

AGENDA

Wednesday, February 18, 2026

1:00 p.m. – 5:00 p.m.

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1:00 p.m.	1. Call to Order	Chair Donelson
1:05 p.m.	2. Invocation and Pledge of Allegiance	Chair Donelson
1:10 p.m.	3. Consent Agenda These items will be acted upon as a whole unless a specific item is called for discussion by a Board Member or a resident wishing to address the Utilities Board. (Any items called up for separate consideration shall be acted upon following Compliance Reports.) <ul style="list-style-type: none">• Approval of Jan. 21, 2026, Utilities Board Meeting Minutes• I-2, Financial Conditions and Activities Governance Manual Revisions• I-4, Risk Management Governance Manual Revisions	Chair Donelson
1:25 p.m.	4. 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, per item.• Following the comments from customers who have signed up to speak, an announcement will be made seeking additional comments and the Board will accept all those wishing to comment.	Chair Donelson
1:35 p.m.	5. Recognition <ul style="list-style-type: none">• 2026 Military Friendly Employer	Renee Adams, Chief Human Resources Officer
1:50 p.m.	6. Compliance Reports: <ul style="list-style-type: none">• I-4 Risk Management• I-6 Infrastructure• CEO/Board Partnership Responsibilities – CEO Responsibilities 1. Water Outlook	Travas Deal, Chief Executive Officer

	2. Electric Cost Adjustment / Gas Cost Adjustment Update	
2:10 p.m.	7. Items Called Off Consent Agenda	Chair Donelson
2:15 p.m.	8. Update on Arkansas Water Sharing Program Activities <u>Informational presentation</u> on Arkansas Basin Water Sharing Program and Low Water Crop Testing.	Scott Lorenz, Resource Planning Supervisor
		Caleb Wertz and Zaiden Wertz, Farmers
2:35 p.m.	9. Electric Large Load Rate Schedule <u>Informational presentation</u> regarding a change to the tariff regarding the large load rate schedule to City Council pursuant to City Code, §12.1.108.	Scott Shirola, Pricing and Rates Manager
2:45 p.m.	10. Distribution Integrity Management Program (DIMP) Acceleration Plan and Natural Gas Rate Filing <u>Informational Presentation</u> regarding a change to the tariff regarding the natural gas rates to City Council pursuant to City Code, §12.1.108.	Scott Shirola, Pricing and Rates Manager
3:05 p.m.	11. Northern Monument Creek Interceptor Project Intergovernmental Agreement Addendum and Triview and Forest Lakes Regional Service Agreements <u>Vote</u> to recommend to City Council: A. Approval of the NMCI IGA addendum pursuant to C.R.S. § 29-1-203 B. Approval of the Triview Regional Service Agreements pursuant to City Code §§ 12.1.116 and 12.5.304. C. Approval of the Forest Lakes Regional Service Agreements pursuant to City Code §§12.1.116 and 12.5.304.	Andy Muser, Project Manager IV Bryan English, Project Development Manager IV
3:20 p.m.	12. Intergovernmental Agreement Between Colorado Springs Utilities (“Springs Utilities”) and the City of Aurora, acting through its Utilities Enterprise, Aurora Water <u>Vote</u> to recommend an intergovernmental agreement with the City of Aurora regarding the Homestake Project to City Council pursuant to C.R.S. § 29-1-203.	Kim Gortz, Water Supply Resources Manager
3:30 p.m.	13. Sterling Ranch Area – Proposed Natural Gas Service Boundary Adjustment <u>Informational presentation</u> regarding proposed City Council approval of natural gas service boundary adjustment under City Charter section 6-70.	Todd Sturtevant, Systems Extensions Manager
3:40 p.m.	14. Sun Hills Subdivision – Proposed Natural Gas Services Boundary Adjustment <u>Informational presentation</u> regarding proposed City Council approval of natural gas service boundary adjustment under City Charter section 6-70.	Todd Sturtevant, Systems Extensions Manager

3:50 p.m.	15. Changes to City Code § 12.1.108 and the Rules and Procedures of City Council Regarding the Rate Changes Process <u>Vote</u> to recommend changes to City Code § 12.1.108 to City Council. And an informal presentation on changes to the Rules and Procedures of City Council regarding the rate change process.	Renee Congdon, Utilities Division Chief, Office of the City Attorney
4:15 p.m.	16. Board Member Updates	Chair Donelson
4:20 p.m.	17. Summary of Board Actions	Anna Bingman, Utilities Board Administrator
4:25 p.m.	18. Executive Session In accordance with City Charter art. III, § 3-60(d) and its incorporated Colorado Open Meetings Law, C.R.S. § 24-6-402(4)(b) and (e) and Utilities Board Bylaws Rules 10(c)(2) and (3), the Utilities Board, in Open Session, is to determine whether it will hold a Closed Executive Session on one issue. The issue to be discussed involves conferences with the City Attorney's Office and instructing negotiators on negotiations involving an employment contract. 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.	Renee Congdon, Utilities Division Chief, Office of the City Attorney
5:15 p.m.	19. Adjournment	Chair Donelson

Minutes
Wednesday, January 21, 2026
1:00 p.m. – 5:00 p.m.
Blue River Board Room

1. Call to Order

Chair Donelson called the meeting to order at 1:02 p.m.

Ms. Natalie Watts, Strategic Planning and Governance Manager, called roll.

Present – Chair Dave Donelson, Board Member Lynette Crow-Iverson, Board Member Kimberly Gold, Board Member Nancy Henjum, Board Member David Leinweber, Board Member Brian Risley, Board Member Roland Rainey and Vice Chair Brandy Williams.

Excused – Board Member Tom Bailey

2. Invocation and Pledge of Allegiance

Mr. Matt Bleckert, Technical Craft Training Supervisor, offered the invocation, and Chair Donelson led the Pledge of Allegiance.

3. Consent Agenda

- **Approval of the November 19, 2025, Utilities Board Meeting Minutes**
- **P-1.2 2026 Annual Planning Calendar**
- **G-4.3 2026 Board Enterprise Scorecard**
- **G-2.1 2026 CEO Performance Plan**
- **E-2.3 Organizational Oversight—Compliance Frequency and Method**
- **Resolution to Appoint a Member to the Board of the Public Authority for Colorado Energy (“PACE”)**

Board Member Crow-Iverson made a motion to approve all items on the Consent Agenda. Board Member Rainey seconded the motion. The motion to approve the Consent Agenda passed unanimously.

4. Customer Comments

There were no customer comments.

5. Recognition

- **2025 Gallagher Best in Class Award Winner**

Ms. Renee Adams, Chief Human Resource Officer, introduced the 2025 Gallagher Best in Class award and the new Manager of Human Resources, Ms. Tara Russell. It was noted that Utilities has been recognized for the second consecutive year in a row. Ms. Russell introduced team members who contributed to the achievement.

Board Member Henjum and Chair Donelson thanked staff for their hard work in receiving the award.

6. Compliance Reports:

- **I-1 Pricing of Services G-5, G-6**
- **I-2 Financial Condition and Activities (to include Contracts Over \$500K) G-7**
- **E-2 CEO/Board Partnership Responsibilities**
 - Electric Cost Adjustment / Gas Cost Adjustment Update
 - Water Outlook

There was no presentation for these items.

7. Items Called Off Consent Agenda

No items were called off consent.

8. Utilities Policy Advisory Committee (UPAC) Recommendation on Geothermal Energy Assignment

Ms. Kate Danner, UPAC Chair, presented the results of UPAC's recommendation on the geothermal energy assignment. It was concluded that conventional geothermal is not a viable option due to the limited number of suitable geothermal sites in Colorado. Ms. Danner explained while advanced geothermal technologies are emerging and show long-term potential, they remain too early in development for practical utility scale deployment. UPAC recommended Utilities not pursue geothermal energy at this time but instead revisit the idea in three to five years.

The Utilities Board expressed their appreciation for UPAC's work on the assignment and their findings.

Board Member Gold made a motion to accept the recommendation on the geothermal energy assignment and Board Member Leinweber seconded the motion. The recommendation passed unanimously.

9. Resolution Approving 2026 Pikes Peak Geospatial Alliance (PPGA) Memorandum of Understanding

Mr. Mike Herrmann, Asset Management Manager, and Mr. Tim Scheiderer, City Associate Attorney, presented the resolution for a regional partnership that collaborates on aerial imagery and mapping. Utilities has participated in this program since 2004 and it is renewed every two years. The project will acquire updated digital aerial photography across El Paso

and Teller Counties, including higher-resolution imagery over Colorado Springs Utilities' primary service area.

Board Member Leinweber asked how the information would be available. Staff explained how the imagery is shared internally and externally with partner agencies. Much of the data is viewable on Utilities' public geospatial webpage.

Board Member Crow-Iverson made a motion to move the 2026 Pikes Peak Geospatial Alliance (PPGA) Memorandum of Understanding on consent at City Council. Board Member Rainey seconded the motion. The motion passed unanimously approving the resolution to be put on the consent agenda at the Feb. 10, 2026 City Council meeting.

10. Authorizing Recreational Use of Rosemont Reservoir and Surrounding Watershed Property

Ms. Jessica Davis, Manager of Facilities and Land Resources, presented the resolution with the help of Ms. April Estep, Southeastern Deputy Regional Manager for Colorado Parks and Wildlife (CPW). Utilities has reviewed CPW's plan and determined it can be implemented while protecting water quality, infrastructure, and watershed conditions. Under city code, City Council must authorize recreational use on watershed property.

Vice Chair Williams asked if seasonal camping and campfires would be allowed. Ms. Estep advised that CPW expects camping to operate seasonally, roughly May through October, aligning with current fishing access. There will be designated campfire areas that will follow county and state burn restrictions.

Board Member Risley inquired on how the recreational use of the reservoir could impact adjoining private properties. Ms. Davis and Ms. Estep stated that CPW and Utilities will manage and enforce access. There will be additional staffing that will strengthen oversight and hunting will remain prohibited.

Board Member Leinweber asked whether anyone currently monitors Rosemont Reservoir. Ms. Davis explained that Utilities has a caretaker on site, and CPW also assigns a wildlife officer who regularly patrols the property.

Ms. Renee Congdon, City Attorney's Office Utilities Division, clarified Utilities already has a lease for the reservoir. This request would be to amend the current lease to incorporate the expanded uses and specific operational requirements.

Board Member Gold asked if dogs would be allowed in the reservoir and Ms. Davis said dogs will remain prohibited from entering the water.

Board Member Leinweber inquired if the water at the reservoir is used. Michael Myers, Manager of Operations, said that while some water currently supports Broadmoor operations, Rosemont water is part of Springs Utilities' raw-water system and can be treated for drinking.

There was public comment from Ms. Becky Leinweber, Executive Director of Pikes Peak Outdoor Recreation Alliance, who spoke in favor of the proposal, noting its alignment with regional outdoor recreation planning and community priorities.

Board Member Gold made a motion to approve moving the resolution forward to the Feb. 10, 2026 City Council meeting. The motion was seconded by Board Member Leinweber. The motion passed unanimously. It was requested that this item not be placed on consent at the Feb. 10 meeting.

11. Approval of the 2026 Strategic Plan

Ms. Bethany Schoemer, Strategic Planning and Governance Specialist Senior, gave a presentation on the 2026 Strategic Plan. Colorado Springs Utilities' 2025 strategic plan included 15–20 objectives and numerous enterprise initiatives, which created confusion and limited alignment. The updated framework consolidates the plan into five strategic objectives—Operational Excellence, Focus on the Customer, Financial Accountability, Support Our Community, and Enable Employee Empowerment—each supported by two high-level strategies. This structure allows divisions to build detailed, actionable plans while remaining aligned to enterprise goals.

Several of the officers shared perspectives on priorities most meaningful to their divisions, emphasizing themes such as data-driven decision-making, customer service improvements, asset management, and workforce development. Mr. Deal noted that keeping the strategic objectives broad allows divisions flexibility to shape the tactical work needed to support enterprise goals.

Board Member Henjum made a motion to accept the 2026 Strategic Plan. Board Member Gold seconded the motion. The motion passed unanimously.

12. Board Member Updates

Board Member Leinweber reported that the Community Health Foundation's investment portfolio performed strongly, earning nearly a 15% return. The foundation will continue its practice of distributing 5% annually to community programs, with the remainder reinvested to grow the fund.

Board Member Gold welcomed Anna Bingman to the organization, noting her new role as the Utilities Board Administrator and expressing appreciation for her joining the team.

Chair Donelson thanked UPAC members again for their recent work and expressed appreciation to Utilities leadership and staff, noting that Springs Utilities continues to perform strongly compared to many utilities nationwide.

13. Summary of Board Actions

Ms. Watts provided a summary of the agenda items approved.

14. Adjournment

Chair Donelson adjourned the meeting at 2:56 p.m.

Board Memo Agenda Item

Staff Report

Date: (Date of Utilities Board Meeting)	February 18, 2026
To:	Utilities Board
From:	Travas Deal, Chief Executive Officer
Subject:	I-2, Financial Conditions and Activities Governance Manual Revisions

NARRATIVE:

Desired Action: Choose only one	<input checked="" type="checkbox"/> Approval <input type="checkbox"/> Discussion <input type="checkbox"/> Information		
Executive Summary:	<p>At the January Utilities Board Working Committee meeting, Planning and Finance staff presented proposed updates to the I-2 Financial Conditions compliance report. The revisions raise the reporting threshold for contracts from \$500,000 to \$1 million to better highlight major expenditures, and incorporate additional enhancements designed to provide more meaningful insight into Colorado Springs Utilities' financial conditions and activities. These changes were piloted in Q2 and Q3 reports in 2025.</p> <p>Because modifications to the Excellence in Governance Policy Manual require formal Board approval, the proposed redlined changes are being submitted for the Utilities Board's consideration.</p>		
Benefits:	In alignment with the Excellence in Governance Policy Manual, the Utilities Board is responsible for fulfilling its fiduciary duties by acting in the best interest of the organization. The proposed revisions to the I-2 policy strengthen this responsibility by offering more focused and meaningful insight into Colorado Springs Utilities' financial sustainability and operational activities.		
Board Policy: If this impacts one of the board policies, indicate that here.	I-2, Financial Conditions and Activities		
Cost / Budget: Include the projected cost or budget here.	N/A		
Affected Parties: This could include community groups, specific City Council Districts, other utilities, nonprofit organizations, certain neighborhoods, Colorado Springs Utilities employees, etc.	N/A		
Alternatives:	Propose alternative language or deny request		
Submitter:	Tristan Gearhart, Chief Planning and Financial Officer	Email Address:	tgearhart@csu.org
Division:	Planning and Finance	Phone Number:	719-668-7162
Department:	Financial Planning and Risk	Date Submitted:	December 11, 2025
SPG Staff Use Only:	Consent Calendar	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Item Number 3

ITEMS SUBMITTED AFTER THE DEADLINE WILL BE POSTPONED UNTIL THE NEXT UTILITIES BOARD MEETING.

INSTRUCTIONS			
Category:	Utilities Board Instructions to the Chief Executive Officer	Date of Adoption:	May 16, 2018
Policy Title (Number):	Financial Condition and Activities (I-2)	Revision Date:	February 1821, 20264
Monitoring Type:	Internal; City Auditor	Revision Number:	43
Monitoring Frequency:	Quarterly, Annual		
Guidelines:	Local Vendor (G-7)		

The Chief Executive Officer shall direct that financial condition and activities and actual expenditures are consistent with Board Expected Results. Accordingly, the CEO shall:

1. Operate within total appropriations for the fiscal year and inform the Utilities Board of:
 - A. Significant financial variances.
 - B. Expenditures that exceed the Federal Energy Regulatory Commission capital and operating and maintenance budget classifications in electric, natural gas, water, wastewater and common.
 - ~~3.2. Budget transfers and canceled major capital projects over \$500,000 in the approved budget or new major capital projects not funded in the approved budget.~~
 - ~~3.2. Budget transfers and canceled major capital projects over \$1,000,000 in the approved budget or new major capital projects not funded in the approved budget that are over \$1,000,000. Inform the Utilities Board of contracts that have been issued over \$500,000, not to include blanket contracts.~~
 - 4.3. Invest funds in accordance with Bond Ordinance requirements and Springs Utilities Investment Plan.
 - 5.4. Ensure controls are in place for receiving, processing or disbursing funds and allow only bonded or insured personnel access to material amounts of funds.
 - 6.5. Ensure receivables are resolved within a reasonable grace period.
 - 7.6. Settle payroll and debts in a timely manner.

8.7. Ensure tax payments or other government ordered payments are timely and materially accurate.

9.8. Operate within the applicable sections of the Colorado State Procurement Code and Springs Utilities procurement policies and procedures assuring legal and fiscal compliance with competitive acquisition practices, conflict of interest, favoritism and procurement from local vendors.

10.9. Inform the Utilities Board of significant financial impacts on the Municipal Government.

Board Memo Agenda Item

Staff Report

Date: (Date of Utilities Board Meeting)	February 18, 2026
To:	Utilities Board
From:	Travas Deal, Chief Executive Officer
Subject:	I-4, Risk Management Governance Manual Revisions

NARRATIVE:

Desired Action: Choose only one	<input checked="" type="checkbox"/> Approval <input type="checkbox"/> Discussion <input type="checkbox"/> Information
	<p>Colorado Springs Utilities previously operated a fuel hedging program designed to manage and stabilize fuel costs amid market volatility. To support strong risk-management practices during that time, the organization conducted external audits in years ending in "0" and "5." The fuel hedging program was discontinued in 2010, eliminating the underlying need for these scheduled external audits. Although the requirement has remained in the Excellence in Governance Policy Manual, its original purpose is no longer applicable.</p>
Executive Summary:	<p>Colorado Springs Utilities is recommending the removal of the directive requiring an external audit tied to the former fuel hedging program. Eliminating this outdated requirement will reduce unnecessary expenditures and staff time while preserving oversight through ongoing audits performed by the Office of the City Auditor.</p> <p>Revisions to the Excellence in Governance Policy Manual require formal approval by the Utilities Board. The proposed redlined updates are being submitted for the Board's review and consideration.</p>
Benefits:	<p>In alignment with the Excellence in Governance Policy Manual, the Utilities Board is responsible for fulfilling its fiduciary duties by acting in the best interest of the organization. The proposed revisions to the I-4 policy strengthen this responsibility by offering more focused and meaningful insight into Colorado Springs Utilities' risk management activities.</p>
Board Policy: If this impacts one of the board policies, indicate that here.	I-4, Risk Management
Cost / Budget: Include the projected cost or budget here.	N/A
Affected Parties: This could include community groups, specific City Council Districts, other utilities, nonprofit organizations, certain neighborhoods, Colorado Springs Utilities employees, etc.	N/A
Alternatives:	Propose alternative language or deny request

Submitter:	Tristan Gearhart, Chief Planning and Financial Officer	Email Address:	tgearhart@csu.org
Division:	Planning and Finance	Phone Number:	719-668-7162
Department:	Financial Planning and Risk	Date Submitted:	December 11, 2025

SPG Staff Use Only:

Consent Calendar Yes No

Item Number 3

ITEMS SUBMITTED AFTER THE DEADLINE WILL BE POSTPONED UNTIL THE NEXT UTILITIES BOARD MEETING.		

INSTRUCTIONS			
Category:	Utilities Board Instructions to the Chief Executive Officer	Date of Adoption:	May 16, 2018
Policy Title (Number):	Risk Management (I-4)	Revision Date:	February 18, 2026
Monitoring Type:	Internal; City Auditor, External	Revision Number:	1
Monitoring Frequency:	Semi-Annual, Annual, Years ending in 0 and 5		

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The Chief Executive Officer shall direct that the enterprise maintain enterprise risk management activities that identify, assess and prudently manage a variety of risks including strategic, financial, operational, legal and hazard. Accordingly, the CEO shall:

1. Maintain a Risk Management Committee to identify, measure, monitor, manage and report risk on an enterprise-wide basis.
2. Operate under and maintain a written Enterprise Risk Management (ERM) Plan which includes the required plans listed below that each include management level approval, detailed procedures, internal controls and reporting requirements and external audits.
 - A. Energy Risk Management Plan - establishes procedures for limiting organizational exposure to price volatility and supports the acquisition or sale of energy that does not unreasonably jeopardize the ability to meet customer needs.
 - B. Investment Plan - establishes investment scope, objectives, delegation of authority, standards of prudence, eligible investments and transactions, risk tolerance and safekeeping and custodial procedures for the investment of all funds.
 - C. Financial Risk Management Plan - establishes objectives and procedures for minimizing risk to support responsible compliance.

Board Memo Agenda Item

Staff Report

Date: (Date of Utilities Board Meeting)	February 18, 2026		
To:	Utilities Board		
From:	Travas Deal, Chief Executive Officer		
Subject:	2026 Military Friendly Employer		
NARRATIVE:			
Desired Action: Choose only one	<input type="checkbox"/> Approval <input type="checkbox"/> Discussion <input checked="" type="checkbox"/> Information		
Executive Summary:	<p>Colorado Springs Utilities recently received recognition for the gold level designation for 2026 Military Friendly Employer and designated 2026 Military Spouse Friendly Employer.</p> <p>At Colorado Springs Utilities, we take great pride in the veterans and active-duty service members who are part of our workforce. Their leadership, discipline, and diverse perspectives strengthen our organization and exemplify the values we strive to uphold.</p> <p>Colorado Springs Utilities has a Veterans Employee Resource Group (VERG) that significantly contributes to fostering a culture where those who have served and those who continue to serve, feel respected and supported. Their commitment reflects the spirit of service that defines our organization and helps ensure we continue to honor and support our military community.</p>		
Benefits:	Employee and Community Morale		
Board Policy: If this impacts one of the board policies, indicate that here.	N/A		
Cost / Budget: Include the projected cost or budget here.	N/A		
Affected Parties: This could include community groups, specific City Council Districts, other utilities, nonprofit organizations, certain neighborhoods, Colorado Springs Utilities employees, etc.	Colorado Spring Utilities employees		
Alternatives:	N/A		
Submitter:	Renee Adams	Email Address:	radams@csu.org
Division:	Administrative and Human Resources Division	Phone Number:	719-668-7325
Department:	Human Resources	Date Submitted:	February 4, 2026
SPG Staff Use Only:	Consent Calendar	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	Item Number 5

ITEMS SUBMITTED AFTER THE DEADLINE WILL BE POSTPONED UNTIL THE NEXT UTILITIES BOARD MEETING.

Date: February 18, 2026

To: Utilities Board

From: Trervas Deal, Chief Executive Officer

Subject: **Excellence in Governance Monitoring Report**
Risk Management (I-4)

Desired Action: Monitoring

Compliance: The CEO reports compliance with the instructions.

INSTRUCTIONS			
Category:	Utilities Board Instructions to the Chief Executive Officer	Reporting Timeframe:	July 1, 2025 – December 31, 2025
Policy Title (Number):	Risk Management (I-4)	Reviewing Committee:	Working Committee
Monitoring Type:	Internal, External, City Auditor	Monitoring Frequency:	Semi-Annual, Annual, Years ending in 0 and 5

The Chief Executive Officer shall direct that the enterprise maintains enterprise risk management activities that identify, assess and prudently manage a variety of risks including strategic, financial, operational, legal and hazard. Accordingly, the CEO shall:

1. *Maintain a Risk Management Committee to identify, measure, monitor, manage and report risk on an enterprise-wide basis.*

A Risk Management Committee (RMC) was maintained with a structure and procedures specified in the Enterprise Risk Management (ERM) Plan. RMC meetings were restructured to capture a top-down approach to risk management. Elements at each scheduled RMC meeting included:

- Enterprise risk registry – A tracking tool is used to identify, measure, monitor, and report on risks. This tracking tool incorporates elements of the Financial Risk Report, which monitors energy and interest rate market risks and various financial risks.
- Special topic review – Reporting of current projects and their efforts to manage and/or mitigate identified risks and special topics.

2. *Operate under and maintain a written Enterprise Risk Management (ERM) Plan and its*

required plans listed below that each include management level approval, detailed procedures, internal controls and reporting requirements, and external audits.

The Enterprise Risk Management (ERM) Plan was maintained and is currently approved. Due to the continuous evaluation of business needs of Colorado Springs Utilities, the ERM Plan was revised to better align with the risks the organization is, and will be, facing. This plan will be revised over the next 12 months to incorporate appropriate policies and procedures in alignment with joining the Southwest Power Pool.

The current ERM Plan ensured risks were identified, measured, monitored, managed, and reported for each of the three risk categories.

A. Energy Risk Management Plan - establishes procedures for limiting organizational exposure to price volatility and supports the acquisition or sale of energy that does not unreasonably jeopardize the ability to meet customer needs.

The Energy Risk Management Plan was maintained and remains current. This plan reports energy-related commodity risks to operational groups and executive management. Additionally, the plan's processes and controls were in place for trade and settlement activities associated with transactions in these commodity markets.

B. Investment Plan - establishes investment scope, objectives, delegation of authority, standards of prudence, eligible investments and transactions, risk tolerance and safekeeping and custodial procedures for the investment of all funds.

The Investment Plan was maintained and remains current. Compliance was met by the handling of cash management investments with clear delegation of authorities as defined by the plan and adherence to Colorado state law regarding municipal investments.

C. Financial Risk Management Plan - establishes objectives and procedures for minimizing risk to support responsible compliance.

The Financial Risk Management Plan was maintained and remains current. Compliance was met by monitoring, managing, and reporting of the portfolio of financial derivatives and associated counterparties and the enterprise exposure to interest rate risk. During the second half of 2025, Colorado Springs Utilities did not enter any financial derivative transactions which are governed by the plan.

Date: January 2, 2026

To: Utilities Board

From: Trivas Deal, Chief Executive Officer

Subject: **Excellence in Governance Compliance Report
Infrastructure (I-6)**

Desired Action: Monitoring

Compliance: The CEO reports compliance with the instructions.

INSTRUCTIONS			
Category:	Utilities Board Instructions to the Chief Executive Officer	Reporting Timeframe:	January 1, 2025 – December 31, 2025
Policy Title (Number):	Infrastructure (I-6)		
Monitoring Type:	Internal		
Monitoring Frequency:	Annual		
Guidelines:	N/A		

The Chief Executive Officer shall direct that annual, five-year and 20-year infrastructure plans are developed for each utility service. Accordingly, the CEO shall:

- 1. Use a reasonable planning period to meet obligation to serve requirements for current and future customers.*

Colorado Springs Utilities (Utilities) uses planning horizons of 20 years and longer to ensure that resources and infrastructure meet the service requirements for both current and future customers. In addition to the Integrated Resource Plans (IRPs) and long-term system plans, planning documents also include shorter term (e.g. 5-year) scenarios to inform important immediate needs. Utilities updates planning documents routinely as described in this Infrastructure (I-6) report to adapt to changing growth, regulation, and aging infrastructure signals.

- 2. Base plans on operational and regulatory requirements to provide safety, system reliability, and security.*

Colorado Springs Utilities manages all resource and infrastructure planning based on accepted professional and industry standard practices, regulatory requirements, and

prudent planning processes by developing a system plan for each service line. Each system plan's holistic evaluation includes findings and recommendations from IRPs, facility plans, and program plans. These documents are evaluated regularly based upon dynamic conditions such as actual asset service life, changes in operational conditions, failure analysis, regulatory drivers, opportunities for safety improvements, growth, and maintenance data to ensure systems are meeting reliability and level of service metrics.

While the models that inform the system plans are updated as often as daily, full revisions to the system plans are made at a minimum of every five years for each service line to reflect changes in the planning landscape. System plans, facility plans, program plans, and risk modeling are utilized to identify capital project needs which are then prioritized and incorporated into the Capital Improvement Plan (CIP). Currently, the organization is focused on managing a 10-year CIP with a focus on reliability, regulatory compliance, and growth.

3. Maintain an organization-wide long-range infrastructure plan that considers the annual impact to the typical customer bill, maintains strong financial metrics, and sequences infrastructure projects to the extent operationally and financially practical.

Long-range plans have a minimum of 20 years for a planning horizon and address organizational, operational, and financial requirements to maintain a competitive position in each of the Board's strategic focus areas of rates, reliability, and relationships. Projects are sequenced to minimize the impact on the total four-service bill and maintain infrastructure reliability and regulatory compliance across all four services.

To continue the efforts that were established in 2023, management level teams met monthly to review schedules and budgets, and to prioritize projects based on factors such as growth, reliability, and regulatory compliance within each service line. As project schedules and budgets changed throughout the year, the prioritized projects were shifted in time based on the most current information to ensure that the highest priority work would still be completed within the approved five-year rate case budget.

Rigorous processes continue to be utilized so that as new project priorities arise and schedules or budgets are shifted, executive level leadership is involved in the approval process of the portfolio changes being proposed by the management team. In addition to this ongoing rigor of project and budget tracking for the five-year planning horizon, planning teams have started expanding this level of scrutiny to the 10-year horizon as well as to prepare for future rate cases.

4. Plan for replacement of aging infrastructure, information and operational technology upgrades, utility relocations for public works and road projects, life extension of existing systems and services to approved contract customers.

The Annual Operating Financial Plan (AOFP) funds programs and projects for the renewal and replacement of aging infrastructure and the life extension of systems and services. These programs and projects are based upon risk models that evaluate both probability and consequence of failure for project prioritization. Taking into consideration the results of risk models, system reliability and resiliency, growth, and regulatory requirements, infrastructure and resource projects are prioritized into Capital Improvement Plans (CIPs) with focus on 5-year, 10-year, and 20-year timeframes. These CIPs are updated regularly

based on inputs from condition assessments, system plans, facility plans, and stakeholder workshops. Projects are designed and constructed in coordination with key stakeholders such as the City of Colorado Springs, and Public Improvement Project funds are specifically planned and accounted for to address utility relocations for public works and road projects. Information technology (IT) and operation technology (OT) upgrades are also addressed in the AOPP and these IT/OT projects are prioritized into 1-year, 3-year, and 5-year plans within the 10-year CIP.

5. *Coordinate infrastructure planning with the City of Colorado Springs' (City) Strategic Plan, Comprehensive Plan (PlanCOS), Annexation Plan (AnnexCOS), and other governmental agency plans.*

Utilities coordinates planning efforts in conjunction with the City's Strategic Plan, Comprehensive Plan (PlanCOS), Annexation Plan (AnnexCOS), and other governmental agency plans.

Additionally, Utilities representatives participate throughout the City's land development review processes to ensure coordination of activities, compliance with regulations, and pursuit of opportunities to improve four-service utility delivery.

Staff actively support the City's Annexation Steering Committee, the Land Development Technical Committee, Annexation Technical Committee, Rapid Response Team, and other committees related to utility infrastructure standards. Staff coordinates and supports community development activities to provide expedited response levels to stakeholders and economic development prospects.

In addition to coordinating with the City, staff also works with the Housing and Building Association of Colorado Springs (HBA), Affiliated Commercial Construction Association (ACCA), the Pikes Peak Regional Building Department (PPRBD), and other development community stakeholders to identify and implement improvements to the land development review process and Line Extension and Service Standards (LESS). Gas, Electric, Water, and Wastewater LESS revisions will be adopted in 2026.

Utilities is currently working with the City to update the City's Annexation Plan (AnnexCOS). The plan includes suitability for utility considerations (e.g. financial impacts, resource availability, infrastructure requirements, property rights, etc.) when evaluating annexation requests. Utilities and the City have completed a land use planning model to assist Utilities in resource and utility planning. This model, along with additional suitability and financial modeling and stakeholder/public input, will be integrated to finalize suitability areas across the Area of Planning Interest (AOPI) which includes the natural three-mile boundary around the city along with additional, outlying areas.



Date: February 18, 2026

To: Utilities Board

From: Travas Deal, 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)**

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.

Water Outlook

February 2026 Water Outlook: Data as of January 31, 2026

Local Conditions: January brought normal temperatures and above average precipitation to the region.

Water Demands: January water use averaged 39.9 million gallons per day (MGD), which was about 5.8% less than last January. Year-to-date water use averaged 1.2 billion gallons (BG), which was about 0.1 billion gallons less than 2025. Total system storage is currently at 77.2% of capacity, equating to approximately 3 years of demand in storage, based on the past 3 years of demand. Local storage currently holds enough water to meet approximately 225 days of demand, based on average usage.

Climate Summary: Temperatures in January were average at 31.8 degrees Fahrenheit. Total precipitation for January was 1.02 inches, which is above normal.

Current Reservoir Levels: Local storage is currently at about 41,686 acre-feet (63% of capacity). The 1991-2020 average is 72% of capacity. Rampart Reservoir is at 73% of capacity, and Pikes Peak storage is at 48% of capacity. System wide, total storage is about 201,400 acre-

feet (77.2% of capacity). Last year at this time, total system wide storage was 79% of capacity. It was about 72% at this same time in 2023, about 73% of capacity in 2022, about 71% of capacity in 2021, and about 80% of capacity in 2020. The 1991-2020 normal system wide storage for the end of January is 73% of capacity.

Water Supply Outlook: The U.S. Drought Monitor indicates varying drought conditions across the country, with 30% of the U.S. experiencing no drought conditions. In Colorado, 30% of the state is currently free from drought conditions, a 31-percentage point decline since the beginning of 2025. There have been some notable increases in the drought conditions across the state over the 2025 calendar year.

Looking ahead, the Seasonal Drought Outlook predicts drought persistence is likely in Northwestern Colorado with drought development likely in Central and Southern Colorado between now and March 31, 2026. The three-month climate outlook predicts Central and Southern Colorado have a slightly higher chance of above normal temperatures. The three-month outlook is also forecasting near normal precipitation across most of the state, with a small portion of southeast Colorado showing a slightly reduced likelihood of precipitation.

Operational Notes: Mason Reservoir capacity remains restricted for maintenance.

Electric Cost Adjustment / Gas Cost Adjustment

Electric Cost Adjustment (ECA)

On June 24, 2025, City Council approved the ECA rate of \$0.0263 per kWh effective July 1, 2025. As of December 31, 2025, the ECA over collection balance was \$15.4 million. The over collection balance changed by \$1.1 million from the \$16.5 million over collection balance reported last month. Utilities will continue to provide regular updates to the Utilities Board as appropriate.

Gas Cost Adjustment (GCA)

On June 24, 2025, City Council approved the GCA rate of \$0.3263 per Ccf effective July 1, 2025. As of December 31, 2025, the GCA over collection balance was \$3.2 million. The over collection balance changed by \$0.3 million from the \$2.9 million over collection balance reported last month. Utilities will continue to provide regular updates to the Utilities Board as appropriate.



Water Outlook

Itan Bravo, E.I.T., PMP

Water Resource Engineer, Water Resource Planning

February 18, 2026

Local Weather Conditions as of January 31, 2026

Precipitation (Inches of Moisture)

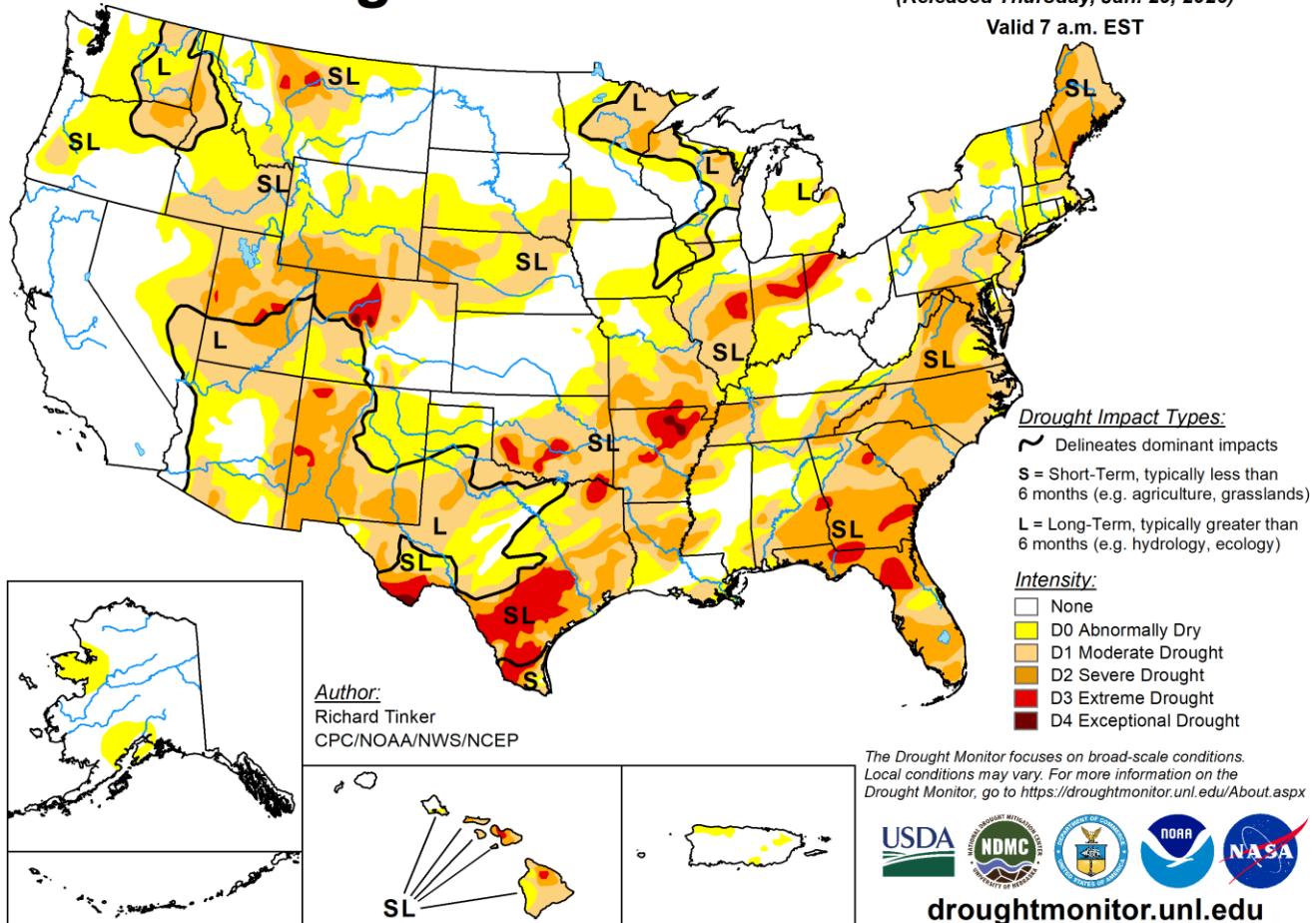
- January 2026 – 1.02 in. (351.7% of normal)
- 2026 YTD Total – 1.02 in. (351.7% of normal)

Average Temperature (Degrees F)

- January 2026 – 31.8 Deg. (0.0 deg. above normal)
- 2026 YTD Average – 31.8 Deg. (0.0 deg. above normal)



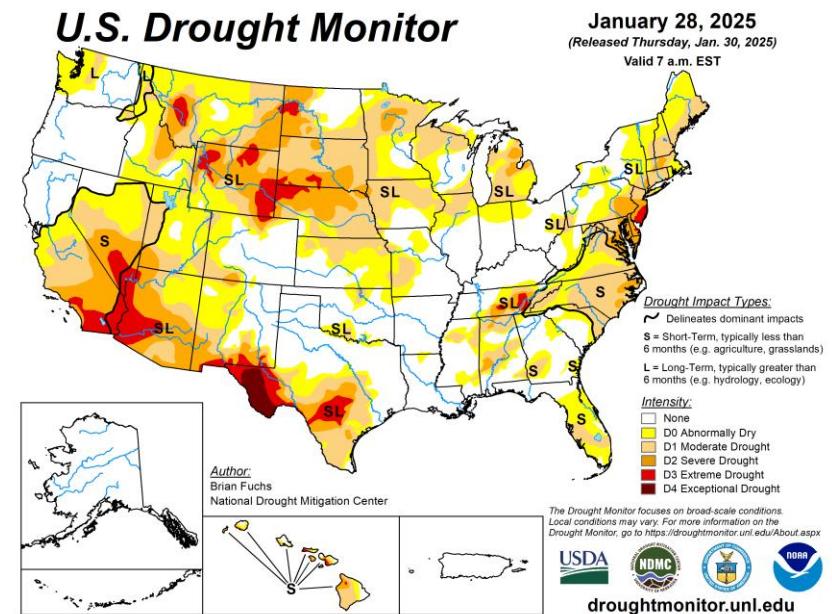
U.S. Drought Monitor



25 of 272

January 28, 2025

U.S. Drought Monitor



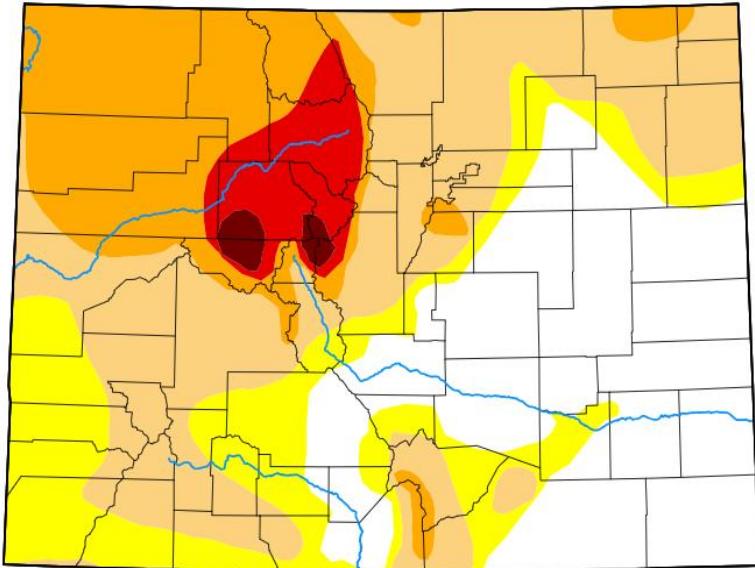
Colorado

Map released: Thurs. January 29, 2026

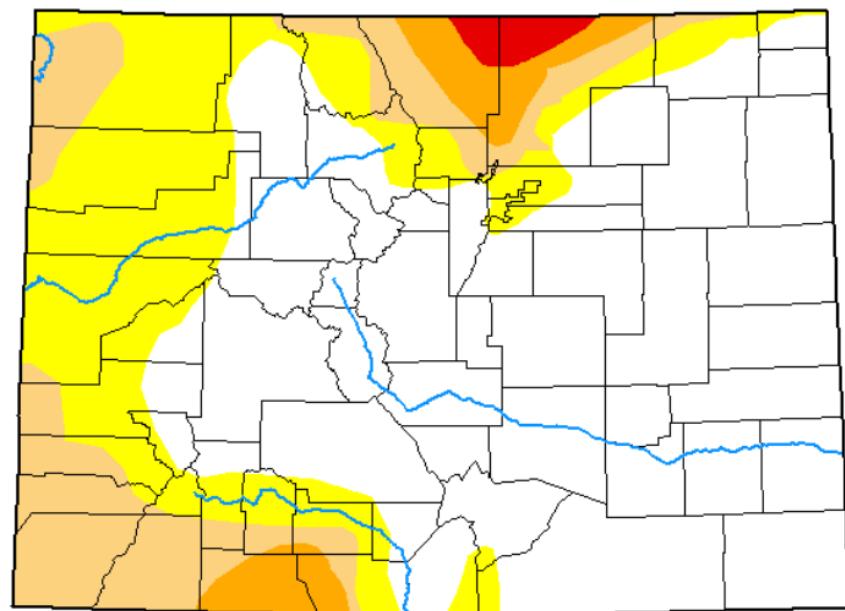
Data valid: January 27, 2026 at 7 a.m. EST

