Revised Water Transmission Service Contract, as amended by the December 31, 2019, Amendment to Extend is hereby amended as follows:

Section 1: Term of Contract. The term of this Contract shall be from the Effective Date through December 31, 2027. Each Party's respective City Council agrees that the term may be extended through up to two five - year extensions if each such extension is administratively approved by both the General Manager of Aurora Water and the Chief Executive Officer of Colorado Springs Utilities, or their designees, and unless this Contract is not otherwise extended, amended, or terminated in writing by mutual agreement of the Parties. Further, the term of this Contract will automatically expire on the effective date of the termination of the Authority under the terms of the Establishing Contract.

2. Except as hereby expressly amended, the terms of the First Amended Water Transmission Service Contract are continued in full force and effect.

IN WITNESS WHEREOF, the Authority and the Cities have caused this instrument to be executed on the dates set forth below.

{Signatures on following pages}

CITY OF COLORADO SPRINGS

By: _____
President of City Council

Date: _____

Attest: _____
City Clerk

Date: _____

APPROVED AS TO FORM FOR THE CITY OF COLORADO SPRINGS, COLORADO,

Michael Gustafson, Senior Attorney

Date

DRAFT

**CITY OF AURORA, COLORADO,
ACTING BY AND THROUGH ITS
UTILITY ENTERPRISE**

Mike Coffman, Mayor

Date

ATTEST:

Kadee Rodriquez, City Clerk

Date

APPROVED AS TO FORM FOR AURORA:

Ian Best, Assistant City Attorney

Date

ACS #

John M. Dingess, Special Counsel

Date

AURORA-COLORADO SPRINGS JOINT WATER AUTHORITY

By: _____
President

Date

Attest:

By: _____
Secretary

Date

STATE OF COLORADO)
)ss.
COUNTY OF _____)

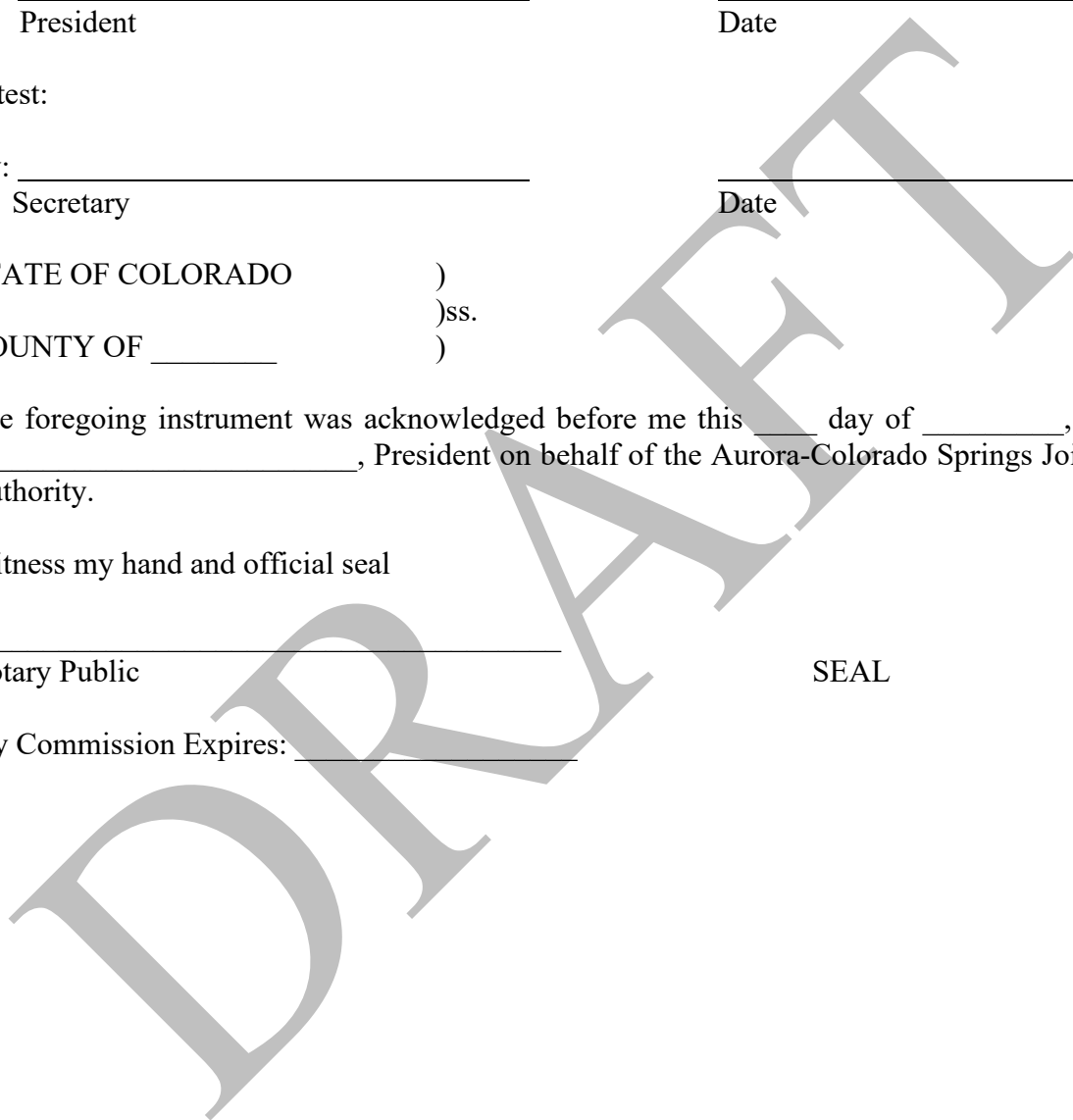
The foregoing instrument was acknowledged before me this ____ day of _____, 2022 by _____, President on behalf of the Aurora-Colorado Springs Joint Water Authority.

Witness my hand and official seal

Notary Public

SEAL

My Commission Expires: _____



Board Memo Agenda Item

Staff Report

Date: October 19, 2022
To: Utilities Board
From: Aram Benyamin, Chief Executive Officer
Subject: Wastewater Service Agreement with Stratmoor Hills Sanitation District

NARRATIVE:

Desired Action: Discussion

Executive Summary: Stratmoor Hills Sanitation District is a Colorado statutory district that provides wastewater collections services within the City of Fountain and for an unincorporated area of El Paso County. Colorado Springs Utilities has been accepting and treating Stratmoor's wastewater since 1960, and the contract under which it currently provides such service expires on Nov. 9, 2022.

Stratmoor's wastewater collection system delivers wastewater into Springs Utilities' wastewater system, which is then treated at Springs Utilities' Las Vegas Street Water Resource Recovery Facility. Springs Utilities and Stratmoor have negotiated a proposed Wastewater Service Agreement with a 10-year term, which is substantially similar to the current agreement. Colorado Springs Utilities will be requesting City Council approval of a resolution authorizing the Chief Executive Officer to execute the new Wastewater Service Agreement with Stratmoor on the consent calendar at the Oct. 25, 2022 City Council meeting.

Benefits: The Wastewater Service Agreement will allow Colorado Springs Utilities to utilize excess capacity in its wastewater treatment system and generate revenue and provide critical utility service to a neighboring district.