Intensity

- None
- D0 (Abnormally Dry)
- D1 (Moderate Drought)
- D2 (Severe Drought)
- D3 (Extreme Drought)
- D4 (Exceptional Drought)
- No Data



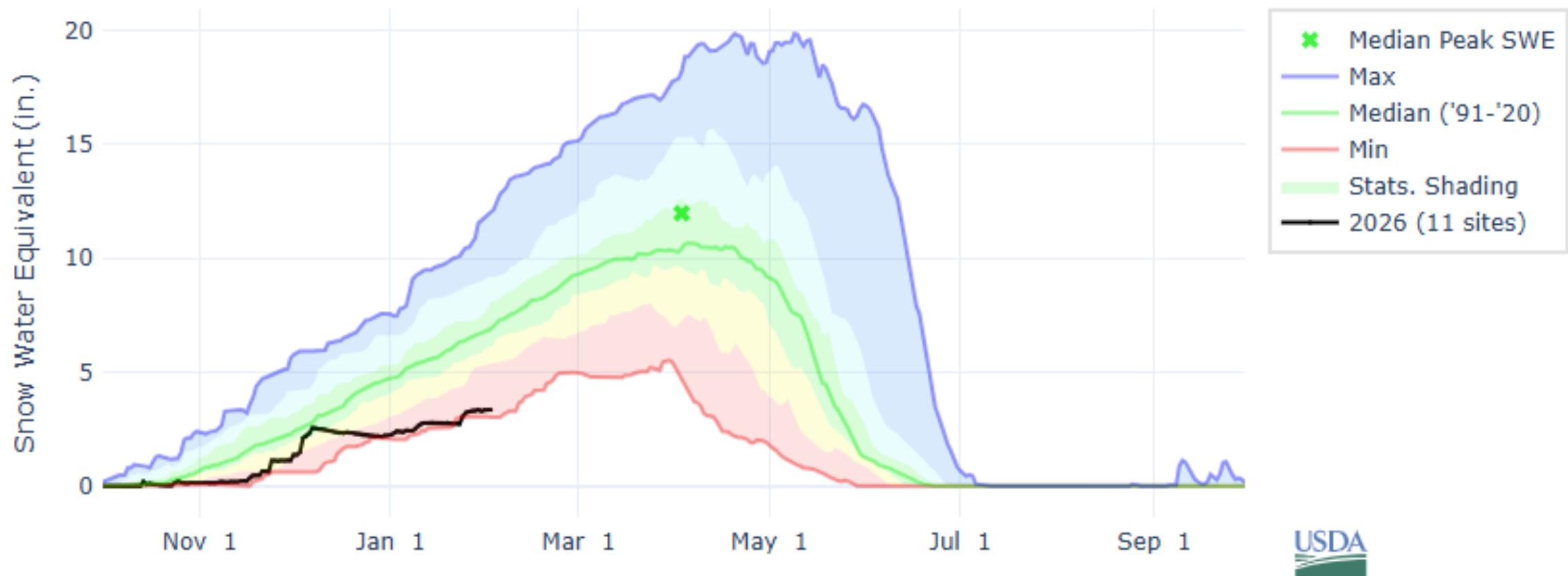
January 28, 2025



Snow Water Equivalent	Percent NRCS 1991-2020 Median	February 1, 2026, end of day
<p>Percent NRCS 1991-2020 Median</p> <ul style="list-style-type: none"> $\geq 150\%$ 130% to 149% 110% to 129% 90% to 109% 70% to 89% 50% to 69% < 50% No basin value <p>Watershed Boundaries</p> <p>State Watersheds</p> <p>N</p> <p>0 10 20 40 60 80 100 Miles</p> <p>Created 2-02-2026</p>		

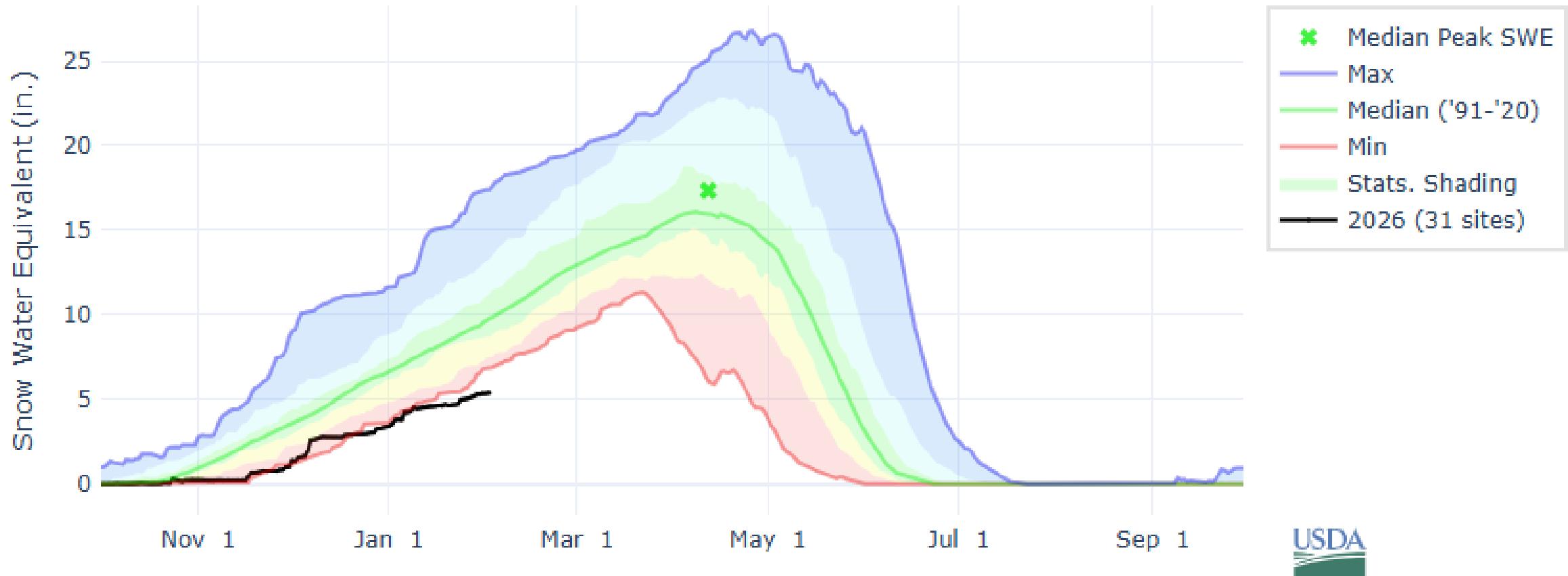
**Snowpack in the Colorado River
Headwaters Basin is 48% of normal
as of February 1, 2026**

SNOW WATER EQUIVALENT IN ARKANSAS



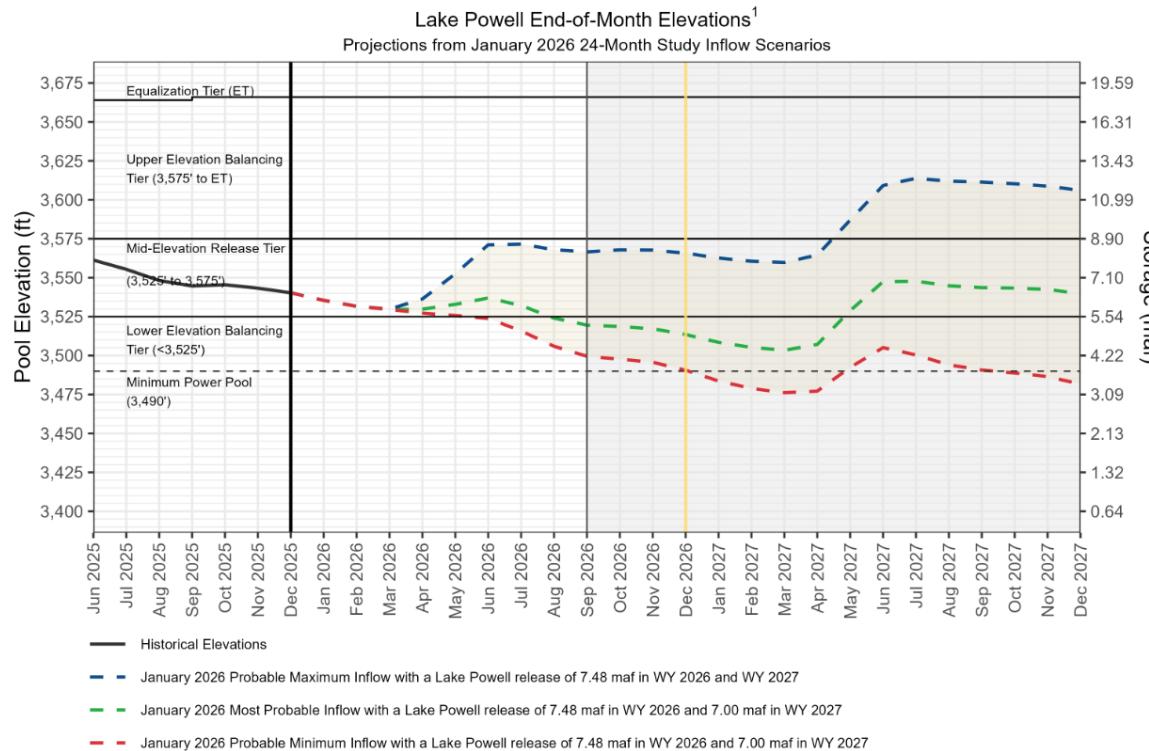
**Snowpack in the Arkansas River
Basin is 55% of normal
as of February 1, 2026**

SNOW WATER EQUIVALENT IN COLORADO HEADWATERS



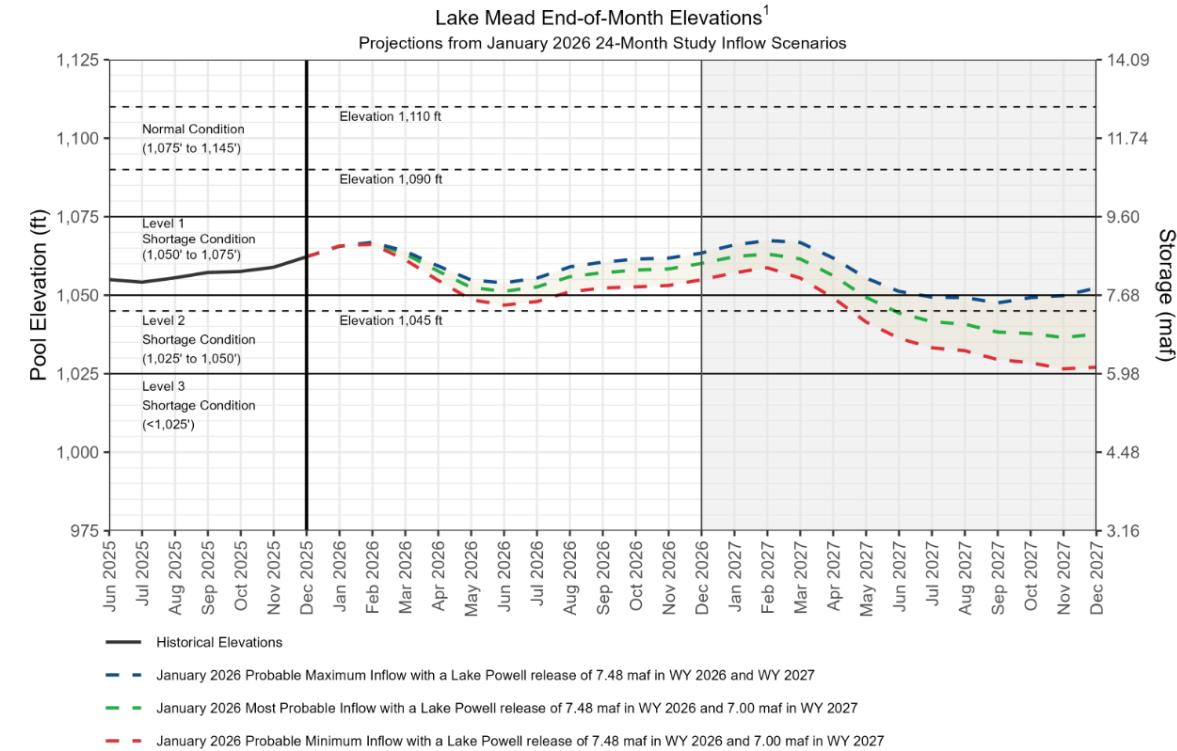
Colorado River System Projections

Lake Powell & Lake Mead 24-Month Projections



The Drought Response Operations Agreement (DROA) is available online at <https://www.usbr.gov/dcp/finaldocs.html>.

¹For modeling purposes, simulated years beyond 2026 assume a continuation of the 2007 Interim Guidelines including the 2024 Supplement to the 2007 Interim Guidelines (no additional SEIS conservation is assumed to occur after 2026), the 2019 Colorado River Basin Drought Contingency Plans, and Minute 323 including the Binational Water Scarcity Contingency Plan. With the exception of certain provisions related to ICS recovery and Upper Basin Demand management, operations under these agreements are in effect through 2026.



The Drought Response Operations Agreement (DROA) is available online at <https://www.usbr.gov/dcp/finaldocs.html>.

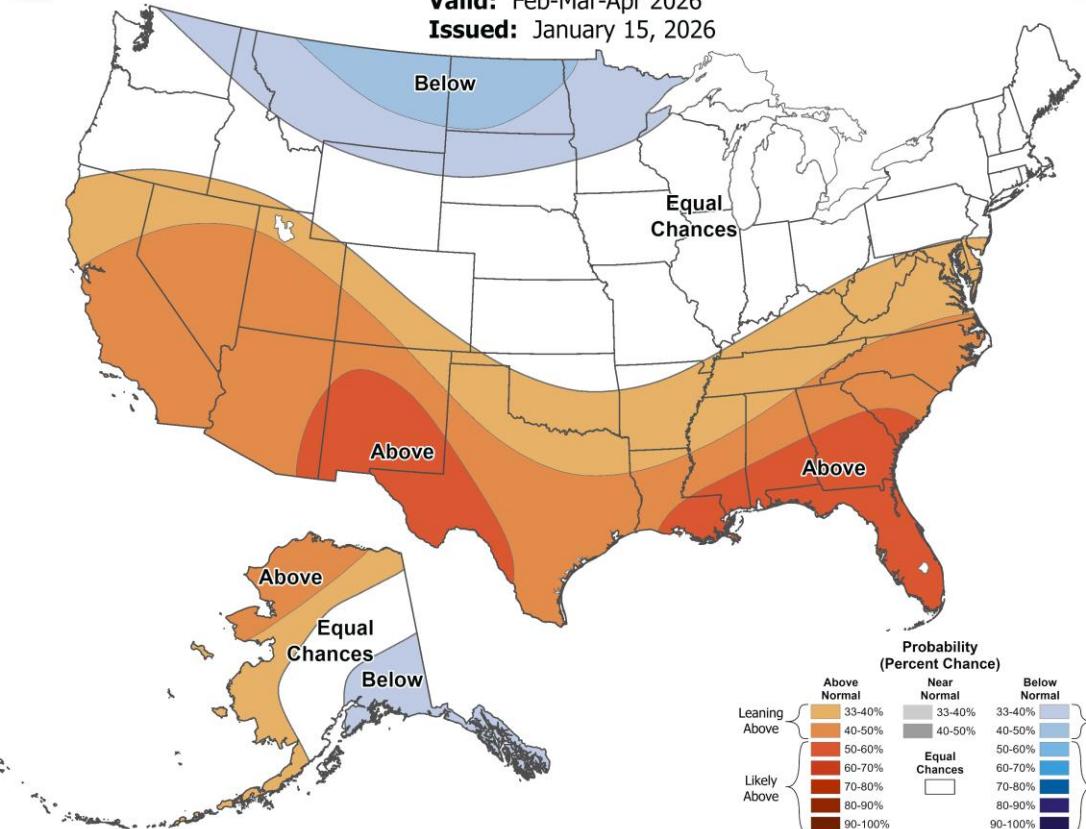
¹For modeling purposes, simulated years beyond 2026 assume a continuation of the 2007 Interim Guidelines including the 2024 Supplement to the 2007 Interim Guidelines (no additional SEIS conservation is assumed to occur after 2026), the 2019 Colorado River Basin Drought Contingency Plans, and Minute 323 including the Binational Water Scarcity Contingency Plan. With the exception of certain provisions related to ICS recovery and Upper Basin Demand management, operations under these agreements are in effect through 2026.





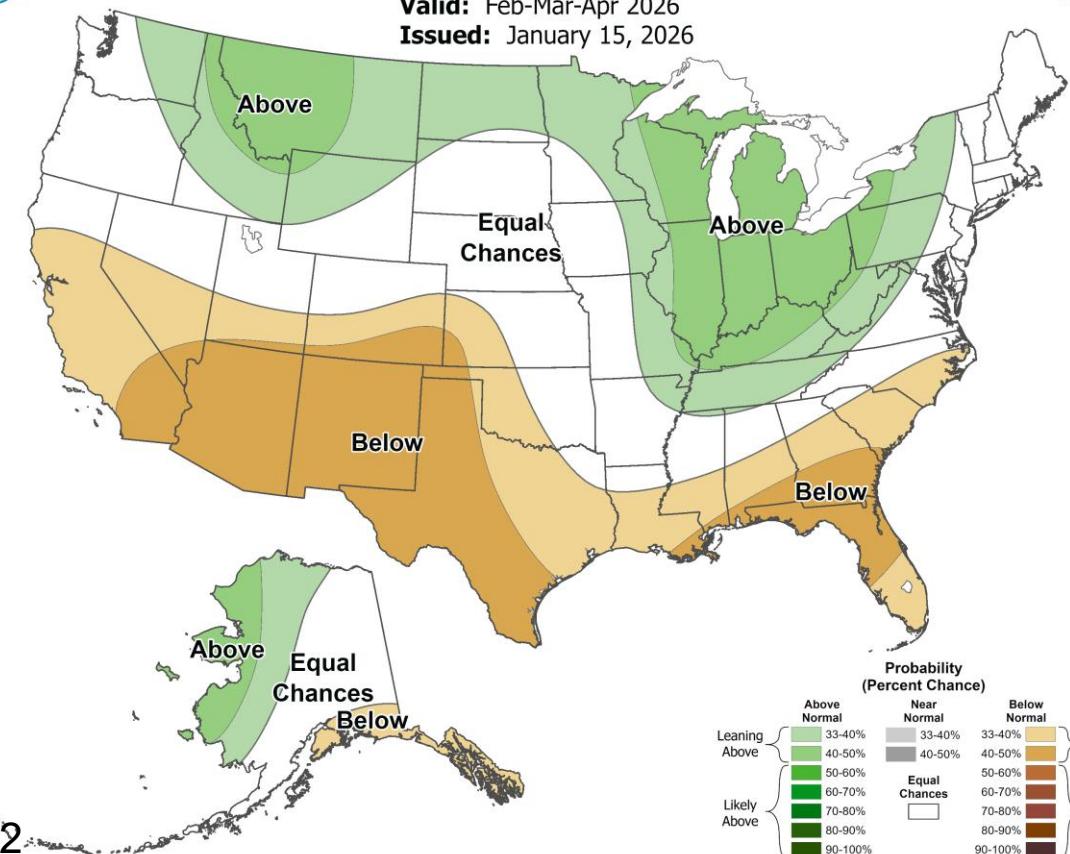
Seasonal Temperature Outlook

Valid: Feb-Mar-Apr 2026
Issued: January 15, 2026



Seasonal Precipitation Outlook

Valid: Feb-Mar-Apr 2026
Issued: January 15, 2026

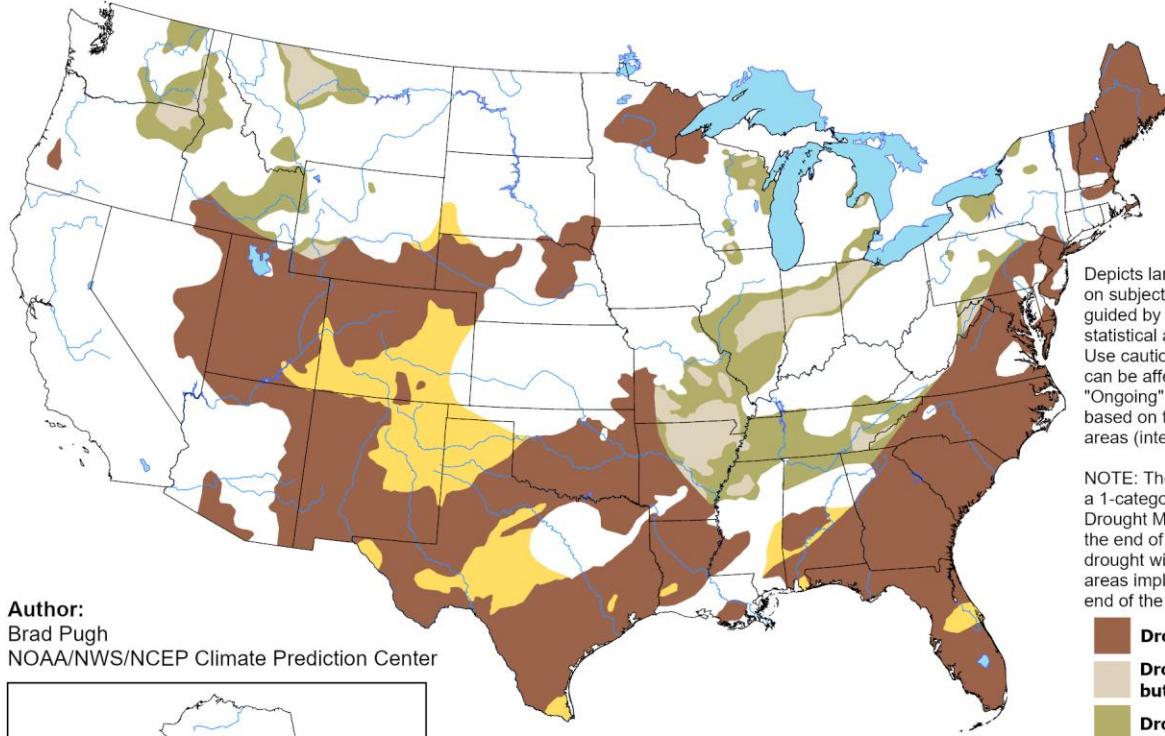


U.S. Seasonal Drought Outlook

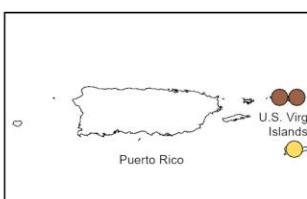
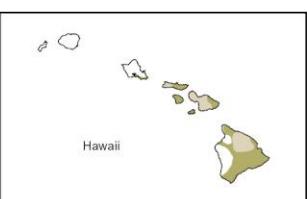
Drought Tendency During the Valid Period

Valid for January 15 - April 30, 2026

Released January 15, 2026



Author:
Brad Pugh
NOAA/NWS/NCEP Climate Prediction Center



- Drought persists
- Drought remains, but improves
- Drought removal likely
- Drought development likely
- No drought

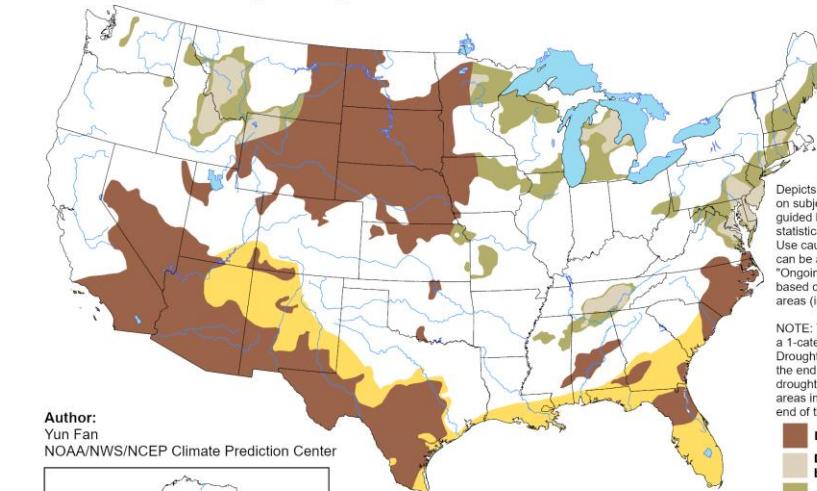
<https://go.usa.gov/3eZ73>

U.S. Seasonal Drought Outlook

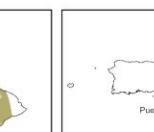
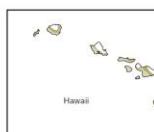
Drought Tendency During the Valid Period

Valid for January 16 - April 30, 2025

Released January 16, 2025



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



- Drought persists
- Drought remains, but improves
- Drought removal likely
- Drought development likely
- No drought

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

2026 Demands

January

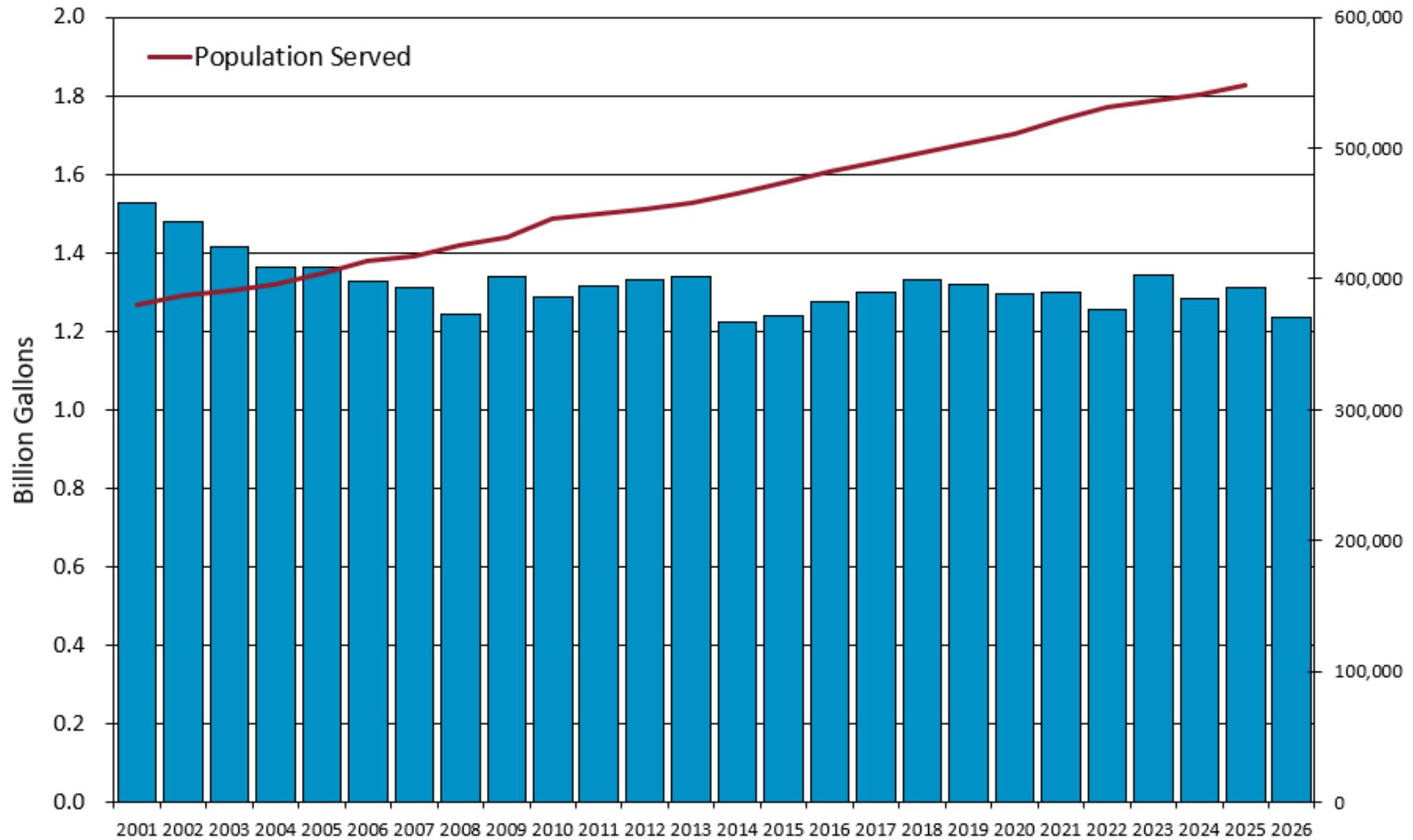
- Averaged 39.9 MGD
- 5.8% less than January 2025

2026 Year to Date through January 31

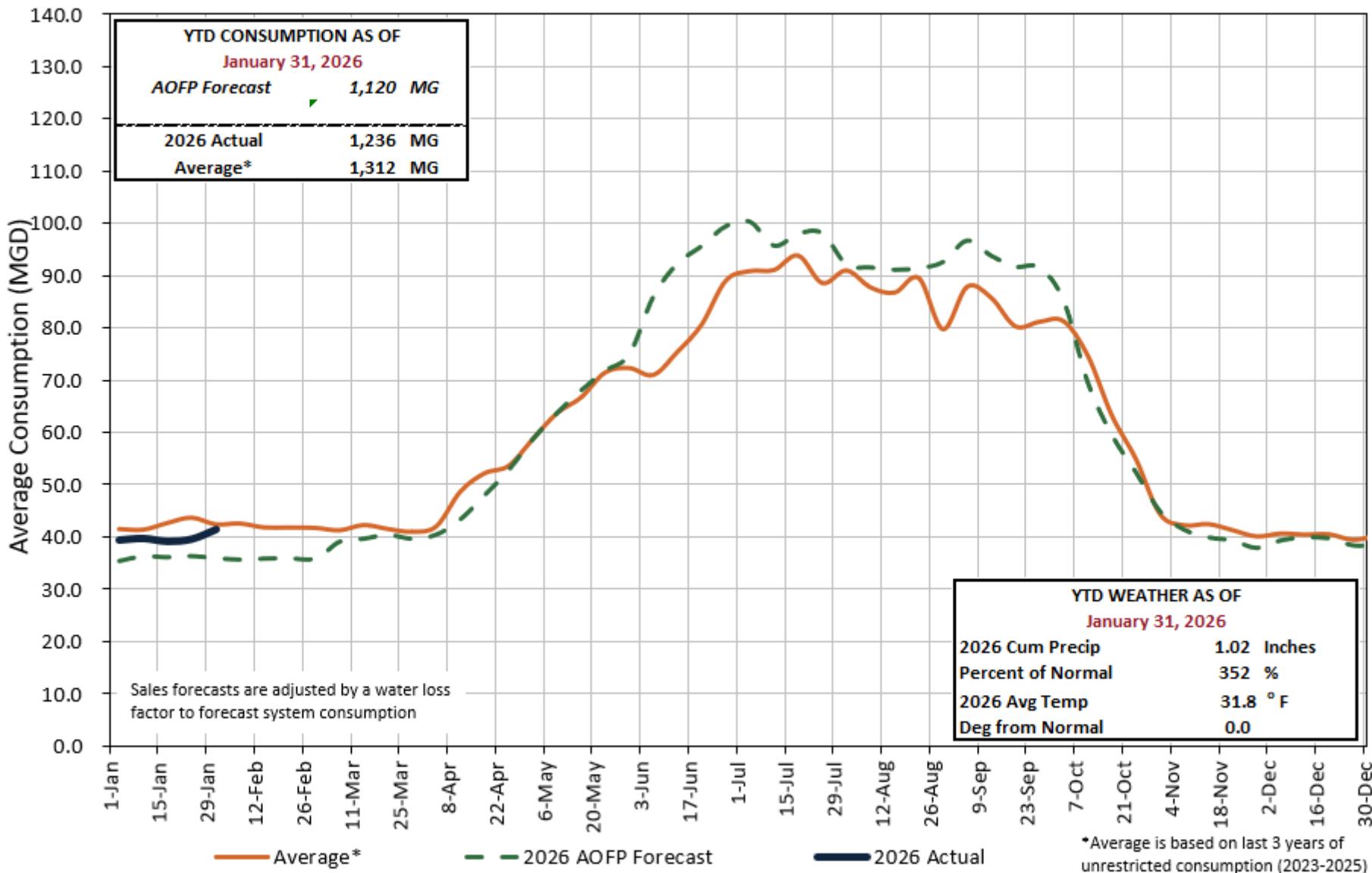
- Averaging 39.9 MGD, 1.2 BG total
 - 5.8% lower compared to the same time in 2025
 - 0.1 Billion Gallons less than 2025



Monthly Water Use for January



2026 Actual Consumption (Weekly Data)

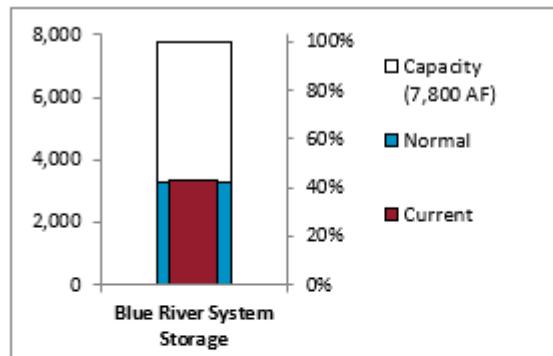


Reservoir Levels

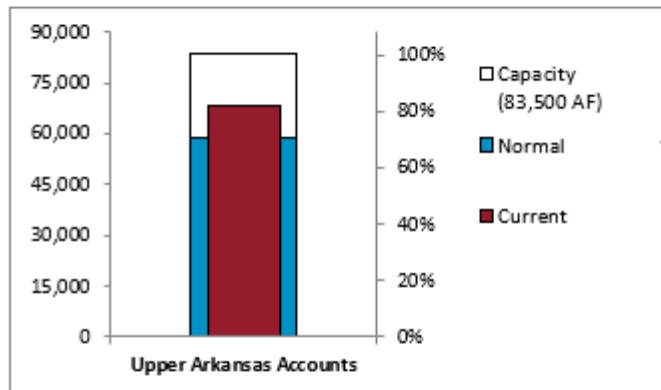
January 31, 2026

- Pikes Peak 48 %
 - 91-20 Avg. 65 %
- Rampart 73 %
 - 91-20 Avg. 76 %
- Local Total 63 %
 - 91-20 Avg. 72 %
- System Total 77 %
 - 91-20 Avg. 73 %

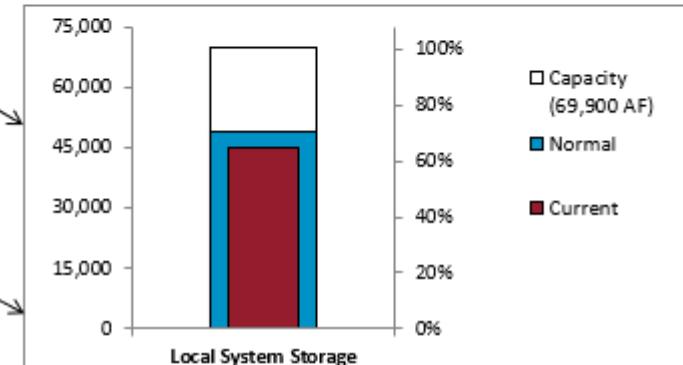




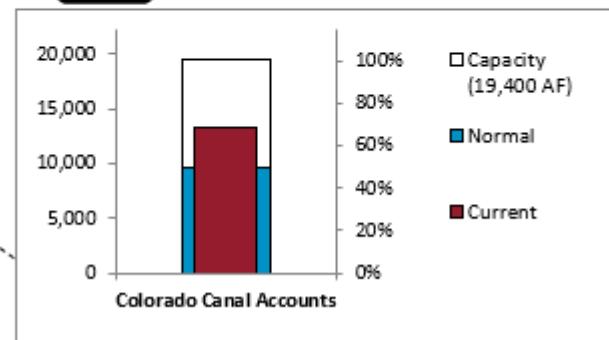
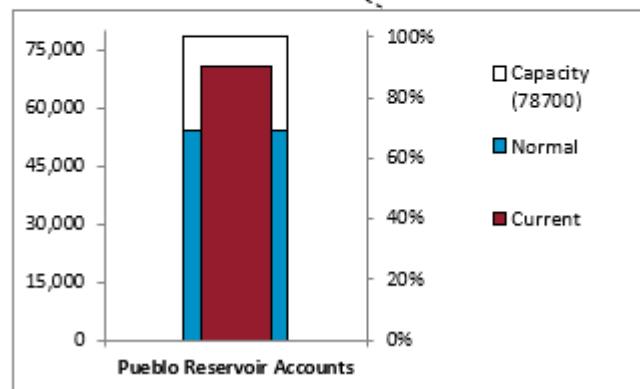
Colorado Springs' System Wide Storage:
January 31, 2026 201,400 af
77.2 %
2001-2022 avg 174,400 af
66.9 %
Average YTD Demand 39.9 MGD



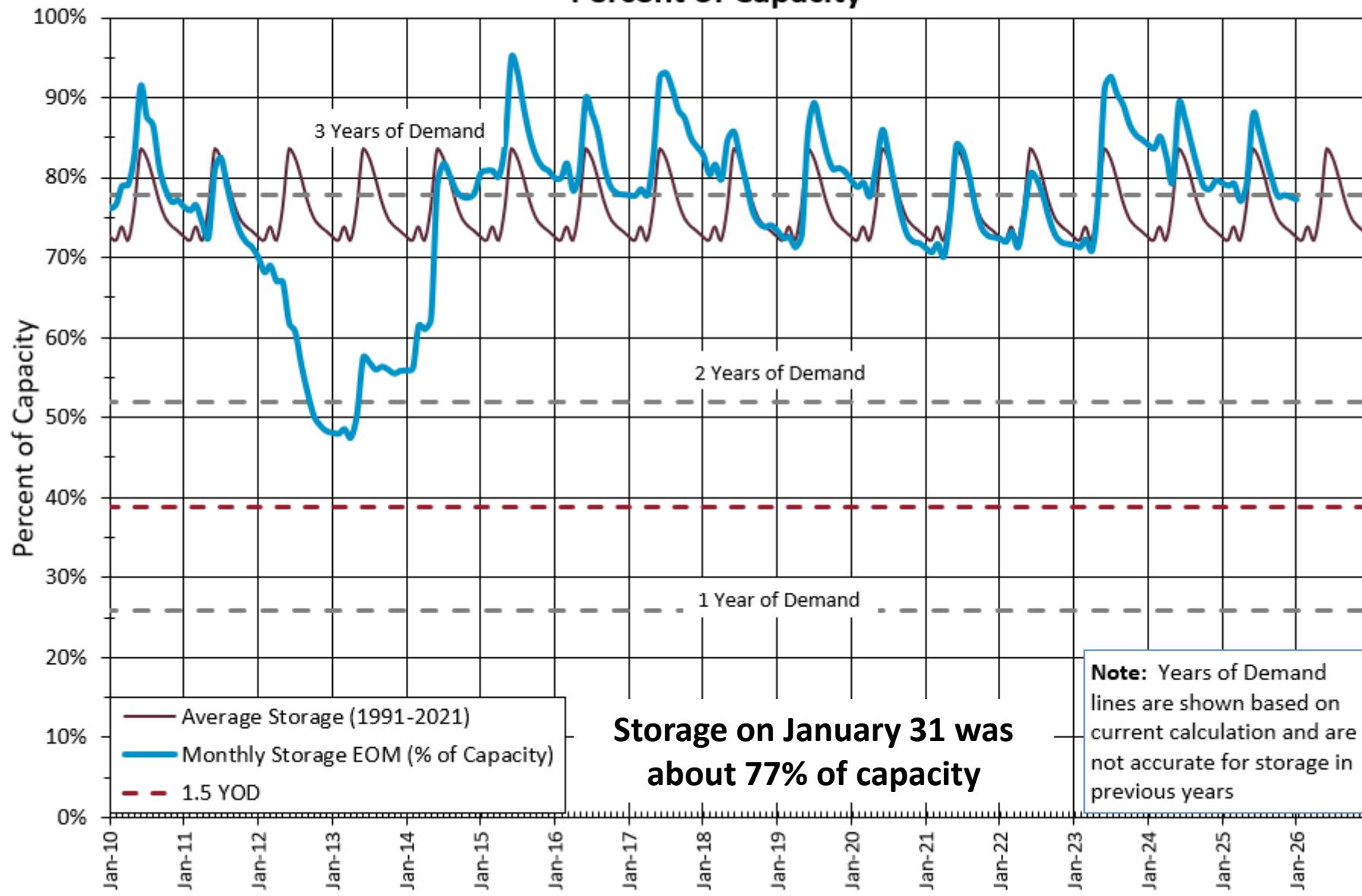
MAX 20 MGD



MAX 68 MGD



Monthly Storage Percent of Capacity



Water Outlook

Situation Outlook Summary

- System-wide storage is at 77.2% of capacity, about 4.6% above our 30-year normal
- About 3.0 years of demand in storage, based on the past 3 years of demand
- Have 225 days of demand in local storage

Three-month outlook predictions

- Central and southern Colorado have a slightly elevated likelihood of experiencing above-normal temperatures
- Precipitation across northern Colorado is expected to be near normal, while the southern half of the state faces increasing chances of below normal precipitation

We continue to monitor snowpack, demand, and storage to maximize available water supply

Operational Notes

Storage Conditions

- Mason Reservoir capacity remains restricted for maintenance.



Colorado Springs Utilities

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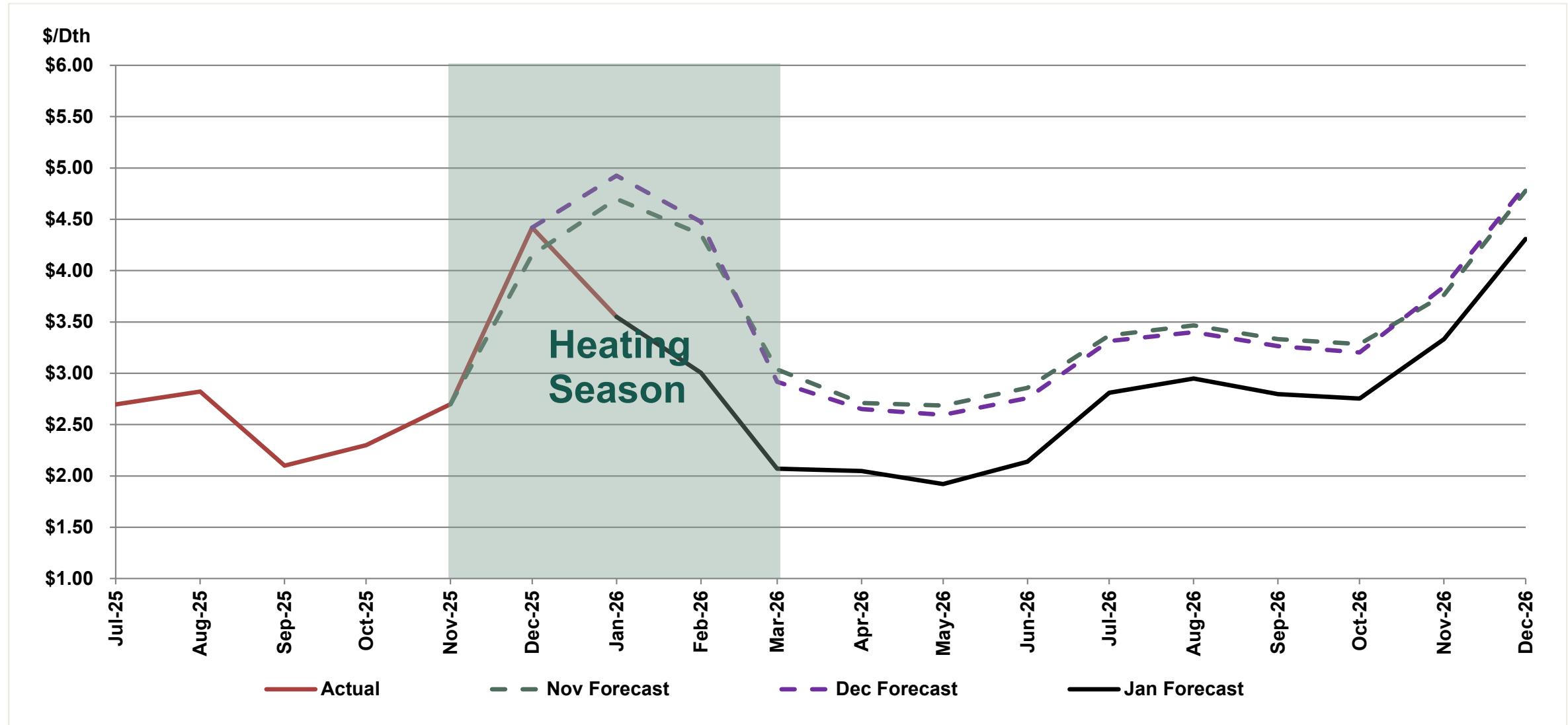


Electric Cost Adjustment Gas Cost Adjustment

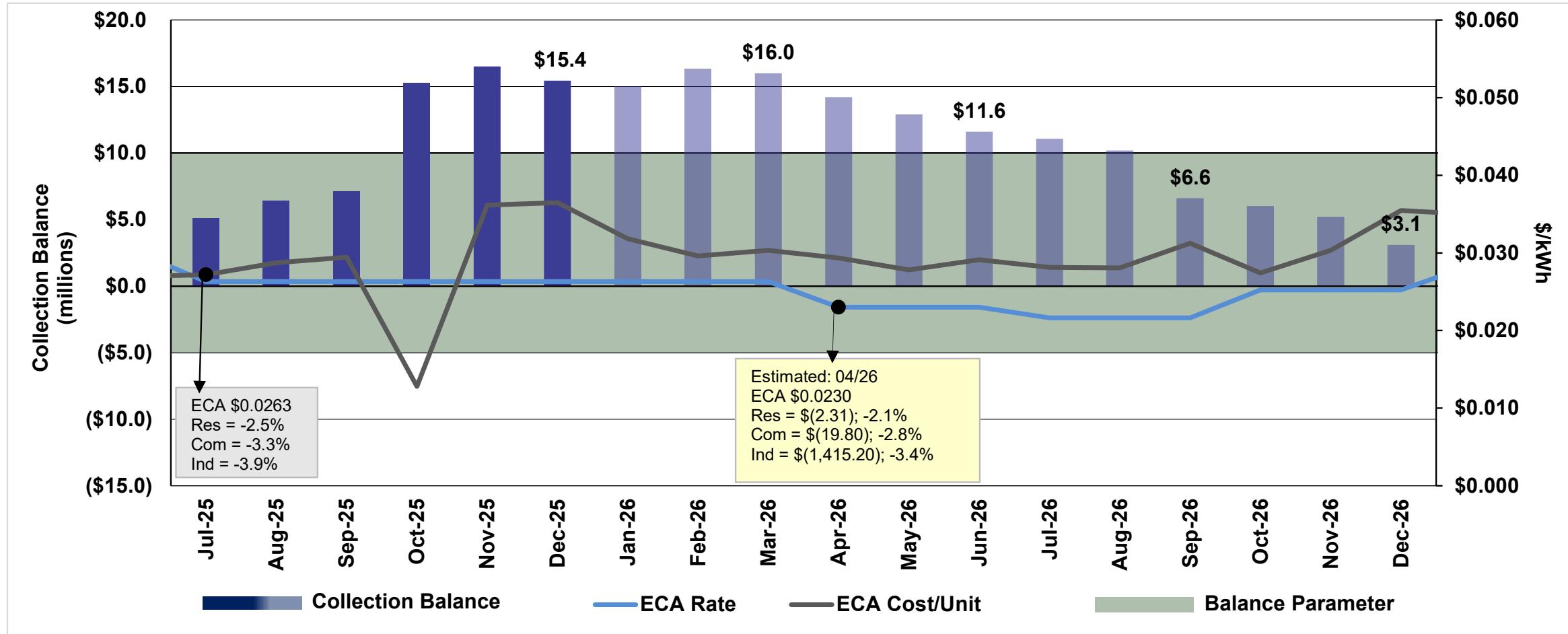
Scott Shirola, Pricing and Rates Manager

February 18, 2026

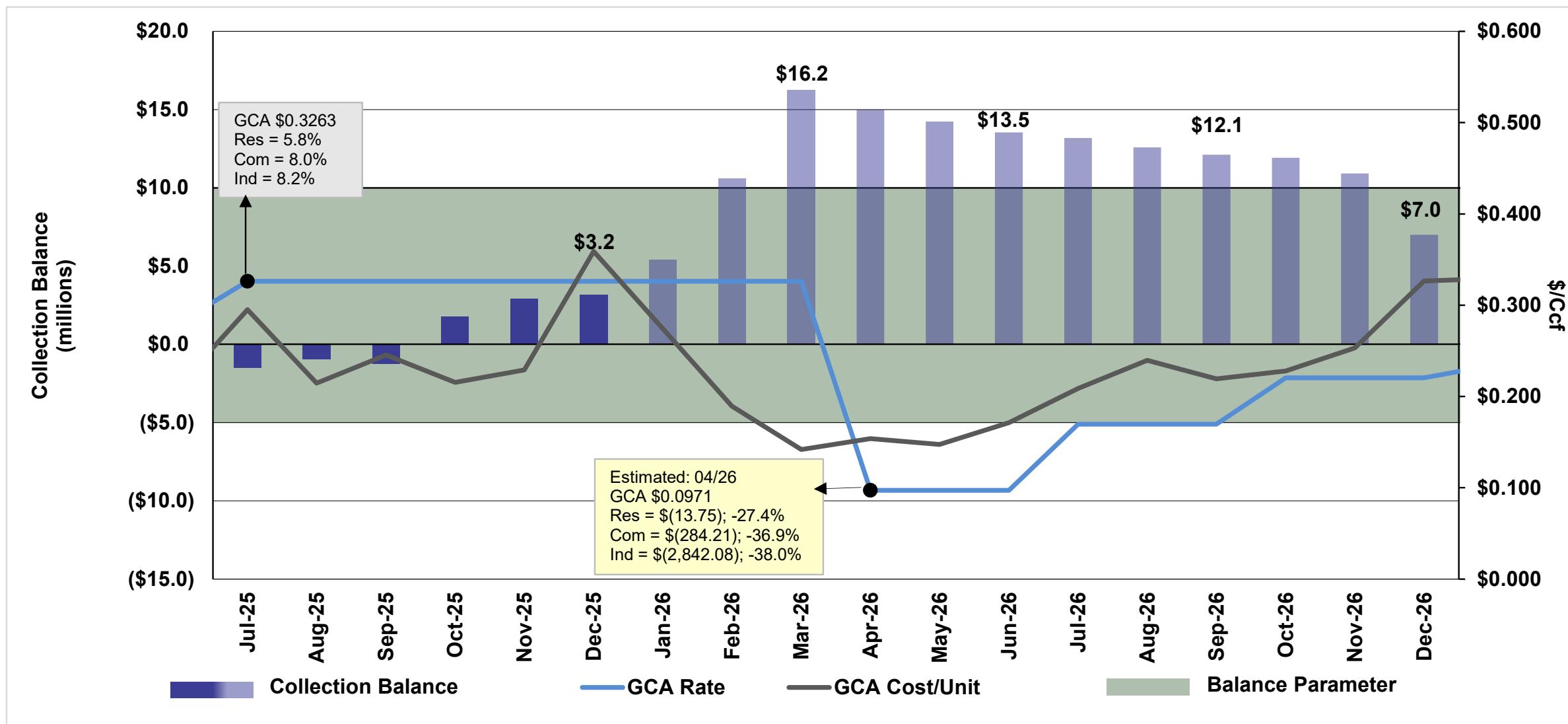
Natural Gas Prices as of January 1, 2026



ECA Projections January 2026



GCA Projections January 2026



Supplementary Information

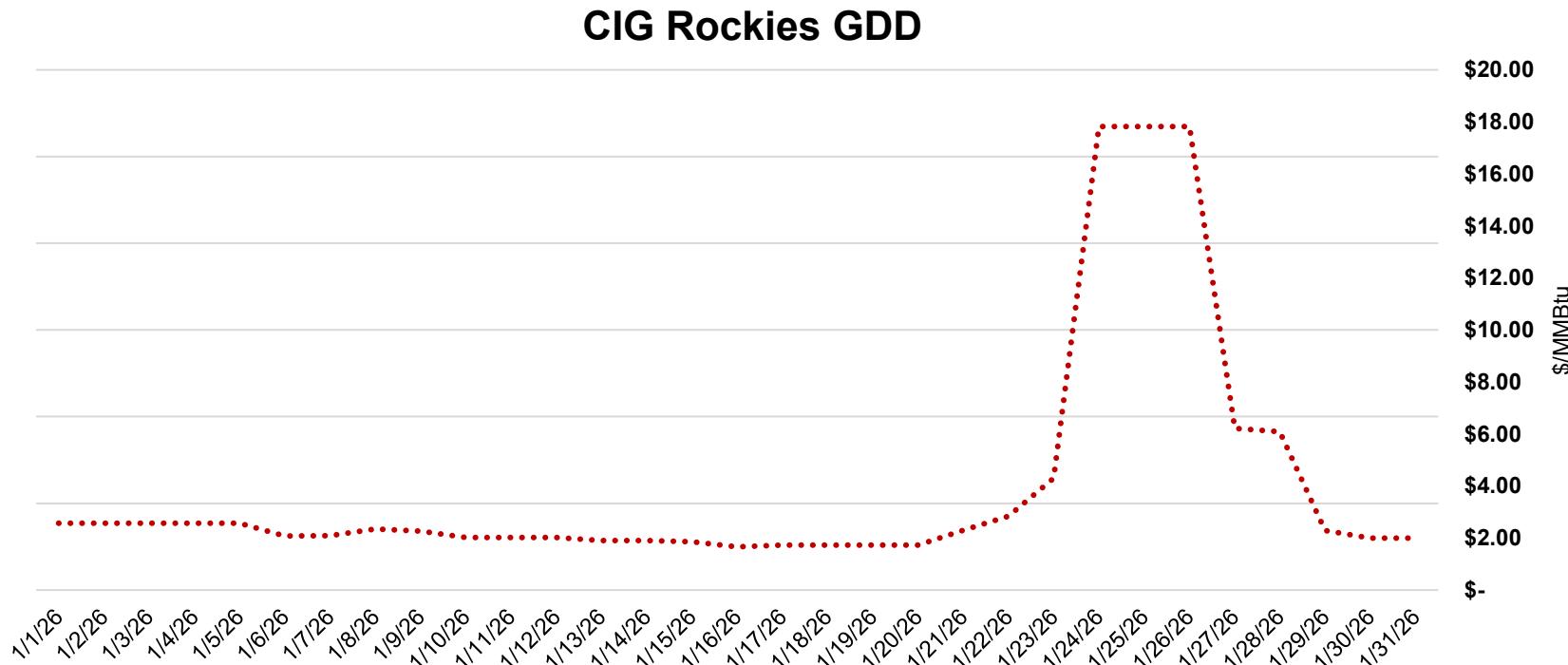
Winter Storm Fern Impacts

Winter Storm Fern

- Widespread North American storm
 - Local winter weather event from Friday, January 23 through Sunday, January 25
 - Daytime high temperatures below freezing, overnight lows in the single digits, with significant windchills
 - System impacts
 - Systems operated as planned and coordinated

Winter Storm Fern - Continued

- Estimated financial impacts
 - Natural gas market experienced higher daily natural gas prices
 - ECA – Expense approximately \$2.5 million less than forecasted
 - GCA – Expense approximately \$3.9 million higher than forecasted





Colorado Springs Utilities

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Board Memo Agenda Item

Staff Report

Date: (Date of Utilities Board Meeting)	February 18, 2026		
To:	Utilities Board		
From:	Travas Deal, Chief Executive Officer		
Subject:	Update on Arkansas Basin Water Sharing Program Activities		
NARRATIVE:			
Desired Action: Choose only one	<input type="checkbox"/> Approval <input type="checkbox"/> Discussion <input checked="" type="checkbox"/> Information		
Executive Summary:	<p>Colorado Springs Utilities staff in the Water Resource Management group continue exploring water supply options to meet the needs of the city while also preserving and/or enhancing agriculture in the Lower Arkansas Valley.</p> <p>Staff and a Lower Arkansas farmer, Caleb Wertz, will report on a project that is testing the viability of growing cotton as a low water use crop. This project overlaps with our Center Pivot Program as Caleb was the first to partner with Springs Utilities in that program.</p>		
Benefits:	Provides data for proof of concept on alternative methods to develop new water supply for the city.		
Board Policy: If this impacts one of the board policies, indicate that here.	I-7, Water Supply Management/Regional Water and Wastewater Service		
Cost / Budget: Include the projected cost or budget here.	N/A.		
Affected Parties: This could include community groups, specific City Council Districts, other utilities, nonprofit organizations, certain neighborhoods, Colorado Springs Utilities employees, etc.	City of Colorado Springs, Lower Arkansas Valley farmers and communities		
Alternatives:	N/A		
Submitter:	Scott Lorenz	Email Address:	slorenz@csu.org
Division:	System Planning and Projects	Phone Number:	719-668-6575
Department:	Water Resource Planning	Date Submitted:	February 1, 2026
SPG Staff Use Only:	Consent Calendar	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	Item Number 8
ITEMS SUBMITTED AFTER THE DEADLINE WILL BE POSTPONED UNTIL THE NEXT UTILITIES BOARD MEETING			



Update on Arkansas Basin Water Sharing Program Activities

Scott Lorenz, Water Resource Supervisor

Caleb and Zaiden Wertz, McClave Farmers

February 18, 2026

Future Water Supply Planning



Finish Colorado River Projects (New Supply)



Agricultural Water Sharing Programs (New Supply)



Demand Management (Savings)



Storage (New or Enlarged)



Reuse – Including Indirect Potable Reuse

Agricultural Water Sharing

- Program began in 2010 to meet needs identified in Integrated Water Resource Plan.
- **2017:** first project with Lower Arkansas Water Management Association (LAWMA) for 2,500 acre-feet* in 5 of every 10 years.
- **2021:** Intergovernmental Agreement (IGA) with Bent County allows development of up to 15,000 acre-feet of water.
- **2024:** First center pivot project approved under Bent County IGA.

FAST FACT: *An acre-foot is 325,851 gallons, or the amount of water it would take to cover an acre of land to a depth of one foot.*



Low Water Crop Use Study

- Project started in 2024 as way to test alternative crops in the Lower Arkansas Valley (LAV).
- Major irrigated crops in LAV with irrigation demands:
 - Alfalfa, requires 26-40 inches applied water
 - Corn, requires 22-34 inches applied water
- Cotton has traditionally been grown in the southern United States but has steadily moved north, driven by new plant genetics and warmer weather.
- Water use in the cotton study
 - Year 1: 15 inches applied water
 - Year 2: 9 inches applied water



Low Water Crop Use Study

Unique risks for trying alternative crops:

- No local market means increased transportation costs.
- Crop insurance may not be available.
- No local knowledge base to tap into.
- Failure of crop puts entire farm at risk.



Low Water Crop Use Study: lessons learned

Year 1

- Weed pressure and treatment are different from other crops.
- Getting a cotton harvester from Texas to Colorado is complicated.
- Too much irrigation decreases yield.
- Quality matters.

Year 2

- Increased acreage in production helps identify what works best.
- Owning your own harvester is cool (but expensive).



Supporting generational farming in our native Arkansas Basin



Questions?

Board Memo Agenda Item

Staff Report

Date: (Date of Utilities Board Meeting)	February 18, 2026
To:	Utilities Board
From:	Travas Deal, Chief Executive Officer
Subject:	Electric Large Load Rate Schedule

NARRATIVE:

Desired Action: Choose only one	<input type="checkbox"/> Approval <input type="checkbox"/> Discussion <input checked="" type="checkbox"/> Information		
Executive Summary:	On October 28, 2025, by Resolution 155-25, City Council approved the establishment of the Industrial Service - Large Load (ELL) Rate Schedule, applicable to industrial customers with loads equal to or greater than 10MW. As established in Utilities Rules and Regulations (URR), Springs Utilities may execute Economic Development Special Contracts with selected customers. Springs Utilities is proposing to revise the ELL Rate Schedule to clarify that nothing within the ELL Rate Schedule limits Springs Utilities' ability to execute Economic Development Contracts, as established in URR. Springs Utilities anticipates filing a resolution revising the ELL Rate schedule, at the February 24, 2026, City Council meeting in accordance with City Code § 12.1.108(D)(2)(f). If approved by City Council, the proposed changes would take effect March 1, 2026.		
Benefits:	Support of economic development with clarification of applicability of potential Economic Development Special Contracts with selected customers, as established in URR.		
Board Policy: If this impacts one of the board policies, indicate that here.	I-5, Economic Development		
Cost / Budget: Include the projected cost or budget here.	N/A		
Affected Parties: This could include community groups, specific City Council Districts, other utilities, nonprofit organizations, certain neighborhoods, Colorado Springs Utilities employees, etc.	N/A		
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:	Pricing and Rates	Date Submitted:	February 2, 2026
SPG Staff Use Only:	Consent Calendar <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	Item Number	9

ITEMS SUBMITTED AFTER THE DEADLINE WILL BE POSTPONED UNTIL THE NEXT UTILITIES BOARD MEETING.



Electric Large Load (ELL) Rate Schedule

February 18, 2026

ELL Rate Schedule Background

- ELL Rate Schedule effective January 1, 2026
 - Approved on October 28, 2025, as part of the 2026 Rate Case
- Applicable to customers with loads equal to or greater than 10MW
- Rate Schedule designed to:
 - Support economic development and rate competitiveness as directed in Board Instruction 5 (Economic Development, I-5)
 - Ensure resource and infrastructure adequacy
 - Minimize cost shift to existing customers
 - Mitigate risk of stranded assets
 - Protect Colorado Springs Utilities' financial health
 - Support consistency with Regional Transmission Organization (RTO) provisions

Economic Development Special Contracts

- Utilities may execute special contracts with selected customers pursuant to Utilities Rules and Regulations
 - If executed, the special contract contains specific provisions related to rates, terms, and conditions of service, which may differ from the applicable tariff provisions
- Propose addition to ELL Rate Schedule to clarify that Utilities may execute special contracts with ELL customers

AVAILABILITY

Available by contract in Utilities' electric service territory for any Customer whose Maximum Demand equals or exceeds 10,000 kW in any of the last 12 billing periods, or whose Maximum Demand is reasonably expected to equal or exceed 10,000 kW in any billing period in the next 120 billing periods. If aggregation of loads is permitted by Utilities pursuant to the terms provided in this rate schedule, the Maximum Demand used for the purpose of determining availability under this rate schedule will be based on the aggregated Maximum Demand. Customers with common owner(s) or parent companies operating within a contiguous site will have loads aggregated for determining the Maximum Demand for the purposes of determining availability under this rate schedule. Nothing in this rate schedule limits the potential applicability of Economic Development Special Contracts, as established in Utilities Rules and Regulations.

Timeline

- January 20 Working Committee Initial Presentation
- February 17 Working Committee Follow-up Presentation
- February 18 Utilities Board Presentation
- February 24 City Council
 - Resolution revising ELL Rate Schedule
- March 1 Change Effective



Colorado Springs Utilities

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Board Memo Agenda Item

Staff Report

Date: (Date of Utilities Board Meeting)	February 18, 2026		
To:	Utilities Board		
From:	Travas Deal, Chief Executive Officer		
Subject:	DIMP Acceleration Plan and Natural Gas Rate Filing		
NARRATIVE:			
Desired Action: Choose only one	<input type="checkbox"/> Approval <input type="checkbox"/> Discussion <input checked="" type="checkbox"/> Information		
Executive Summary:	<p>Spring Utilities anticipates filing a rate case proposing the adoption of a Natural Gas Integrity Federal Compliance Charge to recover expenditures related to the Distribution Integrity Management Program (DIMP) acceleration plan, as required by the consent agreement between Springs Utilities and the Pipeline and Hazardous Materials Safety Administration (PHMSA). The filing details and timeline will be discussed.</p>		
Benefits:	Establishment of a cost recovery mechanism to fund accelerated DIMP expenditures, as required for compliance with the consent agreement between Springs Utilities and PHMSA.		
Board Policy: If this impacts one of the board policies, indicate that here.	Pricing of Services (I-1), Infrastructure (I-6), Rate Design (G-5)		
Cost / Budget: Include the projected cost or budget here.	Forecasted expenditures are approximately \$91.9 million for the period 2026-2029. These costs were not previously forecasted as part of Springs Utilities Five-Year Rate Case.		
Affected Parties: This could include community groups, specific City Council Districts, other utilities, nonprofit organizations, certain neighborhoods, Colorado Springs Utilities employees, etc.	Natural Gas Customers		
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:	Pricing and Rates	Date Submitted:	February 2, 2026
SPG Staff Use Only:	Consent Calendar	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	Item Number 10
ITEMS SUBMITTED AFTER THE DEADLINE WILL BE POSTPONED UNTIL THE NEXT UTILITIES BOARD MEETING.			



DIMP Acceleration Plan & March 2026 Natural Gas Rate Case

February 18, 2026

Scott Shirola, Pricing and Rates Manager
66 of 272

DIMP Acceleration Background

- Distribution Integrity Management Program (DIMP)
 - Established by the Pipeline and Hazardous Materials Safety Administration (PHMSA)
 - Assess and replace all bare steel gas mains and gas service lines in our system.
 - Subject to corrosion, or rust, causing potential safety issues.
- Colorado Public Utilities Commission regularly inspects Springs Utilities DIMP compliance with PHMSA requirements
- PHMSA issued a Notice of Proposed Safety Order in Oct. 2024
 - We reached an agreement with regulators to complete the replacement of bare steel in 10 years

DIMP Acceleration Plan

- Current Pace
 - 5.4 miles of main and 550 services per year
 - ~80-year timeframe to complete backlog
- Acceleration Plan
 - 60+ additional miles of main & 11,600 service lines over 9 years
 - Requires approximately 10 contracted crews
 - Requires an additional 20 internal positions to scope & schedule work, oversee contractors, conduct quality control, and ensure systems of record are updated
- Beyond 10-Year Completion
 - Ongoing regulatory compliance obligations
 - DIMP continues indefinitely

DIMP Acceleration Plan - Cost Recovery

- DIMP Acceleration Plan is not in the five-year plan
 - Five-year rate case was approved in November 2024
 - We received the order in October 2024
 - Agreement reached in 2025
- Proposing a Natural Gas Integrity Federal Compliance Charge
- Bill riders are:
 - Temporary
 - Efficient
 - Specific
 - Defined end times

Natural Gas Integrity Federal Compliance Charge

- Annual reporting to Utilities Board
 - Annual adjustment if necessary
- Estimated annual revenue \$12.8 million to \$26.5 million (2026-2029)
- Flat daily fee at two levels:
 - Residential/Small Commercial: \$0.2848, per day
 - Large Commercial/Industrial/Contract Service: \$0.5999, per day

Sample Bill Impacts

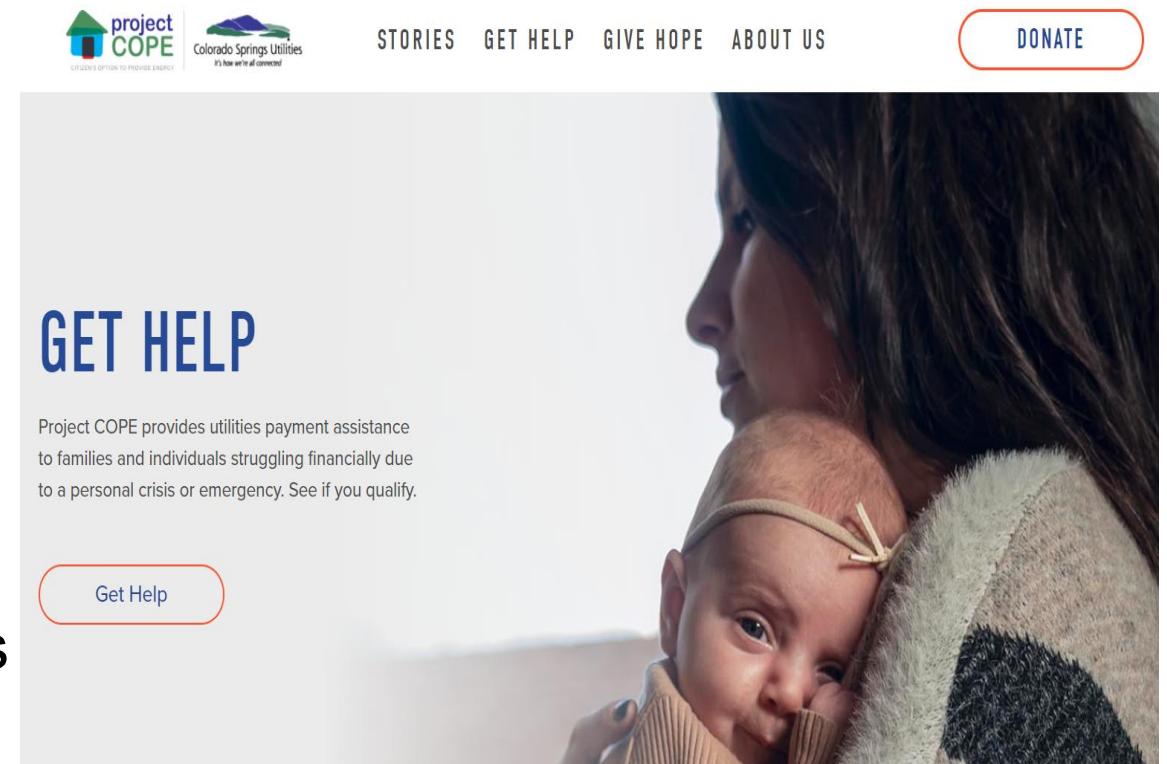
Line No. (a)	Rate Class (b)	Current (c)	Proposed 7/1/2026 (d)	Proposed Increase/ (Decrease) (e)		% Change (f) (e) / (c)
				(d) - (c) (e)	(e) / (c) (f)	
1	Residential					
2	Electric	\$ 108.77	\$ 108.77	\$ -	0.0%	
3	Gas	50.17	58.71	8.54	17.0%	
4	Water	90.56	90.56	-	0.0%	
5	Wastewater	40.66	40.66	-	0.0%	
6	Total	\$ 290.16	\$ 298.70	\$ 8.54	2.9%	
7	Commercial					
8	Electric	\$ 700.59	\$ 700.59	\$ -	0.0%	
9	Gas	770.56	788.56	18.00	2.3%	
10	Water	277.07	277.07	-	0.0%	
11	Wastewater	150.31	150.31	-	0.0%	
12	Total	\$ 1,898.53	\$ 1,916.53	\$ 18.00	0.9%	
13	Industrial					
14	Electric	\$ 41,122.78	\$ 41,122.78	\$ -	0.0%	
15	Gas	7,482.18	7,500.18	18.00	0.2%	
16	Water	3,635.22	3,635.22	-	0.0%	
17	Wastewater	1,936.31	1,936.31	-	0.0%	
18	Total	\$ 54,176.49	\$ 54,194.49	\$ 18.00	0.0%	

Sample Total Monthly Bill calculations for current and proposed rates assume:

- Residential - 30 days, 700 kWh (Electric), 60 Ccf (Natural Gas), 1,100 cf (Water Inside City Limits), and 700 cf (Wastewater Inside City Limits)
- Commercial - 30 days, 6,000 kWh (Electric), 1,240 Ccf (Natural Gas), 3,000 cf (Water Inside City Limits), and 3,000 cf (Wastewater Inside City Limits)
- Industrial - 30 days, 400,000 kWh and 1,000 kW (Electric), 12,400 Ccf (Natural Gas), 50,000 cf (Water Inside City Limits), and 50,000 cf (Wastewater Inside City Limits)

Helping Customers Today

- Bill assistance
 - Low-Income Energy Assistance Program (LEAP) Nov – Apr
 - Project COPE
- Payment options
 - Payment plans
 - Pick my payment date
- Contact information
 - 2-1-1 for customer assistance
 - 719-448-4800 for billing questions



Long-term Assistance

- Free efficiency home upgrades
 - Home Efficiency Assistance Program (HEAP)
- Efficiency tips & education
 - Online at csu.org
 - Conservation and Environmental Center
- Rebates
 - Water heater
 - Furnace
 - Smart thermostat
 - Insulation



Customer notifications

- Customers impacted by construction
 - Email, texts, phone calls, postcards, door hangers, & follow-up surveys
- Community presentations (online & virtual)
- Contractor onboarding
- Phased mass communication began in late 2025
 - Natural gas system and bill rider education
 - Media releases, social media posts, newsletters, blogs, etc.



Timeline

Description	Initial Schedule	Alternate Schedule
Working Committee – Initial Presentation		July 14, 2025
Working Committee – Follow-up Presentation		January 20, 2026
Working Committee – Final Presentation		February 17, 2026
Utilities Board Presentation		February 18, 2026
Rate Filing at City Council	March 10, 2026	April 14, 2026
Rate Hearing at City Council	April 14, 2026	May 26, 2026
Draft Decision and Order at City Council	April 27, 2026	June 8, 2026
Decision and Order at City Council	April 28, 2026	June 9, 2026
Effective Date		July 1, 2026



Colorado Springs Utilities

It's how we're all connected

Board Memo Agenda Item

Staff Report

Date: (Date of Utilities Board Meeting)	February 18, 2026		
To:	Utilities Board		
From:	Travas Deal, Chief Executive Officer		
Subject:	Addendum to the Intergovernmental Agreement for Construction Cost Sharing for the Northern Monument Creek Interceptor		
NARRATIVE:			
Desired Action: Choose only one	<input checked="" type="checkbox"/> Approval <input type="checkbox"/> Discussion <input type="checkbox"/> Information		
Executive Summary:	<p>The Northern Monument Creek Interceptor project is a planned wastewater pipeline that will connect the Upper Monument Wastewater Treatment Facility to the JD Phillips Water Reclamation Facility. Colorado Springs is partnering with Triview and Forest Lakes Metropolitan Districts, in order to move forward with construction, the Utilities Board will be asked to approve the Addendum to the Intergovernmental Agreement for Construction Cost Sharing for the Northern Monument Creek Interceptor and separate Wastewater Service Agreements with Triview and Forest Lakes Metropolitan Districts. Pending Utilities Board approval, the addendum will be presented on the Consent Agenda at the February 24 City Council meeting and the service agreements at the March 24 City Council meeting. Details of the project were shared at the January Working Committee meeting.</p>		
Benefits:	The Northern Monument Creek Interceptor Project brings both regional and operational benefits to the parties.		
Board Policy: If this impacts one of the board policies, indicate that here.	Board Instruction 7		
Cost / Budget: Include the projected cost or budget here.	Total construction cost projected at \$88.2 Million, Utilities share is 64.1%		
Affected Parties: This could include community groups, specific City Council Districts, other utilities, nonprofit organizations, certain neighborhoods, Colorado Springs Utilities employees, etc.	Triview and Forest Lakes Metropolitan Districts		
Alternatives:	Approve the item to move to City Council or deny		
Submitter:	Abby Ortega	Email Address:	ajortega@csu.org
Division:	System Planning and Projects	Phone Number:	719-668-8748
Department:	IRP	Date Submitted:	February 13, 2026, revised
SPG Staff Use Only:	Consent Calendar Yes <input type="checkbox"/> No	Item Number 11	
ITEMS SUBMITTED AFTER THE DEADLINE WILL BE POSTPONED UNTIL THE NEXT UTILITIES BOARD MEETING			



Northern Monument Creek Interceptor Agreements

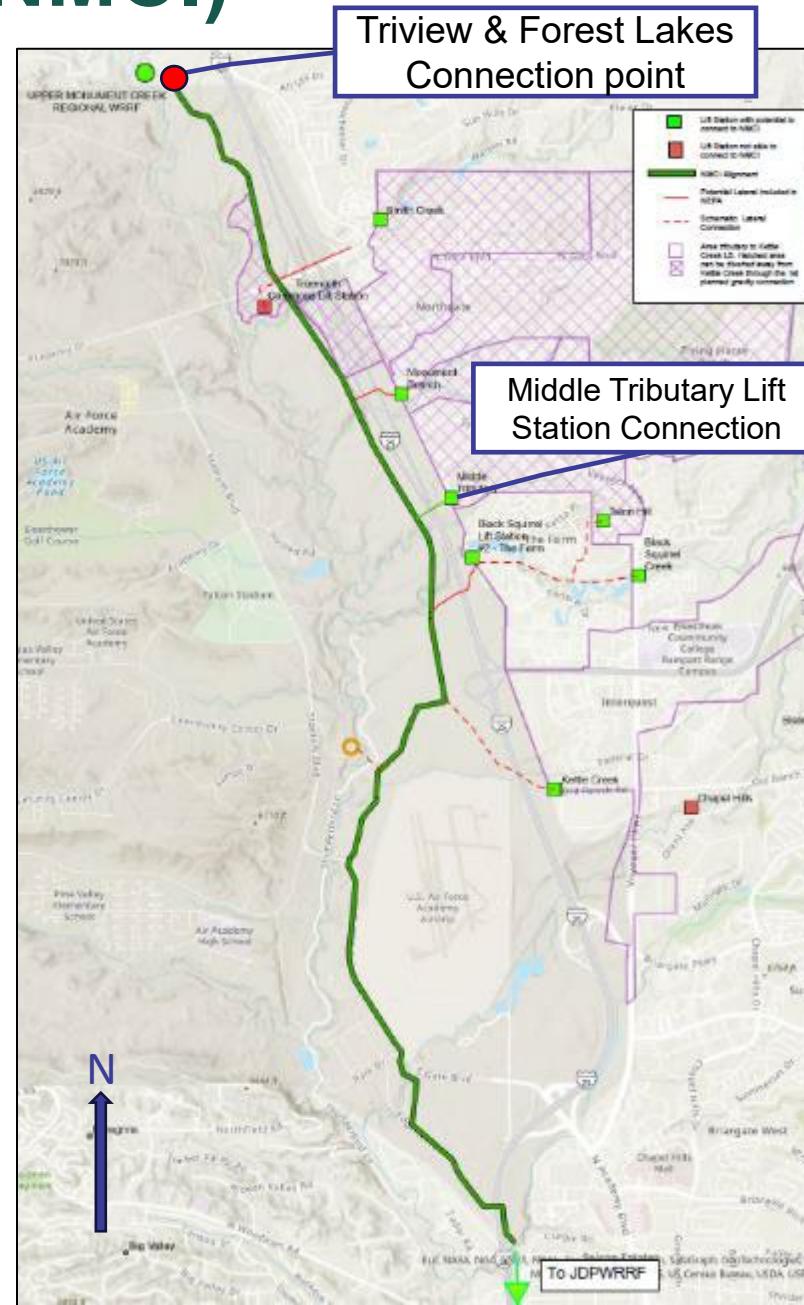
February 18, 2026, Utilities Board Meeting

Bryan English, PMP, Development Projects Manager

Andy Muser, PE, PMP, Infrastructure Project Manager

Northern Monument Creek Interceptor (NMCI)

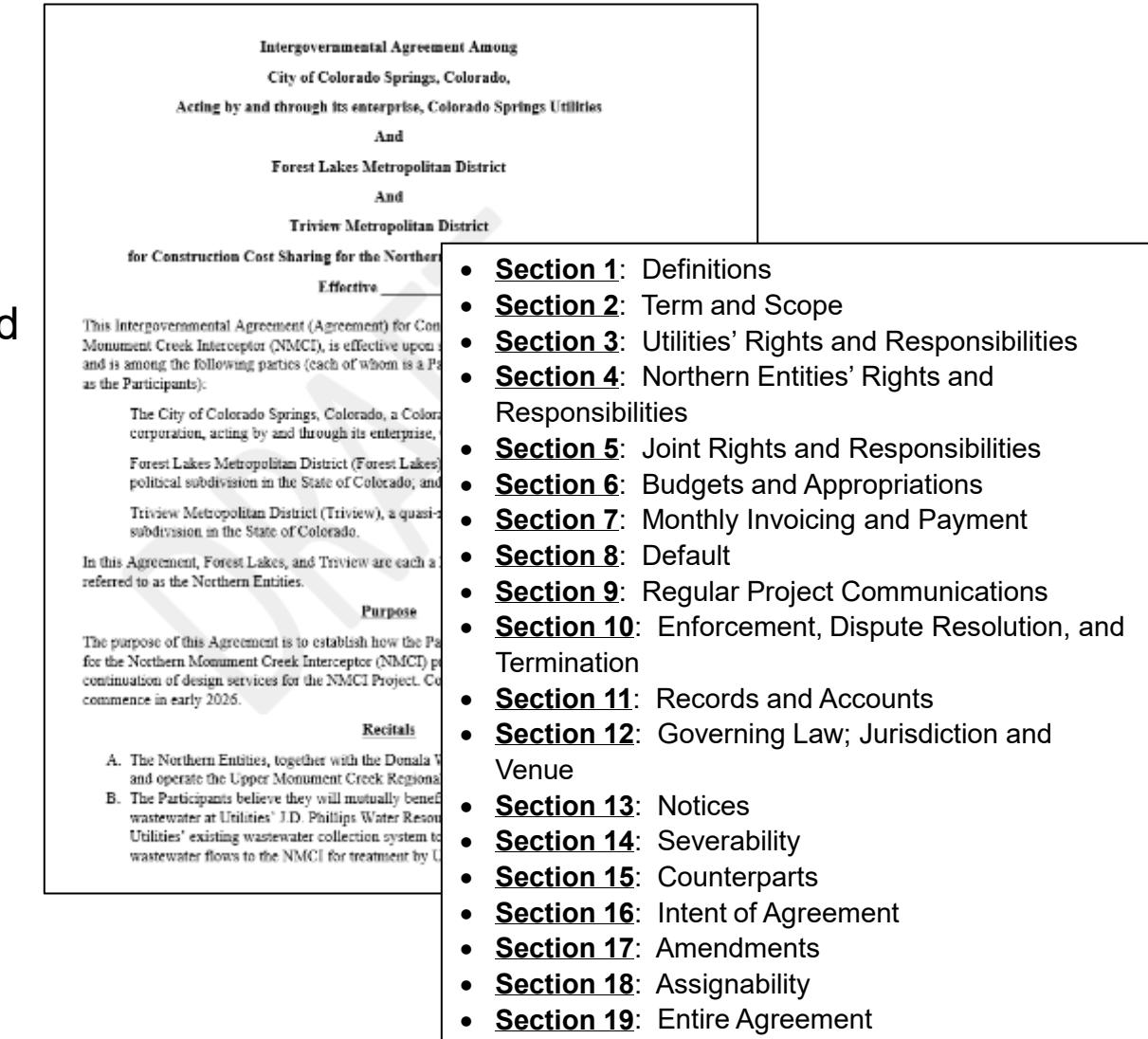
- **Scope:** 8.6 mile, 30-inch wastewater interceptor
- **A Regional Partnership**
 - Triview and Forest Lakes Metropolitan Districts: Capital contributors & future treatment customers
 - USAFA: NEPA sponsor; access to interceptor corridor
- **Objectives:**
 - Consolidate wastewater treatment from three regional entities
 - Provide capacity relief for Utilities' wastewater collection system
 - Reduce maintenance costs and risks by eliminating lift station(s)
 - More efficient use of J.D. Phillips Water Resource Reclamation Facility
- **Construction Timeline:** 2026-2028