Board Policy: Instructions to the Chief Executive Officer, Water Supply Management (I-7)

Cost/Budget: Gross revenues under the proposed Wastewater Service Agreement will be approximately \$400,000 annually

Affected Parties: Colorado Springs Utilities and Stratmoor Hills Sanitation District

Alternatives: N/A

Submitter: Lauren Swenson	Email address: lswenson@csu.org
Division/ Department: Water Compliance and Innovation Industrial Pre-Treatment	Phone number: 719-668-4356
	Date submitted: Oct. 6, 2022

SPG Staff Use Only: Consent Calendar	<input type="checkbox"/>	Yes	<input checked="" type="checkbox"/>	No	ITEM NO. 16
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Colorado Springs Utilities
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Stratmoor Hills Sanitation District Wastewater Service Agreement

Wastewater Service Agreement

- Stratmoor Hills Sanitation District provides wastewater collection services within the City of Fountain and El Paso County.
- Provided wastewater treatment services at our Las Vegas treatment facility for Stratmoor since 1960.
- Parties agree to increase the term from 5 years to 10 years.
- There are no new regulations that apply.
- The Agreement is reviewed annually to ensure Industrial Pretreatment regulations are current.
- The gross revenue is approximately \$400,000 per year.
- The current service Agreement expires Nov. 9, 2022.

RESOLUTION NO. 22-____

A RESOLUTION DIRECTING THE CHIEF EXECUTIVE OFFICER OF COLORADO SPRINGS UTILITIES TO EXECUTE THE WASTEWATER SERVICE AGREEMENT BETWEEN COLORADO SPRINGS UTILITIES AND STRATMOOR HILLS SANITATION DISTRICT

WHEREAS, City Code § 12.5.304 allows Colorado Springs Utilities to provide by contract a connection to the City's wastewater system by institutions, organized sewer districts, governments, municipal corporations, or other similar users which are located outside the corporate limits of the City; and

WHEREAS, Stratmoor Hills Sanitation District is the owner of that certain wastewater collection system with service boundaries in the area north of South Academy Blvd near I-25, outside of but adjacent to the City of Colorado Springs; and

WHEREAS, Colorado Springs Utilities has been treating Stratmoor Hills Sanitation District's wastewater since 1960, and the contract under which it currently provides such service expires on November 9, 2022; and

WHEREAS, Stratmoor Hills Sanitation District has requested that Colorado Springs Utilities continue to collect wastewater at designated delivery points from Stratmoor Hills Sanitation District and process such wastewater; and

WHEREAS, Colorado Springs Utilities requests that City Council authorize and direct the Chief Executive Officer of Colorado Springs Utilities to execute a Wastewater Service Agreement with Stratmoor Hills Sanitation District; and

WHEREAS, the City Council finds that it is in the best interest of the City and the surrounding community for Colorado Springs Utilities to enter into such a Wastewater Service Agreement with Stratmoor Hills Sanitation District.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF COLORADO SPRINGS:

Section 1. The City Council finds and determines that the Wastewater Service Agreement between Colorado Springs Utilities and the Stratmoor Hills Sanitation District attached hereto will benefit the public health, safety and welfare of the surrounding community and is in the best interest of the City.

Section 2. The Chief Executive Officer of Colorado Springs Utilities is authorized and directed to enter into and administer the Wastewater Service Agreement with Stratmoor Hills Sanitation District in a form substantially similar to that attached hereto.

Section 3. This Resolution shall take effect as of the date and time of its approval.

DATED at Colorado Springs, Colorado, this _____ day of October, 2022.

Council President

ATTEST:

Sarah B. Johnson, City Clerk

WASTEWATER SERVICE AGREEMENT
Special Contract for Service - Outside Colorado Springs City Limits

THIS AGREEMENT ("Agreement") is made and entered into this ____ day of _____, 2022 ("Effective Date"), by and between Colorado Springs Utilities ("UTILITIES"), an enterprise of the City of Colorado Springs ("City"), a Colorado home rule City and municipal corporation, and Stratmoor Hills Sanitation District ("DISTRICT"), a quasi-municipal entity and political subdivision of the State of Colorado, located at 1811 B Street, Colorado Springs, Colorado 80906. In this document, UTILITIES and DISTRICT can be referred to individually as "Party" or collectively as "Parties."

Recitals

- A. DISTRICT is a Colorado statutory sanitation district with service boundaries in the area north of South Academy Blvd near I-25, outside of but adjacent to the City of Colorado Springs. DISTRICT was formed in 1956 and currently serves a customer base of approximately 2,076 connections in the Colorado Springs metropolitan area.
- B. DISTRICT anticipates adding approximately 16 new connections by the end of 2023.
- C. UTILITIES has wastewater infrastructure and treatment capacity available in its Wastewater Treatment System to provide wastewater related services for the anticipated wastewater flows from DISTRICT, including wastewater flows from the South Academy Highlands development until the expiration of the term of this Agreement.
- D. UTILITIES currently accepts and treats DISTRICT'S wastewater pursuant to an agreement for Special Contract for Services – Outside City Limits that will soon expire, and UTILITIES agrees to continue to accept and treat through its Wastewater Treatment System DISTRICT'S wastewater flows, subject to the terms and conditions contained herein.
- E. UTILITIES has entered into this Agreement pursuant to Section 12.5.304 (Service; Special Contract) of Article 5 (Wastewater Treatment Code) of Chapter 12 (Utilities) of the Code of the City of Colorado Springs 2001, as amended.

NOW, THEREFORE, FOR GOOD AND VALUABLE CONSIDERATION, INCLUDING THE FOREGOING REPRESENTATIONS, IT IS AGREED AS FOLLOWS:

Article I
General Provisions

- 1. Term; Renewal.
 - a. This Agreement shall become effective on the Effective Date and shall remain in effect for a period of ten (10) years.
 - b. No later than eighteen (18) months prior to the expiration of the Term, the Parties shall begin good faith negotiations on a new agreement for UTILITIES to treat DISTRICT's wastewater, with the expectation that such new agreement ("New Agreement") shall be substantially similar to this Agreement.