Intergovernmental Agreement Addendum

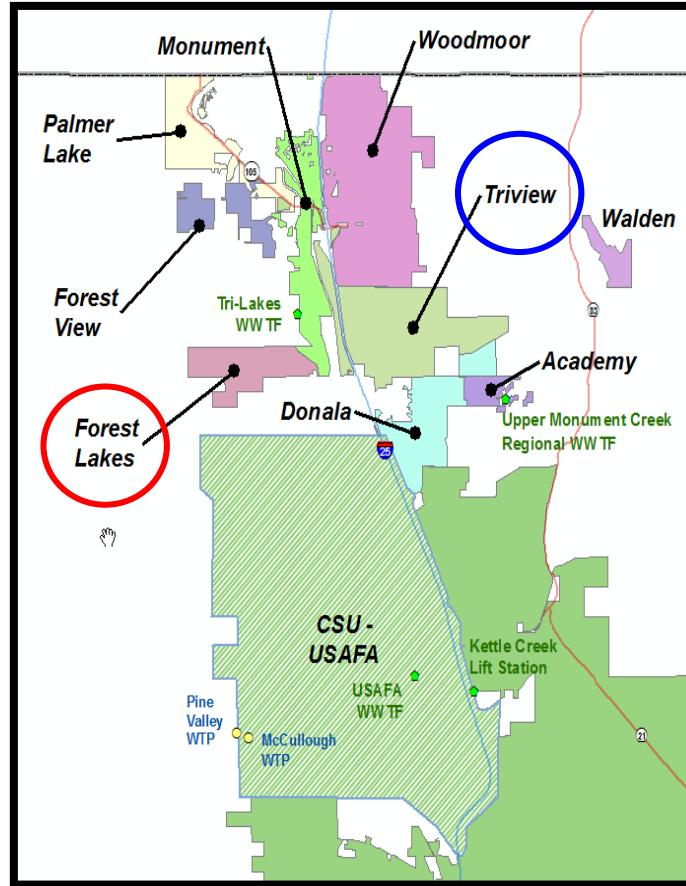
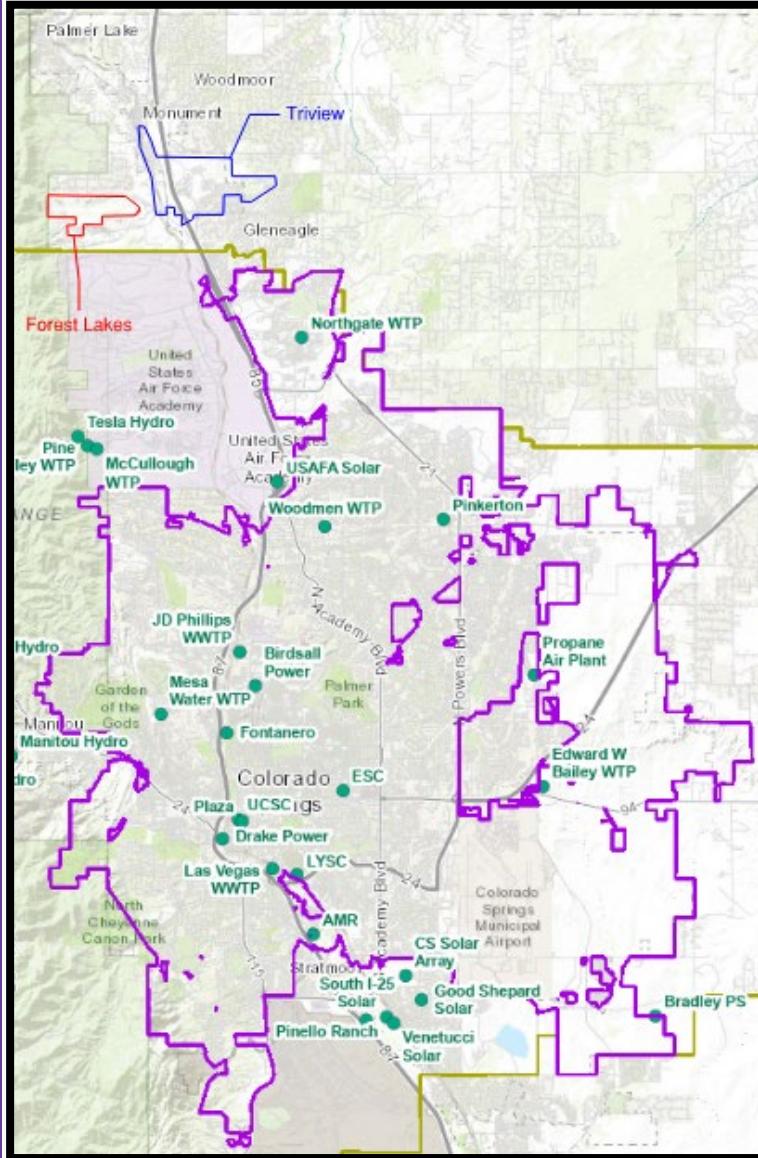
Intergovernmental Agreement Addendum

- IGA Established Participant cost share
 - Based on pro-rata build out capacity in each section of the pipeline
- IGA Addendum establishes cost proposal as reasonable and the partners agree to move forward with the project
 - Equitable interest in capacity based on cost share percentages
 - Utilities to execute contract amendment for construction
 - Separate Wastewater Service Agreement executed in parallel
- Cost share based on IGA:
 - Colo Springs Utilities: 64.1%
 - Triview: 28.4%
 - Forest Lakes: 7.5%



Regional Wastewater Service Agreements

Triview and Forest Lakes Wastewater Service Agreement



- Located North of Colorado Springs
- Triview serves 2,405 residents and 710 commercial and irrigation single family equivalents
- Forest Lakes Metropolitan District (Forest Lakes) serves 446 residential customers and seven (7) commercial customers

Board Policy I-7 & City Code 12.5.304.C

- Revised March 2025 (revision 6)
- All regional service contracts must be approved by the Utilities Board and City Council
- Requirements for Special Contract Wastewater Service (City Code 12.5.304.C)
 1. Wastewater system must be capable of meeting current and future needs for all users, including those under special contracts.
 2. Special contracts must not interfere with wastewater service to in-City customers or existing obligations.
 3. Customers must pay all applicable wastewater system availability and Utilities' fees.
 4. Special contracts shall comply with all applicable restrictions in this Code and applicable permits and agreements.
 5. Customers must secure all necessary contracts, permits, & approvals without impairing Utilities' operations.
 6. Contracts shall comply with discharge prohibitions and limitations.
 7. Contracts may provide for acceptance by Utilities of only normal domestic strength wastewater.

Agreement Terms and Conditions

- 99-year terms to accept and treat wastewater beginning upon completion of the Northern Monument Creek Interceptor (Q3 2028)
- Maximum Allowable Flows
 - 1.264MGD (1,264,000 gallons per day)
 - Triview is 1 MGD
 - Forest Lakes .264 MGD
- Pay applicable Wastewater Regional System Availability Fees (WWRSAF)
 - Triview \$180,148.00
 - Forest Lakes \$28,216.00
- No negative impact to Utilities

Rate and Revenue

- Consistent with Regional Tariffs and URRs
- Contract Service – Regional (S9C) Rate
 - \$0.0471 per cubic foot (2028)
 - Changes consistent with Tariff Rate Cases

Approximately \$1M in revenue each year once Forest Lakes and Triview connect.

Next Steps

- Vote on whether to move these items forward to City Council
 - IGA Addendum: City Council Consent Calendar on February 24, 2026
 - Service Agreement: City Council Consent Calendar on March 24, 2026



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RESOLUTION NO. _____ - 26

A RESOLUTION APPROVING AN ADDENDUM TO THE
INTERGOVERNMENTAL AGREEMENT AMONG THE CITY
OF COLORADO SPRINGS, COLORADO, ON BEHALF OF
ITS ENTERPRISE COLORADO SPRINGS UTILITIES,
FOREST LAKES METROPOLITAN DISTRICT, AND
TRIVIEW METROPOLITAN DISTRICT FOR
CONSTRUCTION COST SHARING FOR THE NORTHERN
MONUMENT CREEK INTERCEPTOR

WHEREAS, the City of Colorado Springs (the "City"), on behalf of its enterprise Colorado Springs Utilities ("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; and

WHEREAS, the City, Forest Lakes Metropolitan District ("Forest Lakes"), and Triview Metropolitan District ("Triview") (collectively, the "Participants") entered into the Intergovernmental Agreement for Construction Cost Sharing for the Northern Monument Creek Interceptor (the "IGA") on February 25, 2025; and

WHEREAS, pursuant to the IGA, Utilities has obtained a Guaranteed Maximum Price (the "GMP") for construction of the NMCI, and the Participants agree that the GMP is reasonable; and

WHEREAS, the Participants desire to enter into an addendum to the IGA documenting the Participants' agreement to move forward with construction of the NMCI.

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

Section 1. The City Council hereby approves the attached addendum to the IGA.

Section 2. The Chief Executive Officer of Utilities is authorized to enter into the addendum to the IGA in a form substantially similar to that attached hereto.

Section 3. This Resolution shall be in full force and effect immediately upon its adoption.

Dated at Colorado Springs, Colorado this _____ day of _____, 2026.

Lynette Crow-Iverson, Council President

ATTEST:

Sarah B. Johnson, City Clerk

Addendum to Intergovernmental Agreement for Construction Cost Sharing for the Northern Monument Creek Interceptor

This Addendum to the Intergovernmental Agreement for Construction Cost Sharing for the Northern Monument Creek Interceptor (Addendum) is entered into as of the date of the last signature below, by and between the following parties (each of whom is a Participant and are collectively referred to as the Participants): the City of Colorado Springs, Colorado, a Colorado home rule city and municipal corporation, acting by and through its enterprise, Colorado Springs Utilities (Utilities); Forest Lakes Metropolitan District (Forest Lakes), a quasi-municipal corporation and political subdivision in the State of Colorado; and Triview Metropolitan District (Triview), a quasi-municipal corporation and political subdivision in the State of Colorado. Forest Lakes and Triview are each a Northern Entity and are collectively referred to as the Northern Parties.

Recitals

- A. The Participants entered into the Intergovernmental Agreement for Construction Cost Sharing for the Northern Monument Creek Interceptor (IGA) on February 25, 2025.
- B. After the IGA became effective, Utilities executed an amendment to its Professional Services Agreement with HDR Engineering, Inc., to provide for continuation of the NMCI Design Services Project to 100% design.
- C. When the NMCI Design Services Project reached 90% design, Utilities issued a request to Garney Companies, Inc., the CM/GC for the NMCI Construction Project, for a guaranteed maximum price (GMP); provided each Northern Entity with a proposed Wastewater Services Agreement for the Northern Entity's review and comment; and provided the Northern Entities with notice of the GMP.
- D. The Participants desire to memorialize their agreement that the GMP is reasonable and that they agree to move forward with the NMCI Construction Project.

Agreement

NOW, THEREFORE, in consideration of the mutual undertakings herein contained and the mutual benefits to the Participants, the receipt and sufficiency of which is acknowledged, the Participants agree as follows:

1. The Participants agree that the CM/GC's GMP for the NMCI Construction Project is reasonable, and they agree to move forward with the NMCI Construction Project and share the Construction Costs in accordance with Section 5(d) of the IGA.
2. Utilities will, subject to any restrictions in the Colorado Springs City Charter, Colorado Springs City Code, and Utilities' rules and regulations, execute a separate Wastewater Services Agreement with each Northern Entity documenting the Northern Entity's contractual entitlement to the use of the NMCI and Utilities' responsibility to provide Wastewater Services to each Northern Entity.

3. Utilities will execute an amendment to the Construction Agreement authorizing the CM/GC to proceed with construction of the Northern Monument Creek Interceptor.
4. Upon completion the NMCI Construction Project, Utilities will retain all title to and ownership of the NMCI. Each Participant will have an equitable interest in the capacity of the NMCI in the amount of that Participant's Cost Share; however, if a Participant does not pay its full Cost Share, that Participant's equitable interest in the capacity of the NMCI will be reduced to the percentage share of the Construction Costs the Participant actually paid.
5. Except to the extent as amended hereby, all other terms of the Agreement shall remain the same and are hereby ratified and affirmed by the Participants.
6. In the event of a conflict between the Agreement and this Addendum, the terms and conditions of this Addendum shall prevail.

IN WITNESS WHEREOF, this Addendum has been duly authorized and executed by the officers authorized thereunto, on the dates shown below for each Participant.

Colorado Springs Utilities,
an enterprise of the City of Colorado Springs, a
Colorado home rule city and municipal corporation

By: _____
Travas Deal
Chief Executive Officer

Date: _____

Approved as to form:

Forest Lakes Metropolitan District

By: _____

Date: _____

Attest:

Triview Metropolitan District

By: _____

Date: _____

Attest:

RESOLUTION NO. _____ - 26

A RESOLUTION AUTHORIZING AND DIRECTING THE CHIEF EXECUTIVE OFFICER OF COLORADO SPRINGS UTILITIES TO ENTER INTO AN AGREEMENT FOR REGIONAL WASTEWATER TREATMENT SERVICE BETWEEN COLORADO SPRINGS UTILITIES AND TRIVIEW METROPOLITAN DISTRICT

WHEREAS, City Code § 12.5.304 allows Colorado Springs Utilities ("Springs Utilities") to provide by contract for the use of or connection to its wastewater treatment system by institutions, plants, districts, governments, municipal corporations, or other similar users; and

WHEREAS, Triview Metropolitan District ("Triview") is a Colorado metropolitan district authorized under C.R.S. §32-1-1001 et seq., for provision of water, wastewater, and stormwater services to a customer base of approximately 2,405 residences and 710 commercial and irrigation units in the greater Colorado Springs metropolitan area; and

WHEREAS, the Northern Monument Creek Interceptor ("NMCI") is a planned wastewater interceptor that is going to be constructed by Springs Utilities that will allow Triview and other wastewater providers located to the north of the City of Colorado Springs ("City") to consolidate the treatment of their wastewater flows at either of Springs Utilities' water resource recovery facilities; and

WHEREAS, Triview desires to obtain wastewater treatment service from Springs Utilities via NMCI to provide wastewater treatment service to properties within Triview's service area which are anticipated to contribute Maximum Allowable Flow of up to 1 Million Gallons Per Day to Springs Utilities' wastewater treatment system; and

WHEREAS, upon completion of NMCI, Springs Utilities will have sufficient infrastructure capacity in its wastewater treatment system to provide regional wastewater treatment service to Triview; and

WHEREAS, in exchange for regional wastewater treatment service, Triview has agreed to pay the rates and fees set forth in Springs Utilities' Tariffs for such service; and

WHEREAS, Springs Utilities requests that City Council authorize and direct the Chief Executive Officer of Springs Utilities to enter into a long-term agreement for regional wastewater treatment service with Triview; and

WHEREAS, City Council recognizes that approving an agreement for regional wastewater treatment service with Triview does not set precedent for future requests for regional wastewater service.

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

Section 1. City Council finds and determines that Springs Utilities' provision of regional wastewater treatment service to Triview will benefit the public health, safety and welfare of the surrounding community and is in the best interest of Springs Utilities and the City.

Section 2. The Chief Executive Officer of Springs Utilities is authorized and directed to enter into an agreement for regional wastewater treatment service with Triview in a form substantially similar to that attached hereto.

Section 3. This Resolution shall be in full force and effect immediately upon its adoption.

Dated at Colorado Springs, Colorado this _____ day of _____, 2026.

Lynette Crow-Iverson, Council President

ATTEST:

Sarah B. Johnson, City Clerk

WASTEWATER SERVICE AGREEMENT
Contract Service – Regional (S9C)
TRIVIEW METROPOLITAN DISTRICT FOR WASTEWATER SERVICE

THIS AGREEMENT ("Agreement") is made and entered into as of the date of the last signature below ('Effective Date') by and between Colorado Springs Utilities ("UTILITIES"), an Exhibit A enterprise of the City of Colorado Springs ("City"), a home rule City and Colorado municipal corporation, and Triview Metropolitan District, a quasi-municipal corporation and political subdivision of the State of Colorado, including by and through its Utility Enterprise (collectively "DISTRICT"), 16055 Old Forest Point Suite 302, Monument, Colorado. In this document, UTILITIES and DISTRICT can be referred to individually as "Party" or collectively as "Parties."

Recitals

- A. DISTRICT, is a Colorado metropolitan district authorized under C.R.S. §32-1-1001 et seq., for provision of municipal water service, in addition to other municipal services, and is located in northern El Paso County, Colorado. DISTRICT was formed on May 13, 1985 by decree of the El Paso County District Court in Case No. 85CW893. DISTRICT provides water, wastewater, and stormwater services to a 2,590 acre service area currently serving a customer base of approximately 3,115 single family equivalents, consisting of approximately 2,405 residences and 710 commercial and irrigation SFEs in the greater Colorado Springs metropolitan area;
- B. DISTRICT owns, operates and maintains a wastewater collection system located within DISTRICT's service area as defined in Exhibit A and herein incorporated by reference;
- C. NMCI is a planned wastewater interceptor that has been constructed that will be owned by UTILITIES and will allow the DISTRICT and other wastewater providers located to the North of the City of Colorado Springs to consolidate the treatment of their wastewater flows at UTILITIES' either of Utilities' Water Resource Recovery Facilities and receive wastewater treatment service from UTILITIES;
- D. DISTRICT desires to receive wastewater treatment service from UTILITIES through NMCI to meet the wastewater treatment service requirements of DISTRICT's customers;
- E. Upon completion of NMCI, UTILITIES will have sufficient wastewater infrastructure and treatment capacity available in its Wastewater Treatment System to provide wastewater collection and treatment services for the anticipated Maximum Allowable Flow from DISTRICT subject to the terms and conditions set forth herein;
- F. Forest Lakes Metropolitan District ("Forest Lakes") also desires to receive wastewater treatment service through NMCI from UTILITIES to meet the wastewater treatment service requirements of DISTRICT's customers pursuant to a separate Agreement with UTILITIES;
- G. Forest Lakes and DISTRICT intend to connect to NMCI at the same point of connection and utilize the same meter ("Joint Meter") to measure the wastewater flows from their respective Wastewater Collection Systems into UTILITIES' Wastewater Treatment

TRIVIEW METROPOLITAN DISTRICT - Wastewater Service Agreement

System which requires a pro-rata allocation of the flows between those entities to determine the amount each entity will be charged for wastewater service in accordance with Article I.6.c below.

H. The Parties have 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 ("City Code").

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

Article I

General Provisions

1. Term. This Agreement shall become effective on the date this Agreement has been executed by both parties ("Effective Date") and shall be in effect for a period of ninety-nine (99) years, which term shall begin upon connection of the DISTRICT to the UTILITIES Wastewater Treatment System and provision of wastewater treatment service by UTILITIES pursuant to the terms of this Agreement.
 - a. No later than twenty-four (24) months prior to the expiration of the Term, the Parties shall begin good faith negotiations on a new agreement for UTILITIES to treat DISTRICT wastewater, with the expectation that such new agreement shall be substantially similar to this Agreement.
 - b. 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' 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 treatment service agreement beyond the Term, the term may be extended for an additional one (1) year term at UTILITIES' sole discretion.
2. Definitions. For the purposes of this Agreement, the following terms shall have the following meanings, unless the context clearly requires otherwise. Terms not otherwise defined herein shall have the meaning adopted in the latest amendment to the City Code in place as of the effective date. Defined terms are capitalized.
 - a. Average Annual Flow: ninety (90) day rolling average of wastewater flow rate in million gallons/day.
 - b. DISTRICT's Customers: The persons residing in the DISTRICT's Service Area, that

TRIVIEW METROPOLITAN DISTRICT - Wastewater Service Agreement
receive the benefit of the wastewater treatment service provided hereunder.

- c. DISTRICT's Service Area: The Service Area as depicted on Exhibit A, as may be altered or expanded by future inclusions or extra-territorial service agreements, provided the DISTRICT's wastewater generated thereby does not exceed the Maximum Allowable Flow, as defined herein.
- d. DISTRICT's Wastewater Collection System: Any devices, facilities, structures, equipment or works owned and/or operated by DISTRICT for the purpose of collection and transmission of wastewater generated within DISTRICT's Service Area to UTILITIES' Wastewater Treatment System.
- e. IMMEDIATE HARM TO PERSON OR PROPERTY means actual or a high possibility of: (a) death, serious bodily injury, or serious illness to any person; or (b) substantial damage to real or personal property (including buildings, finished spaces, critical infrastructure, or natural resources) that is reasonably likely to occur promptly if immediate action is not taken, and that results from or is caused by wastewater conditions or failures.
- f. IMMEDIATE HEALTH HAZARD means any condition, event, circumstance, discharge, release, or system failure in connection with the collection, conveyance, treatment, storage, or disposal of wastewater (including sewage, biosolids, or related gases) that poses a significant threat of danger to human health and requires immediate correction, mitigation, or cessation of the contributing activity to prevent injury or illness. In determining whether an Immediate Health Hazard exists, the Parties shall consider the nature, severity, and likely duration of the anticipated harm and the number of persons likely to be affected, applying reasonable professional judgment.
- g. Industrial User: A source of discharge which introduces pollutants into DISTRICT's Wastewater Collection System and UTILITIES' Wastewater Treatment System from any nondomestic source regulated under Section 307(B), (C), or (D) of 33 USC Section 1251, et seq.
- h. Maximum Allowable Flow: The Maximum Allowable Flow under this Agreement is 1.0 MGD and shall be calculated based on a ninety (90) day rolling average of DISTRICT's pro-rata share of discharge determined in accordance with Article 1.6.c below as measured at the points of connection described in Article II.1.
- i. Recovery Agreement Charges: A Recovery Agreement Charge may be assessed for each connection to a collection line or use of a pumping station and force mains, where such line or facility is planned or constructed by UTILITIES or is the subject of a Recovery Agreement between UTILITIES and the property owner or developer who constructed such line or facility as of the Effective Date of this Agreement. Consistent with such agreements, the charge will be in an amount which represents a pro rata share of the cost of construction of the line or facility. UTILITIES commits to work in good faith with the DISTRICT to similarly provide the DISTRICT with cost recovery should 3rd parties other

TRIVIEW METROPOLITAN DISTRICT - Wastewater Service Agreement

than the DISTRICT and Forest Lakes seek to utilize infrastructure financed by the DISTRICT or capacity in NMCI allocated to the DISTRICT.

- j. UTILITIES' Wastewater Treatment System: Any devices, facilities, structures, equipment or works owned and/or operated by UTILITIES for the purpose of collecting and treating wastewater.
- k. Wastewater Regional System Availability Fee ("WWRSF"): A fee assessed for each new connection to UTILITIES' Wastewater Collection and Treatment System by contract outside the corporate limits of the City in areas where UTILITIES' Wastewater Treatment System is available for use by UTILITIES to serve institutions, plants, organized wastewater districts, municipal corporations, or other similar organizations and only with prior approval by the Colorado Springs City Council.
 - i. The WWRSF reflects the amount of capacity needed within UTILITIES' Wastewater Treatment System to meet the obligations of regional wastewater contracts.
 - ii. The WWRSF is determined based on the meter size needed to treat the DISTRICT's Maximum Allowable Flow.
 - iii. Any entity that paid a WWRSF or an analogous charge through a contract in place prior to the implementation of the WWRSF will be credited for the amount paid for the analogous charge. If the entity met its full contractual WWRSF or equivalent, it is deemed to have met its WWRSF and will not be charged an additional WWRSF.
- l. WWLESS: UTILITIES' Wastewater Line Extension and Service Standards, as may be amended or replaced.

3. Jurisdiction and Compliance.

- a. This Agreement is for wastewater treatment service as defined in UTILITIES' Wastewater Rate Schedule "Contract Service – Regional (S9C)," together with UTILITIES' Rules and Regulations ("URRs") as such may be amended or replaced from time to time by the Colorado Springs City Council ("Tariffs"). The wastewater treatment service provided to DISTRICT under this Agreement shall be governed, implemented and enforced with regard to DISTRICT and DISTRICT's Customers in accordance with the Colorado Springs City Charter, the City Code, the Tariffs, WWLESS, and all other applicable City's 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 hereby submits to the jurisdiction of the City for the purposes of implementation and enforcement of City Code Chapter 12, Article 5 with regard to DISTRICT and DISTRICT's Customers under this Agreement. DISTRICT shall by ordinances or resolutions, provide

TRIVIEW METROPOLITAN DISTRICT - Wastewater Service Agreement

for DISTRICT and DISTRICT's Customers to submit to the jurisdiction of the City for the purposes of the UTILITIES implementing and enforcing City Code Chapter 12, Article 5 with regard to DISTRICT and its Customers and require DISTRICT and its Customers to comply with all applicable laws, regulations, rules or policies concerning use of UTILITIES' Wastewater Treatment System as they exist now or may be amended or replaced in the future (collectively, "DISTRICT's Sewer Use Regulations"). DISTRICT's Sewer Use Regulations must include provisions that mirror or are more stringent than City Code Chapter 12, Article 5. DISTRICT shall provide UTILITIES with a draft of DISTRICT's proposed Sewer Use Regulations to the contacts set forth in Article III.13 hereof within ninety (90) days after the Effective Date. UTILITIES will have sixty (60) days from its receipt of the draft to provide DISTRICT with notice of whether it approves DISTRICT's proposed Sewer Use Regulations or if revisions are necessary. If UTILITIES determines that revisions to DISTRICT's Sewer Use Regulations are necessary, DISTRICT shall provide UTILITIES with revised proposed Sewer Use Regulations that include the revisions. UTILITIES will have sixty (60) days from its receipt of the revised proposed Sewer Use Regulations to provide DISTRICT with notice of whether it approves DISTRICT's revised proposed Sewer Use Regulations or if revisions are necessary. If UTILITIES provides DISTRICT with notice that revisions to the revised proposed Sewer Use Regulations are necessary, DISTRICT shall have ninety (90) days to make such revisions and provide UTILITIES with revised proposed Sewer Use Regulations that includes UTILITIES' requested revisions. UTILITIES will have sixty (60) days from its receipt of the revised proposed Sewer Use Regulations to provide DISTRICT with notice of whether it approves DISTRICT's revised proposed Sewer Use Regulations or if revisions thereto are necessary. DISTRICT shall adopt the approved Sewer Use Regulations within sixty (60) days of receiving notice of UTILITIES' approval of the regulations.

- c. UTILITIES shall provide DISTRICT with notice of any revisions made to City Code Chapter 12, Article 5 in the future. DISTRICT shall revise and provide the contacts set forth in Article III.13 hereof its revised Sewer Use Regulations that are at least as stringent as the revised version of City Code Chapter 12, Article 5 within sixty (60) days of its receipt of notice from UTILITIES. UTILITIES will have sixty (60) days from its receipt of the draft to provide DISTRICT with notice of whether it approves DISTRICT's proposed Sewer Use Regulations or if revisions are necessary. If UTILITIES determines that revisions to DISTRICT's Sewer Use Regulations are necessary, DISTRICT shall provide UTILITIES with revised proposed Sewer Use Regulations that include the revisions. UTILITIES will have sixty (60) days from its receipt of the revised proposed Sewer Use Regulations to provide DISTRICT with notice of whether it approves DISTRICT revised proposed Sewer Use Regulations or if revisions are necessary. If UTILITIES provides DISTRICT with notice that revisions to the proposed Sewer Use Regulations are necessary, DISTRICT shall have ninety (90) days to make such revisions and provide UTILITIES with revised proposed Sewer Use Regulations that includes UTILITIES requested revisions. UTILITIES will have sixty (60) days from its receipt of the revised proposed Sewer Use Regulations to provide DISTRICT with notice of whether it approves DISTRICT's revised proposed Sewer Use Regulations or if revisions thereto are necessary.

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- d. DISTRICT shall provide UTILITIES with notice and a copy of the most recent version of DISTRICT's Sewer Use Regulations to the contacts set forth in Article III.13 hereof by **February 15** of each calendar year, following the year in which this Agreement is executed, and any amendments to said regulations within thirty (30) days of adoption.

4. Wastewater Treatment Service.

- a. During the term of this Agreement, UTILITIES will accept and treat through its Wastewater Treatment System up to the Maximum Allowable Flow of wastewater that originates from inside DISTRICT's Service Area in accordance with City Code, the URRs, and 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, as it exists or may be expanded consistent with the definitions provided herein, or in excess of the Maximum Allowable Flow.
- c. DISTRICT shall provide UTILITIES with an updated copy of the map of DISTRICT's Wastewater Collection System to the contacts set forth in Article III.13 hereof by **February 15** of each year following the year in which this Agreement is executed or notice to the same contacts that no changes to DISTRICT's Wastewater Collection System have occurred in the preceding year.

5. Expansion of Wastewater Treatment Obligations. DISTRICT may expand DISTRICT's Service Area and contract to provide wastewater service to customers located outside of its existing Service Area, provided such inclusions or extra-territorial service agreements do not result in the DISTRICT exceeding the Maximum Allowable Flow. Should the DISTRICT wish to so expand its service area in a manner that would alter any point of connection to UTILITIES' Wastewater Treatment System, or result in any operational changes for UTILITIES or UTILITIES' Wastewater Treatment System, DISTRICT may not do so 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. If DISTRICT desires to obtain additional wastewater treatment service from UTILITIES for newly included or serviced properties located outside of its existing Service Area that would result in DISTRICT discharges to UTILITIES' Wastewater Treatment System to exceed the Maximum Allowable Flow then:

- a. UTILITIES and DISTRICT must negotiate an amendment to this Agreement or a new agreement that provides for such an expansion of the Maximum Allowable Flow. DISTRICT acknowledges that any such amendment of this Agreement or a new agreement may require approval by the UTILITIES' Board of Directors and/or the Colorado Springs City Council. UTILITIES shall have no obligation to treat wastewater, and DISTRICT shall not introduce wastewater in excess of the Maximum Allowable Flow into UTILITIES' Wastewater Treatment System until the parties have entered into such an

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amendment or new agreement.

- b. DISTRICT shall provide notice to UTILITIES of its intent to request expanded wastewater treatment service beyond the Maximum Allowable Flow for other properties prior to DISTRICT seeking approval of the proposed changes from El Paso County. The notice must include the number, types of connections, and flow estimates to DISTRICT's Wastewater Collection System that will be included in the proposed expanded Service Area.
- c. UTILITIES shall provide notice to DISTRICT of whether it supports the requested changes in wastewater treatment service provided by UTILITIES, whether such expanded service will need to be provided under an amendment to this Agreement or a new agreement, and whether such amendment or new agreement will require approval by the UTILITIES' Board of Directors and/or the Colorado Springs City Council within one hundred and eighty (180) days of UTILITIES' receipt of notice of the requested proposed changes to the extent of wastewater treatment service by UTILITIES. DISTRICT acknowledges the expansion of wastewater treatment service is limited to properties within DISTRICT's Service Area or within areas that may be included in DISTRICT's Service Area in the future.

6. Rates, Charges, Surcharges and Fees Payable by DISTRICT.

- a. For the services provided hereunder, DISTRICT shall pay to UTILITIES the applicable rates, charges, surcharges, and fees as specified 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' rate schedule "Contract Service - Regional", WWRSF and Recovery Agreement Charges as provided in the Tariffs. Surcharges will apply to DISTRICT wastewater that exceeds normal domestic strength for biochemical oxygen demand and total suspended solids, as further described in the Colorado Springs City Charter, the City Code, the Tariffs, WWLESS, and all other applicable City's or UTILITIES' ordinances, resolutions regulations, policies and rules concerning use of UTILITIES' Wastewater Treatment System as may be amended or replaced, 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. DISTRICT will continue to pay the rates and charges 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 Council's consideration of the change in tariffs applicable to this Agreement.
- c. DISTRICT agrees to pay the then prevailing Treatment Charges and Extra Strength Surcharges or replacements, for every cubic foot of wastewater delivered to UTILITIES' Wastewater Treatment System. UTILITIES will bill DISTRICT monthly in arrears for such Treatment Charges and Extra Strength Surcharges with payment due within thirty (30) days of the date of billing. Since the Joint Meter totalizes the flow for both DISTRICT and Forest Lakes each of those entities will be responsible for their pro rata share of the flow.

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The apportionment of the flow to each entity will be determined by Forest Lakes and DISTRICT pursuant to a separate agreement between those parties. No matter the terms of that separate agreement, DISTRICT shall be responsible for providing UTILITIES with its pro-rata share of the flows entering into UTILITIES Wastewater Treatment System within fifteen (15) days after the end of the month for which the billing is occurring.

- d. The WWRSAF reflects the amount of capacity needed within UTILITIES' Wastewater Treatment System to meet the obligations of regional water contracts. The WWRSAF is determined based on the average flow demand in million gallons per day. DISTRICT will deliver wastewater to UTILITIES' Wastewater Treatment System at no greater than the Maximum Allowable Flow. The WWRSAF for average daily flows of between 1.0 MGD and 1.49 MGD is \$180,148.00 which must be paid by DISTRICT within thirty (30) days after the date DISTRICT's Wastewater Collection System is connected to UTILITIES' Wastewater Treatment System. If DISTRICT'S demands on UTILITIES' Wastewater Treatment System exceed the 1.49 MGD, then DISTRICT will be required to pay the difference between the WWRSAF for Maximum Allowable Flows of between 1.0 and 1.49 MGD set forth above and the applicable WWRSAF for the new Maximum Available Flows under UTILITIES' Tariffs, should UTILITIES elect to allow such additional flows pursuant to the terms of this Agreement.
- e. DISTRICT shall pay Recovery Agreement Charges for previously constructed and planned wastewater infrastructure that will be utilized by UTILITIES in accordance with the Tariffs, as amended or replaced. DISTRICT agrees to pay initial Recovery Agreement Charges of \$0 based on UTILITIES' acceptance of wastewater at up to the Maximum Allowable Flow. Such Recovery Agreement Charges must be paid by DISTRICT within thirty (30) days after the Effective Date. In the event following the Effective Date, the Maximum Allowable Flow is exceeded, DISTRICT agrees to pay additional Recovery Agreement Charges in an amount determined by UTILITIES prior to UTILITIES accepting and treating wastewater in excess of the Maximum Allowable Flow. UTILITIES shall provide DISTRICT notice of the amount of the additional Recovery Agreement Charges and such charges must be paid by DISTRICT within thirty (30) days after such notice.
- f. 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 DISTRICT 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.
- g. Payments under this Paragraph by DISTRICT shall be due at UTILITIES' Customer Services Department, 111 S. Cascade Ave., Colorado Springs, Colorado 80903. If a bill is not paid within thirty (30) days of when it is due, a deposit will be assessed as outlined in the Tariffs as modified or replaced.

7. **DISTRICT 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

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Collection System including, but not limited to, air emissions from DISTRICT's Wastewater Collection System, as may be applicable, and spills, leaks, and sanitary sewer overflows (as defined by the United States Environmental Protection Agency ("EPA") from DISTRICT's Wastewater Collection System.

- b. DISTRICT shall at all times have in place and make best efforts to enforce its Sewer Use Regulations. In the event that DISTRICT fails to provide resources or otherwise fails to implement and enforce its Sewer Use Regulations within DISTRICT's Service Area in a timely manner, UTILITIES is authorized to take all such reasonable actions on behalf of and as an agent for DISTRICT after providing DISTRICT with at least ten (1) days' written notice of same.
- c. 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 DISTRICT's Sewer Use Regulations and any applicable requirements of UTILITIES, as permitted by law.
- d. 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.
- e. 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.
- f. If 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.
- g. DISTRICT shall report, in the manner required by applicable laws and regulations 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

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Incident. Incidents shall be reported verbally to UTILITIES and the CDPHE within twenty-four (24) hours and a written report shall be 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 §§ 35.2140). UTILITIES will notify DISTRICT by February 15th of each calendar year following the year in which this Agreement is executed of UTILITIES' classifications, classes and surcharges per class and any other information on revenues, costs, and allocation of costs between biochemical oxygen demand, total suspended solids 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 classes, rates, and implementation provisions. DISTRICT will comply with EPA regulations (40 CFR § 35.2140(c)) by advising the 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 provided hereunder. A copy of the notification shall be forwarded to UTILITIES within sixty (60) days of when DISTRICT provides such notification to its wastewater Customers.
- i. 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 and Permit No. CO-0046850.

8. Relief Systems.

- a. Before UTILITIES is obligated to provide wastewater treatment service and DISTRICT is entitled to introduce wastewater into UTILITIES' Wastewater Treatment System at Maximum Allowable Flows in excess of 1.0 MGD, DISTRICT must, at no cost to UTILITIES, construct relief systems and necessary appurtenances as determined by UTILITIES, at its sole discretion in accordance with the City Code and the WWLESS, as each may be amended or replaced. Relief systems shall be approved by UTILITIES, and operational before sustained Maximum Allowable Flow from DISTRICT's Service Area in excess of 1.0 MGD can be accepted. The 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 UTILITIES sole 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.

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6. Pipelines that provide for the elimination of pump stations and force mains.
- b. UTILITIES shall provide DISTRICT with notice of the required relief systems within ninety (90) days of when DISTRICT provides UTILITIES with the notice required under Article I.5.b that it intends to expand the wastewater treatment service provided by UTILITIES hereunder to above the Maximum Allowable Flow. DISTRICT shall provide UTILITIES with its designs for the required relief systems in accordance with the current version of the WWLESS. The WWLESS process for design review, construction acceptance, bill of sale, and warranties will apply to the proposed construction of the relief system.
9. 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.
10. Interpretation of Requirements. In all cases where the application or the enforcement of the City Charter, City Code, Tariffs or WWLESS, as may be amended, involve technical or scientific analyses or determinations, UTILITIES, in its reasonable discretion, shall have final authority as to methods, standards, criteria, significance, evaluation, and interpretation of such analyses and determinations.
11. Reusable Return Flows. Unless separately agreed to by the Parties, UTILITIES will retain dominion, and control over 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, 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 points of connection located within the wastewater metering vaults depicted on Exhibit B as approved by UTILITIES and any other location agreed to by the Parties in writing. These connection points, and all other approved new, modified or abandoned connections to UTILITIES' Wastewater Treatment System, shall be made and/or disconnected at the expense of DISTRICT or third parties, based on agreements between DISTRICT and such third parties.
2. DISTRICT's Wastewater Collection System Improvements. DISTRICT shall be solely

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responsible, financially and otherwise, for designing, installing, constructing, and operating DISTRICT's Wastewater Collection System including, but not limited to, flow meters, wastewater mains, and all infrastructure improvements necessary to connect UTILITIES' Wastewater Treatment System to DISTRICT's Wastewater Collection System at the agreed upon points of connection, and all other related facilities necessary for use in connection with this Agreement ("Improvements"). Any Improvements required for the connection of DISTRICT's Wastewater Collection System to UTILITIES Wastewater Treatment System 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. DISTRICT shall, at its own cost and subject to UTILITIES' approval, locate, design, and construct 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. UTILITIES acknowledges that other than any new Improvements required under this section, DISTRICT's Wastewater Collection System infrastructure constructed prior to the Parties entering into this Agreement and that the previously installed infrastructure may not be in compliance with City Code or the WWLESS. UTILITIES will not be inspecting or requiring upgrades to such previously installed infrastructure prior to DISTRICT connecting to UTILITIES Wastewater Treatment System.

3. Wastewater Discharge Meters/Vaults.

- a. UTILITIES will design and install the Joint Meter and related facilities that will record the amount of wastewater delivered to UTILITIES' Wastewater Treatment System by DISTRICT and Forest Lakes as part of the construction of NMCI. UTILITIES shall own, read, operate, maintain, and replace the Joint Meter at UTILITIES' cost. Notwithstanding the foregoing, DISTRICT shall be responsible for costs of future modifications of the metering flume required to measure increased flows when phased installations, such as nested flumes, are required to accurately measure multiple ranges of flows considered under this Agreement.
- b. The accuracy of the Joint Meter will be verified by UTILITIES upon installation and the accuracy of the Joint Meter shall be verified on an annual basis thereafter, with results provided to UTILITIES and DISTRICT. DISTRICT has the right to request meter verification tests more often than once annually; however, if the accuracy of the meter tests ARE within +/-2% of the results of the most recent past annual test, DISTRICT shall be responsible for the cost of the test. If the Joint Meter does not test within the +/-2% accuracy imitation specified herein, then UTILITIES shall be responsible for the cost of meter calibration. In the event that the Joint Meter is found to be in error, no adjustments to previous invoices will be permitted.