- c. If the Parties are unable to execute a New Agreement by the date that is six (6) months prior to the end of the Term:
 - i. UTILITIES may notify DISTRICT in writing that DISTRICT shall be disconnected from UTILITIES's Wastewater Treatment System as of the expiration of the Term; or
 - ii. If the Parties mutually agree to continue good faith negotiations for a new wastewater service agreement beyond the Term, the term may be extended for an additional 1 year term at UTILITIES' sole discretion.
2. Definitions. Terms not otherwise defined herein shall have the meaning adopted in the City Code as amended from time-to-time.
- a. DISTRICT's Service Area: DISTRICT's service boundary, as identified in Exhibit A. DISTRICT's Service Area may be amended in accordance with this Agreement.
 - b. DISTRICT's Wastewater Collection System: DISTRICT's Wastewater Collection System includes any devices, facilities, structures, equipment or works owned by DISTRICT for the purpose of collection and transmission of wastewater generated within DISTRICT's Service Area to UTILITIES' Wastewater Treatment System.
 - c. UTILITIES' Wastewater Treatment System: UTILITIES' Wastewater Treatment System includes any devices, facilities, structures, equipment or works owned by UTILITIES for the purpose of collecting and treating wastewater.
3. Jurisdiction and Compliance.
- a. This Agreement is for "Contract Service – Regional (S9C)," as provided in UTILITIES' Tariffs as modified or replaced. The wastewater treatment service provided to DISTRICT under this Agreement shall be governed by the Colorado Springs City Charter, the City Code, UTILITIES' Rules and Regulations ("URRs"), UTILITIES' Wastewater Tariffs ("Tariffs"), UTILITIES' Wastewater Line Extension and Service Standards ("WWLESS"), and all other applicable City or UTILITIES' ordinances, resolutions regulations, policies and rules concerning use of UTILITIES' Wastewater Treatment System as may be amended or replaced, except as otherwise provided in this Agreement.
 - b. DISTRICT is a User of Colorado Springs' publicly owned wastewater treatment works for the purposes of City Code § 12.5.102. In accordance with City Code § 12.5.304, DISTRICT submits to the jurisdiction of the City for the purposes of the enforcement procedures set out in City Code Chapter 12, Article 5. DISTRICT shall by ordinances, resolutions, or by contract with its extraterritorial customers, provide for DISTRICT's customers to submit to the jurisdiction of the City for the purposes of the enforcement procedures set out in City Code Chapter 12, Article 5. DISTRICT shall comply with all relevant laws, regulations or policies related to wastewater treatment as they exist now or may be amended or replaced in the future.

4. Wastewater Treatment Service.
 - a. During the term of this Agreement, UTILITIES will accept and treat through its Wastewater Treatment System wastewater that originates from inside DISTRICT's Service Area from DISTRICT's customers subject to the terms and conditions contained herein.
 - b. UTILITIES shall have no obligation to accept and treat wastewater under this Agreement that originates outside of DISTRICT's Service Area.
 - c. DISTRICT shall provide to UTILITIES an updated copy of the map of DISTRICT's Wastewater Collection System by **February 15** of each year or notice that no changes to DISTRICT's Wastewater Collection System have occurred in the preceding year.
5. Expansion of District's Service Area. DISTRICT may not expand the DISTRICT's Service Area or contract to provide wastewater service to additional extraterritorial customers without first receiving UTILITIES' prior written approval of the expansion or contract, which may require authorization from the UTILITIES' Board of Directors and the Colorado Springs City Council. DISTRICT shall provide UTILITIES with notice of its intent to expand DISTRICT's Service Area or contract for wastewater service with additional extraterritorial customers at least one hundred and eighty (180) days prior to the earlier of the date when (a) the DISTRICT will request approval of the expansion or contract by its governing body or (b) the DISTRICT will request approval of the expansion or contract by El Paso County, if required. The notice must include the number and types of connections to DISTRICT's Wastewater Collection System that will be included in the expanded DISTRICT's Service Area and/or pursuant to the contract. UTILITIES shall provide notice to DISTRICT of its approval/disapproval of the proposed expansion or contract within ninety (90) days of UTILITIES' receipt of DISTRICT's notice.
6. Rates, Charges, Surcharges and Fees Payable by DISTRICT.
 - a. For the services provided hereunder, DISTRICT shall pay to UTILITIES the applicable connection fees, system availability charges, rates, charges, surcharges and fees as provided in the Tariffs, as such may be amended or replaced from time to time by the Colorado Springs City Council. Such charges and fees include, but are not limited to, Treatment Charges and Extra Strength Surcharges, as provided in UTILITIES' Tariff "Contract Service - Regional" and the Wastewater Regional System Availability Fee ("WWRSAF") as provided in UTILITIES Tariffs as modified or replaced. Surcharges will apply to DISTRICT's wastewater that exceeds normal domestic strength for biochemical oxygen demand and total suspended solids and will be based on twenty-four (24) hour composite samples. DISTRICT agrees that UTILITIES' rate making process, as embodied in the Tariffs, is fair and reasonable.
 - b. As an existing wastewater customer of UTILITIES that has paid all required connection fees, DISTRICT has satisfied the obligations of the WWRSAF through prior contracts and payments. If DISTRICT'S demands on UTILITIES Wastewater Treatment System exceed 25,000 gallons per day, then DISTRICT will be required to pay the applicable WWRSAF

under UTILITIES' Tariffs.

- c. DISTRICT will continue to pay the rates established in the Tariffs even if UTILITIES changes its tariffs so long as UTILITIES' process to change the tariffs is conducted in compliance with the laws of the State of Colorado, City Code, and any other applicable law. UTILITIES will notify DISTRICT thirty (30) days in advance of City Councils' consideration of the change in tariffs applicable to this Agreement.
 - d. Utilities conducts extensive water quality monitoring and studies in the Fountain Creek watershed and implements projects and programs to maintain and enhance conditions within the Fountain Creek Watershed. DISTRICT shall pay a Water Quality Impact Fee that will be calculated and billed annually. The annual fee will be based on the District's pro rata share of UTILITIES combined yearly wastewater treatment flows, times the cost of UTILITIES water quality monitoring and studies and Fountain Creek watershed improvements.
 - e. Payment of the total monthly bill by DISTRICT shall be due at Colorado Springs Utilities, Customer Services Department, 111 S. Cascade Ave., Colorado Springs, Colorado 80903, within thirty (30) days of receipt thereof. If the bill is not paid within thirty (30) days of receipt thereof, a deposit will be assessed as outlined in the Tariffs as modified or replaced.
7. DISTRICT's Responsibilities. In addition to other responsibilities and duties provided in this Agreement, DISTRICT shall solely have the following responsibilities:
- a. DISTRICT shall be solely responsible for the permitting, construction, operation, maintenance, integrity of, and reporting associated with, DISTRICT's Wastewater Collection System including, but not limited to, air emissions from DISTRICT's Wastewater Collection System, and spills, leaks, and sanitary sewer overflows (as defined by the United States Environmental Protection Agency ("EPA")) from DISTRICT's Wastewater Collection System.
 - b. At all times, DISTRICT shall cause all wastewater which is discharged directly or indirectly into DISTRICT's Wastewater Collection System or into UTILITIES' Wastewater Treatment System by DISTRICT or DISTRICT's customers, or on their behalf, to comply with any requirements of UTILITIES, as permitted by law.
 - c. DISTRICT shall at all times operate DISTRICT's Wastewater Collection System so as not to interfere with service to third parties who rely on UTILITIES' Wastewater Treatment System.
 - d. DISTRICT'S Wastewater Collection System shall collect only from separate sanitary sewer systems and there shall be no combined sanitary and stormwater systems or stormwater systems connected to DISTRICT's Wastewater Collection System.