4. Ownership, Interests, and Maintenance of Improvements.

It is understood by the Parties that the point of demarcation between DISTRICT's

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Wastewater Collection System and UTILITIES' Wastewater Treatment System will be located at the metering vault. All infrastructure, including the Improvements, located upstream of the metering vault is understood to be owned and maintained by DISTRICT ("DISTRICT's Improvements") and all infrastructure, including the Improvements, located downstream of the metering vault is understood to be owned and maintained by UTILITIES ("UTILITIES' Improvements"). Unless earlier dedicated by plat, upon completion of design, installation and construction of the Improvements, DISTRICT shall convey and dedicate to UTILITIES or shall cause the conveyance and dedication to UTILITIES by a third party who owns the Improvements, on forms acceptable to UTILITIES, ownership of all of the UTILITIES' Improvements as depicted on Exhibit B, and the right to locate the UTILITIES' Improvements on property upon which they are located. UTILITIES shall be responsible for the operation, maintenance and repair of all the UTILITIES' Improvements after they are conveyed to it pursuant to this Paragraph. DISTRICT shall continue to own all of the other Improvements. DISTRICT hereby agrees to grant UTILITIES ingress and egress over and through DISTRICT property to the UTILITIES' Improvements so that UTILITIES may operate, maintain, repair, and inspect the UTILITIES' Improvements that as well as perform its other duties under this Agreement. If an easement is necessary, DISTRICT shall provide UTILITIES with an easement providing for such ingress and egress in a form approved by UTILITIES. DISTRICT shall be responsible for the operation, maintenance and repair of all of DISTRICT's Improvements, including any repair or maintenance that is requested by UTILITIES. The Parties shall keep the Improvements and every part thereof for which they are responsible pursuant to this Paragraph maintained and in good repair so that they continue to properly serve the purposes for which they were originally intended. All repair or maintenance of the Improvements shall be completed in a timely manner and in accordance with the City Code and the WWLESS, as each may be amended or replaced. DISTRICT agrees to provide UTILITIES with a continuously complete record of all Improvements.

5. Since many of the Improvements will be used jointly to provide wastewater service to DISTRICT and Forest Lakes, those parties may enter into a separate agreement that describes how those parties will split the costs and other obligations related designing, installing, and constructing the Improvements and operating, improving and maintaining the DISTRICT's Improvements that are used by both of those entities.

Article III

DISTRICT Industrial Pretreatment Program Responsibilities Delegated to UTILITIES

1. Industrial Users. DISTRICT has commercial 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 commercial or industrial users connected to the DISTRICT's Wastewater Collection System. Such inventory shall include customer's name, address, Standard Industrial Classification code, and average daily water consumption.

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2. Delegation of Industrial Pretreatment Program Responsibilities. DISTRICT designates UTILITIES as the agent of DISTRICT for the purposes of implementation and enforcement of DISTRICT's Sewer Use Regulations promulgated pursuant to Article I.3.b hereof against Industrial Users located in DISTRICT's Service Area ("DISTRICT's Industrial Pretreatment Responsibilities"). As such, UTILITIES shall have direct authority to develop, implement, and enforce all pretreatment standards and requirements as necessary to regulate Industrial Users located in DISTRICT's Service Area. This includes, but is not limited to, those responsibilities and obligations set forth in the United States Code of Federal Regulations and Colorado Code of Regulations and implementing regulations. DISTRICT agrees that UTILITIES will implement DISTRICT's 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*, and other related sector control program requirements ("UTILITIES' Industrial Pretreatment Program Standards").
3. Compliance with Discharge Limitations. DISTRICT hereby agrees to comply and require its Customers whose discharged flow enters into UTILITIES' Wastewater Treatment System to comply with the discharge prohibitions, discharge limitations, and points of discharge limitations set forth in DISTRICT's Sewer Use Regulations and City Code Chapter 12, Article 5.
4. Technical and Administrative Duties. UTILITIES, on behalf of and as agent for DISTRICT, will perform technical and administrative duties necessary to implement and enforce DISTRICT's Sewer Use Regulations including, but not limited to: (1) updating its industrial waste inventory to include users within DISTRICT's Service Area; (2) issuing or co-issuing permits to all Industrial Users that are required to obtain a permit (see Article III.8 hereof); (3) conducting inspections, sampling and analysis related to Industrial Users; (4) taking all appropriate enforcement action as outlined in City Code Chapter 12, Article 5 as well as UTILITIES' enforcement response plan and provided for in DISTRICT's Sewer Use Regulations; (5) providing DISTRICT with notice of enforcement actions UTILITIES takes against any Industrial User in DISTRICT's Service Area; and (6) performing any other technical or administrative duties UTILITIES deems appropriate.
5. UTILITIES Emergency Actions. In addition, UTILITIES, may, as agent of DISTRICT, take emergency action as necessary to stop or prevent any discharge to UTILITIES' Wastewater Treatment System originating within DISTRICT's Service Area which presents or may present an imminent danger to the health or welfare of humans, which reasonably appears to threaten the environment, or which threatens to cause interference, pass through, or sludge contamination.
6. UTILITIES' Duties. UTILITIES, on behalf of and as an agent of DISTRICT, agrees to perform the following actions and duties as necessary to implement and enforce DISTRICT's Sewer Use Regulations and City Code Chapter 12, Article 5 consistent with 40 CFR 403.8(f):
 - a. Review and authorize the connection of an industrial user to DISTRICT's Wastewater Collection System;
 - b. Control through permit or other means, the contribution of wastewater to UTILITIES' Wastewater Treatment System by Industrial Users within DISTRICT's Service Area. Without limitation, UTILITIES shall have the right to prohibit any connection to, or

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discharges into, DISTRICT's Wastewater Collection System of an Industrial User in accordance with City Code;

- c. Require DISTRICT's Customers to comply with all requirements of UTILITIES' Industrial Pretreatment Program Standards;
- d. Deny or condition new or increased contributions of pollutants or changes in the nature of pollutants by an Industrial User;
- e. Require the development of compliance schedules by Industrial Users for installation of technology required to meet UTILITIES' Industrial Pretreatment Program Standards;
- f. Require submission of all notices and self-monitoring reports from Industrial Users as are necessary to assess and assure compliance with UTILITIES' Industrial Pretreatment Program Standards as well as DISTRICT's Sewer Use Regulations;
- g. Carry out all inspection, surveillance and monitoring procedures necessary to determine whether an Industrial User is complying with UTILITIES' Industrial Pretreatment Program Standards as well as DISTRICT's Sewer Use Regulations;
- h. Carry out all inspections, surveillance and monitoring necessary to ensure compliance with UTILITIES' Industrial Pretreatment Program Standards as well as DISTRICT's Sewer Use Regulations;
- i. Enter the property/premises of an Industrial User in which a discharge source or pretreatment infrastructure is located, or in which required records are kept, to ensure compliance with UTILITIES' Industrial Pretreatment Program Standards as well as DISTRICT's Sewer Use Regulations;
- j. Evaluate and enforce compliance with Industrial Pretreatment Program Standards and requirements utilizing remedies including, but not limited to, injunctive relief and assessment of civil or criminal penalties for violations; and
- k. Meet the confidentiality requirements set forth in 40 CFR Part 403.14.

7. DISTRICT Duties. DISTRICT is responsible for, and hereby accepts the following duties and agrees to perform the following actions in relation to all Industrial Users within DISTRICT's Service Area:

- a. Prior to allowing an Industrial User to connect to DISTRICT's Wastewater Collection System, DISTRICT shall provide UTILITIES with notice of its intent to permit connection of an Industrial User to DISTRICT's Wastewater Collection System that includes such customer's name, address, Standard Industrial Classification code, and average daily water usage;
- b. Submit to UTILITIES' Industrial Pretreatment Program, quarterly by January 31, April 30, July 31, and October 31 each year during the term of this Agreement, 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/or NAICS code, and average daily water usage for the previous quarter;

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- c. DISTRICT shall commit to implementation and enforcement of its Sewer Use Regulations with UTILITIES' oversight as provided herein;
- d. DISTRICT agrees to be responsible for any violations of applicable law for failure of UTILITIES' Industrial Pretreatment Program meeting applicable law to the extent resulting from DISTRICT neglect, failure to report any known violations, or failure to comply with the terms and conditions of this Agreement; and
- e. 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 ninety (90) days prior to discharge of any wastewater from a new Industrial User as defined in City Code. Unplanned changes in wastewater characteristics must be reported within seven (7) days after the change becomes known.

8. Co-Issue Permits. DISTRICT may co-issue all permits if DISTRICT notifies UTILITIES' Industrial Pretreatment Program Director in writing requesting to do so. UTILITIES will take the lead in preparing draft control mechanisms.

9. Enforcement Discretion. DISTRICT and UTILITIES shall each retain their enforcement discretion. Regarding Industrial Users 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 of DISTRICT's Customer discharging flows to the UTILITIES' Wastewater Treatment System as provided in the City Code. 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 within DISTRICT's Service Area on or before **April 1** of each year.

10. Challenges to UTILITIES' Authority. DISTRICT agrees that if UTILITIES' authority to act as agent for DISTRICT under this Agreement is questioned or challenged by an Industrial User within DISTRICT's Service Area, administrative agency, court of law, or otherwise, DISTRICT will take all actions necessary to ensure implementation and enforcement of its Sewer Use Regulations against any Industrial User within its Service Area discharging flows into UTILITIES' Wastewater Treatment System, including implementing its Sewer Use Regulations on its own behalf.

11. Admission to Property. DISTRICT acknowledges that UTILITIES has the power to carry out all inspection, surveillance, and monitoring procedures necessary in accordance with City Code § 12.5.805. DISTRICT's Sewer Use Regulations shall provide that UTILITIES is authorized to enter any premises of any industrial user located within DISTRICT's Service Area to determine compliance with applicable pretreatment standards and requirements, or access DISTRICT's Wastewater Collection System at any time in order to obtain samples.

12. Charges and Fees Related to Industrial Pretreatment Program.

- a. To DISTRICT. UTILITIES may bill DISTRICT under this Agreement for any costs associated with performing the responsibilities delegated to UTILITIES or that UTILITIES is authorized to perform under this Article III.

TRIVIEW METROPOLITAN DISTRICT - Wastewater Service Agreement

- b. To Industrial Users. Prior to allowing an Industrial User to connect to DISTRICT's Wastewater Collection System, DISTRICT shall collect all fees related to wastewater treatment for Industrial Users as set forth in the Tariffs and pay those fees to UTILITIES. 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 under this Article III shall be collected and retained by UTILITIES.

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 prior to the expiration of the term of this Agreement or any extension thereof, 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 unless the disconnection is required by events beyond the reasonable control of DISTRICT. Similarly, it is agreed that the damages to DISTRICT, if UTILITIES causes the DISTRICT to be disconnected from the UTILITIES' Wastewater Treatment System prior to the expiration of the term of this Agreement or any extension thereof, will not be less than the DISTRICT's costs to construct, lease or otherwise obtain alternate wastewater treatment facilities, unless such disconnection is required by events beyond the reasonable control of UTILITIES. The provisions of this section shall not apply if the Party seeking damages was disconnected from the other Parties' system as a result of a breach of this Agreement.
4. Breach of Agreement. Upon any breach of this Agreement, the non-breaching Party shall have

TRIVIEW METROPOLITAN DISTRICT - Wastewater Service Agreement

the right to: (a) seek specific performance; (b) be reimbursed for costs; (c) be entitled to money damages for the period between the breach and the order for specific performance; or (d) terminate this Agreement. Unless an emergency situation requires immediate action in order to protect the health, safety and welfare of its customers or UTILITIES' Wastewater Treatment System, or of DISTRICT's customers or DISTRICT's Wastewater Collection System, the non-breaching Party shall provide written notice to the breaching Party of a breach of this Agreement and the breaching Party shall have ninety (90) days to cure such breach or take reasonable steps to address such breach and provide the non-breaching Party with notice of same prior to such non-breaching Party exercising its rights hereunder.

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 in accordance with Article V.5 of this Agreement; or (2) as otherwise authorized by the City Code or City Council but only after reasonable and proper notice to DISTRICT in accordance with Article V.5 of this Agreement, public hearing, and an opportunity to be heard. UTILITIES shall promptly notify DISTRICT in accordance with Article V.5 of this Agreement 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. As provided in the Addendum to Intergovernmental Agreement for Construction Cost Sharing for the Northern Monument Creek Interceptor between UTILITIES, DISTRICT and Forest Lakes dated February , 2026, DISTRICT has an equitable ownership interest in the capacity of NMCI in the amount of the Maximum Allowable Flow. If UTILITIES terminates this Agreement, it may purchase DISTRICT'S equitable ownership interest in NMCI for its fair market value as of the date of such termination. In the alternative, if UTILITIES determines in its reasonable discretion that the breach(s) may result in an Immediate Health Hazard or Immediate Harm to Person or Property, UTILITIES, may take control of any portion of DISTRICT's Wastewater Collection System and other DISTRICT facilities which UTILITIES reasonably finds to be necessary for provision of wastewater treatment service within DISTRICT's Service Area for the purpose of remedying the breach(s). UTILITIES will provide DISTRICT with advance notice of the action(s) taken, if possible, but otherwise within a reasonable timeframe and as quickly as reasonably practicable. While in control of any portion of DISTRICT's Wastewater Collection System, UTILITIES may immediately take all actions it reasonably deems necessary to correct the noticed breach(s) and put in place corrective measures reasonably necessary to prevent further breaches. DISTRICT agrees to reimburse UTILITIES for all actual expenses incurred by UTILITIES in correcting the breach or breaches and putting in place corrective measures to prevent further breaches. Upon such payment, control of the applicable portions of DISTRICT's Wastewater Collection System shall be returned to DISTRICT. The term "breach of a material term or condition by DISTRICT" shall include, but not be limited to, failure to continue to exist as a municipal, quasi-municipal or corporate entity or similar user; failure to maintain DISTRICT's Wastewater Collection System pursuant to the terms of this Agreement; failure to perform functions necessary to the operation of DISTRICT's Wastewater Collection System or UTILITIES' Wastewater Treatment System pursuant to the terms of this Agreement; failure to

TRIVIEW METROPOLITAN DISTRICT - Wastewater Service Agreement

adopt measures or take actions required to enable UTILITIES to obtain any required permits; unauthorized extension of wastewater treatment service or expansion of DISTRICT's Service Area resulting in flows beyond the Maximum Allowable Flows; unauthorized connection of a DISTRICT extraterritorial customer to DISTRICT's Wastewater Collection System resulting in flows beyond the Maximum Allowable Flows; failure to make payments required under the Agreement; or other actions or inactions which could reasonably cause a health hazard or harm to persons or property.

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 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 Tariffs 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 has the power to enforce its laws, rules and regulations and the terms of this Agreement by turning off or disconnecting wastewater treatment 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 treatment 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,

TRIVIEW METROPOLITAN DISTRICT - Wastewater Service Agreement

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 treatment service to property for violations of its laws, rules, regulations and this Agreement.

2. Annual Reviews 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 date of this Agreement, 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. Similarly, UTILITIES acknowledges that the DISTRICT is a quasi-municipal provider of public services, including wastewater collection services, subject to present and continuing Federal and State statutory and regulatory controls. UTILITIES shall cooperate with the DISTRICT in preparing and implementing any revisions to this Agreement necessary to such State or Federal regulatory authorities.
3. DISTRICT Rules and Regulations. DISTRICT retains the full right to make and enforce rules and regulations not inconsistent with or less stringent than the Colorado Springs City Charter, the City Code, the Tariffs, and WWLESS to govern wastewater use within DISTRICT's Service Area. DISTRICT agrees to exercise its rulemaking, rate/fee-setting and other powers to assist UTILITIES in enforcing the Tariffs and WWLESS.
4. 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.
5. 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. For notices required under Articles I.3, I.7.6, and IV:
Colorado Springs Utilities

TRIVIEW METROPOLITAN DISTRICT - Wastewater Service Agreement

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

With copy to:

City Attorney's Office
ATTN: Utilities Division
P.O. Box 1575, Mail Code 510
Colorado Springs, CO 80901-1575

ii. For all other notices:

Chief Strategic Planning and Projects Officer
Colorado Springs Utilities
ATTN: Chief Strategic Planning and Projects Officer
P.O. Box 1103,
Colorado Springs, CO 80947-0950; and

With copy to:

City Attorney's Office - Utilities Division
United States Postal Service Address:
City Attorney's Office
ATTN: Utilities Division
P.O. Box 1575, Mail Code 510
Colorado Springs, CO 80901-1575

b. For DISTRICT :

District Manager
Triview Metropolitan District
1641 Baja Drive
Monument, CO 80132

With Copy to:

MONSON, CUMMINS, SHOHET & FARR, LLC
Attention: Chris D. Cummins
13511 Northgate Estates Dr., Ste. 250
Colorado Springs, CO 80921

6. 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,

TRIVIEW METROPOLITAN DISTRICT - Wastewater Service Agreement

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.

7. 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. In addition, 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. Limitations upon Consent. Whenever, under the terms of this Agreement, UTILITIES is authorized to give its written consent, UTILITIES, in its reasonable 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 reasonably 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.
9. Audits. Upon providing the DISTRICT reasonable notice, UTILITIES shall have the right to audit at any time all of DISTRICT's records relating to any of DISTRICT's Customers or relating to compliance with this Agreement. DISTRICT shall have the right to audit all UTILITIES' records relating to compliance with this Agreement upon providing UTILITIES with reasonable notice.
10. 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 wastewater when such failure is the result of upset or mechanical or power

TRIVIEW METROPOLITAN DISTRICT - Wastewater Service Agreement

failure. In emergency circumstances, UTILITIES shall have the right to interrupt wastewater service and require DISTRICT to temporarily store and contain wastewater flows to the extent of DISTRICT 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 wastewater, UTILITIES shall give DISTRICT ten (10) days prior notice of the planned maintenance, after which DISTRICT will temporarily store and contain wastewater to the extent of its storage capabilities.

11. No Third-Party Beneficiaries. Nothing herein shall be construed to give any rights or benefits hereunder to anyone other than UTILITIES and DISTRICT. 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.
12. Appropriation of Funds. In accordance 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. Similarly, the DISTRICT is subject to State Constitutional and Statutory provisions prohibiting it from multi-year fiscal obligations without annual appropriation of funds. As such, the DISTRICT's obligations under this Agreement are expressly subject to appropriation of funds by the DISTRICT's Board of Directors, but only to the extent the Agreement is performed solely by the DISTRICT and not by the DISTRICT's utility enterprise, in the DISTRICT's discretion. In the event funds are not appropriated in whole or in part sufficient for performance of the DISTRICT's obligations under this agreement, then this Agreement will thereafter become null and void by operation of law, and the DISTRICT will thereafter have no liability for compensation or damages to UTILITIES for future performance and obligations thereafter in excess of the DISTRICT's authorized appropriation for this Agreement.
13. 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

TRIVIEW METROPOLITAN DISTRICT - Wastewater Service Agreement

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.

14. **No Assignment Without Consent.** Except as provided herein, 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. Notwithstanding anything herein to the contrary, upon written notice to DISTRICT, UTILITIES may assign this Agreement without consent to the City of Colorado Springs. Notwithstanding anything herein to the contrary, upon written notice to UTILITIES, DISTRICT may assign all rights, entitlements, obligations and interests described in this Agreement without consent to any purchaser of or any other successor in interest to DISTRICT, provided such purchaser or successor in interest agrees in writing with UTILITIES and DISTRICT to assume all of DISTRICT's rights and obligations under this Agreement and further provided such purchaser or successor is a Colorado special district similar in scope and authority to the DISTRICT, as concerns wastewater services.
15. **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.
16. **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, and the 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 § 12.1.109. 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 Court for the District of Colorado.
17. **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.

TRIVIEW METROPOLITAN DISTRICT - Wastewater Service Agreement

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TRIVIEW METROPOLITAN DISTRICT - Wastewater Service Agreement

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement as of the date of the last signature below.

COLORADO SPRINGS UTILITIES

TRIVIEW METROPOLITAN DISTRICT

By: _____

By: _____

Name: _____

Name: _____

Title: Chief Executive Officer

Title: _____

Date: _____

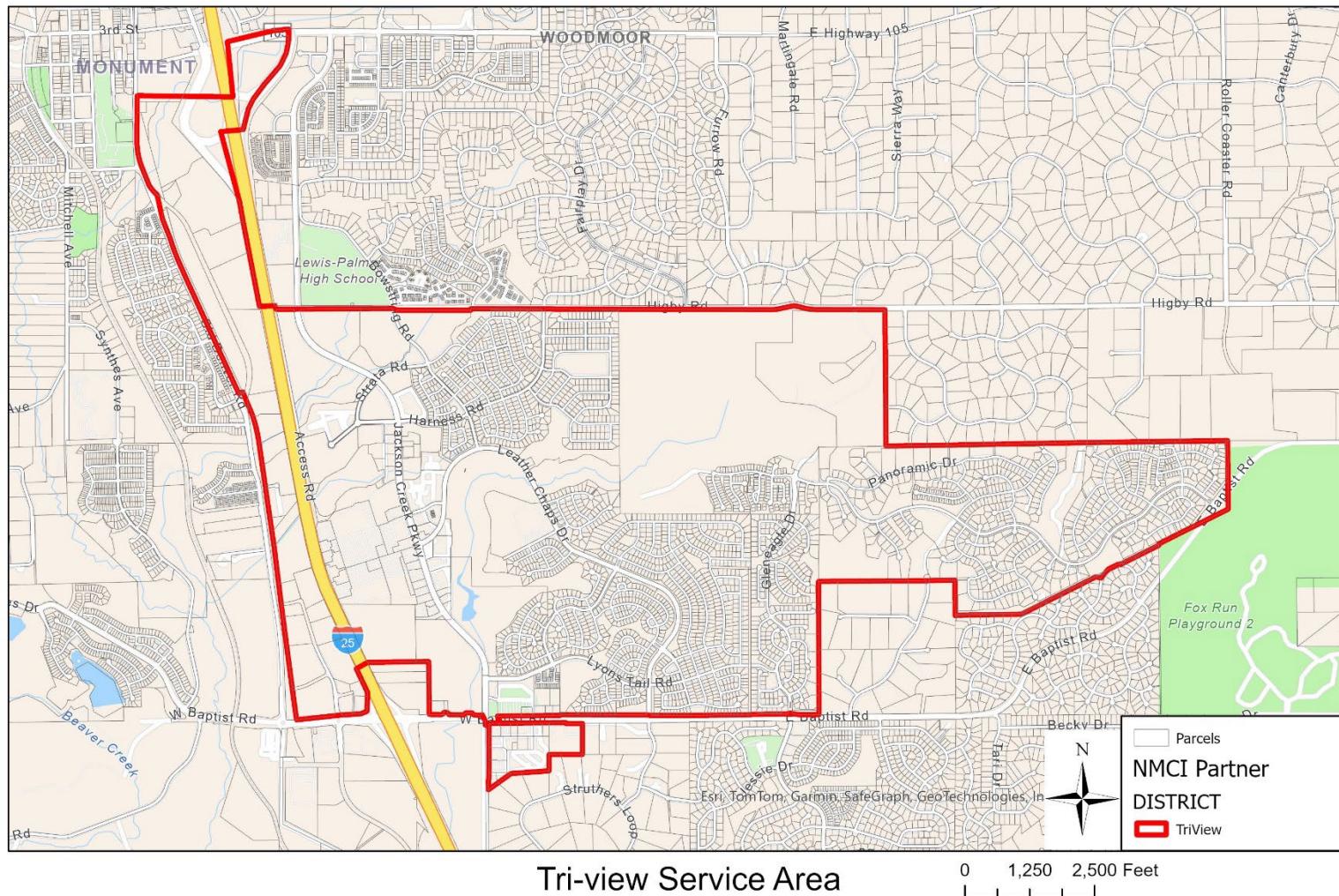
Date: _____

Approved as to form:

TRIVIEW METROPOLITAN DISTRICT - Wastewater Service Agreement

Exhibit A
to the
WASTEWATER SERVICE AGREEMENT
Service Area

TRIVIEW METROPOLITAN DISTRICT - Wastewater Service Agreement

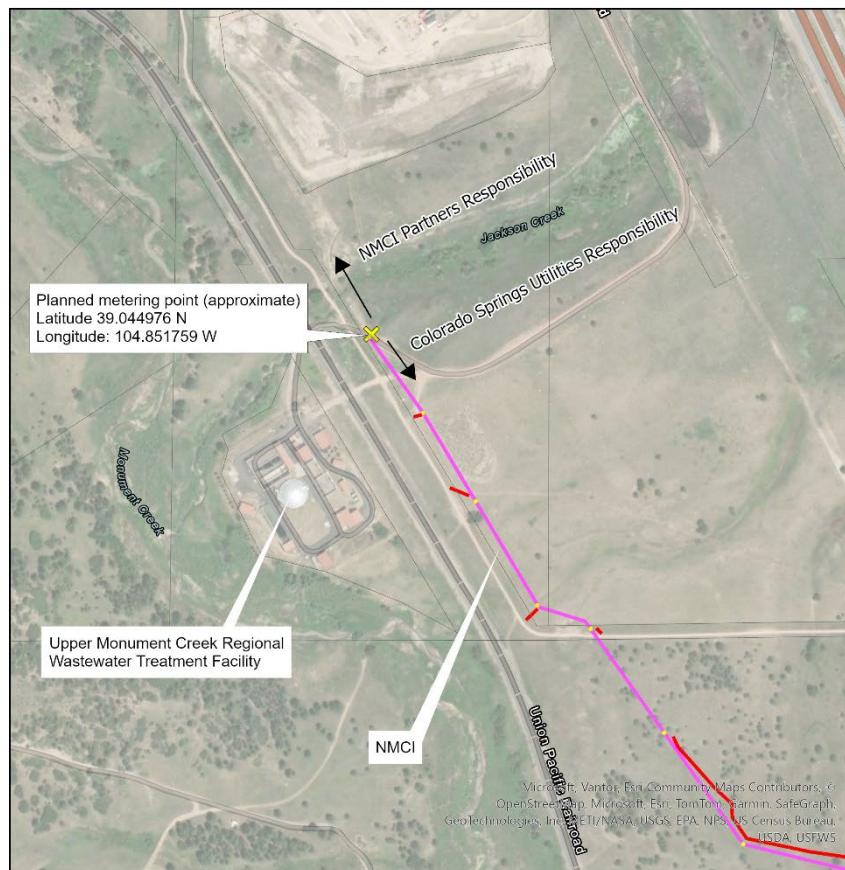


TRIVIEW METROPOLITAN DISTRICT - Wastewater Service Agreement

Exhibit B
to the
WASTEWATER SERVICE AGREEMENT
Point of Demarcation

Figure 1 Colorado Springs Utilities will operate and maintain from the point on the NMCI pipe just north of the Upper Monument Creek
Regional - Metering Point downstream

TRIVIEW METROPOLITAN DISTRICT - Wastewater Service Agreement



RESOLUTION NO. _____ - 26

A RESOLUTION AUTHORIZING AND DIRECTING THE CHIEF EXECUTIVE OFFICER OF COLORADO SPRINGS UTILITIES TO ENTER INTO AN AGREEMENT FOR REGIONAL WASTEWATER TREATMENT SERVICE BETWEEN COLORADO SPRINGS UTILITIES AND FOREST LAKES METROPOLITAN DISTRICT

WHEREAS, City Code § 12.5.304 allows Colorado Springs Utilities (“Springs Utilities”) to provide by contract for the use of or connection to its wastewater treatment system by institutions, plants, districts, governments, municipal corporations, or other similar users; and

WHEREAS, Forest Lakes Metropolitan District (“FLMD”) is a Colorado metropolitan district authorized under C.R.S. §32-1-1001 et seq., for the provision of water, wastewater, and other services to a customer base of approximately 446 residential customers and 7 commercial customers; and

WHEREAS, the Northern Monument Creek Interceptor (“NMCI”) is a planned wastewater interceptor that is going to be constructed by Springs Utilities that will allow FLMD and other wastewater providers located to the north of the City of Colorado Springs (“City”) to consolidate the treatment of their wastewater flows at either of Springs Utilities’ water resource recovery facilities; and

WHEREAS, FLMD desires to obtain wastewater treatment service from Springs Utilities via NMCI to provide wastewater treatment service to properties within FLMD’s service area which are anticipated to contribute Maximum Allowable Flow of up to 0.40 Million Gallons Per Day to Springs Utilities’ wastewater treatment system; and

WHEREAS, upon completion of NMCI, Springs Utilities will have sufficient infrastructure capacity in its wastewater treatment system to provide regional wastewater treatment service to FLMD; and

WHEREAS, in exchange for regional wastewater treatment service, FLMD has agreed to pay the rates and fees set forth in Springs Utilities’ Tariffs for such service; and

WHEREAS, Springs Utilities requests that City Council authorize and direct the Chief Executive Officer of Springs Utilities to enter into a long-term agreement for regional wastewater treatment service with FLMD; and

WHEREAS, City Council recognizes that approving an agreement for regional wastewater treatment service with FLMD does not set precedent for future requests for regional wastewater treatment service.

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

Section 1. City Council finds and determines that Springs Utilities’ provision of regional wastewater treatment service to FLMD will benefit the public health, safety and welfare of the surrounding community and is in the best interest of Springs Utilities and the City.

Section 2. The Chief Executive Officer of Springs Utilities is authorized and directed to enter into an agreement for regional wastewater treatment service with FLMD in a form substantially similar to that attached hereto.

Section 3. This Resolution shall be in full force and effect immediately upon its adoption.

Dated at Colorado Springs, Colorado this _____ day of _____, 2026.

Lynette Crow-Iverson, Council President

ATTEST:

Sarah B. Johnson, City Clerk

WASTEWATER SERVICE AGREEMENT
Contract Service – Regional (S9C)
FOREST LAKES METROPOLITAN DISTRICT FOR WASTEWATER SERVICE

THIS AGREEMENT ("Agreement") is made and entered into as of the date of the last signature below ('Effective Date') by and between Colorado Springs Utilities ("UTILITIES"), an enterprise of the City of Colorado Springs ("City"), a home rule City and Colorado municipal corporation, and Forest Lakes Metropolitan District ("DISTRICT"), 2 N. Cascade Avenue, Suite 1280, Colorado Springs, Colorado. In this document, UTILITIES and DISTRICT can be referred to individually as "Party" or collectively as "Parties."

Recitals

- A. DISTRICT, is a Colorado metropolitan district authorized under C.R.S. § 32-1-1001, et seq., for provision of municipal water service, in addition to other municipal services, and is located in northern El Paso County, Colorado. DISTRICT was formed on September 13, 1985 by decree of the El Paso County District Court in Case No. 85CV2156. DISTRICT provides water, wastewater, and stormwater services to an approximately 1,400 acre service area currently serving a customer base of approximately 460 single family equivalents, consisting of approximately 450 residences and 10 commercial and irrigation SFEs in and near the Town of Monument;
- B. DISTRICT owns, operates and maintains a wastewater collection system located within DISTRICT's service area as defined in Exhibit A and herein incorporated by reference;
- C. NMCI is a planned wastewater interceptor that has been constructed that will be owned by UTILITIES and will allow the DISTRICT and other wastewater providers located to the North of the City of Colorado Springs to consolidate the treatment of their wastewater flows at UTILITIES' either of Utilities' Water Resource Recovery Facilities and receive wastewater treatment service from UTILITIES;
- D. DISTRICT desires to receive wastewater treatment service from UTILITIES through NMCI to meet the wastewater treatment service requirements of DISTRICT's customers;
- E. Upon completion of NMCI, UTILITIES will have sufficient wastewater infrastructure and treatment capacity available in its Wastewater Treatment System to provide wastewater collection and treatment services for the anticipated Maximum Allowable Flow from DISTRICT subject to the terms and conditions set forth herein;
- F. Triview Metropolitan District ("Triview") also desires to receive wastewater treatment service through NMCI from UTILITIES to meet the wastewater treatment service requirements of DISTRICT's customers pursuant to a separate Agreement with UTILITIES;
- G. Triview and DISTRICT intend to connect to NMCI at the same point of connection and utilize the same meter ("Joint Meter") to measure the wastewater flows from their respective Wastewater Collection Systems into UTILITIES' Wastewater Treatment System which requires a pro-rata allocation of the flows between those entities to

FOREST LAKES METROPOLITAN DISTRICT - Wastewater Service Agreement
determine the amount each entity will be charged for wastewater service in accordance
with Article I.6.c below.

H. The Parties have 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 ("City Code").

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

Article I

General Provisions

1. Term. This Agreement shall become effective on the date this Agreement has been executed by both parties ("Effective Date") and shall be in effect for a period of ninety-nine (99) years, which term shall begin upon connection of the DISTRICT to the UTILITIES Wastewater Treatment System and provision of wastewater treatment service by UTILITIES pursuant to the terms of this Agreement.
 - a. No later than twenty-four (24) months prior to the expiration of the Term, the Parties shall begin good faith negotiations on a new agreement for UTILITIES to treat DISTRICT wastewater, with the expectation that such new agreement shall be substantially similar to this Agreement.
 - b. 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' 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 treatment service agreement beyond the Term, the term may be extended for an additional one (1) year term at UTILITIES' sole discretion.
2. Definitions. For the purposes of this Agreement, the following terms shall have the following meanings, unless the context clearly requires otherwise. Terms not otherwise defined herein shall have the meaning adopted in the latest amendment to the City Code in place as of the effective date. Defined terms are capitalized.
 - a. Average Annual Flow: ninety (90) day rolling average of wastewater flow rate in million gallons/day.
 - b. DISTRICT's Customers: The persons residing in the DISTRICT's Service Area, that receive the benefit of the wastewater treatment service provided hereunder.

FOREST LAKES METROPOLITAN DISTRICT - Wastewater Service Agreement

- c. DISTRICT's Service Area: The Service Area as depicted on Exhibit A, as may be altered or expanded by future inclusions or extra-territorial service agreements, provided the DISTRICT's wastewater generated thereby does not exceed the Maximum Allowable Flow, as defined herein.
- d. DISTRICT's Wastewater Collection System: Any devices, facilities, structures, equipment or works owned and/or operated by DISTRICT for the purpose of collection and transmission of wastewater generated within DISTRICT's Service Area to UTILITIES' Wastewater Treatment System.
- e. IMMEDIATE HARM TO PERSON OR PROPERTY means actual or a high possibility of: (a) death, serious bodily injury, or serious illness to any person; or (b) substantial damage to real or personal property (including buildings, finished spaces, critical infrastructure, or natural resources) that is reasonably likely to occur promptly if immediate action is not taken, and that results from or is caused by wastewater conditions or failures.
- f. IMMEDIATE HEALTH HAZARD means any condition, event, circumstance, discharge, release, or system failure in connection with the collection, conveyance, treatment, storage, or disposal of wastewater (including sewage, biosolids, or related gases) that poses a significant threat of danger to human health and requires immediate correction, mitigation, or cessation of the contributing activity to prevent injury or illness. In determining whether an Immediate Health Hazard exists, the Parties shall consider the nature, severity, and likely duration of the anticipated harm and the number of persons likely to be affected, applying reasonable professional judgment.
- g. Industrial User: A source of discharge which introduces pollutants into DISTRICT's Wastewater Collection System and UTILITIES' Wastewater Treatment System from any nondomestic source regulated under Section 307(B), (C), or (D) of 33 USC Section 1251, et seq.
- h. Maximum Allowable Flow: The Maximum Allowable Flow under this Agreement is 0.264 MGD and shall be calculated based on a ninety (90) day rolling average of DISTRICT's pro-rata share of discharge determined in accordance with Article 1.6.c below as measured at the points of connection described in Article II.1.
- i. Recovery Agreement Charges: A Recovery Agreement Charge may be assessed for each connection to a collection line or use of a pumping station and force mains, where such line or facility is planned or constructed by UTILITIES or is the subject of a Recovery Agreement between UTILITIES and the property owner or developer who constructed such line or facility as of the Effective Date of this Agreement. Consistent with such agreements, the charge will be in an amount which represents a pro rata share of the cost of construction of the line or facility. UTILITIES commits to work in good faith with the DISTRICT to similarly provide the DISTRICT with cost recovery should 3rd parties other than the DISTRICT and Triview seek to utilize infrastructure financed by the DISTRICT or capacity in NMCI allocated to the DISTRICT.

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- j. UTILITIES' Wastewater Treatment System: Any devices, facilities, structures, equipment or works owned and/or operated by UTILITIES for the purpose of collecting and treating wastewater.
- k. Wastewater Regional System Availability Fee ("WWRSF"): A fee assessed for each new connection to UTILITIES' Wastewater Collection and Treatment System by contract outside the corporate limits of the City in areas where UTILITIES' Wastewater Treatment System is available for use by UTILITIES to serve institutions, plants, organized wastewater districts, municipal corporations, or other similar organizations and only with prior approval by the Colorado Springs City Council.
 - i. The WWRSF reflects the amount of capacity needed within UTILITIES' Wastewater Treatment System to meet the obligations of regional wastewater contracts.
 - ii. The WWRSF is determined based on the meter size needed to treat the DISTRICT's Maximum Allowable Flow.
 - iii. Any entity that paid a WWRSF or an analogous charge through a contract in place prior to the implementation of the WWRSF will be credited for the amount paid for the analogous charge. If the entity met its full contractual WWRSF or equivalent, it is deemed to have met its WWRSF and will not be charged an additional WWRSF.
- I. WWLESS: UTILITIES' Wastewater Line Extension and Service Standards, as may be amended or replaced.

3. Jurisdiction and Compliance.

- a. This Agreement is for wastewater treatment service as defined in UTILITIES' Wastewater Rate Schedule "Contract Service – Regional (S9C)," together with UTILITIES' Rules and Regulations ("URRs") as such may be amended or replaced from time to time by the Colorado Springs City Council ("Tariffs"). The wastewater treatment service provided to DISTRICT under this Agreement shall be governed, implemented and enforced with regard to DISTRICT and DISTRICT's Customers in accordance with the Colorado Springs City Charter, the City Code, the Tariffs, WWLESS, and all other applicable City's 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 hereby submits to the jurisdiction of the City for the purposes of implementation and enforcement of City Code Chapter 12, Article 5 with regard to DISTRICT and DISTRICT's Customers under this Agreement. DISTRICT shall by ordinances or resolutions, provide for DISTRICT and DISTRICT's Customers to submit to the jurisdiction of the City for the purposes of the UTILITIES implementing and enforcing City Code Chapter 12, Article 5 with regard to DISTRICT and its Customers and require DISTRICT and its Customers to comply with all applicable laws, regulations, rules or policies concerning use of UTILITIES'

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Wastewater Treatment System as they exist now or may be amended or replaced in the future (collectively, "DISTRICT's Sewer Use Regulations"). DISTRICT's Sewer Use Regulations must include provisions that mirror or are more stringent than City Code Chapter 12, Article 5. DISTRICT shall provide UTILITIES with a draft of DISTRICT's proposed Sewer Use Regulations to the contacts set forth in Article III.13 hereof within ninety (90) days after the Effective Date. UTILITIES will have sixty (60) days from its receipt of the draft to provide DISTRICT with notice of whether it approves DISTRICT's proposed Sewer Use Regulations or if revisions are necessary. If UTILITIES determines that revisions to DISTRICT's Sewer Use Regulations are necessary, DISTRICT shall provide UTILITIES with revised proposed Sewer Use Regulations that include the revisions. UTILITIES will have sixty (60) days from its receipt of the revised proposed Sewer Use Regulations to provide DISTRICT with notice of whether it approves DISTRICT's revised proposed Sewer Use Regulations or if revisions are necessary. If UTILITIES provides DISTRICT with notice that revisions to the revised proposed Sewer Use Regulations are necessary, DISTRICT shall have ninety (90) days to make such revisions and provide UTILITIES with revised proposed Sewer Use Regulations that includes UTILITIES' requested revisions. UTILITIES will have sixty (60) days from its receipt of the revised proposed Sewer Use Regulations to provide DISTRICT with notice of whether it approves DISTRICT's revised proposed Sewer Use Regulations or if revisions thereto are necessary. DISTRICT shall adopt the approved Sewer Use Regulations within sixty (60) days of receiving notice of UTILITIES' approval of the regulations.

- c. UTILITIES shall provide DISTRICT with notice of any revisions made to City Code Chapter 12, Article 5 in the future. DISTRICT shall revise and provide the contacts set forth in Article III.13 hereof its revised Sewer Use Regulations that are at least as stringent as the revised version of City Code Chapter 12, Article 5 within sixty (60) days of its receipt of notice from UTILITIES. UTILITIES will have sixty (60) days from its receipt of the draft to provide DISTRICT with notice of whether it approves DISTRICT's proposed Sewer Use Regulations or if revisions are necessary. If UTILITIES determines that revisions to DISTRICT's Sewer Use Regulations are necessary, DISTRICT shall provide UTILITIES with revised proposed Sewer Use Regulations that include the revisions. UTILITIES will have sixty (60) days from its receipt of the revised proposed Sewer Use Regulations to provide DISTRICT with notice of whether it approves DISTRICT revised proposed Sewer Use Regulations or if revisions are necessary. If UTILITIES provides DISTRICT with notice that revisions to the proposed Sewer Use Regulations are necessary, DISTRICT shall have ninety (90) days to make such revisions and provide UTILITIES with revised proposed Sewer Use Regulations that includes UTILITIES requested revisions. UTILITIES will have sixty (60) days from its receipt of the revised proposed Sewer Use Regulations to provide DISTRICT with notice of whether it approves DISTRICT's revised proposed Sewer Use Regulations or if revisions thereto are necessary.
- d. DISTRICT shall provide UTILITIES with notice and a copy of the most recent version of DISTRICT's Sewer Use Regulations to the contacts set forth in Article III.13 hereof by **February 15** of each calendar year, following the year in which this Agreement is executed, and any amendments to said regulations within thirty (30) days of adoption.