- e. If the DISTRICT has a slug discharge as defined in §12.5.201 of the City Code, or a discharge that could cause problems to the UTILITIES' Wastewater Treatment System, UTILITIES shall be immediately notified. Additionally, a written report shall be submitted within five (5) days of the event detailing the date, time and cause of the slug discharge, the quantity and characteristics of the discharge, and corrective action taken to prevent future slug discharges.
 - f. District shall inform Utilities at least two (2) weeks prior to any planned significant change in operations which will affect wastewater characteristics or at least 90 days prior to discharge of any new source of categorical process wastewater. Unplanned changes in wastewater characteristics must be reported within seven (7) days after the change becomes known.
 - g. DISTRICT shall report, in the manner provided below, any illicit discharge, spill, leak, or sanitary overflow from DISTRICT'S Wastewater Collection System, which may endanger human health, the environment or otherwise enter State Waters (as defined in C.R.S. § 25-8-103(19)) directly or indirectly ("Incident") to UTILITIES and the Colorado Department of Public Health and Environment – Water Quality Control Division ("CDPHE"), as soon as DISTRICT becomes aware of the Incident. Such notification shall, at a minimum, provide the following information:
 - 1. A description of the Incident including bypass or upsets.
 - 2. The period of and cause of the Incident the exact dates and times and/or anticipated time when the Incident will be remedied.
 - 3. The steps DISTRICT is taking to reduce, eliminate and prevent reoccurrence of the Incident. Incidents shall be reported verbally to UTILITIES and the CDPHE within twenty-four (24) hours and a written report shall mailed to said entities within five (5) days from the date DISTRICT becomes aware of the Incident.
 - h. DISTRICT shall maintain an approved EPA User Charge System (40 CFR §§ 35.929-2(e) and 35.925-11). UTILITIES will notify DISTRICT by **February 1** of each calendar year of UTILITIES' classifications, classes and surcharges per class and any other information on revenues, costs, and allocation of costs between BOD, TSS and flow so as to assure proportional allocation of costs to Users. DISTRICT shall provide within sixty (60) days of implementation or upon request by UTILITIES, a report on DISTRICT's classes, rates, and implementation provisions. DISTRICT will comply with EPA regulations 40 CFR §§ 32.929-2(3) and 35.2140(c) by advising DISTRICT's Wastewater Collection System Users in conjunction with a regular bill (or other means acceptable to the EPA Regional Administrator) of their wastewater rate and that portion of the rate attributable to wastewater treatment services. A copy of the notification shall be forwarded to UTILITIES within sixty (60) days of when DISTRICT provides such notification to its wastewater customers.
8. Discharge Prohibitions, Discharge Limitations, and Point of Discharge Limitations.
- a. UTILITIES shall have the right to restrict additional connections to and discharges from DISTRICT's Wastewater Collection System in the event of a limitation in UTILITIES' treatment or collection system capacity.

- b. UTILITIES shall have the right to prohibit any connection to, or discharges into, DISTRICT's Wastewater Collection System of a DISTRICT commercial and industrial customers ("Industrial User") in accordance with City Code.
- c. DISTRICT is prohibited from contributing excess flows that cause or contribute to overflows, flooding, or non-compliance with UTILITIES' Colorado Discharge Permit System ("CDPS") Permit No. CO-0026735.
- d. DISTRICT hereby agrees to comply, and require DISTRICT's customers to comply, with the discharge prohibitions, discharge limitations and points of discharge limitations set forth in City Code §§ 12.5.702, 12.5.703, 12.5.704 A- E, and 12.5.801-12.5.811, as amended, and shall prohibit the discharge of waste silver-rich photochemical solutions with total silver concentrations greater than 400 mg/l.
- e. DISTRICT has enacted and keep in full force and effect for DISTRICT's customers by ordinances and resolutions, and contract with its extraterritorial customers, limitations that mirror these City Code sections as may be amended from time to time. DISTRICT shall provide UTILITIES with notice and a copy of the most recent discharge ordinance, resolution and/or contract to UTILITIES by **February 15** of each calendar year, and amendments to said ordinance, resolution and/or contract within thirty (30) days of adoption.
- f. DISTRICT agrees to participate in any water quality monitoring or studies to the same degree and extent as undertaken by UTILITIES.
- g. In addition to other remedies provided in this Agreement, DISTRICT must, after written notification from UTILITIES that flow demands have reached 80% of capacity of the portions of UTILITIES' existing Wastewater Treatment System that are used to provide service to DISTRICT under this Agreement as a direct result of increased flow demands from DISTRICT'S Service Area, at no cost to UTILITIES, construct relief systems and necessary appurtenances in accordance with the City Code and the WWLESS, as each may be amended or replaced within the timeframe provided by UTILITIES in the notice. Relief facilities shall be approved by UTILITIES, and operational before additional DISTRICT wastewater loading can be accepted. These relief facilities may be constructed on property owned by DISTRICT, within the boundaries of DISTRICT, or at other locations within UTILITIES' Wastewater Treatment System that are mutually agreed upon by the Parties. At the discretion of UTILITIES, UTILITIES may, but is not obligated to, enter into a cost sharing agreement with DISTRICT to pay a pro rata share of the construction cost of relief systems based upon the determination of benefit to UTILITIES. Benefit to UTILITIES may be derived from, but not limited to, the following:
 - 1. Relief of pipelines operating in excess of design capacity.

2. Replacement of structurally deficient pipelines.
 3. Replacement of pipelines subject to flooding or other hazards.
 4. Replacement of pipelines with inadequate operations and maintenance access.
 5. Replacement of pipelines subject to excessive inflow/infiltration.
 6. Pipelines that provide for the elimination of pump stations and force mains.
- h. Approvals and Permits. The Parties expressly acknowledge that the service contemplated and/or the construction of any Improvements under this Agreement is dependent upon the receipt of any necessary approvals and/or permits by Federal, State, and local governmental and/or regulatory entities. DISTRICT shall be responsible for obtaining all approvals and/or permits necessary for the implementation of this Agreement. UTILITIES will cooperate with DISTRICT to obtain any necessary approvals and/or permits. If any required approval and/or permit is not obtained by DISTRICT, either Party may terminate this Agreement. A copy of such approval or permit shall be provided to UTILITIES by DISTRICT.
9. Interpretation of Requirements. In all cases where the application or the enforcement of the City Code, URRs, Tariffs or WWLESS, as may be amended, involve technical or scientific analyses or determinations, UTILITIES shall have final authority as to methods, standards, criteria, significance, evaluation, and interpretation of such analyses and determinations.
10. Reusable Return Flows. Unless separately agreed to by the Parties, UTILITIES will retain dominion, and control of treated reusable water effluent resulting from wastewater introduced by DISTRICT into UTILITIES' Wastewater Treatment System for treatment until such time as such reusable water effluent is discharged from UTILITIES' wastewater treatment facilities. Upon such discharge, the DISTRICT shall have the legal ownership of and right to use, reuse, successively use, and dispose of all return flows resulting from wastewater introduced by DISTRICT into UTILITIES' Wastewater Treatment System.

Article II

Improvements/Connection to Utilities' Wastewater Treatment System

1. Point(s) of Connection of DISTRICT to UTILITIES' Wastewater Treatment System. DISTRICT shall deliver its wastewater to UTILITIES' Wastewater Treatment System at the point(s) of connection depicted on Exhibit B. These connection points, and all other approved new, modified or abandoned connections to UTILITIES' Wastewater Treatment System shall be made at the expense of DISTRICT. DISTRICT, at its own expense and cost, will construct, install, operate and maintain any and all extensions of its Wastewater Collection System or the outfalls therefrom necessary to cause the same to reach to and to deliver wastewater at the point(s) of connection.
2. DISTRICT's Wastewater Collection System Improvements. DISTRICT shall be solely responsible, financially and otherwise, for designing, installing, constructing, and operating

DISTRICT's Wastewater Collection System including, but not limited to, wastewater mains, all infrastructure improvements necessary to connect UTILITIES' Wastewater Treatment System to DISTRICT's Wastewater Collection System point(s) of connection, and all other related facilities necessary for use in connection with this Agreement ("Improvements"). The Improvements shall be agreed upon by the Parties in advance and shall be designed, installed, constructed, inspected, operated and maintained in accordance with the City Code and the WWLESS as each may be amended or replaced. The Improvements shall be located on property owned by DISTRICT or in rights-of-way or easements dedicated for public utilities or conveyed to DISTRICT. UTILITIES shall have the sole discretion to determine and approve the actual location and design of the Improvements. DISTRICT shall, at its own cost and subject to UTILITIES' approval, locate, design, and construct the Improvements in such a manner and of such material that the Improvements will not at any time be a source of danger to or interference with any of UTILITIES' structures, facilities, or operations. UTILITIES shall have the right to perform its own inspection of all completed Improvements to ensure compliance with the City Code and the WWLESS.

3. Customer Connections.

- a. DISTRICT shall require any construction, installation, and connection of customer service lines to DISTRICT's Wastewater Collection System made after the Effective Date, to be in accordance with the City Code, the URRs and the WWLESS, so as to minimize the possibility of damage to UTILITIES' Wastewater Treatment System. DISTRICT shall perform inspection of all such installations and connections to ensure compliance with City Code and WWLESS and provide UTILITIES with the results of such inspections. UTILITIES reserves the right to perform its own inspection of all service line installations and connections to ensure compliance with City Code and the WWLESS. Any customer service lines which are in existence upon execution of this Agreement, or which are subsequently constructed or acquired by DISTRICT, and which do not comply with City Code or the WWLESS, shall be brought into compliance at the time of replacement or repair.
- b. DISTRICT shall be responsible for assuring payment to UTILITIES by DISTRICT's customers making new connections to DISTRICT's Wastewater Collection System for "Recovery Agreement Charges," as provided in UTILITIES' Tariffs, as such tariffs may be amended. Such charges shall be collected at the **CUSTOMER CONTRACT ADMINISTRATION OFFICE**, located at the **Regional Development Center, 2880 International Cir., Suite 210, Colorado Springs, Colorado 80910**. DISTRICT and UTILITIES shall have the right to reimbursement under the provisions of any Recovery Agreement for construction of sewers as provided in UTILITIES' Tariffs.

4. Wastewater Discharge Meters.

- a. Wastewater discharge meters that record the amount of wastewater delivered to UTILITIES' Wastewater Treatment System by DISTRICT are in place at the point(s) of connection. DISTRICT must obtain UTILITIES' approval of the design and installation of all facilities related to DISTRICT's wastewater discharge meters that UTILITIES

determines are necessary in the future. The design and installation of such discharge meters and associated infrastructure shall be done in accordance with the WWLESS and shall be inspected by UTILITIES.

- b. It is understood by the Parties that the point of demarcation between the DISTRICT's Wastewater Collection System and UTILITIES' Wastewater Treatment System is located at the metering manhole. All infrastructure upstream of the metering manhole is understood to be owned and maintained by the District. UTILITIES' Wastewater Treatment System begins at the metering manhole.
- c. UTILITIES shall install, read, operate, maintain, and replace the discharge meters at UTILITIES' cost.

Article III

Industrial Pretreatment Program Delegated to Utilities

1. Industrial Users. DISTRICT has Industrial Users who discharge into DISTRICT'S Wastewater Collection System. DISTRICT shall submit to UTILITIES' Industrial Pretreatment Program, quarterly, on the due dates as specified by UTILITIES, an updated inventory of all Industrial Users and commercial customers connected to DISTRICT's Wastewater Collection System. Such inventory shall include such customer's name, address, Standard Industrial Classification code, and average daily water usage for the previous quarter.
2. Industrial Pretreatment Program Responsibilities; Delegation. DISTRICT hereby delegates, and UTILITIES hereby assumes, responsibility for the performance of DISTRICT'S Industrial Pretreatment Program responsibilities required by all applicable laws , regulations, codes and ordinances, including, but not limited to, those responsibilities and obligations set forth in the United States Code of Federal Regulations and Code of Colorado Regulations, and implementing regulations, except for those responsibilities directly related to the obligations reserved to DISTRICT in this Agreement. DISTRICT agrees that UTILITIES will implement its industrial pretreatment responsibilities in accordance with City Code Chapter 12, Article 5, as well as *UTILITIES' Enforcement Response Plan, Silver Source Control Policies & Procedures Manual, Mercury Source Control Policies & Procedures Manual, Fats, Oil and Grease Policies & Procedures Manual, Liquid Waste Hauler Program Policies and Procedures Manual*, other related sector control program requirements, and consistent with applicable laws, regulations, codes and ordinances. DISTRICT agrees to be responsible for any violations of applicable law for failure of UTILITIES' Industrial Pretreatment Program meeting applicable law resulting from DISTRICT's neglect, failure to report any known violations, or failure to comply with the terms and conditions of this Agreement.
3. Co-Issue Permits. DISTRICT may co-issue all permits if DISTRICT notifies UTILITIES' Industrial Pretreatment Program director in writing in advance.

4. Enforcement. DISTRICT and UTILITIES shall each retain their enforcement discretion. Regarding businesses served by DISTRICT, each Party shall be copied on all notices of violation and administrative orders issued by the other Party. Notwithstanding the above, UTILITIES has full authority to take enforcement action directly against any customer in DISTRICT as provided in the City Code.
5. Notification of Enforcement Actions. UTILITIES shall notify DISTRICT when assessing penalties, terminating wastewater treatment service, or seeking criminal sanctions against any of DISTRICT's customers. UTILITIES shall provide DISTRICT with a status report regarding the compliance of Significant Industrial Users under the Pretreatment Program on or before **April 1** of each year.
6. Charges and Fees Related to Industrial Pretreatment Program.
 - a. To DISTRICT. UTILITIES may bill DISTRICT under this Agreement any additional costs associated with the Industrial Pretreatment Program responsibilities delegated to UTILITIES herein, provided that DISTRICT is not responsible for any industrial pretreatment costs associated with a UTILITIES' customer.
 - b. To Industrial Users. All general and special sewer service charges, and other charges levied against Industrial Users by DISTRICT, shall be retained by DISTRICT, except as otherwise provided by this Agreement or applicable law. Permit fees shall be retained by UTILITIES.
 - c. Enforcement. All penalties or other enforcement receipts arising from enforcement actions taken by UTILITIES against DISTRICT or DISTRICT's customers shall be collected and retained by UTILITIES.
7. Submittals. Any submittal required by this Article III, shall be made in accordance with Article V Section 4 of this Agreement, and provided at the following address:

Colorado Springs Utilities
Attn: Industrial Pretreatment Program
701 E. Las Vegas St.
Colorado Springs, CO 80903

Article IV
Remedies

1. Liquidated Damages. Damages to UTILITIES resulting from DISTRICT's breach of this Agreement are difficult to ascertain. To the extent permitted by law, in addition to any and all costs and charges provided herein, and in accordance with City Code § 12.5.304.B.2, DISTRICT is subject to liquidated damages for violation of provisions of City Code Chapter 12, Article 5, in an amount equal to the penalties imposed pursuant to said Article. Such

liquidated damages are a reasonable estimate of damages to UTILITIES and are not a penalty.