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4. Wastewater Treatment Service.
 - a. During the term of this Agreement, UTILITIES will accept and treat through its Wastewater Treatment System up to the Maximum Allowable Flow of wastewater that originates from inside DISTRICT's Service Area in accordance with City Code, the URRs, and 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, as it exists or may be expanded consistent with the definitions provided herein, or in excess of the Maximum Allowable Flow.
 - c. DISTRICT shall provide UTILITIES with an updated copy of the map of DISTRICT's Wastewater Collection System to the contacts set forth in Article III.13 hereof by **February 15** of each year following the year in which this Agreement is executed or notice to the same contacts that no changes to DISTRICT's Wastewater Collection System have occurred in the preceding year.
5. Expansion of Wastewater Treatment Obligations. DISTRICT may expand DISTRICT's Service Area and contract to provide wastewater service to customers located outside of its existing Service Area, provided such inclusions or extra-territorial service agreements do not result in the DISTRICT exceeding the Maximum Allowable Flow. Should the DISTRICT wish to so expand its service area in a manner that would alter any point of connection to UTILITIES' Wastewater Treatment System, or result in any operational changes for UTILITIES or UTILITIES' Wastewater Treatment System, DISTRICT may not do so 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. If DISTRICT desires to obtain additional wastewater treatment service from UTILITIES for newly included or serviced properties located outside of its existing Service Area that would result in DISTRICT discharges to UTILITIES' Wastewater Treatment System to exceed the Maximum Allowable Flow then:
 - a. UTILITIES and DISTRICT must negotiate an amendment to this Agreement or a new agreement that provides for such an expansion of the Maximum Allowable Flow. DISTRICT acknowledges that any such amendment of this Agreement or a new agreement may require approval by the UTILITIES' Board of Directors and/or the Colorado Springs City Council. UTILITIES shall have no obligation to treat wastewater, and DISTRICT shall not introduce wastewater in excess of the Maximum Allowable Flow into UTILITIES' Wastewater Treatment System until the parties have entered into such an amendment or new agreement.
 - b. DISTRICT shall provide notice to UTILITIES of its intent to request expanded wastewater treatment service beyond the Maximum Allowable Flow for other properties prior to DISTRICT seeking approval of the proposed changes from El Paso County. The notice must include the number, types of connections, and flow estimates to DISTRICT's

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Wastewater Collection System that will be included in the proposed expanded Service Area.

- c. UTILITIES shall provide notice to DISTRICT of whether it supports the requested changes in wastewater treatment service provided by UTILITIES, whether such expanded service will need to be provided under an amendment to this Agreement or a new agreement, and whether such amendment or new agreement will require approval by the UTILITIES' Board of Directors and/or the Colorado Springs City Council within one hundred and eighty (180) days of UTILITIES' receipt of notice of the requested proposed changes to the extent of wastewater treatment service by UTILITIES. DISTRICT acknowledges the expansion of wastewater treatment service is limited to properties within DISTRICT's Service Area or within areas that may be included in DISTRICT's Service Area in the future.
- 6. Rates, Charges, Surcharges and Fees Payable by DISTRICT
 - a. For the services provided hereunder, DISTRICT shall pay to UTILITIES the applicable rates, charges, surcharges, and fees as specified 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' rate schedule "Contract Service - Regional", WWRSAF and Recovery Agreement Charges as provided in the Tariffs. Surcharges will apply to DISTRICT wastewater that exceeds normal domestic strength for biochemical oxygen demand and total suspended solids, as further described in the Colorado Springs City Charter, the City Code, the Tariffs, WWLESS, and all other applicable City's or UTILITIES' ordinances, resolutions regulations, policies and rules concerning use of UTILITIES' Wastewater Treatment System as may be amended or replaced, 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. DISTRICT will continue to pay the rates and charges 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 Council's consideration of the change in tariffs applicable to this Agreement.
 - c. DISTRICT agrees to pay the then prevailing Treatment Charges and Extra Strength Surcharges or replacements, for every cubic foot of wastewater delivered to UTILITIES' Wastewater Treatment System. UTILITIES will bill DISTRICT monthly in arrears for such Treatment Charges and Extra Strength Surcharges with payment due within thirty (30) days of the date of billing. Since the Joint Meter totalizes the flow for both DISTRICT and Triview each of those entities will be responsible for their pro rata share of the flow. The apportionment of the flow to each entity will be determined by Triview and DISTRICT pursuant to a separate agreement between those parties. No matter the terms of that separate agreement, DISTRICT shall be responsible for providing UTILITIES with its pro-rata share of the flows entering into UTILITIES Wastewater Treatment System within fifteen (15) days after the end of the month for which the billing is occurring.
 - d. The WWRSAF reflects the amount of capacity needed within UTILITIES' Wastewater Treatment System to meet the obligations of regional water contracts. The WWRSAF is

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determined based on the average flow demand in million gallons per day. DISTRICT will deliver wastewater to UTILITIES' Wastewater Treatment System at no greater than the Maximum Allowable Flow. The WWRSAF for average daily flows of between 0.10 MGD and 0.29 MGD is \$28,216.00, which must be paid by DISTRICT within thirty (30) days after the date DISTRICT's Wastewater Collection System is connected to UTILITIES' Wastewater Treatment System. If DISTRICT'S demands on UTILITIES' Wastewater Treatment System exceed the 0.264 MGD, then DISTRICT will be required to pay the difference between the WWRSAF for Maximum Allowable Flows of between 0.10 MGD and 0.29 MGD set forth above and the applicable WWRSAF for the new Maximum Available Flows under UTILITIES' Tariffs, should UTILITIES elect to allow such additional flows pursuant to the terms of this Agreement.

- e. DISTRICT shall pay Recovery Agreement Charges for previously constructed and planned wastewater infrastructure that will be utilized by UTILITIES in accordance with the Tariffs, as amended or replaced. DISTRICT agrees to pay initial Recovery Agreement Charges of \$0 based on UTILITIES' acceptance of wastewater at up to the Maximum Allowable Flow. Such Recovery Agreement Charges must be paid by DISTRICT within thirty (30) days after the Effective Date. In the event following the Effective Date, the Maximum Allowable Flow is exceeded, DISTRICT agrees to pay additional Recovery Agreement Charges in an amount determined by UTILITIES prior to UTILITIES accepting and treating wastewater in excess of the Maximum Allowable Flow. UTILITIES shall provide DISTRICT notice of the amount of the additional Recovery Agreement Charges and such charges must be paid by DISTRICT within thirty (30) days after such notice.
- f. 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 DISTRICT 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.
- g. Payments under this Paragraph by DISTRICT shall be due at UTILITIES' Customer Services Department, 111 S. Cascade Ave., Colorado Springs, Colorado 80903. If a bill is not paid within thirty (30) days of when it is due, a deposit will be assessed as outlined in the Tariffs as modified or replaced.

7. **DISTRICT 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, as may be applicable, and spills, leaks, and sanitary sewer overflows (as defined by the United States Environmental Protection Agency ("EPA") from DISTRICT's Wastewater Collection System.
- b. DISTRICT shall at all times have in place and make best efforts to enforce its Sewer Use Regulations. In the event that DISTRICT fails to provide resources or otherwise fails to implement and enforce its Sewer Use Regulations within DISTRICT's Service Area in a

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timely manner, UTILITIES is authorized to take all such reasonable actions on behalf of and as an agent for DISTRICT after providing DISTRICT with at least ten (1) days' written notice of same.

- c. 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 DISTRICT's Sewer Use Regulations and any applicable requirements of UTILITIES, as permitted by law.
- d. 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.
- e. 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.
- f. If 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.
- g. DISTRICT shall report, in the manner required by applicable laws and regulations 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 be 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 §§ 35.2140). UTILITIES will notify DISTRICT by February 15th of each calendar year following the year in which this Agreement is executed of UTILITIES' classifications, classes and surcharges per class and any other information on revenues, costs, and allocation of costs between biochemical oxygen demand, total suspended solids and flow so as to assure proportional

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allocation of costs to Users. DISTRICT shall provide within sixty (60) days of implementation or upon request by UTILITIES, a report on DISTRICT classes, rates, and implementation provisions. DISTRICT will comply with EPA regulations (40 CFR § 35.2140(c)) by advising the 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 provided hereunder. A copy of the notification shall be forwarded to UTILITIES within sixty (60) days of when DISTRICT provides such notification to its wastewater Customers.

- i. 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 and Permit No. CO-0046850.

8. Relief Systems.

a. Before UTILITIES is obligated to provide wastewater treatment service and DISTRICT is entitled to introduce wastewater into UTILITIES' Wastewater Treatment System at Maximum Allowable Flows in excess of 0.264 MGD, DISTRICT must, at no cost to UTILITIES, construct relief systems and necessary appurtenances as determined by UTILITIES, at its sole discretion in accordance with the City Code and the WWLESS, as each may be amended or replaced. Relief systems shall be approved by UTILITIES, and operational before sustained Maximum Allowable Flow from DISTRICT's Service Area in excess of 0.264 MGD can be accepted. The 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 UTILITIES sole 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.

b. UTILITIES shall provide DISTRICT with notice of the required relief systems within ninety (90) days of when DISTRICT provides UTILITIES with the notice required under Article I.5.b that it intends to expand the wastewater treatment service provided by UTILITIES hereunder to above the Maximum Allowable Flow. DISTRICT shall provide UTILITIES with its designs for the required relief systems in accordance with the current version of the WWLESS. The WWLESS process for design review, construction acceptance, bill of sale, and warranties will apply to the proposed construction of the relief system.

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9. 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.
10. Interpretation of Requirements. In all cases where the application or the enforcement of the City Charter, City Code, Tariffs or WWLESS, as may be amended, involve technical or scientific analyses or determinations, UTILITIES, in its reasonable discretion, shall have final authority as to methods, standards, criteria, significance, evaluation, and interpretation of such analyses and determinations.
11. Reusable Return Flows. Unless separately agreed to by the Parties, UTILITIES will retain dominion, and control over 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, 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 points of connection located within the wastewater metering vaults depicted on Exhibit B as approved by UTILITIES and any other location agreed to by the Parties in writing. These connection points, and all other approved new, modified or abandoned connections to UTILITIES' Wastewater Treatment System, shall be made and/or disconnected at the expense of DISTRICT or third parties, based on agreements between DISTRICT and such third parties.
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, flow meters, wastewater mains, and all infrastructure improvements necessary to connect UTILITIES' Wastewater Treatment System to DISTRICT's Wastewater Collection System at the agreed upon points of connection, and all other related facilities necessary for use in connection with this Agreement ("Improvements"). Any Improvements required for the connection of DISTRICT's Wastewater Collection System to UTILITIES Wastewater Treatment System 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

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DISTRICT. DISTRICT shall, at its own cost and subject to UTILITIES' approval, locate, design, and construct 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. UTILITIES acknowledges that other than any new Improvements required under this section, DISTRICT's Wastewater Collection System infrastructure constructed prior to the Parties entering into this Agreement and that the previously installed infrastructure may not be in compliance with City Code or the WWLESS. UTILITIES will not be inspecting or requiring upgrades to such previously installed infrastructure prior to DISTRICT connecting to UTILITIES Wastewater Treatment System.

3. Wastewater Discharge Meters/Vaults.

- a. UTILITIES will design and install the Joint Meter and related facilities that will record the amount of wastewater delivered to UTILITIES' Wastewater Treatment System by DISTRICT and Triview as part of the construction of NMCI. UTILITIES shall own, read, operate, maintain, and replace the Joint Meter at UTILITIES' cost. Notwithstanding the foregoing, DISTRICT shall be responsible for costs of future modifications of the metering flume required to measure increased flows when phased installations, such as nested flumes, are required to accurately measure multiple ranges of flows considered under this Agreement.
- b. The accuracy of the Joint Meter will be verified by UTILITIES upon installation and the accuracy of the Joint Meter shall be verified on an annual basis thereafter, with results provided to UTILITIES and DISTRICT. DISTRICT has the right to request meter verification tests more often than once annually; however, if the accuracy of the meter tests ARE within +/-2% of the results of the most recent past annual test, DISTRICT shall be responsible for the cost of the test. If the Joint Meter does not test within the +/-2% accuracy imitation specified herein, then UTILITIES shall be responsible for the cost of meter calibration. In the event that the Joint Meter is found to be in error, no adjustments to previous invoices will be permitted.

4. Ownership, Interests, and Maintenance of Improvements.

It is understood by the Parties that the point of demarcation between DISTRICT's Wastewater Collection System and UTILITIES' Wastewater Treatment System will be located at the metering vault. All infrastructure, including the Improvements, located upstream of the metering vault is understood to be owned and maintained by DISTRICT ("DISTRICT's Improvements") and all infrastructure, including the Improvements, located downstream of the metering vault is understood to be owned and maintained by UTILITIES ("UTILITIES' Improvements"). Unless earlier dedicated by plat, upon completion of design, installation and construction of the Improvements, DISTRICT shall convey and dedicate to UTILITIES or shall cause the conveyance and dedication to UTILITIES by a third party who owns the Improvements, on forms acceptable to UTILITIES, ownership of all of the UTILITIES' Improvements as depicted on Exhibit B, and the right to locate the UTILITIES' Improvements on property upon which they are located. UTILITIES shall be responsible for the operation, maintenance and repair of all

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the UTILITIES' Improvements after they are conveyed to it pursuant to this Paragraph. DISTRICT shall continue to own all of the other Improvements. DISTRICT hereby agrees to grant UTILITIES ingress and egress over and through DISTRICT property to the UTILITIES' Improvements so that UTILITIES may operate, maintain, repair, and inspect the UTILITIES' Improvements that as well as perform its other duties under this Agreement. If an easement is necessary, DISTRICT shall provide UTILITIES with an easement providing for such ingress and egress in a form approved by UTILITIES. DISTRICT shall be responsible for the operation, maintenance and repair of all of DISTRICT's Improvements, including any repair or maintenance that is requested by UTILITIES. The Parties shall keep the Improvements and every part thereof for which they are responsible pursuant to this Paragraph maintained and in good repair so that they continue to properly serve the purposes for which they were originally intended. All repair or maintenance of the Improvements shall be completed in a timely manner and in accordance with the City Code and the WWLESS, as each may be amended or replaced. DISTRICT agrees to provide UTILITIES with a continuously complete record of all Improvements.

5. Since many of the Improvements will be used jointly to provide wastewater service to DISTRICT and Triview, those parties may enter into a separate agreement that describes how those parties will split the costs and other obligations related designing, installing, and constructing the Improvements and operating, improving and maintaining the DISTRICT's Improvements that are used by both of those entities.

Article III

DISTRICT Industrial Pretreatment Program Responsibilities Delegated to UTILITIES

1. Industrial Users. DISTRICT has commercial 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 commercial or industrial users connected to the DISTRICT's Wastewater Collection System. Such inventory shall include customer's name, address, Standard Industrial Classification code, and average daily water consumption.
2. Delegation of Industrial Pretreatment Program Responsibilities. DISTRICT designates UTILITIES as the agent of DISTRICT for the purposes of implementation and enforcement of DISTRICT's Sewer Use Regulations promulgated pursuant to Article I.3.b hereof against Industrial Users located in DISTRICT's Service Area ("DISTRICT's Industrial Pretreatment Responsibilities"). As such, UTILITIES shall have direct authority to develop, implement, and enforce all pretreatment standards and requirements as necessary to regulate Industrial Users located in DISTRICT's Service Area. This includes, but is not limited to, those responsibilities and obligations set forth in the United States Code of Federal Regulations and Colorado Code of Regulations and implementing regulations. DISTRICT agrees that UTILITIES will implement DISTRICT's 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*, and other related sector control program requirements ("UTILITIES' Industrial Pretreatment Program Standards").

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3. Compliance with Discharge Limitations. DISTRICT hereby agrees to comply and require its Customers whose discharged flow enters into UTILITIES' Wastewater Treatment System to comply with the discharge prohibitions, discharge limitations, and points of discharge limitations set forth in DISTRICT's Sewer Use Regulations and City Code Chapter 12, Article 5.
4. Technical and Administrative Duties. UTILITIES, on behalf of and as agent for DISTRICT, will perform technical and administrative duties necessary to implement and enforce DISTRICT's Sewer Use Regulations including, but not limited to: (1) updating its industrial waste inventory to include users within DISTRICT's Service Area; (2) issuing or co-issuing permits to all Industrial Users that are required to obtain a permit (see Article III.8 hereof); (3) conducting inspections, sampling and analysis related to Industrial Users; (4) taking all appropriate enforcement action as outlined in City Code Chapter 12, Article 5 as well as UTILITIES' enforcement response plan and provided for in DISTRICT's Sewer Use Regulations; (5) providing DISTRICT with notice of enforcement actions UTILITIES takes against any Industrial User in DISTRICT's Service Area; and (6) performing any other technical or administrative duties UTILITIES deems appropriate.
5. UTILITIES Emergency Actions. In addition, UTILITIES, may, as agent of DISTRICT, take emergency action as necessary to stop or prevent any discharge to UTILITIES' Wastewater Treatment System originating within DISTRICT's Service Area which presents or may present an imminent danger to the health or welfare of humans, which reasonably appears to threaten the environment, or which threatens to cause interference, pass through, or sludge contamination.
6. UTILITIES' Duties. UTILITIES, on behalf of and as an agent of DISTRICT, agrees to perform the following actions and duties as necessary to implement and enforce DISTRICT's Sewer Use Regulations and City Code Chapter 12, Article 5 consistent with 40 CFR 403.8(f):
 - a. Review and authorize the connection of an industrial user to DISTRICT's Wastewater Collection System;
 - b. Control through permit or other means, the contribution of wastewater to UTILITIES' Wastewater Treatment System by Industrial Users within DISTRICT's Service Area. Without limitation, UTILITIES shall have the right to prohibit any connection to, or discharges into, DISTRICT's Wastewater Collection System of an Industrial User in accordance with City Code;
 - c. Require DISTRICT's Customers to comply with all requirements of UTILITIES' Industrial Pretreatment Program Standards;
 - d. Deny or condition new or increased contributions of pollutants or changes in the nature of pollutants by an Industrial User;
 - e. Require the development of compliance schedules by Industrial Users for installation of technology required to meet UTILITIES' Industrial Pretreatment Program Standards;
 - f. Require submission of all notices and self-monitoring reports from Industrial Users as are necessary to assess and assure compliance with UTILITIES' Industrial Pretreatment Program Standards as well as DISTRICT's Sewer Use Regulations;

FOREST LAKES METROPOLITAN DISTRICT - Wastewater Service Agreement

- g. Carry out all inspection, surveillance and monitoring procedures necessary to determine whether an Industrial User is complying with UTILITIES' Industrial Pretreatment Program Standards as well as DISTRICT's Sewer Use Regulations;
- h. Carry out all inspections, surveillance and monitoring necessary to ensure compliance with UTILITIES' Industrial Pretreatment Program Standards as well as DISTRICT's Sewer Use Regulations;
- i. Enter the property/premises of an Industrial User in which a discharge source or pretreatment infrastructure is located, or in which required records are kept, to ensure compliance with UTILITIES' Industrial Pretreatment Program Standards as well as DISTRICT's Sewer Use Regulations;
- j. Evaluate and enforce compliance with Industrial Pretreatment Program Standards and requirements utilizing remedies including, but not limited to, injunctive relief and assessment of civil or criminal penalties for violations; and
- k. Meet the confidentiality requirements set forth in 40 CFR Part 403.14.

7. DISTRICT Duties. DISTRICT is responsible for, and hereby accepts the following duties and agrees to perform the following actions in relation to all Industrial Users within DISTRICT's Service Area:

- a. Prior to allowing an Industrial User to connect to DISTRICT's Wastewater Collection System, DISTRICT shall provide UTILITIES with notice of its intent to permit connection of an Industrial User to DISTRICT's Wastewater Collection System that includes such customer's name, address, Standard Industrial Classification code, and average daily water usage;
- b. Submit to UTILITIES' Industrial Pretreatment Program, quarterly by January 31, April 30, July 31, and October 31 each year during the term of this Agreement, 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/or NAICS code, and average daily water usage for the previous quarter;
- c. DISTRICT shall commit to implementation and enforcement of its Sewer Use Regulations with UTILITIES' oversight as provided herein;
- d. DISTRICT agrees to be responsible for any violations of applicable law for failure of UTILITIES' Industrial Pretreatment Program meeting applicable law to the extent resulting from DISTRICT neglect, failure to report any known violations, or failure to comply with the terms and conditions of this Agreement; and
- e. 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 ninety (90) days prior to discharge of any wastewater from a new Industrial User as defined in City Code. Unplanned changes in wastewater characteristics must be reported within seven (7) days after the change becomes known.

8. Co-Issue Permits. DISTRICT may co-issue all permits if DISTRICT notifies UTILITIES' Industrial Pretreatment Program Director in writing requesting to do so. UTILITIES will take

FOREST LAKES METROPOLITAN DISTRICT - Wastewater Service Agreement
the lead in preparing draft control mechanisms.

9. Enforcement Discretion. DISTRICT and UTILITIES shall each retain their enforcement discretion. Regarding Industrial Users 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 of DISTRICT's Customer discharging flows to the UTILITIES' Wastewater Treatment System as provided in the City Code. 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 within DISTRICT's Service Area on or before **April 1** of each year.
10. Challenges to UTILITIES' Authority. DISTRICT agrees that if UTILITIES' authority to act as agent for DISTRICT under this Agreement is questioned or challenged by an Industrial User within DISTRICT's Service Area, administrative agency, court of law, or otherwise, DISTRICT will take all actions necessary to ensure implementation and enforcement of its Sewer Use Regulations against any Industrial User within its Service Area discharging flows into UTILITIES' Wastewater Treatment System, including implementing its Sewer Use Regulations on its own behalf.
11. Admission to Property. DISTRICT acknowledges that UTILITIES has the power to carry out all inspection, surveillance, and monitoring procedures necessary in accordance with City Code § 12.5.805. DISTRICT's Sewer Use Regulations shall provide that UTILITIES is authorized to enter any premises of any industrial user located within DISTRICT's Service Area to determine compliance with applicable pretreatment standards and requirements, or access DISTRICT's Wastewater Collection System at any time in order to obtain samples.
12. Charges and Fees Related to Industrial Pretreatment Program.
 - a. To DISTRICT. UTILITIES may bill DISTRICT under this Agreement for any costs associated with performing the responsibilities delegated to UTILITIES or that UTILITIES is authorized to perform under this Article III.
 - b. To Industrial Users. Prior to allowing an Industrial User to connect to DISTRICT's Wastewater Collection System, DISTRICT shall collect all fees related to wastewater treatment for Industrial Users as set forth in the Tariffs and pay those fees to UTILITIES. 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 under this Article III shall be collected and retained by UTILITIES.

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,

FOREST LAKES METROPOLITAN DISTRICT - Wastewater Service Agreement

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 prior to the expiration of the term of this Agreement or any extension thereof, 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 unless the disconnection is required by events beyond the reasonable control of DISTRICT. Similarly, it is agreed that the damages to DISTRICT, if UTILITIES causes the DISTRICT to be disconnected from the UTILITIES' Wastewater Treatment System prior to the expiration of the term of this Agreement or any extension thereof, will not be less than the DISTRICT's costs to construct, lease or otherwise obtain alternate wastewater treatment facilities, unless such disconnection is required by events beyond the reasonable control of UTILITIES. The provisions of this section shall not apply if the Party seeking damages was disconnected from the other Parties' system as a result of a breach of this Agreement.
4. Breach of Agreement. Upon any breach of this Agreement, the non-breaching Party shall have the right to: (a) seek specific performance; (b) be reimbursed for costs; (c) be entitled to money damages for the period between the breach and the order for specific performance; or (d) terminate this Agreement. Unless an emergency situation requires immediate action in order to protect the health, safety and welfare of its customers or UTILITIES' Wastewater Treatment System, or of DISTRICT's customers or DISTRICT's Wastewater Collection System, the non-breaching Party shall provide written notice to the breaching Party of a breach of this Agreement and the breaching Party shall have ninety (90) days to cure such breach or take reasonable steps to address such breach and provide the non-breaching Party with notice of same prior to such non-breaching Party exercising its rights hereunder.
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 in accordance with Article V.5 of this Agreement; or (2) as otherwise authorized by the City Code or City Council but only after reasonable and proper notice to DISTRICT in accordance with Article V.5 of this Agreement, public hearing, and an opportunity to be heard. UTILITIES shall

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promptly notify DISTRICT in accordance with Article V.5 of this Agreement 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. As provided in the Addendum to Intergovernmental Agreement for Construction Cost Sharing for the Northern Monument Creek Interceptor between UTILITIES, DISTRICT and Triview dated February ___, 2026, DISTRICT has an equitable ownership interest in the capacity of NMCI in the amount of the Maximum Allowable Flow. If UTILITIES terminates this Agreement, it may purchase DISTRICT'S equitable ownership interest in NMCI for its fair market value as of the date of such termination. In the alternative, if UTILITIES determines in its reasonable discretion that the breach(s) may result in an Immediate Health Hazard or Immediate Harm to Person or Property, UTILITIES, may take control of any portion of DISTRICT's Wastewater Collection System and other DISTRICT facilities which UTILITIES reasonably finds to be necessary for provision of wastewater treatment service within DISTRICT's Service Area for the purpose of remedying the breach(s). UTILITIES will provide DISTRICT with advance notice of the action(s) taken, if possible, but otherwise within a reasonable timeframe and as quickly as reasonably practicable. While in control of any portion of DISTRICT's Wastewater Collection System, UTILITIES may immediately take all actions it reasonably deems necessary to correct the noticed breach(s) and put in place corrective measures reasonably necessary to prevent further breaches. DISTRICT agrees to reimburse UTILITIES for all actual expenses incurred by UTILITIES in correcting the breach or breaches and putting in place corrective measures to prevent further breaches. Upon such payment, control of the applicable portions of DISTRICT's Wastewater Collection System shall be returned to DISTRICT. The term "breach of a material term or condition by DISTRICT" shall include, but not be limited to, failure to continue to exist as a municipal, quasi-municipal or corporate entity or similar user; failure to maintain DISTRICT's Wastewater Collection System pursuant to the terms of this Agreement; failure to perform functions necessary to the operation of DISTRICT's Wastewater Collection System or UTILITIES' Wastewater Treatment System pursuant to the terms of this Agreement; failure to adopt measures or take actions required to enable UTILITIES to obtain any required permits; unauthorized extension of wastewater treatment service or expansion of DISTRICT's Service Area resulting in flows beyond the Maximum Allowable Flows; unauthorized connection of a DISTRICT extraterritorial customer to DISTRICT's Wastewater Collection System resulting in flows beyond the Maximum Allowable Flows; failure to make payments required under the Agreement; or other actions or inactions which could reasonably cause a health hazard or harm to persons or property.

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 sole expense in accordance with the

FOREST LAKES METROPOLITAN DISTRICT - Wastewater Service Agreement

WWLESS. UTILITIES shall determine the way the connection facilities are to be removed, and wastewater treatment service discontinued in accordance with the Tariffs 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 has the power to enforce its laws, rules and regulations and the terms of this Agreement by turning off or disconnecting wastewater treatment 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 treatment 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 treatment service to property for violations of its laws, rules, regulations and this Agreement.
2. Annual Reviews 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 date of this Agreement, 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. Similarly, UTILITIES acknowledges that the DISTRICT is a quasi-municipal provider of public services, including wastewater collection services, subject to present and continuing Federal and State statutory and regulatory controls. UTILITIES shall cooperate with the DISTRICT in preparing and implementing any revisions to this Agreement necessary to such State or Federal

FOREST LAKES METROPOLITAN DISTRICT - Wastewater Service Agreement
regulatory authorities.

3. **DISTRICT Rules and Regulations.** DISTRICT retains the full right to make and enforce rules and regulations not inconsistent with or less stringent than the Colorado Springs City Charter, the City Code, the Tariffs, and WWLESS to govern wastewater use within DISTRICT's Service Area. DISTRICT agrees to exercise its rulemaking, rate/fee-setting and other powers to assist UTILITIES in enforcing the Tariffs and WWLESS.
4. **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.
5. **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. For notices required under Articles I.3, I.7.6, and IV:

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

With copy to:

City Attorney's Office
ATTN: Utilities Division
P.O. Box 1575, Mail Code 510
Colorado Springs, CO 80901-1575

ii. For all other notices:

Chief Strategic Planning and Projects Officer
Colorado Springs Utilities
ATTN: Chief Strategic Planning and Projects Officer
P.O. Box 1103,
Colorado Springs, CO 80947-0950; and

With copy to:

FOREST LAKES METROPOLITAN DISTRICT - Wastewater Service Agreement

City Attorney's Office - Utilities Division
United States Postal Service Address:
City Attorney's Office
ATTN: Utilities Division
P.O. Box 1575, Mail Code 510
Colorado Springs, CO 80901-1575

b. For DISTRICT :

Forest Lakes Metropolitan District
Attn: Ann Nichols, District Manager
2 N. Cascade Avenue, Suite 1280
Colorado Springs, CO 80903

With Copy to:

Spencer Fane LLP
Attention: Nicole Peykov
1700 Lincoln Street, Suite 2000
Denver, CO 80203

6. 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.
7. 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. In addition, 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. Limitations upon Consent. Whenever, under the terms of this Agreement, UTILITIES is authorized to give its written consent, UTILITIES, in its reasonable 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 reasonably advisable. Acceptance by UTILITIES into UTILITIES' Wastewater Treatment System from DISTRICT of wastewater in a volume or with

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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.

9. **Audits.** Upon providing the DISTRICT reasonable notice, UTILITIES shall have the right to audit at any time all of DISTRICT's records relating to any of DISTRICT's Customers or relating to compliance with this Agreement. DISTRICT shall have the right to audit all UTILITIES' records relating to compliance with this Agreement upon providing UTILITIES with reasonable notice.
10. **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. Section 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 wastewater when such failure is the result of upset or mechanical or power failure. In emergency circumstances, UTILITIES shall have the right to interrupt wastewater service and require DISTRICT to temporarily store and contain wastewater flows to the extent of DISTRICT 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 wastewater, UTILITIES shall give DISTRICT ten (10) days prior notice of the planned maintenance, after which DISTRICT will temporarily store and contain wastewater to the extent of its storage capabilities.
11. **No Third-Party Beneficiaries.** Nothing herein shall be construed to give any rights or benefits hereunder to anyone other than UTILITIES and DISTRICT. 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.
12. **Appropriation of Funds.** In accordance 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

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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. Similarly, the DISTRICT is subject to State Constitutional and Statutory provisions prohibiting it from multi-year fiscal obligations without annual appropriation of funds. As such, the DISTRICT's obligations under this Agreement are expressly subject to appropriation of funds by the DISTRICT's Board of Directors, in the DISTRICT's discretion. In the event funds are not appropriated in whole or in part sufficient for performance of the DISTRICT's obligations under this agreement, then this Agreement will thereafter become null and void by operation of law, and the DISTRICT will thereafter have no liability for compensation or damages to UTILITIES for future performance and obligations thereafter in excess of the DISTRICT's authorized appropriation for this Agreement.

13. 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.
14. No Assignment Without Consent. Except as provided herein, 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. Notwithstanding anything herein to the contrary, upon written notice to DISTRICT, UTILITIES may assign this Agreement without consent to the City of Colorado Springs. Notwithstanding anything herein to the contrary, upon written notice to UTILITIES, DISTRICT may assign all rights, entitlements, obligations and interests described in this Agreement without consent to any purchaser of or any other successor in interest to DISTRICT, provided such purchaser or successor in interest agrees in writing with UTILITIES and DISTRICT to assume all of DISTRICT's rights and obligations under this Agreement and further provided such purchaser or successor is a Colorado special district similar in scope and authority to the DISTRICT, as concerns wastewater services.
15. 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

FOREST LAKES METROPOLITAN DISTRICT - Wastewater Service Agreement
or desirable, by appropriate legal proceedings.

16. 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, and the 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 § 12.1.109. 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 Court for the District of Colorado.
17. 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.

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FOREST LAKES METROPOLITAN DISTRICT - Wastewater Service Agreement

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement as of the date of the last signature below.

COLORADO SPRINGS UTILITIES

FOREST LAKES METROPOLITAN DISTRICT

By: _____

By: _____

Name: _____

Name: _____

Title: Chief Executive Officer

Title: _____

Date: _____

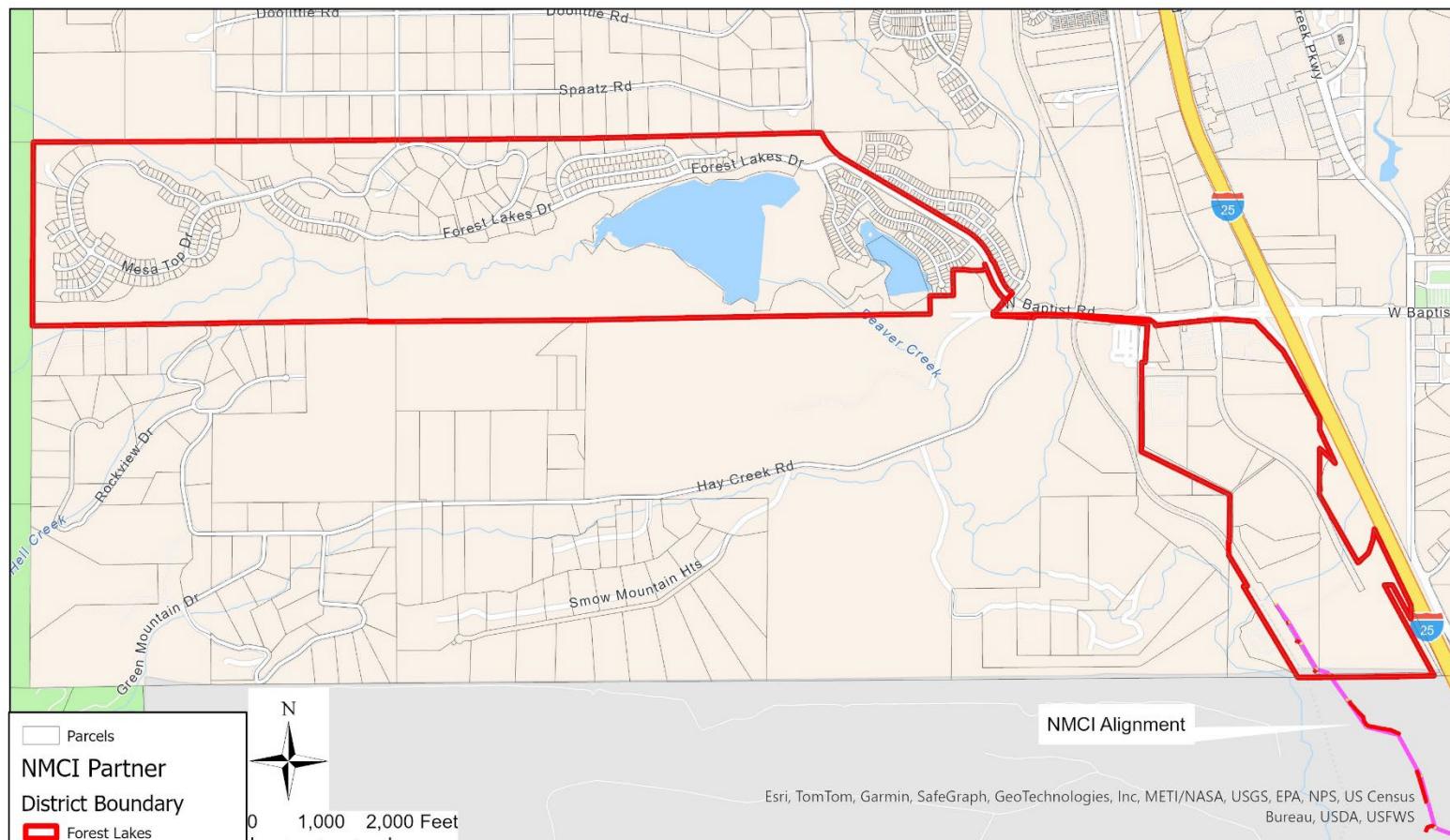
Date: _____

Approved as to form:

FOREST LAKES METROPOLITAN DISTRICT - Wastewater Service Agreement

Exhibit A
to the
WASTEWATER SERVICE AGREEMENT
Service Area

FOREST LAKES METROPOLITAN DISTRICT - Wastewater Service Agreement



Forest Lakes Service Area

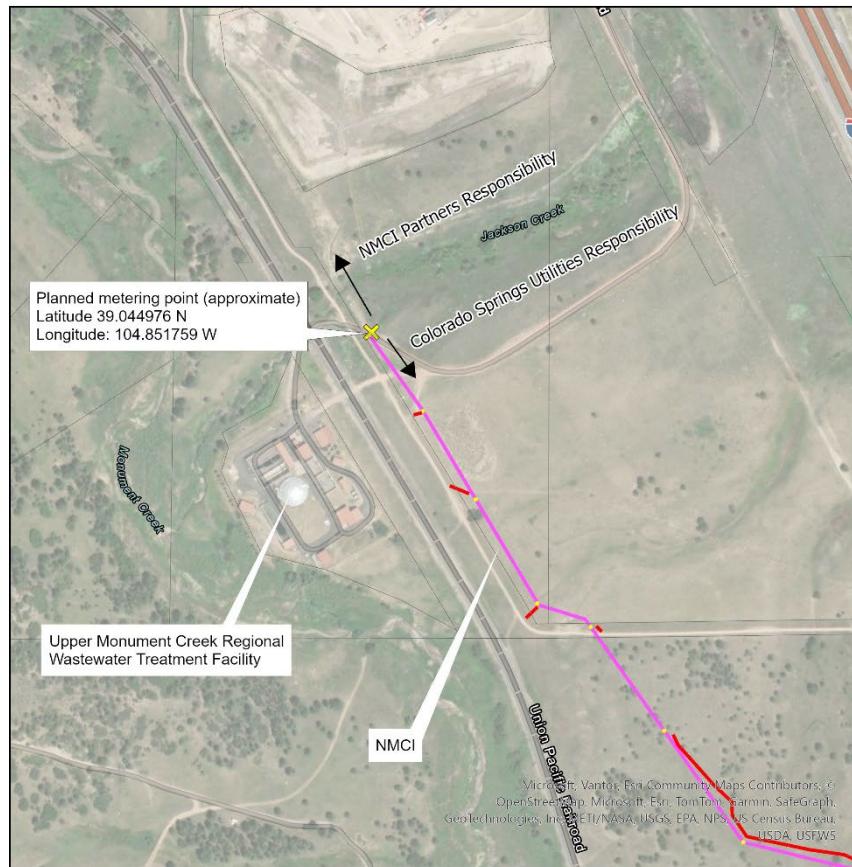
FOREST LAKES METROPOLITAN DISTRICT - Wastewater Service Agreement

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Exhibit B
to the
WASTEWATER SERVICE AGREEMENT
Point of Demarcation

Colorado Springs Utilities will operate and maintain from the point on the NMCI pipe just north of the Upper Monument Creek Regional -
Metering Point downstream

FOREST LAKES METROPOLITAN DISTRICT - Wastewater Service Agreement



Board Memo Agenda Item

Staff Report

Date: (Date of Utilities Board Meeting)	February 18, 2026		
To:	Utilities Board		
From:	Travas Deal, Chief Executive Officer		
Subject:	Intergovernmental Agreement Between Colorado Springs Utilities ("Springs Utilities") and the City of Aurora, acting through its Utilities Enterprise, Aurora Water		
NARRATIVE:			
Desired Action: Choose only one	<input checked="" type="checkbox"/> Approval <input type="checkbox"/> Discussion <input type="checkbox"/> Information		
Executive Summary:	<p>Springs Utilities and Aurora Water (the "Homestake Partners") jointly own the Homestake Project (the "Project") and equally share all costs and expenses for the infrastructure, collection, storage, and diversion of water associated with the Project. Aurora Water is constructing Wild Horse Reservoir that will be filled using deliveries of Aurora Water's water through the Otero Pipeline, which is part of the Project.</p> <p>Aurora Water has installed a secondary isolation valve at the request of Springs Utilities and it is the Homestake Partners desire that it become part of the Homestake Project assets. Springs Utilities and Aurora Water have negotiated an intergovernmental agreement (the "IGA") related to ownership, operation, maintenance, repair, and replacement of the secondary isolation valve and Springs Utilities' repayment 25% of the costs for the valve. Springs Utilities requests that the Utilities Board authorize it to bring a resolution approving and authorizing the Chief Executive Officer of Springs Utilities to sign the IGA to City Council for consideration at its February 24, 2026, meeting.</p>		
Benefits:	The IGA makes the secondary valve part of the Homestake Project infrastructure consistent with previous agreements that govern the Homestake Project.		
Board Policy: If this impacts one of the board policies, indicate that here.	I-7, Water Supply Management/Regional Water and Wastewater Service		
Cost / Budget: Include the projected cost or budget here.	Springs Utilities' share of the costs for the second isolation valve is \$392,760.75.		
Affected Parties: This could include community groups, specific City Council Districts, other utilities, nonprofit organizations, certain neighborhoods, Colorado Springs Utilities employees, etc.	Springs Utilities and Aurora Water		
Alternatives:	Approve Springs Utilities taking the resolution authorizing the Chief Executive Officer to enter into the IGA to City Council for consideration; (2) not approve taking the resolution to City Council; (3) modify the resolution or the IGA; or (4) refer the matter back to Springs Utilities.		
Submitter:	Kim Gortz	Email Address:	kgortz@csu.org
Division:	System Planning and Projects	Phone Number:	719-668-8030

Department:	Water Resource Management	Date Submitted:	February 2, 2026
SPG Staff Use Only:	Consent Calendar <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	Item Number 12	
ITEMS SUBMITTED AFTER THE DEADLINE WILL BE POSTPONED UNTIL THE NEXT UTILITIES BOARD MEETING			

**INTERGOVERNMENTAL AGREEMENT
REGARDING COST SHARING, REIMBURSEMENT, AND OWNERSHIP
FOR SECOND VALVE INSTALLATION**

**Between the City of Aurora, acting through its Utility Enterprise, Aurora Water, and
the City of Colorado Springs, acting through its utilities Enterprise**

I. PARTIES.

This Memorandum of Agreement regarding Cost Sharing, Reimbursement, and Ownership for Second Valve Installation (“Agreement”) is entered between the City of Aurora, acting through its Utility Enterprise, Aurora Water (“Aurora Water”), and the City of Colorado Springs, acting through its enterprise, Colorado Springs Utilities (“Springs Utilities”). Aurora Water and Springs Utilities also may be referred to collectively as the “Homestake Partners” or the “Parties” and individually as “Party” throughout.