2. Consequential Damages. DISTRICT acknowledges and agrees that any illicit discharge of industrial wastewater by DISTRICT, or a DISTRICT customer, may subject DISTRICT to consequential damages for breach of contract including, but not limited to, any amounts the City or UTILITIES may be required to pay for violation of the conditions of UTILITIES' CDPS permit where the discharge of DISTRICT or its customer(s) caused or contributed to the violation.
3. Disconnection Damages. It is agreed that the damage to UTILITIES, if DISTRICT disconnects from UTILITIES' Wastewater Treatment System, will not be less than the reproduction costs of any of UTILITIES' facilities, including UTILITIES' owned Improvements which are rendered useless by such disconnection, and which must be replaced in order for UTILITIES to provide wastewater treatment service to UTILITIES' other customers.
4. Breach of Agreement. Upon any breach of this Agreement, which does not also constitute a breach of City Code Chapter 12, Article 5, UTILITIES shall have the immediate right to: (a) seek specific performance; (b) be reimbursed for costs; and (c) be entitled to money damages for the time period between the breach and the order for specific performance. Said rights also apply if liquidated damages, as provided in City Code § 12.5.304.B.2, are unavailable.
5. Termination by UTILITIES. DISTRICT acknowledges and consents to UTILITIES' right to terminate this Agreement without liability or obligation to DISTRICT, DISTRICT's customers or any other person or entity: (1) due to DISTRICT's breach of a material term or condition of this Agreement if DISTRICT has not taken substantial steps to cure the breach within a reasonable period of time from delivery of notice of its breach from UTILITIES; or (2) as otherwise authorized by the City Code or City Council. UTILITIES shall promptly notify DISTRICT of circumstances that could result in a breach or changes in City Code, or City Council action that could result in termination of the Agreement.
6. Termination by DISTRICT. DISTRICT may terminate this Agreement due to a material breach on the part of UTILITIES if UTILITIES has not taken substantial steps to cure the breach within a reasonably sufficient time frame that allows UTILITIES to cure the material breach after receiving written notice of such breach from DISTRICT.
7. Effect of Termination. Upon termination by either Party, UTILITIES shall have no further obligation to provide Wastewater Treatment Service to DISTRICT or DISTRICT's customers and DISTRICT's Wastewater Collection System shall be disconnected from UTILITIES' Wastewater Treatment System. Upon termination, UTILITIES shall determine the connection facilities between DISTRICT's Wastewater Collection System and UTILITIES' Wastewater Treatment System that must be removed at DISTRICT's sole expense in accordance with the WWLESS. UTILITIES shall determine the way the connection facilities are to be removed and

wastewater treatment service discontinued in accordance with the URRs and WWLESS. All outstanding charges owed by DISTRICT to UTILITIES are due and payable prior to the disconnection of service. If all outstanding charges owed by DISTRICT to UTILITIES are not paid prior to disconnection, DISTRICT's obligation to make full payment shall survive termination of this Agreement.

8. Time for Cure. The time frame for a Party to cure a material breach shall be set forth in the notice of breach and shall in no event be less than ninety (90) days except in the case of an emergency.
9. Enforcement of Rights. Nothing herein shall prevent either Party from enforcing its rights under this Agreement by an appropriate legal or equitable action.
10. Remedies Cumulative. Remedies herein are cumulative and may be used individually, sequentially, concurrently, or in any order.

Article V
Miscellaneous

1. Parties' Enforcement Powers. Both Parties to this Agreement recognize in the other Party the power to enforce its laws, rules and regulations and the terms of this Agreement by turning off or disconnecting wastewater service to a property within DISTRICT's Service Area for violations of such laws, rules, regulations and this Agreement. Neither Party shall turn back on or reconnect wastewater service for a property after the same has been turned off or disconnected by the other Party in the course of enforcing its laws, rules, or the terms of this Agreement, except upon written consent of the Party originally causing the turn off or disconnection. Each Party agrees to provide notice to the other Party prior to turning off or disconnecting wastewater service to property for violations of its laws, rules, regulations and this Agreement.
2. Annual Review of Agreement. DISTRICT understands that UTILITIES is a publicly owned treatment works, and is required by the Clean Water Act, 33 USC § 1251, *et seq.*, to control wastewaters introduced by all Users into UTILITIES' Wastewater Treatment System. DISTRICT also understands that UTILITIES is subject to present and continuing Federal and State statutory and regulatory controls and other factors which may, subsequent to the Effective Date, be added to or amended. The Parties will review and determine if revisions to this Agreement are necessary to ensure compliance with all applicable Federal, State and local laws, rules and regulations issued thereunder and other added or amended controls or factors, as necessary, but at least once every year on or before **February 15**. DISTRICT agrees to cooperate with UTILITIES in preparing, executing and implementing any revisions to this Agreement deemed necessary by UTILITIES as part of the annual review.
3. DISTRICT Dissolution. In the event that DISTRICT seeks to dissolve pursuant to relevant

laws, rules and regulations, DISTRICT shall provide a copy of its dissolution petition to UTILITIES at the time of its filing. The dissolution petition shall provide for assignment of DISTRICT's rights and obligations under the Agreement to a party acceptable to UTILITIES. If no provision is made for such an assignment or other arrangement reasonably acceptable to UTILITIES, upon DISTRICT's dissolution, this Agreement shall be null, void and of no further force or effect, and UTILITIES shall have no further obligation to provide wastewater treatment service pursuant to the terms of this Agreement.

4. Representatives and Notice. All notices, reports and submittals required by this Agreement shall be in writing, signed by an authorized representative of the Party providing the notice, report or submittal and shall be personally delivered, sent by overnight delivery service, or mailed by certified mail, postage prepaid, return receipt requested, as follows:

a. For UTILITIES:

i. Chief Strategic Planning and Projects Officer

Courier Service Address:

Colorado Springs Utilities

ATTN: Chief Strategic Planning and Projects Officer

121 S. Tejon St., 5th Floor

Colorado Springs, CO 80903

United States Postal Service Address:

Colorado Springs Utilities

ATTN: Chief Strategic Planning and Projects Officer

P.O. Box 1103,

Colorado Springs, CO 80947-0950

ii. City Attorney's Office - Utilities Division

Courier Service Address:

City Attorney's Office ATTN: Utilities Division

30 S. Nevada Ave. Colorado Springs, CO 80903

United States Postal Service Address:

Colorado Springs Utilities

ATTN: Utilities Division

P.O. Box 1103

Colorado Springs, CO 80947-0940

b. For DISTRICT:

DISTRICT Stratmoor Hills Water District

ATTN: District Manager

Kevin Niles

Colorado Springs, CO 80906

Phone: (719) 576-0311

5. Force Majeure. Neither Party hereto shall be liable to the other for any failure, delay, or interruption in performing its obligation hereunder due to causes or conditions beyond its reasonable control, including strikes, riots, wars, floods, fires, explosions, global pandemics, epidemics, acts of nature, acts of government, labor disturbances, or if such performance would be prohibited or limited by any federal, state, or local law, rule, regulation, order or directive.
6. Waiver. No waiver by either Party of any terms or condition of this Agreement shall be deemed or construed as a waiver of any other term or condition, nor shall a waiver of any breach be deemed to constitute a waiver of any subsequent breach, whether of the same or of a different provision of this Agreement.
7. Limitations upon Consent. Whenever, under the terms of this Agreement, UTILITIES is authorized to give its written consent, UTILITIES, in its discretion, may give or may refuse such written consent and if given, may restrict, limit, or condition such consent in such manner as it shall deem advisable. Acceptance by UTILITIES into UTILITIES' Wastewater Treatment System from DISTRICT of wastewater in a volume or with characteristics exceeding or violating any limit or restriction provided for, by or pursuant to this Agreement, in one or more instances or under one or more circumstances, shall not constitute a waiver of such limit or restriction or of any of the provisions of the Agreement and shall not in any way obligate UTILITIES thereafter to accept or to make provision for wastewater delivered and discharged into UTILITIES' Wastewater Treatment System in a volume or with characteristics exceeding or violating any such limit or restriction in any other instance or under any other circumstances.
8. Audits. UTILITIES shall have the right to audit at any time all of DISTRICT's records relating to any DISTRICT customers or relating to compliance with this Agreement. DISTRICT shall have the right to audit all UTILITIES' records relating to compliance with this Agreement.
9. Liability.
 - a. Party Responsible for Own Negligence. Each Party shall be responsible for its own negligence. Neither Party waives the benefits or obligations afforded it by the Colorado Governmental Immunity Act, C.R.S. 24-10-101, *et seq.*
 - b. UTILITIES' Limitation of Liability. In addition to force majeure events described in this Agreement, UTILITIES shall not be liable to DISTRICT for failure to accept or treat DISTRICT's wastewater when such failure is the result of upset or mechanical or power failure. UTILITIES shall have the right to interrupt service and require DISTRICT to temporarily store and contain wastewater flows to the extent of DISTRICT's storage capabilities in the event of malfunction or upset of UTILITIES' facilities. In the event of planned maintenance which makes UTILITIES' Wastewater Treatment System unavailable to accept DISTRICT's wastewater, a 48-hour notice shall be given to

DISTRICT, after which DISTRICT will temporarily store and contain wastewater to the extent of its storage capabilities.

10. No Third-Party Beneficiaries. Enforcement of the terms and conditions of this Agreement, and all rights of action relating to such enforcement, shall be strictly reserved to DISTRICT and UTILITIES, and nothing contained in this Agreement shall give or allow any such claim or right of action by any other or third person under such Agreement. It is the express intention of DISTRICT and UTILITIES that any person other than DISTRICT or UTILITIES receiving services or benefits under this Agreement shall be deemed to be an incidental beneficiary only.
11. Appropriation of Funds. In accord with the Colorado Springs City Charter, performance of UTILITIES' obligations under this Agreement is expressly subject to appropriation of funds by City Council. In the event funds are not appropriated in whole or in part sufficient for performance of UTILITIES' obligations under this Agreement, or appropriated funds may not be expended due to City Charter spending limitations, then this Agreement will thereafter become null and void by operation of law, and UTILITIES will thereafter have no liability for compensation or damages to DISTRICT for future performance and obligations thereafter in excess of UTILITIES' authorized appropriation for this Agreement or the applicable spending limit, whichever is less. UTILITIES will notify DISTRICT as soon as reasonably practicable in the event of non-appropriation or in the event a spending limit becomes applicable.
12. No Precedent; Severability. The Parties agree that neither of them intends that this Agreement shall in any way constitute a precedent or standard for any future agreement, nor vest any rights in either Party or any third party for novation, renewal, modification, or addition of any other rights or services on account of this Agreement's existence, as it is based solely on unique conditions currently existing at the time of execution. Any provision or part of this Agreement held to be void or unenforceable under any laws or regulations shall be deemed stricken, and all remaining Agreement provisions shall continue to be binding upon the Parties who agree that this Agreement shall be reformed to replace such stricken provision with a new provision that comes as close as possible to expressing the intention of the stricken provision.
13. Assignment. There shall be no assignment of the rights or obligations contained in this Agreement by either Party without the prior written consent by the other Party, and any such assignment shall be null and void. Nothing herein contained, however, shall be construed as preventing the reorganization of any Party hereto nor as preventing any other body corporate and politic succeeding to the rights, privileges, powers, immunities, liabilities, disabilities and duties of either Party hereto, as may be authorized by law, in the absence of any prejudicial impairment of any obligation of contract hereby imposed.
14. Compliance with Laws and Regulations. This Agreement and the rights and obligations of the Parties hereunder shall be subject to all applicable laws, orders, court decisions, directives,

rules, and regulations of any duly constituted governmental body or official having jurisdiction. Nothing contained in the Agreement, however, shall require either Party hereto to comply with any law, the validity of applicability of which shall be contested in good faith and, if necessary or desirable, by appropriate legal proceedings.

15. Governing Law, Jurisdiction and Venue. This Agreement shall be construed in accordance with the laws of the State of Colorado without reference to conflicts of laws, the Colorado Springs City Charter, the City Code, the URRs, and Tariffs. In the event of litigation, this Agreement shall be enforceable by or against the City on behalf of UTILITIES as provided in City Code § 12.1.108. In the event of any dispute over the Agreement's terms and conditions, the exclusive venue and jurisdiction for any litigation arising hereunder shall be in the District Court of El Paso County, Colorado and, if necessary, for exclusive federal questions, the United States District Court for the District of Colorado.
16. Entire Agreement; Modifications to be in Writing. This Agreement with attachments constitutes the entire agreement between the Parties and supersedes all previous written or oral communications, understandings, and agreements between the Parties unless specifically stated herein. This Agreement may only be amended by a written agreement signed by both Parties. E-mail and all other electronic (including voice) communications from UTILITIES in connection with this Agreement are for informational purposes only. No such communication is intended by UTILITIES to constitute either an electronic record or an electronic signature, or to constitute any agreement by UTILITIES to conduct a transaction by electronic means. Any such intention or agreement is hereby expressly disclaimed.

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement as of the Effective Date.

COLORADO SPRINGS UTILITIES

DISTRICT

By: _____

By: _____

Name: Aram Benyamin

Name: _____

Title: Chief Executive Officer

Title: _____

Approved as to form: _____

Attest: _____

DRAFT

Exhibit A
to the
WASTEWATER SERVICE AGREEMENT
Special Contract for Service - Outside City Limits
Stratmoor Hills Sanitation District Boundaries

DRAFT

Exhibit B
to the
WASTEWATER SERVICE AGREEMENT
Special Contract for Service - Outside City Limits
Stratmoor Hills Sanitation District Points of Connection

DRAFT

Board Memo Agenda Item

Staff Report

Date: October 19, 2022
To: Utilities Board
From: Aram Benyamin, Chief Executive Officer
Subject: Rock Creek Metropolitan District Regional Services Request

NARRATIVE:

Desired Action: Discussion

Executive Summary: Rock Creek Metropolitan District (RCMD) is requesting Regional Water and Wastewater Services through separate special contracts to serve water to approximately 543 units and collect wastewater from approximately 783 units.

RCMD is requesting full water service, which means that approximately 244 acre-feet per year of water owned or controlled by Colorado Springs will be provided at build out. Under Utilities' Water and Wastewater Tariffs, regional contracts for water or wastewater service require prior approval from City Council as a condition of receiving service. Upon completion of negotiations with RCMD, Utilities staff will submit both agreements to City Council for consideration.

Benefits: Based on 2022 Tariffs, Utilities would collect approximately \$1.7 million per year at build out.

Board Policy: Board Instruction 7 contains considerations for regional water and wastewater services. This is also governed by Utilities' Tariffs.

Cost/Budget: N/A

Affected Parties: Rock Creek Metropolitan District

Alternatives: N/A

Submitter: Jenny Bishop	Email address: jbishop@csu.org
Division/ Department: Systems Planning and Projects/Planning	Phone number: 719-668-8575
	Date submitted: October 4, 2022

SPG Staff Use Only: Consent Calendar

Yes

No

ITEM NO. 17



Colorado Springs Utilities
It's how we're all connected

Rock Creek Metro District Request for Full Regional Water and Wastewater Service

October 19, 2022

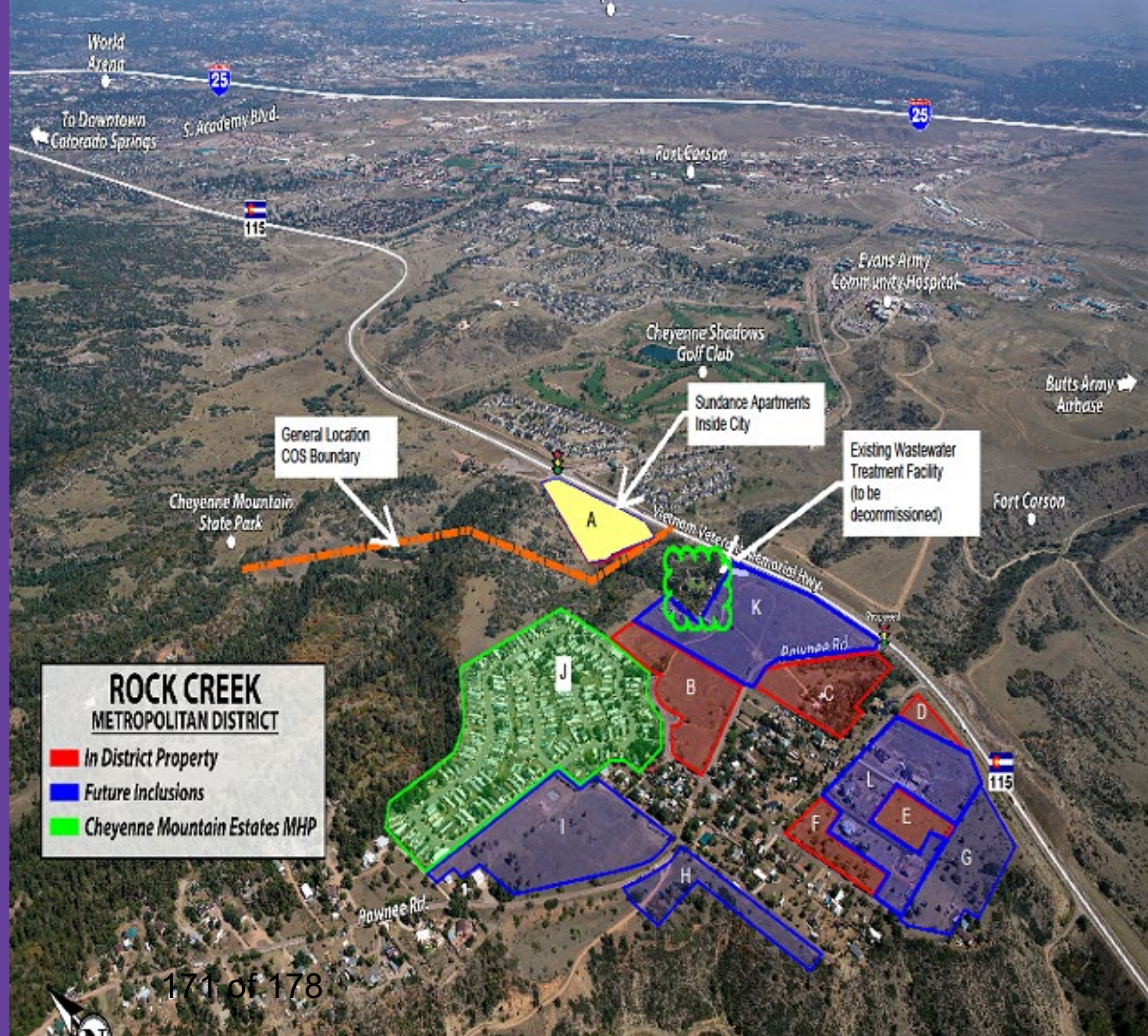
Jenny Bishop, Water Resource Planning Engineer

Agenda

1. Background
2. Full Service Regional Water Request
3. Regional Wastewater Request
4. Recommendation

Rock Creek Metro District

- Located South of Cheyenne Mountain State Park and west of Highway 115.
- Proposed housing includes 543 dwelling units:
 - Apartments
 - Single Family Homes
 - Attached homes



Full Service Regional Water Service Request

- 244 acre-feet of water for build out
 - Approximately 543 dwelling units
- Full service water involves provision of water owned by Colorado Springs through Utilities' water system to a point of connection.
- Utilities has the infrastructure capacity to provide water service.
- Utilities has available water supply to provide water based on a first come first served policy.

Full Service Regional Water Service Cost

Per Regional Tariffs and URRs

- System Availability Fee – Anticipated 3” meter
 - \$2,731,945 Total Fee
 - \$154,496 Annual Fee paid each year over 25 years
- Annual Cost of Water Fee
 - \$1,760 per acre-foot of full-service water needed
 - For 244 acre-feet = \$429,440 per year for 25 years
- 2022 Full Service Commodity Charge = \$0.0898 per cubic foot

Regional Wastewater Service Request

- Estimated daily flow at build out = 0.103 million gallons per day
 - Provide wastewater service for RCMD 543 dwelling units
 - Additional wastewater collection from an existing mobile home park (230 units)
- Utilities has the infrastructure and treatment capacity to provide wastewater service
- Enables the collection, treatment, and reuse of reusable return flows

Regional Wastewater Service Costs

Per Regional Tariffs

- System Availability Fee
 - Flow between 0.10 and 0.29 mgd = \$28,216 one-time charge
- Treatment Charge = \$0.0312 per cubic foot
- Additional charges for excess Biological Oxygen Demand or Total Suspended Solids

Board Policy I-7

- Allows Utilities to require mitigation and impose terms that offset impacts and risks.
- Requires regional service contracts to provide a net benefit to Utilities and its ratepayers, appropriately balancing costs and risks, and recognizing historic and planned investments.
- Requires an evaluation of impacts to system reliability, level of service, and resource availability based on a 10-year planning horizon.
- Requires a premium on rates above what in-city customers pay.
- Cannot exceed a 25-year term.

Next Steps

1. Complete negotiations on Regional Full Service Water and Wastewater Service Contracts.
2. Submit agreements for consideration by City Council.



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