II. RECITALS

WHEREAS, On June 18, 1962, the City of Aurora and the City of Colorado Springs executed an agreement (the “Homestake IGA”) wherein the Cities agreed to divide equally all waters produced, collected, and diverted from the Homestake Project (the “Project”), and to share equally all costs and expenses of common facilities for the collection, storage, and diversion of water associated with the Project, the Project being more fully described in said agreement. See Map, attached as Exhibit A. The Homestake IGA established a governing body for the Project, the Homestake Steering Committee.

WHEREAS, the Homestake Partners have executed several agreements and amendments setting forth the various rights and obligations of the Homestake Partners, including those related to water distribution, use of facilities, addition of facilities for the benefit of both Homestake Partners or for one of the individual partners, and allocation of costs. Such agreements and amendments govern the operation of the Homestake Project and the interactions of the Homestake Partners in their use of the Homestake Project and its facilities.

WHEREAS, Aurora Water is in the process of permitting, planning, designing, and constructing Wild Horse Reservoir, located approximately six miles west of Spinney Mountain Reservoir, near Hartsel, Colorado, in Park County.

WHEREAS, Homestake Partners own the Otero Pipeline as part of the Project, a portion of which extends from the Otero Pump Station east through Park County. The Otero Pipeline is used to deliver water to the water systems of each of the Homestake Partners.

WHEREAS, Wild Horse Reservoir would be an off-channel reservoir that will be filled using water deliveries through the Otero Pipeline. In order to make deliveries through the Otero Pipeline to Wild Horse Reservoir, Aurora Water requires, and requested from Springs Utilities (through the Homestake Steering Committee), Springs Utilities’ consent for Aurora Water to

install a new junction, an isolation valve, and a new tap extending from the Otero Pipeline to the planned Wild Horse Reservoir (the “Aurora Improvements”). The approximate location and design of the Aurora Improvements is shown in Exhibit B. Springs Utilities consented to the request and the Parties agreed that the costs of permitting, planning, designing, installing, maintaining, operating, and repairing the Aurora Improvements are and will remain the obligation of Aurora Water.

WHEREAS, Homestake Partners required the installation of a second isolation valve at or near the location of the Aurora Improvements in order to meet Homestake Project safety requirements, including to allow for work on the Otero Pipeline upstream and downstream of the second isolation valve necessary for Aurora Water’s new tap..

WHEREAS, Aurora Water and Springs Utilities agree that the Homestake Project will realize value from installation of the second isolation valve, and that the remaining Aurora Improvements are solely for the benefit of Aurora Water.

WHEREAS, Aurora Water has completed the design and installation of the second isolation valve as part of ongoing construction of the Aurora Improvements, see Exhibit C.

WHEREAS, Aurora Water and Spring Utilities desire that the second isolation valve and infrastructure necessary thereto become part of the Homestake Project infrastructure, consistent with the Homestake IGA and its subsequent modifications and amendments.

WHEREAS, Aurora Water has provided an invoice to Springs Utilities for a portion of the costs of the design, planning, and installation of the second isolation valve consistent with the Homestake IGA, as amended, and Springs Utilities intends to pay its 25% proportionate share of the costs as provided in the invoice consistent with the Homestake IGA, as amended.

WHEREAS, Aurora Water and Springs Utilities now desire to enter into an intergovernmental agreement memorializing their agreement for the installation of the second isolation valve, allocating the repayment of costs therefore, and setting forth the responsibilities for the operation, maintenance, repair, and replacement thereof.

III. AGREEMENT

Now, therefore, in consideration of the foregoing recitals, the Parties agree as follows:

1. Purpose. The purpose of this Agreement is to set forth the terms upon which the Springs Utilities will reimburse Aurora Water for a portion of the costs for the design and installation of the second isolation valve and infrastructure related thereto, and the terms upon which the Parties will work collaboratively and in good faith in allocating the costs of maintenance, operation, repair, and replacement of the second isolation valve and its related infrastructure.

2. Term of the Agreement. The Term of this Agreement shall be from the last date of execution by the Parties until the expiration or termination of the Homestake IGA, as modified by subsequent agreements between the Parties.

3. Allocation of Responsibilities, Costs, and Ownership.

3.1. Responsibilities regarding Plan, Design, Acquisition, Installation.

Aurora Water planned, designed, acquired, and installed the Aurora Improvements. Aurora Water, in consultation with Springs Utilities, acting jointly as the Homestake Partners, planned, designed, acquired, and installed the second isolation valve and any appurtenances necessary therefore. Aurora Water will present the final secondary valve project to the Homestake Steering Committee for final review and acceptance by motion, which acceptance shall not be unreasonably withheld. Springs Utilities obligations to reimburse Aurora Water for the costs of the second isolation valve shall not go into effect until the acceptance by the Homestake Steering Committee.

3.2. Costs; Escrow; Reimbursement.

3.2.1. Costs: Aurora Water is responsible for all costs related to the Aurora

Improvements, without recourse to Springs Utilities. The costs of the second isolation valve, including engineering, planning, design, acquisition, and installation, as well as the acquisition of any real property and the construction of any infrastructure appurtenant and necessary to the second isolation valve, shall be divided between Springs Utilities (25%) and Aurora Water (75%).¹ Costs include work hours and materials allocated by Aurora Water, Springs Utilities, and Homestake Project staff and employees on the work as well as payments made to contractors engaged to complete the work, as determined by Aurora Water in its reasonable discretion after consultation with Springs Utilities and Homestake Partners staff. Aurora Water has made the initial payments for all costs for this work, and has submitted an invoice to Springs Utilities for 25% of the total costs, together with a full accounting of such costs, including staff and employee time, materials used, and contractor charges in the amount of \$392,760.75. See Exhibit D, attached. Any dispute related to an invoice or a cost incurred pursuant to this paragraph is subject to the provisions of Section 7, below.

3.2.2. Escrow: Springs Utilities has placed an amount equal to the invoiced amount in an escrow account held by Springs Utilities until execution of this Agreement and acceptance of the secondary valve installation by the Homestake Steering Committee.

3.2.3. Reimbursement: Springs Utilities will pay such invoice using the escrowed funds within 30 days of execution of this Agreement or acceptance by the Homestake Steering Committee of the second valve installation, whichever comes last.

3.3. Ownership. All materials, equipment, infrastructure, devices, and interests in real property necessary for installation, maintenance, operation, repair, and replacement of the second isolation valve, including the valve, will be the property of Homestake Partners upon acceptance of same by the Homestake Steering Committee and payment of the invoice attached as Exhibit E, by Springs Utilities. All materials, equipment, infrastructure, devices, and interests in real property that are necessary for installation of the Aurora Improvements but not necessary for the secondary valve will remain the property of Aurora Water.

¹ The intent of the Parties is for Aurora to be responsible for 50% of the costs for the second isolation valve, and for the Cities, acting as the Homestake Partners, to be responsible for 50% of the costs.

3.4. Maintenance. Aurora Water shall be remain responsible for all maintenance, operation, repair, replacement, and removal of the Aurora Improvements and infrastructure necessary and related thereto. Upon acceptance of the second isolation valve by the Homestake Steering Committee, Homestake Partners shall be responsible for all maintenance, operation, repair, replacement, and removal of the second isolation valve and infrastructure necessary and related thereto. To the extent either Party, or both Parties through the Homestake Project, performs maintenance, repair, replacement, or removal work on the infrastructure that is the responsibility of the other Party, all of the costs of that work will be invoiced to the non-performing party. The invoiced Party will pay such invoice within 30 days of receipt. Any dispute related to an invoice or a cost incurred pursuant to this paragraph is subject to the provisions of Section 7, below.

4. Covenant to Pay Costs. Each Party covenants and commits to make payment for all amounts billed pursuant to this Agreement, subject to the provisions of Section 7, below. At their discretion, the Parties can agree periodically to reconciliation or off-set billing in lieu of exchanging funds for amounts paid pursuant to this Agreement. A final accounting of amounts paid and billed by each Party shall be made within 30 days after the end of each calendar year.

4.1. Appropriations. In accord with the Colorado Springs City Charter (Colorado Springs acting in its role as a Homestake Partner for this Agreement), and the Aurora City Charter, performance of either Party's obligations under this Agreement is expressly subject to appropriation of funds by each City's respective City Council. Nothing herein shall constitute, nor be deemed to constitute, the creation of a debt or multi-year fiscal obligation or an obligation of future appropriations by the City of Aurora or the City of Colorado Springs within the meaning of the Constitution and laws of the State of Colorado or of the respective Charters and ordinances of each City. If either City is unable to appropriate sufficient funds for a particular fiscal year, such amount shall continue to be outstanding and shall continue to be requested in each subsequent fiscal year budget until appropriated. In the event of a non-appropriation by either City, that City shall provide notice to the other Party as soon as reasonably practicable. In the event funds are not appropriated in whole or in part sufficient for performance of either Party's obligations under this Agreement, or appropriated funds may not be expended due to City Charter or other spending limitations, then neither City will thereafter have liability for compensation or damages to the other Party for future performance and obligations thereafter in excess of a Party's authorized appropriation for this Agreement or the applicable spending limit, whichever is less. A Party will provide notice to the other Party as soon as reasonably practicable in the event of non-appropriation or in the event a spending limit becomes applicable.

4.2. Obligation of Aurora's Utility Enterprise. In the event of a default by Aurora Water of any of its obligations under this Agreement, the Parties shall have no recourse for any amounts owed to them against any funds or revenues of the City of Aurora except for those revenues derived from rates, fees or charges for the services furnished by, or the direct or indirect use of the Water System, and deposited in the Water Enterprise Fund as the terms "Water System" and "Water Enterprise Fund" are defined in City Ordinance No. 2003-18, and then only after the payment of all operation and maintenance expenses of the Water System, and all debt service and reserve requirements of any bonds, notes, or other financial obligations of Aurora

Water secured by a pledge of the net revenues of the Water Enterprise Fund. Notwithstanding any language herein to the contrary, nothing in this Agreement shall be construed as creating a lien upon any revenues of Aurora Water or the City of Aurora.

4.3. Records and Accounts. Homestake and Aurora Water will cause to be kept accurate records and accounts of the costs incurred under this Agreement in accordance with generally accepted accounting principles as applied to governmental units.

5. Access; Easements.

5.1. Separate Easement or Access Agreement Required. This Agreement is separate and distinct from any easement, license, right of way, or other right of access, possession, occupation, or use agreement between the Parties and the underlying landowners for the projects addressed herein. If necessary, Aurora Water will be responsible for obtaining a long-term right of access, occupation, and use agreement from any third-party landowner to allow the Homestake Partners to access and occupy the construction site and surrounding area for the work contemplated herein as well as the long-term operation, maintenance, repair, and removal of the second isolation valve and the Aurora Improvements.

6. Default. If either Party fails or defaults in meeting the terms, conditions and covenants of this Agreement (including the failure to make any payment due hereunder) and such default continues for a period of 30 days, the non-defaulting Party shall give notice (in the manner contemplated by Section 11 of this Agreement) to the defaulting Party. The defaulting Party shall from the date of providing such notice, have a period of 30 days to cure the default, unless otherwise extended by mutual agreement of the Parties. Thereafter, the non-defaulting Party shall have all rights and remedies available at law or in equity, unless otherwise limited by this Agreement.

7. Dispute Resolution; Mediation; No Attorney Fees; Third-Party Dispute Resolution. The Parties desire to resolve any disputes between them by seeking consensus through internal discussions. The Parties agree to put forth their best efforts to resolve any future disagreements and disputes according to the shared principles of respect and congeniality that have existed through planning and construction of the Homestake Project.

7.1. Informal Discussions. In the event of a dispute between the Parties related to the obligations of each under this Agreement, the Parties agree that they will use their best efforts to resolve that dispute in an informal fashion through consultation and communication between the Parties. The Parties agree to work in good faith in fulfilling their respective obligations under this Agreement.

7.2. Mediation. If a dispute arises between the Parties relating to this Agreement that cannot be resolved after 30 days from providing a notice of dispute pursuant to the provisions of Section 11 of this Agreement through informal consultation and communication, any Party may elect, after written notice to the other Parties, to enter into an agreement for mediation using a mediator agreed upon by the Parties.

7.2.1. If the Parties elect to mediate the dispute, the Parties agree to participate in good faith in the mediation until the dispute is resolved, until the Parties mutually agree that they cannot resolve the dispute through mediation, or the expiration of 30 days after the notice of election of mediation was made, whichever comes first. If the Parties are not successful in resolving the dispute through mediation, then the Parties shall be free to utilize any other form of dispute resolution, exclusive of binding arbitration.

7.3. Time is of the Essence; Best Efforts. The Parties acknowledge that time is of the essence in resolving any dispute that may arise while pursuing the purposes of this Agreement, and hereby pledge to make their best efforts to resolve any dispute in a timely and efficient manner.

7.4. Rule 408 Protection. All communications and negotiations conducted pursuant to this section will be governed by Rule 408 of the Federal Rules of Evidence and Rule 408 of the Colorado Rules of Evidence, to the same extent as though they were conduct or statements made in compromise negotiations regarding a claim involving an unresolved issue, regardless of whether those Rules would apply in the absence of this subsection.

7.5. Costs. Each Party shall be solely responsible for its costs incurred in resolving disputes pursuant to this paragraph and agrees not to seek recovery of legal and consultant fees and costs incurred by a Party from the other Party.

7.6. Third-Party Dispute/Litigation. The Parties acknowledge and anticipate that their pursuit of the purpose of this Agreement may result in litigation involving third-party litigants in which the Parties may be either plaintiffs, defendants, or both. The Parties also acknowledge that each Party may develop different interests, concerns, and strategies related to such litigation. Further, the Parties may exchange privileged, confidential, and protected information and documents between them with a high expectation of confidentiality and protection from disclosure should such third-party litigation be anticipated or ensue; and the Parties have not, will not, and do not intend to waive such protections while advancing the purpose of this Agreement. In the event of third-party litigation related to the purpose of this Agreement, and within a reasonable time after the Parties, or either Party, receives notice that such litigation will or is expected to be filed, the Parties will negotiate in good faith an agreement allocating roles and responsibilities for each Party in the third-party litigation.

7.6.1. Without waiving its rights to settle, withdraw, or pursue any claims related to third-party litigation, each Party agrees that its decisions made in relation to threatened or actual third-party litigation will be made in a good faith effort to advance the purpose of this Agreement in a reasonable manner.

8. Force Majeure. If for any reason of “force majeure” either of the Parties is rendered unable, wholly or in part, to carry out its obligations under this Agreement, other than the obligation of the Parties to make the payments required under the terms of this Agreement, then if such Party gives notice and the full particulars of such reasons in writing to the other Party

within a reasonable time after the occurrence of the event or cause relied on, the obligation of the Party giving such notice, so far as it is affected by such “force majeure,” shall be suspended during the continuance of the inability then claimed, but for no longer period, and such Party shall endeavor to remove or overcome such inability with all reasonable dispatch. The term “force majeure” as employed herein shall mean acts of nature and natural disaster, illness pandemic, strikes, lockouts, or other industrial disturbances, acts of the public enemy, orders or actions of any kind of the government of the United States or of the State of Colorado or any civil or military authority, insurrections, riots, epidemics, landslides, lightning, earthquakes, fires, storms, floods, washouts, droughts, arrests, restraints or government and people, civil disturbances, explosions, breakage or accident to dams, machinery, pipelines, or canals or other structures or machinery, on account of any other cause not reasonably within the control of the Party claiming such inability. It is understood and agreed that the settlement of strikes and lockouts shall be entirely within the discretion of the Party having the difficulties, and that the above requirement that any “force majeure” shall be remedied with all reasonable dispatch shall not require the settlement of strikes and lockouts by acceding to the demand of the opposing parties when such settlement is unfavorable to it in the judgment of the Party having the difficulty.

9. Insurance; No Waiver of Governmental Immunity; Liability.

9.1. **Insurance:** Prior to acceptance of the second isolation valve by the Homestake Steering Committee, Aurora Water shall maintain insurance for the construction, operation, repair, maintenance, and removal of the second isolation valve and its appurtenances described in Exhibit D as set forth as set forth in 9.1.1 through 9.1.7. Upon acceptance of the second isolation valve by the Homestake Steering Committee, the Cities, on behalf of the Homestake Partners, will provide insurance for the continued operation, repair, maintenance, and removal of the second isolation valve in the amounts required by the risk management departments of the Cities.

9.1.1. **Commercial General Liability:** Each Party shall maintain a Commercial General Liability insurance policy with limits of at least \$1,000,000 for each occurrence, \$1,000,000 for each personal and advertising injury claim, \$2,000,000 products and completed operations aggregate, and \$2,000,000 policy aggregate. Coverage shall include XCU (underground, collapse and explosion), contractual liability and a waiver of subrogation.

9.1.2. **Business Automobile Liability:** Each Party shall maintain Business Automobile Liability with limits of at least \$1,000,000 combined single limit applicable to all owned, hired and non-owned vehicles used in performing the work under this Agreement.

9.1.3. **Workers' Compensation/Employer's Liability Insurance:** Each Party shall maintain the coverage as required by statute and shall maintain Employer's Liability insurance with limits of at least \$1,000,000 per occurrence for each bodily injury claim, \$1,000,000 per occurrence for each bodily injury caused by disease claim, and \$1,000,000 aggregate for all bodily injuries caused by disease claims.

9.1.4. **Contractors and Consultants:** All contractors and consultants, including subcontractors, subconsultants, independent contractors, suppliers or other entities performing work under this Agreement shall be subject to all of the requirements herein and shall procure and maintain at a minimum, the same coverages required of the Parties.

9.1.5. For purposes of this subsection, either Party and acting jointly as Homestake Partners may self-insure, so long as such self-insurance is sufficient to meet the requirements of subsections 9.1.1-9.1.3.

9.1.6. Each Party shall be responsible for any deductible applicable to that Party's insurance policy, and each Party that is self-insured shall be responsible for applicable self-insured retention requirements.

9.2. **Governmental Immunity.** Each Party is a "public entity" within the meaning of the Colorado Governmental Immunity Act, §24-10-101, et seq., C.R.S., as amended or as may be amended ("Act"). Parties shall maintain insurance, by commercial policy as set forth in this attachment, or self-insurance, as is necessary to meet their liabilities under the Act. Proof of such insurance shall be provided only upon request by and between the Parties. Nothing in this Agreement shall be construed as a waiver of the notice requirements, defenses, immunities and limitations the Parties may have under the Act or to any other defenses, immunities, or limitations of liability available to the Parties against third parties by law. The Parties understand and agree liability for claims for injuries to persons or property arising out of the alleged negligence of either Party, their officials and employees may be controlled or limited by said Act. Any provision of this Agreement, whether or not incorporated herein by reference, shall not be interpreted to control, limit or otherwise modify so as to limit any liability protection of any Party pursuant to the above cited laws. Each Party agrees to be responsible for its own liability and costs resulting from the actions taken in furtherance of the purpose of this Agreement.

9.3. **Liability.** Each Party shall, to the extent provided for and allowed by state or federal law, as applicable, be responsible for its own acts and the results thereof and shall not be responsible for the acts of the other Party and the results thereof. Each Party agrees to assume all risk and liability to the extent provided for and allowed under state or federal law, as applicable, but without waiving governmental immunity: (a) to itself, its agents or employees, for any injury to persons or property resulting in any manner from the conduct of its own operations, and the operation of its agents, employees or contractors under this Agreement; and (b) for any loss, damage, or expense resulting at any time from any and all causes due to any act or acts, negligence, or the failure to exercise proper precautions, of or by itself or its own agents, its own employees, or its own contractors, while occupying or visiting the premises under and pursuant to the Agreement. Notwithstanding any provision in this Agreement to the contrary, neither Party shall be deemed to have waived its rights (if any) to governmental immunity.

10. Limitations on Liability; Damages.

10.1. Neither Party will incur or suffer liability to the other Party resulting from, or otherwise arising in connection with, any action that complies with the commonly-accepted

Standard of Care for the planning, designing, acquisition, construction, operation, repair, or removal of the second isolation valve, the Aurora Improvements, and or their appurtenances.

10.2. Neither Party will incur or suffer any liability to the other Party in excess of the total costs of the structures and obligations governed by this Agreement paid by the injured Party, exclusive of any insurance proceeds, attorneys' fees, or costs. Nothing in this provision shall be deemed to preclude any Party from recovery of actual damages for breach of contract against any applicable excess errors and omission policy coverage.

10.3. Neither Party will be liable to the other Party for any incidental, consequential, special or punitive damages arising out of or in connection with this Agreement. The preceding sentence applies without regard to the basis for the underlying claims, whether they are grounded in contract or in tort, and whether they are legal or equitable in nature.

10.4. Neither Party is a guarantor of any obligation, indebtedness, or liability of the other Party.

10.5. Neither Party will be vicariously liable for any obligation, indebtedness, liability, default, or misconduct of the other Party.

11. Notices. Any notice, request, demand or statement provided for in this Agreement, except notices of emergencies, shall be in writing and shall be considered to have been duly delivered when personally delivered or sent by registered or certified mail (provided that bills sent hereunder may be sent by first class mail), addressed as follows, unless another address has been designated, in writing, by the party entitled to receive same. Notices in case of emergency shall be considered to have been delivered when an emergency contact listed below has been reached by telephone, or a voicemail message detailing the nature of the emergency and proposed resolution has been left at the designated number, or an email detailing the nature of the emergency and proposed resolution has been sent to the designated emergency contact email address. Although not a party to this Agreement, due to Homestake Partner's interest in the operation, maintenance, and repair of the Homestake Project, the Parties shall copy Homestake Steering Committee on each notice related to the purposes of this Agreement.

11.1. Homestake Partners:

Tom Hankins, Superintendent
Homestake Water Project
37200 US-24
Buena Vista, CO 81211

With a copy to:

Karl D. Ohlsen, Esq.
Carlson, Hammond & Paddock LLC
1900 N. Grant St, Suite 1200
Denver, CO 80203

Emergency Contacts:

Tom Hankins
(719) 395-1595

thankins@csu.org

11.2. City of Aurora:

Aurora Water
26791 E Quincy Ave.
Aurora, CO 80016
Attn: General Manager

With a copy to:

City of Aurora
15151 E Alameda Parkway, Ste 5300
Aurora, CO 80012
Attn: Aurora City Attorney

Emergency Contacts:

Matt Allsopp
303-903-6098(c)
mallsopp@auroragov.org

11.3. Springs Utilities:

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
ATTN: Chief Strategic Planning and
Projects Officer
P.O. Box 1103,
Colorado Springs, CO 80947-0950; and

With a copy to:

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

Emergency Contacts:

Michael Myers, Manager Operations
(719) 491-0753; and

Colorado Springs Utilities Dispatch
(719) 448-4800

12. Severability. The Parties agree that if any provision, or part of a provision, of this Agreement should contravene or be held invalid under the laws of the State of Colorado, such contravention or invalidity shall not invalidate the whole Agreement, but it shall be construed as though not containing that particular provision, or part thereof, and the rights and obligations of the parties shall be construed and in force accordingly.

13. No Construction Against Drafter. This Agreement was drafted by counsel for Homestake Partners with review and comment from the attorneys for the Parties. Accordingly, the Parties agree the legal doctrine of construction against the drafter will not be applied should any dispute arise concerning this Agreement.

14. Counterpart Execution. This Agreement may be executed in counterparts.

15. Effect of Agreement. This Agreement is intended to and shall be considered separate and apart from prior written agreements between the Parties. This Agreement is not intended, nor shall it be interpreted, to amend, alter, or otherwise modify any prior agreement between the Parties.

16. Governing Law; Jurisdiction; Remedies; No Jury Trial.

16.1. Governing Law. This Agreement will be governed by, and construed in accordance with, the laws of the State of Colorado. This Agreement shall also be subject to all valid rules, regulations and laws applicable thereto, as promulgated by the United States of America, the State of Colorado, each Parties' governing body or any other governmental body or agency having lawful jurisdiction or any authorized representative or agency of any of them.

16.2. Venue. Any suit, action or proceeding arising out of or in connection with this Agreement may be instituted by any Party against the other only in: (1) a court of the State of Colorado, or (2) if federal jurisdiction exists, in a United States District Court located in the State of Colorado. Each Party waives and will waive any objection that it may have to such venue.

16.3. Relief. This Agreement may be enforced in law or in equity for specific performance, injunctive relief or any other relief that may be available.

16.4. No Jury Trial. EACH PARTICIPANT KNOWINGLY AND VOLUNTARILY WAIVES ITS RIGHT TO A JURY TRIAL ON ANY CLAIM ARISING OUT OF OR IN CONNECTION WITH THIS AGREEMENT.

17. Amendment. This Agreement may be amended, modified, or changed only by a written agreement between both Parties that is approved and executed by each Party.

18. No Third-Party Beneficiaries. This Agreement is intended to describe the rights and responsibilities of and between the Parties and does not confer any rights upon any persons or entities other than the Parties.

19. Assignment. Each Party understands and agrees that it shall not assign its respective rights and obligations under this Agreement, except upon the prior written discretionary consent and approval of the assignment by the other Party.

20. Ratification. The General Manager of Aurora Water (acting as the City Manager's designee) has approved and executed this Agreement pursuant to City Code section 2-62(c), subject to ratification of the Aurora City Council. Should this Agreement not be ratified by the Aurora City Council, Aurora Water shall, within thirty (30) days, return any funds transferred under this Agreement to Springs Utilities.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed by the proper officers duly authorized thereunto.

[Signature pages follow.]

CITY OF AURORA

City of Aurora, Colorado
acting by and through its
Utility Enterprise

Marshall Brown, General Manager Aurora Water Date

Approved as to form for Aurora:

Ian Best, Assistant City Attorney Date ACS #

CITY OF AURORA

Following Ratification by the Aurora City Council

Mike Coffman, Mayor

Date

Attest:

Kadee Rodriguez, City Clerk

Date

CITY OF COLORADO SPRINGS

City of Colorado Springs, Colorado
Acting through its enterprise, Colorado Springs Utilities

Travas Deal, Chief Executive Officer

Date

Approved as to form for Colorado Springs:

Michael J. Gustafson

Date



Intergovernmental Agreement Cost Share for Wild Horse Second Valve

February 18, 2026

Kim Gortz, Water Resource Manager

Background

Homestake Partners jointly own the Homestake Project.

- 50/50 Partnership between Colorado Springs and Aurora
- Cost share per project agreements
- Aurora is permitting and constructing the Wild Horse Reservoir
- Deliveries of Aurora's water to the reservoir will be through the Otero Pipeline.



Intergovernmental Agreement

- Aurora requested Springs Utilities consent to install a connection to Otero Pipeline for Wild Horse Reservoir deliveries.
- Springs Utilities required Aurora Water to install a second isolation valve on the Otero Pipeline.
- The second valve will become part of the Homestake Project.
- The IGA details ownership, operation, maintenance, repair, and replacement of the secondary isolation valve and Springs Utilities' repayment of its share of the costs for the valve.



Springs Utilities' share of the costs for the second isolation valve is \$392,760.75.

IGA Terms

- Aurora Water and Homestake Partners split the cost 50/50.
- Per cost share agreements for the Homestake Partners - Aurora and Springs Utilities split costs 50/50.
- Springs Utilities cost share is 25%.
- Springs Utilities' share of the costs for the second isolation valve is \$392,760.75.



Next Steps (UB)

Approve Springs Utilities taking the resolution authorizing the Chief Executive Officer to enter into the IGA to City Council for consideration

February 24, 2026 on consent agenda.





Colorado Springs Utilities

It's how we're all connected

Board Memo Agenda Item

Staff Report

Date: (Date of Utilities Board Meeting)	February 18, 2026		
To:	Utilities Board		
From:	Travas Deal, Chief Executive Officer		
Subject:	Sterling Ranch Area – Proposed Natural Gas Service Boundary Adjustment		
NARRATIVE:			
Desired Action: Choose only one	<input type="checkbox"/> Approval <input type="checkbox"/> Discussion <input checked="" type="checkbox"/> Information		
	<p>Staff, through the City Attorney's Office, is recommending that the Utilities Board move forward a resolution to City Council that will allow Springs Utilities to adjust a portion of its outside-of-the-City natural gas service boundary. Currently there are no gas customers located in this territory, which territory is within the Sterling Ranch development area. Future customers in the affected territory will be served natural gas by Colorado Springs Utilities.</p>		
Executive Summary:	<p>Because the Sterling Ranch development area's platted and soon to be platted parcel borders do not follow the current natural gas service boundary, the developer requested a more practical gas service boundary. This boundary adjustment extends the principles of the previously approved 2023 Sterling Ranch area boundary adjustment. Springs Utilities and Black Hills Colorado Gas, Inc. support accommodating the developer's request. Finalizing this service boundary adjustment will also require the approval of the Colorado Public Utilities Commission.</p>		
Benefits:	A cooperatively reached and practical natural gas service boundary that supports continued development of Sterling Ranch.		
Board Policy: If this impacts one of the board policies, indicate that here.	Pursuant to Colorado Springs City Charter 6-70, “[t]he Council shall by . . . resolution establish . . . extension policies for the services provided by Utilities.”		
Cost / Budget: Include the projected cost or budget here.	N/A		
Affected Parties: This could include community groups, specific City Council Districts, other utilities, nonprofit organizations, certain neighborhoods, Colorado Springs Utilities employees, etc.	Colorado Springs Utilities, Black Hills Colorado Gas, Inc, and future residents and businesses that locate in the Sterling Ranch development		
Alternatives:	Approval or denial of proposed natural gas service boundary adjustment.		
Submitter:	Todd Sturtevant	Email Address:	tsturtevant@csu.org
Division:	Systems Planning and Projects	Phone Number:	719-668-8128
Department:	Customer Utilities Connections	Date Submitted:	January 26, 2026
SPG Staff Use Only:	Consent Calendar	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	Item Number 13

ITEMS SUBMITTED AFTER THE DEADLINE WILL BE POSTPONED UNTIL THE NEXT UTILITIES BOARD MEETING.



Proposed Natural Gas Service Boundary Adjustment in Sterling Ranch Area

Todd Sturtevant, Manager
Customer Utilities Connections
Presentation to Utilities Board
February 18, 2026

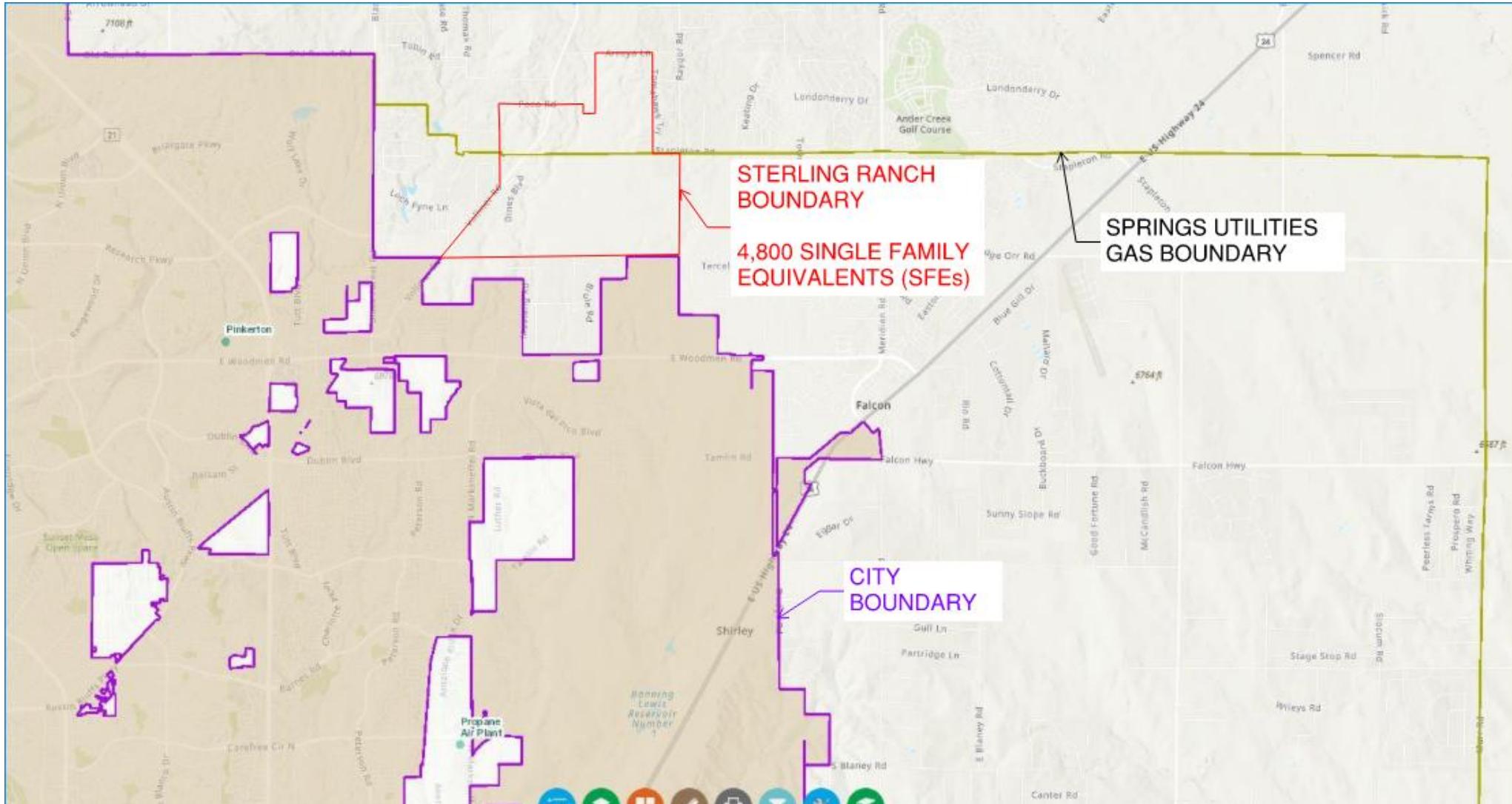
Agenda

1. Controlling Law
2. Basis for proposed service boundary adjustment
3. Next Steps

Controlling Law

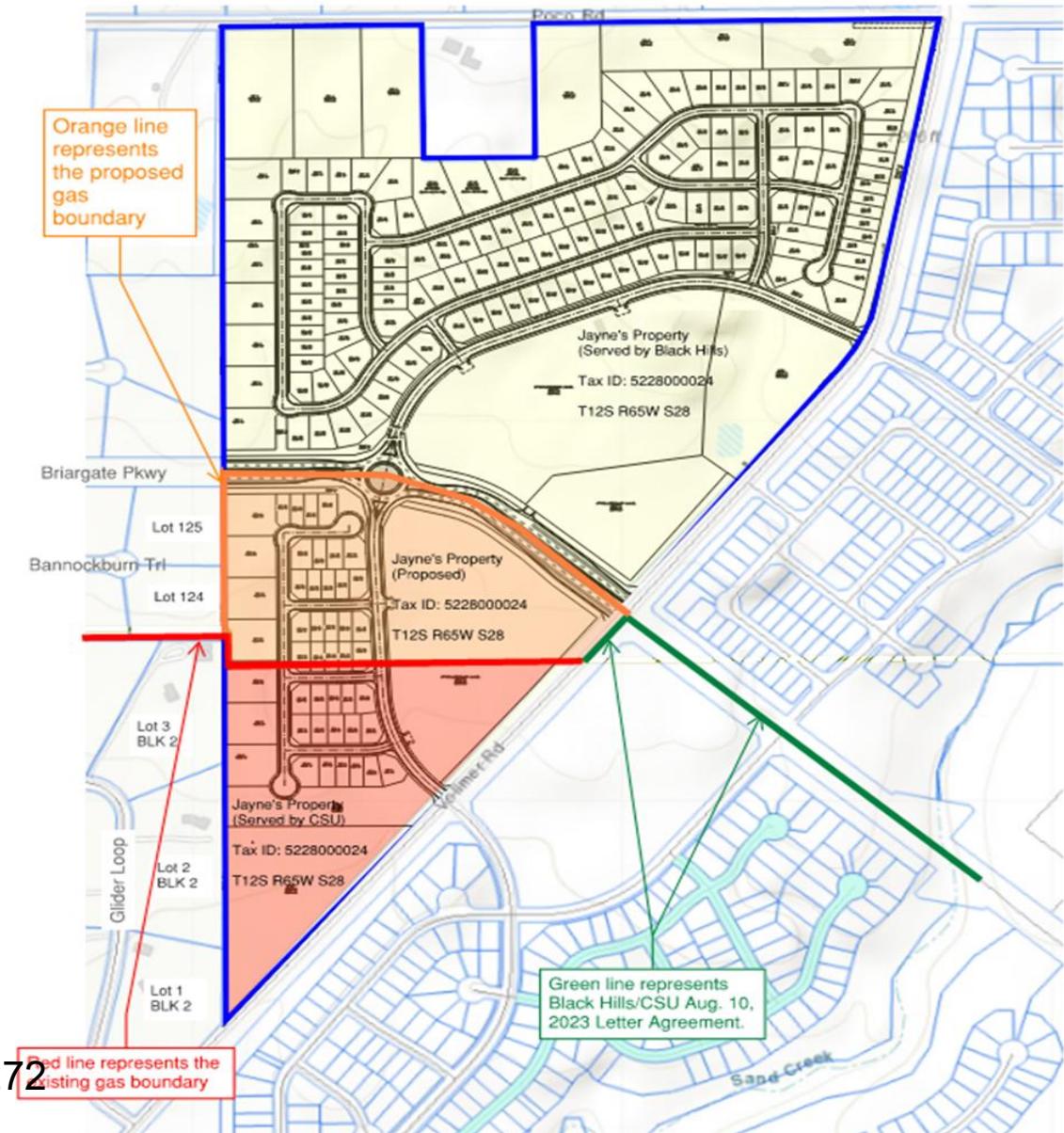
- Per City Charter 6-70, City Council establishes Springs Utilities' "extension policies"
- This City Council power includes the establishment of Springs Utilities' service territory boundaries
- Power exercised by City Council resolution
- Colorado Public Utilities Commission also has a role
 - Affected territory is outside of the City
 - Impacts Black Hills Colorado Gas, Inc.

Sterling Ranch and Relevant Boundaries



Proposed Natural Gas Service Boundary- Sterling Ranch

- Springs Utilities will extend the gas territory boundary to align with Briargate Pkwy on the west side of Vollmer Rd.
- Aligns with the boundary adjustment on the east side of Vollmer Rd approved City Council in 2023.
- Springs Utilities will gain approximately 50 SFE in the orange-shaded polygon.



Basis for Proposed Service Boundary Adjustment

- Current service boundary does not follow the platted and soon to be platted parcel borders
- Respond to developer's request for a practical natural gas utility service boundary before construction
- Proposed new natural gas service boundary follows parcel borders and is acceptable to both Springs Utilities and Black Hills

Action Requested and Next Steps

- Request for item to be added to March 10, 2026, formal City Council agenda for a vote
- If approved by City Council, apply jointly with Black Hills to the Colorado Public Utilities Commission for its approval



Colorado Springs Utilities

It's how we're all connected

Board Memo Agenda Item

Staff Report

Date: (Date of Utilities Board Meeting)	February 18, 2026		
To:	Utilities Board		
From:	Travas Deal, Chief Executive Officer		
Subject:	Sun Hills Subdivision – Proposed Natural Gas Service Boundary Adjustment		
NARRATIVE:			
Desired Action: Choose only one	<input type="checkbox"/> Approval <input type="checkbox"/> Discussion <input checked="" type="checkbox"/> Information		
Executive Summary:	<p>Staff, through the City Attorney's Office, is recommending that the Utilities Board move forward a resolution to City Council that will allow Springs Utilities to adjust a portion of its outside-of-the-City natural gas service boundary.</p> <p>This boundary change affects four residential addresses and allows: (1) Black Hills Colorado Gas, Inc. to continue to serve 595, 655 and 685 Mission Hill Way, and (2) Colorado Springs Utilities to continue to serve 890 Walsen Road. This territory swap enables the most efficient use of both entities' natural gas infrastructure and follows established parcel borders. Finalizing this service boundary adjustment will also require the approval of the Colorado Public Utilities Commission.</p>		
Benefits:	A cooperatively reached and practical natural gas service boundary in this portion of the Sun Hills Subdivision.		
Board Policy: If this impacts one of the board policies, indicate that here.	Pursuant to Colorado Springs City Charter 6-70, "[t]he Council shall by . . . resolution establish . . . extension policies for the services provided by Utilities."		
Cost / Budget: Include the projected cost or budget here.	N/A		
Affected Parties: This could include community groups, specific City Council Districts, other utilities, nonprofit organizations, certain neighborhoods, Colorado Springs Utilities employees, etc.	Colorado Springs Utilities, Black Hills Colorado Gas, Inc., and the residents of the four affected residential addresses.		
Alternatives:	Approval or denial of proposed natural gas service boundary adjustment.		
Submitter:	Todd Sturtevant	Email Address:	tsturtevant@csu.org
Division:	Systems Planning and Projects	Phone Number:	719-668-8128
Department:	Customer Utilities Connections	Date Submitted:	January 9, 2026
SPG Staff Use Only:	Consent Calendar	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	Item Number 14

ITEMS SUBMITTED AFTER THE DEADLINE WILL BE POSTPONED UNTIL THE NEXT UTILITIES BOARD MEETING.



Proposed Natural Gas Service Boundary Adjustment in Sun Hills Subdivision

Todd Sturtevant, Manager
Customer Utilities Connections
Presentation to Utilities Board
February 18, 2026

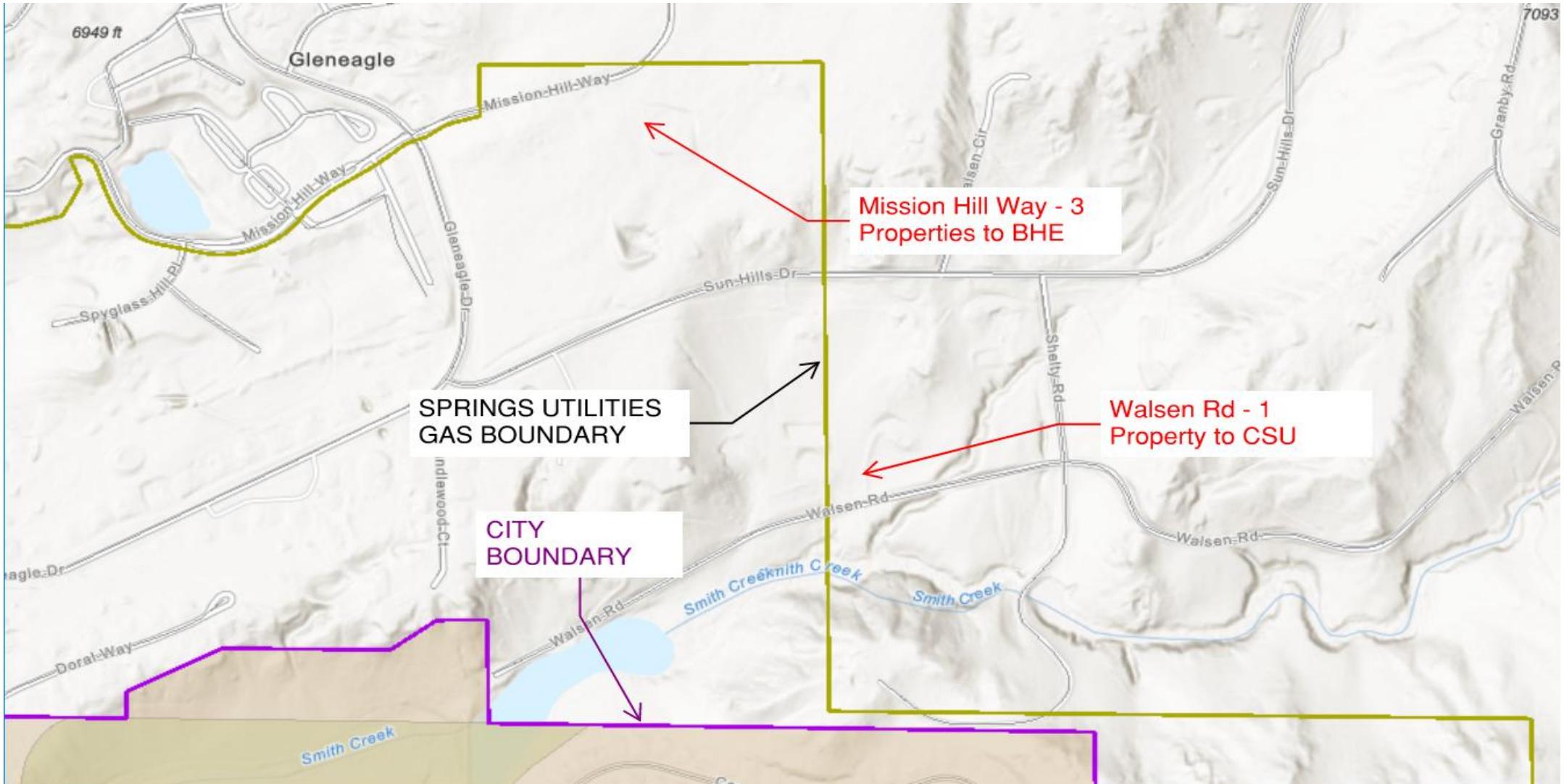
Agenda

1. Controlling Law
2. Basis for proposed service boundary adjustment
3. Next Steps

Controlling Law

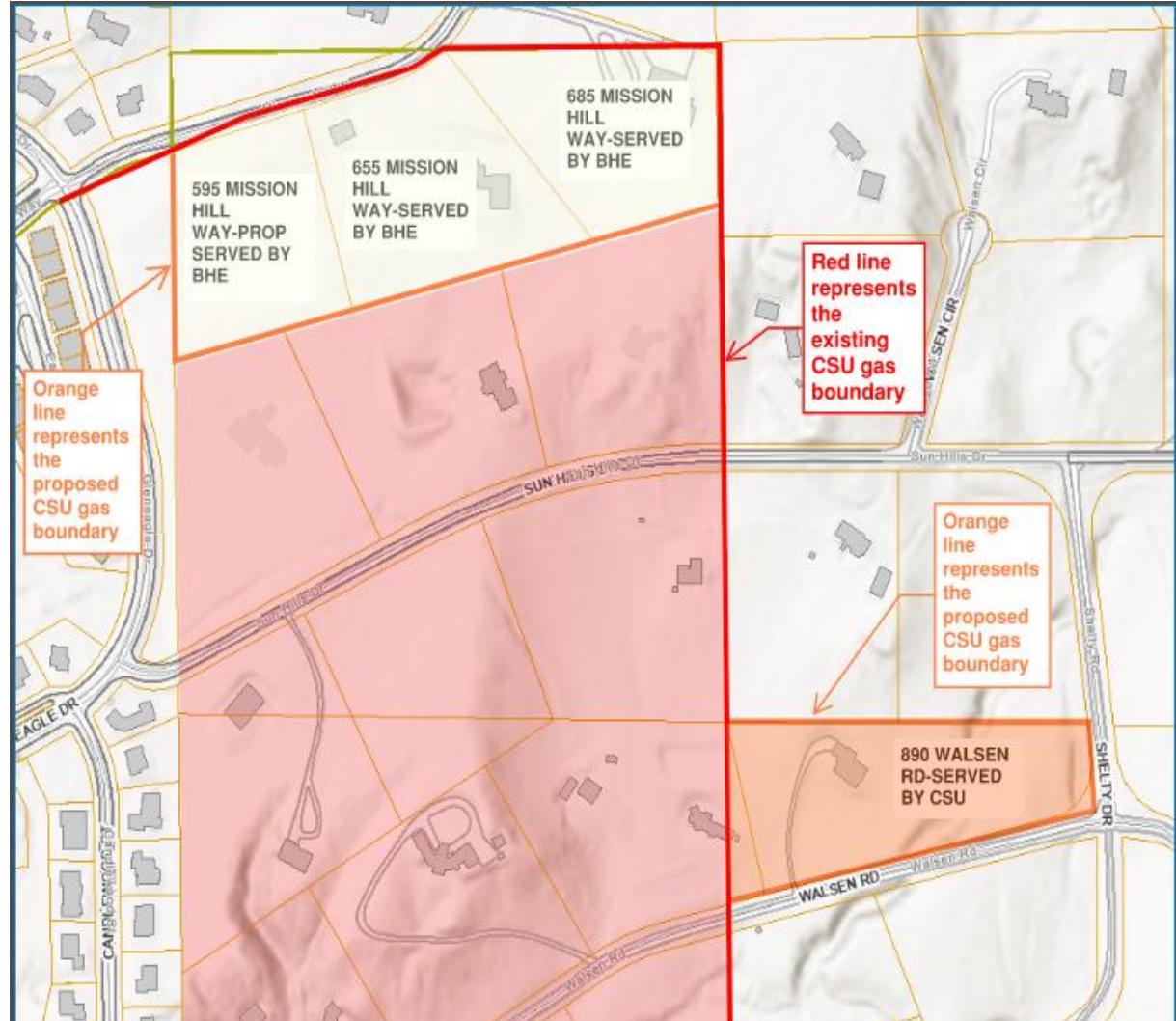
- Per City Charter 6-70, City Council establishes Springs Utilities' "extension policies"
- This City Council power includes the establishment of Springs Utilities' service territory boundaries
- Power exercised by City Council resolution
- Colorado Public Utilities Commission also has a role
 - Affected territory is outside of the City
 - Impacts Black Hills Colorado Gas, Inc.

Sun Hills Subdivision Boundary



Proposed Natural Gas Service Boundary – Sun Hills Subdivision

- The adjustment of the boundary will allow Black Hills to continue to provide natural gas service to 595, 655 and 685 Mission Hill Way as represented by the orange line.
- The adjustment of the boundary will allow CSU to continue to provide natural gas service to 890 Walsen Rd as represented by the orange-shaded polygon and associated line.



Basis for Proposed Service Boundary Adjustment

- This territory swap enables the most efficient use of both Black Hills and CSU's existing infrastructure
- Proposed new natural gas service boundary follows parcel borders and is acceptable to both Springs Utilities and Black Hills

Action Requested and Next Steps

- Request for item to be added to March 10, 2026, formal City Council agenda for a vote
- If approved by City Council, apply jointly with Black Hills to the Colorado Public Utilities Commission for its approval



Colorado Springs Utilities

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Board Memo Agenda Item

Staff Report

Date: (Date of Utilities Board Meeting)	February 18, 2026		
To:	Utilities Board		
From:	Travas Deal, Chief Executive Officer		
Subject:	Changes to City Code § 12.1.108 and the Rules and Procedures of City Council Regarding the Rate Changes Process		
NARRATIVE:			
Desired Action: Choose only one	<input checked="" type="checkbox"/> Approval <input type="checkbox"/> Discussion <input type="checkbox"/> Information		
Executive Summary:	<p>Colorado Springs Utilities' rates and rules and regulations are set and modified through rules found in City Code § 12.1.108 and the Rules and Procedures of City Council, specifically rule 4-1. The proposed changes to City Code § 12.1.108 and the Rules and Procedures, Rule 4-1, will (1) create filing procedures for rate filings; and (2) remove ex parte communication requirements.</p>		
Benefits:	These changes will provide clarity to the rate making process.		
Board Policy: If this impacts one of the board policies, indicate that here.	City Council Authority (CCA)-6: Adopt or Change Rates and Tariffs for Regulated Products and Services		
Cost / Budget: Include the projected cost or budget here.	N/A		
Affected Parties: This could include community groups, specific City Council Districts, other utilities, nonprofit organizations, certain neighborhoods, Colorado Springs Utilities employees, etc.	Colorado Springs Utilities customers		
Alternatives:	N/A		
Submitter:	Renee Congdon	Email Address:	Renee.congdon@coloradosprings.gov
Division:	Utilities Division	Phone Number:	719-385-5909
Department:	City Attorney's Office	Date Submitted:	February 2, 2026
SPG Staff Use Only:	Consent Calendar	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
ITEMS SUBMITTED AFTER THE DEADLINE WILL BE POSTPONED UNTIL THE NEXT UTILITIES BOARD MEETING			

ORDINANCE NO. 26-_____

AN ORDINANCE AMENDING SECTION 108 (REGULATION OF ELECTRIC, STREETLIGHT, NATURAL GAS, WATER AND WASTEWATER RATES, CHARGES AND REGULATIONS) OF ARTICLE 1 (GENERAL PROVISIONS) OF CHAPTER 12 (UTILITIES) OF THE CODE OF THE CITY OF COLORADO SPRINGS 2001, AS AMENDED, REGARDING UTILITY RATES

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

Section 1. Section 108 (Regulation of Electric, Streetlight, Natural Gas, Water and Wastewater Rates, Charges and Regulations) of Article 1 (General Provisions) of Chapter 12 (Utilities) of the Code of the City of Colorado Springs 2001, as amended, is amended to read as follows:

12.1.108: REGULATION OF ELECTRIC, STREETLIGHT, NATURAL GAS, WATER AND WASTEWATER RATES, CHARGES AND REGULATIONS:

* * *

(C) * * *

(1) Preliminary Information For The City Auditor And City Attorney: When Utilities proposes to change base rates, and the proposed change will result in the determination of a new revenue requirement supported by a cost of service study, Utilities will provide a draft of the proposal and cost of service study to the City Auditor and the City Attorney at least thirty (30) days prior to filing the proposed resolution with City Council. When changes to base rates are proposed, but do not involve a cost of service study, a draft of the proposal will be provided to the City Auditor and the City Attorney seven (7) days prior to the filing of a proposed resolution. Any request for additional information by the City Auditor and any response by Utilities, will be in writing. Drafts of the proposed resolution and tariff sheets will be provided to the City Attorney seven (7) days prior to filing of the final proposed resolution with City Council. **The final proposed resolution regarding adoption or change in base rates or regulations shall be filed with the City Clerk for distribution to City Council at least seven (7) days prior to the City Council meeting at which the hearing on the rate case is set.**

(2) Notice And Order For Hearing: Upon presentation of a proposed resolution regarding adoption or change in base rates or regulations, **At a regular or special meeting of City Council**, the City Council shall set a hearing **by resolution** not less than thirty (30) days nor more than sixty (60) days from the date of the notice of the proposed resolution **Council meeting at which the hearing is set to receive evidence regarding the proposed adoption or change in base rates or regulations** and shall order notice of the proposed resolution to be made as follows:

* * *

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 _____, 2026.

Finally passed: _____

Lynette Crow-Iverson, Council President

ATTEST:

Sarah B. Johnson, City Clerk

CITY OF COLORADO SPRINGS¹

RULES AND PROCEDURES OF CITY COUNCIL

Adopted by Resolution No. 36-21, effective March 9, 2021
Amended by Resolution No. 152-22, effective October 25, 2022
Amended by Resolution No. 39-25, effective March 25, 2025

¹Rules of Council are adopted by §3-50 of the Charter of the City of Colorado Springs

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PURPOSE OF RULES AND PROCEDURES OF CITY COUNCIL

The purpose of the Rules and Procedures of City Council is to address the duties, functions and procedures not outlined elsewhere in the City Charter and City Code of the City of Colorado Springs.

In the absence of a rule to govern a point of procedure, "Parliamentary Law and Practice for Nonprofit Organizations" shall govern City Council's actions. (1982, 2000, 2022)

These rules may be amended or suspended, or new rules adopted, by a majority vote of all Councilmembers.

The following Prologue was established in 2010 when the City changed forms of government. The Prologue is included in this document to maintain legislative history.

PROLOGUE

The General Municipal Election held on November 2, 2010 authorized a substantial change from the Council-Manager form of government that voters had instituted on July 6, 1920, to a Council-Mayor form of government. The amended Charter now provides for the election of three (3) At Large Councilmembers and six (6) District Councilmembers from whom the Councilmembers shall elect a President of City Council. The positions of City Manager and Vice-Mayor have been eliminated. The new Mayor is now the Chief Executive and head of the City government, is responsible for all executive and administrative affairs, works for the City full time, holds no other paid position, will develop the budget in line with the City's strategic plan, will act to approve or disapprove ordinances finally passed by City Council with certain specified exceptions, may disapprove specific line items in any ordinance appropriating funds, and will appoint, subject to confirmation by City Council, the City Clerk, City Attorney, Municipal Judges, Chief Financial Officer, Police Chief, Fire Chief, and Directors of Public Works, Parks, Community Development, and the Airport. The Mayor will appoint a Chief of Staff to act as an administrative officer of the municipal government under the Mayor's supervision and who shall serve at the pleasure of the Mayor. The Mayor shall not appoint the Chief Executive Officers of the City Utilities or the City's Health System. The Mayor shall serve as an ex officio and non-voting member of the Board of Directors for Utilities. (2011)

All legislative powers of the City of Colorado Springs are vested in City Council except as otherwise provided by law or City Charter Section 3-10(a). To conduct its business as City Council, City Council is authorized to amend and publish its own Rules and Procedures (City Charter Section 3-50). These rules provide for City Council's actions in meetings and hearings, as City Council in its legislative, quasi-judicial and regulatory roles. These rules do not apply to City Council's role as the Board of Directors for Colorado Springs Utilities. As the Utilities Board, Council has established written policies and by-laws to govern Colorado Springs Utilities and Utilities Board meetings. (2000; 2011)

In its legislative role, City Council is the lawmaker for the City as a whole, including Colorado Springs Utilities, Memorial Health System Enterprise, and other municipal enterprises. With respect to Colorado Springs Utilities, Memorial Health System Enterprise, and other municipal enterprises, in its legislative role, City Council is responsible for:

- Providing by ordinance a system for the collection, custody, and disbursement of all public monies; (Charter Section 7-20(b))
- Adopting the budget with or without amendment and appropriating funds; (Charter Section 7- 30(a))
- Estimating, declaring and adopting by ordinance, the amount of money necessary to be raised by tax levy; (Charter Section 7-30(b) and 7-40)

- Including in the budget all stipends and other expenses of City Council and the salary of the Mayor; (Charter Section 7-30(c))
- Issuing local improvement district bonds; (Charter Section 7-80)
- Borrowing money or issuing bonds for the purpose of acquiring, constructing, extending or improving water, electric, gas, sewer, or other public utilities or income producing projects; (Charter Section 7-80)
- Initiating eminent domain (condemnation) proceedings to acquire land or easements;
- Extending Colorado Springs Utilities' water and wastewater service outside the City limits;
- Undertaking other legislative roles as established by applicable statute or court decision;
- Serving as the Board of Directors for Colorado Springs Utilities and appointment of Utilities CEOs;
- Reviewing a Mayor's proclamation in times of public emergency and terminating such proclamation by a majority vote of the City Council;
- Maintaining a strategic plan which prioritizes goals for the City Council and establishing measurable outcomes. The planning process should consider public input and be provided to the Mayor for consideration in the development of the municipal budget;
- Confirming by a concurring vote of the majority of Councilmembers, Mayoral appointees as designated by the City Charter;
- Providing an "Annual Report to the Citizens;"
- Appointing the City Auditor and City Council Administrator; and
- Reviewing and approving personnel policies and procedures for City employees as well as municipal purchasing and contracting rules and regulations. (2000; 2011)

City Council is also the regulatory authority for Colorado Springs Utilities. In that role, it is responsible for setting rates for regulated electric, natural gas, water, and wastewater services. (2000)

PART 1 - ORGANIZATION

1-1 ELECTION OF OFFICERS

A. The term of newly elected Councilmembers shall commence at 10:00 a.m. on the third Tuesday of April following their election, except the term of a Councilmember appointed to fill a vacancy shall commence upon the taking of the oath of office. (2021)

B. In odd numbered years, the Council shall hold its first meeting on or after the third Tuesday of April. At that first meeting, the Council shall elect from its members:

1) A President who shall serve for two (2) years and may be removed from office by a vote of at least five (5) members.

2) A President Pro Tem who shall serve for two (2) years and may be removed from office by a vote of at least five (5) members.

C. The election of City Council officers shall be conducted as follows:

1) Candidates for the office of President and President Pro Tem shall be nominated from the floor, separately, before the election for each office.

2) No second to a nomination shall be required.

3) The nominations shall be closed by a declaration of the Presiding Officer after the Presiding Officer asks for further nominations and receives no reply.

4) The election for each office shall be in the form of a roll call election in which each member of Council, when called upon, declares his or her vote for a candidate.

5) Officers shall be elected by a majority vote of the entire Council (five members). In the event there are more than two (2) candidates for an office and no individual receives a majority vote, the candidate receiving the least number of votes shall withdraw until one (1) candidate receives a majority vote (City Charter Section 3-20).

D. Other Presiding Officer

1) During meetings, the President may designate any Councilmember to preside in the temporary absence or inability to act of the President and President Pro Tem.

2) If the President and President Pro Tem shall be absent, then the City Clerk shall call the City Council to order, and upon ascertaining a quorum, the first order of business shall be the election of a member as a temporary Presiding Officer, who, when elected, shall preside at that meeting with all the powers and authority of the President.

1-2 POWERS AND DUTIES

A. The President shall be the Presiding Officer at all Regular Meetings, Work Sessions and Special Meetings of City Council and shall have the following powers and perform the following duties:

- 1) Prepare agendas for Regular Meetings, Work Sessions, and Special Meetings of City Council with the assistance of the City Council Administrator or designee, City Clerk or designee, Chief of Staff or designee, and City Attorney or designee.
- 2) Take the chair, call the Councilmembers to order, and upon a quorum being present proceed to business.
- 3) Preserve order and decorum and have general direction of the Council Chambers, and the approachers thereto and confine members in debate to the question under discussion. (2021)
- 4) Decide all questions of order, subject to a Councilmember's right to appeal to the City Council as a whole.
- 5) Speak to points of order in preference to other Councilmembers.
- 6) Speak as other Councilmembers on general questions, or call other Councilmembers to speak.
- 7) Announce the results promptly on the completion of every vote.
- 8) Sign all resolutions and ordinances passed by the City Council, and the City Clerk shall attest the same.
- 9) Issue proclamations.

- 10) Vote upon all questions in the same manner as any other Councilmembers.
- 11) Summarize the direction given by City Council and work with the City Council Administrator to ensure direction is executed.
- 12) Appoint President's Boards, Commissions, or Committees pursuant to Rule 5-2 of these Rules and Procedures.
- 13) Serve as the official spokesperson for City Council on City Council's formal decisions and may authorize correspondence stating City Council's formal decision.
- 14) Assign each Councilmember a seat in the Council Chambers and alter the seating arrangement as needed. The President shall also assign each Councilmember an office in City Hall. The President's decision shall consider seniority, security, and other relevant factors that the President may discuss with the entire City Council. (2021)
- 15) Call Special Meetings of the City Council in accordance with Part 2-3 of the Rules and Procedures of City Council.
- 16) Shall endeavor to be available for periodic individual meetings as requested by Councilmembers (2022).
- 17) Shall endeavor to facilitate and mediate conflicts between Councilmembers in a timely manner and communicate resolution to City Council as applicable (2022).

B. In the absence of the President, upon the President's inability to act, or upon the request of the President, the President Pro Tem shall preside and shall have all powers and authority of the President.

1-3 SUCCESSION

A. Succession of City elected officials shall take place in accord with City Charter section 4-20.

1-4 CITY COUNCIL APPOINTEES

A. The City Council shall appoint the City Council Administrator, Utilities Executive Director, City Auditor, and the Memorial Health System Board of Trustees through its Chair Person in accord with City Charter section 3-10(e).

B. A "City Council Appointee" is the City Council Administrator, Utilities Executive Director, City Auditor, or the Memorial Health System Board of Trustees through its Chair Person.

PART 2 – CITY COUNCIL MEETINGS

2-1 LEGISLATIVE ACTIONS, ORDINANCES, AND RESOLUTIONS

A. A legislative action generally involves the exercise of City Council's authority to make laws for the good of the citizens of Colorado Springs. The existence of a statute or ordinance is not determinative since the law considers the nature of the decision and the process by which the decision was reached as most important. Legislative action is usually reflective of some public policy relating to matters of a permanent or general character, is not normally restricted to identifiable persons or groups, and is usually prospective in nature. Further, legislative action requires balancing questions of judgment and discretion, is of general application, and concerns an area usually governed by legislation. See *Cherry Hills Resort Development Co. v. City of Cherry Hills Village*, 757 P.2d 622 (Colo. 1988).

B. An ordinance is the formal legislative document which establishes the law of the City and remains in effect until otherwise repealed or amended by the City Council. The City Clerk shall read the title of the ordinance for consideration by City Council except those items on the Consent Calendar, which are acted upon as a whole. Related ordinances may be acted upon as one item after the titles are read in series by the City Clerk or designee.

C. A resolution may be used for a statement of policy or other matters which are not required to be adopted by ordinance.

2-2 REGULAR MEETINGS

A. Regular Meetings of the City Council shall generally be held on the second and fourth Tuesdays of each month, or on such other dates and times as determined by City Council. Regular Meetings shall be moved when in conflict with Federal holidays. Regular Meetings shall be open to the public, except Closed Executive Sessions, and citizens shall have a reasonable opportunity to be heard under the Rules and Procedures of City Council. The City Clerk shall record and keep meeting minutes of Regular Meetings, which shall be a public record. (1982; 2000; 2003; 2011; 2013; 2021)

B. The Regular Meetings shall include the following agenda items. The order shall be set by President, President Pro-Tem and staff at agenda preparation. When applicable, a time certain shall be assigned for agenda items. During the Regular Meeting, the order of business may be altered by a majority vote of Councilmembers present. (2021)

- 1) Call to Order

- 2) Invocation and Pledge of Allegiance
- 3) Changes to Agenda/Postponements
- 4) Consent Calendar – These items will be acted upon as a whole, unless a specific item is called for discussion by a Councilmember or a citizen wishing to address the City Council. Within this section are included, but not limited to, approval of the meeting minutes and all matters of a routine, noncontroversial nature such as acceptance of grant funds, land use items previously approved by Planning Commission, routine budget appropriations and second readings of ordinances unanimously approved by City Council. The record on all items called on the Consent Calendar shall include all items distributed to City Council for the Regular Meeting and the decision and record before the Planning Commission or other Board, Commission or Committee which has considered the matter, if applicable. Councilmembers, citizens, or the Mayor wishing to address the City Council upon any item on the Consent Calendar may so request and the item will be removed from the Consent Calendar and set aside for action under Items Called Off Consent Calendar. For Public Hearings called off the Consent Calendar, the majority of City Council will determine if the item is to be heard under Items Pulled Off Consent Calendar or Public Hearings. If more than one item is removed from the Consent Calendar, those items shall be considered in the order as taken from the Consent Calendar. The Consent Calendar, after removal of any controversial items, shall then be adopted as a whole by unanimous vote. Each item on the Consent Calendar approved by unanimous vote shall be deemed to have received the unanimous vote of all Councilmembers present, and the meeting minutes shall so reflect. (2011)
- 5) Recognitions – such as proclamations and resolutions.
- 6) Citizen Discussion for Items not on Agenda – limited to items not pending before City Council on the agenda. Each speaker is limited to three (3) minutes to discuss items of interest that are not on the agenda and not repetitious. The President may modify time limits and limit citizen discussion to a fixed time period, subject to a determination otherwise by approval of an appropriate motion by City Council. Time limits will be strictly enforced by the President and time will be kept by the City Clerk or designee. (2011)
- 7) Mayor's Business (2013)
- 8) Items Called Off Consent Calendar - matters removed from the Consent Calendar shall be discussed and voted upon individually. (2011)

- 9) Utilities Business (2011)
- 10) Unfinished Business (2011)
- 11) New Business (2011)
- 12) Public Hearings - Legislative items and Public Hearings on land use items (2011)
- 13) Added Item Agenda
- 14) Executive Session (2013)
- 15) Adjourn (2013)

2-3 WORK SESSIONS

A. The City Council shall meet on the Monday immediately preceding Regular Meetings or on such other dates and times as determined by City Council. Work Sessions shall be moved when in conflict with Federal holidays. The City Clerk shall record and keep meeting minutes of Work Sessions, which shall be a public record. (1982; 1989; 1992; 2000; 2003; 2011; 2021)

B. Work Sessions are not a time for public comment on items scheduled for discussion unless noticed otherwise on the agenda or permitted by the President. If it is determined by the President to allow public comment, equal time must be given to the opposition of an issue under consideration. No official legislative action shall be taken and no quorum shall be necessary at a Work Sessions. As used herein, official legislative action shall mean the passage of an ordinance or a resolution or taking quasi-judicial action. City Council efforts to arrive at a consensus position to research or study a matter shall be permitted. (1982; 1989; 1992; 2000, 2001; 2011; 2013; 2021)

C. The order of items at Work Sessions shall be set by the President, President Pro Tem and staff at agenda preparation. Work Session agenda items shall be placed on the agenda at the request of three (3) Councilmembers. The Work Sessions shall include the following agenda items. (2021)

- 1) Call to Order
- 2) Changes to Agenda

- 3) Regular Meeting Comments - Advise staff of possible changes to agenda and items to be called off Consent Calendar.
- 4) Review of Previous Meeting Minutes - If no objection is made to the meeting minutes as presented by the City Clerk, the meeting minutes shall stand approved without express motion to that effect.
- 5) Executive Session – Executive session may be open or closed upon advisement of Attorney's Office and decision of City Council.
- 6) Staff and Appointee Reports
- 7) Presentations for General Information
- 8) Items for Introduction
- 9) Items Under Study
- 10) Councilmember Reports and Open Discussion –
- 11) Adjourn

2-4 SPECIAL MEETINGS

A. The City Council may meet at such other times as it may be called by the President or upon the written request of five (5) Councilmembers. The public notice shall state the time, place and purpose for which the Special Meeting is called and shall be properly posted at least twenty-four (24) hours prior to the meeting to comply with the Colorado Open Meetings Law. Notice shall be sent to the Councilmembers, the Mayor, Council Appointees, the City Clerk, and the City Attorney. The notice shall be served at least twenty-four (24) hours prior to the time of such meeting, by phone to each Councilmember at the phone number on record, and by leaving a copy at the municipal office of each Councilmember. Each Councilmember shall provide to City Council administrative staff at least one primary phone number at which they will be responsible for receiving notice of Special Meetings or other time critical information. (2021) Notice may be supplemented through any other form of communication requested by a Councilmember. The City Clerk shall record and keep meeting minutes of Special Meetings, which shall be a public record. (1982; 2000; 2011; 2013)

B. City Council may take official legislative action at Special Meetings if properly noticed.

2-5 AGENDA

- A. "Agenda packet" means agendas of meetings and any other documents that have been or are intended to be distributed to City Council in connection with a matter anticipated for discussion or action at a public meeting.
- B. The agenda for each Regular Meeting, Work Session or Special Meeting must be posted in accordance with the Open Meetings Law (See City Charter Section 3-60(d)) with a minimum of twenty-four (24)-hours notice. The City Clerk must maintain a record of such posting in a form approved by the City Attorney.
- C. All matters to appear on the Regular Meeting, Work Session, and Special Meeting agendas shall be filed in accord with the schedule as set forth by the City Clerk prior to the meeting.
- D. Agenda packets will be published and made available for public inspection and copying in the Office of the City Clerk during usual business hours and via the City's website at www.coloradosprings.gov in accord with the annual agenda schedule from the Office of the City Clerk for a Regular Meeting or Work Session.
- E. The City Council may not take action on any matter not properly noticed for the agenda unless an exception stated in the Open Meetings Law (See City Charter Section 3-60(d)) is applicable.
- F. Annually, the Office of City Clerk issues a schedule of due dates for agenda materials. Materials should be filed in accord with this schedule. Materials not filed by the established filing deadline may be held over to the next City Council Meeting as directed by the President. All primary, non-time sensitive submission materials, including presentations, must be received by the City Clerk by 1200pm on the Wednesday prior to the City Council Meeting unless otherwise directed by the President. (2021)
- G. The President, with the assistance of the City Council Administrator or designee, City Attorney or designee, and City Clerk or designee, shall prepare the agenda for all Council meetings except as noted for Executive Sessions.
- H. Any Councilmember who wishes to introduce an ordinance or resolution for discussion shall submit the item to the President in accord with the schedule as set forth by the City Clerk and with the support of at least two (2) other Councilmembers. City Council shall give direction on how to proceed with the item: additional Work Session, schedule for consideration at a Regular Meeting or take no action. (2021)
- I. Any City Council Appointee who desires to bring a matter before Council shall submit the item to the President in accordance with the schedule as set forth by the City

Clerk. City Council Appointees shall also have the opportunity to speak at the Regular Meeting or Work Session. (2000; 2011; 2021)

J. Any City Board, Commission, or Committee via its Chair, who would like City Council to consider adopting a policy or revising or eliminating an existing policy, should contact the President or a Councilmember and discuss the request. The Councilmember may then forward the request to the President for placement on a Work Session agenda with the support of two (2) additional Councilmembers. City Council then may provide direction on whether or not an ordinance or resolution should be initiated per the request.

K. Any member of the public who would like City Council to consider adopting a policy or revising or eliminating an existing policy, should contact the President or a Councilmember and discuss the request. The Councilmember may then forward the request to the President for placement on a Work Session agenda with the support of two (2) additional Councilmembers. City Council then may provide direction on whether or not an ordinance or resolution should be initiated per the request. (2021)

L. Added Item Agenda

1) Following publication, the President may add items to the agenda for Regular Meetings provided that public notice of the items is given in accordance with legal requirements, and further provided that the notice is given to Councilmembers in the same manner as required for Special Meetings. The notice shall be served at least twenty-four (24) hours prior to the time at which the item will be heard. The notice shall be served by phone to each Councilmember at the phone number on record, and by leaving a copy at the municipal office of each Councilmember. Items added after publication of the agenda will be noticed by the City Clerk on an Added Item Agenda and taken up as part of the Regular Meeting agenda under "Added Item Agenda." (2021)

2) Any matter considered by any Councilmember to be of an emergency nature may be suggested as an item to be added on the day of the City Council meeting provided the emergency nature is stated and the item is accepted by the affirmative vote of at least five (5) Councilmembers.

3) Every item brought before City Council shall be accompanied by a cover memo from the City Council Administrator, City Clerk, appropriate department head, or the City Attorney clearly explaining the presenter, summary, background, previous Council action, financial implications, City Council Appointed Board/Commission/ Committee recommendation, stakeholder process, alternatives, proposed motion, and summary of ordinance language, as applicable; provided, however, that any member of City Council may file an ordinance or resolution without such a statement. (2021)

- a. Items scheduled for a Work Session should, wherever feasible, include any contract, ordinance or resolution in draft form.
- b. Items for action at a Regular Meeting shall include any contract, ordinance or resolution in substantially final form. To the extent possible, every page of a draft document should state that the document is a draft. Final documents must be provided to City Council and the City Clerk at the time City Council is asked to take action. Final materials shall be provided to City Council staff for distribution prior to the meeting.

4) Confidential materials are not included with the published agenda, but are submitted to City Council in hard copy or electronic form when possible in advance of the meeting, but not later than the start of the Executive Session. Confidential materials may include a brief memorandum addressing all items to be discussed in the Executive Session an analysis of issues, and a recommendation. In the case of legal issues, a legal analysis with pertinent case law or rulings may be included. (2021)

2-6 OPEN OR CLOSED EXECUTIVE SESSIONS

A. Conduct of Open or Closed Executive Sessions

- 1) The City Council may call and may conduct one or more Open or Closed Executive Sessions during any Regular Meeting, Work Session, or Special Meeting of the City Council.
- 2) The City Clerk or designee and City Attorney or designee shall prepare the Open or Closed Executive Session agenda items with the approval of the President.
- 3) The City Council shall comply with applicable requirements of the Colorado Open Meetings Law, C.R.S. §§ 24-6-401 through 24-6-402 (See City Charter Section 3-60(d)), in the calling and conduct of Open or Closed Executive Sessions. Prior to convening in the Open or Closed Executive Session, the President shall announce the general topics of the Open or Closed Executive Session, as set forth below. The President shall poll Councilmembers and upon consent of two-thirds (2/3) of the quorum present, may hold a Closed Executive Session. Prior to entering any Closed Executive Sessions, Councilmembers participating electronically and/or telephonically shall ensure that no other member of the public not authorized to participate in the Closed Executive Session is present or able to hear matter discussed as part of the Closed Executive Session. No proposed policy, position, resolution, rule, regulation, or formal action shall be adopted at any Closed Executive Session not open to the public. The following are among appropriate topics for Closed Executive Session:

- a. Purchase, acquisition, lease, transfer, or sale of any real, personal, or other property interests;
- b. Conferences with the City Attorney or other attorneys for the City for the purposes of receiving legal advice on specific legal questions;
- c. Matters required to be kept confidential by federal or state law or rules and regulations;
- d. Specialized details of security arrangements or investigations;
- e. Determining positions relative to matters that may be subject to negotiations, developing strategy for negotiations, and instructing negotiators;
- f. If the employee who is the subject of the Open or Closed Executive Session has requested an Open Executive Session, or if the personnel matter involves more than one employee and all of the employees have requested an Open Executive Session, the personnel matter may be considered in Open Executive Session or withdrawn from the Closed Executive Session agenda; or
- g. Consideration of any documents protected by the nondisclosure provisions of the Colorado Open Records Act.

4) During an Open or Closed Executive Session, the President shall serve as the Presiding Officer, and the City Clerk or designee shall serve as the Recording Secretary.

5) The Councilmembers, City Attorney or designee, and authorized invitees shall have an affirmative obligation to immediately voice objection during the Closed Executive Session regarding the propriety of a Closed Executive Session and the Closed Executive Session's conformance with the Open Meetings Law (See City Charter Section 3-60(d)). Upon the raising of an objection, all discussion or presentation shall cease until such time that the objection is addressed by the President as the Presiding Officer and the City Council is admonished to conform to the appropriate policy or procedure for Closed Executive Session or the objection is found by the President to be without merit.

6) Upon return of the City Council to a Regular Meeting, Work Session or Special Meeting following a Closed Executive Session, the President may invite Closed Executive Session participants to publicly voice objection on the record to the propriety of a Closed Executive Session and the Closed Executive Session's

conformance with the Open Meetings Law (See City Charter Section 3-60(d)). An objection may be publicly voiced only where the objector raised the objection during the Closed Executive Session in accordance with subsection (5) above. An objection on the record shall not result in the disclosure of confidential discussion or information.

B. Attendance at Closed Executive Sessions

- 1) Required attendees at a Closed Executive Session shall be limited to the legislative body of the City Council (all Councilmembers) present at the meeting unless a Councilmember is unable to attend due to a conflict of interest or excused absence. Other elected officials may be invited to attend when a Closed Executive Session subject or topic pertains to a matter within the elected official's statutory duties or when the official's attendance is requested by the President.
- 2) The President may, unless objection is raised by three (3) or more members of the City Council, authorize other persons to attend all or any part of a Closed Executive Session. Invitees will customarily include the City Council Administrator or designee, City Clerk or designee, and City Attorney or designee(s). Administrative staff of the City, consultants, or other persons may be invited to attend if such persons will provide information to the City Council or otherwise participate in the session.
- 3) Attendance by an invitee other than the City Council Administrator or designee, City Attorney or designee(s), and City Clerk or designee should be limited to portions of Closed Executive Sessions at which the invitee's participation will be necessary. The President should excuse an invitee from attendance upon the conclusion of the invitee's active participation.

C. Confidentiality of Closed Executive Sessions

- 1) All discussion, proceedings, and information provided during a Closed Executive Session shall be confidential and not disclosed by a participant to a third party unless disclosure is expressly authorized by these Rules and Procedures or by direction of the City Council (e.g., disclosure of information by a designated negotiator). The Councilmember or other invitee shall not attend a Closed Executive Session unless he or she intends to abide by the confidentiality of the Closed Executive Session.
- 2) Invitees to a Closed Executive Session (other than those invitees who routinely attend Closed Executive Sessions) should be instructed by the President or City Attorney or designee prior to Closed Executive Session attendance about the requirement of confidentiality.

3) Any Councilmember who does not abide by the confidentiality of the Closed Executive Session will be subject to censure by the majority of City Council as provided in City Charter Section 3-50. Disclosure of confidential information is addressed in the City Code of Ethics. (2021)

D. Closed Executive Session discussions of the City Council shall be electronically recorded by the City Clerk or designee for the Closed Executive Session, except that:

1) If, in the opinion of the City Attorney who is in attendance at the Closed Executive Session, all or a portion of the discussion during the Closed Executive Session constitutes a privileged attorney-client communication, no record shall be required to be kept of the part of the discussion that constitutes a privileged attorney-client communication. Any electronic record of the Closed Executive Session discussion shall reflect that no further record was kept of the discussion based on the opinion of the City Attorney in attendance, as stated for the record during the Closed Executive Session, that the discussion constitutes a privileged attorney-client communication. Any written Meeting Minutes shall contain a statement from the City Attorney or designee attesting that the portion of the Closed Executive Session that was not recorded constituted a privileged attorney-client communication in the opinion of the attorney and a signed statement from the Presiding Officer of the Closed Executive Session attesting that the portion of the Closed Executive Session that was not recorded was confined to the receipt of legal advice pursuant to C.R.S. § 24-6-402(4)(b).

E. Persons in attendance may make abbreviated notations only as may be reasonably necessary to permit the person to later recall information such as dates, names, and other data needed to follow-up on actions subsequent to the Closed Executive Session or to permit such person to participate in the discussion. (2021)

F. No portion of the recording of a Closed Executive Session shall be open for public inspection or subject to discovery in any administrative or judicial proceeding, except upon the consent of a majority of Councilmembers, or as provided in C.R.S. § 24-6-402(2)(II)(C) and section 24-72-204(5.5), or as provided in Subsections I or J of this Rule.

G. A Councilmember, without prior approval or consent of the City Council, may listen to a recording of a Closed Executive Session in the following circumstances and in accord with the following procedures:

1) The Councilmember must have either attended the Closed Executive Session or have been properly excused from attendance at the meeting during which the Closed Executive Session was held.

2) The Councilmember shall contact the City Clerk to arrange a mutually available date and time for listening to the Closed Executive Session recording. The City Clerk shall provide to the Councilmember the electronic recording together with access to a private room, suitable for secure and confidential listening by the Councilmember. The City Clerk shall keep a record of all authorized persons who listen to recordings of Closed Executive Sessions.

3) No person may accompany a Councilmember during the listening of the Closed Executive Session recording except for: a) other Councilmembers who are also qualified to listen to such recording pursuant to subsection (1) above; b) the Mayor, if the Mayor was in attendance during the Closed Executive Session; and c) the City Attorney, or City Attorney's designee if the City Attorney or designee was in attendance during the Closed Executive Session.

4) No Councilmember may copy, record, or otherwise transcribe all or any portion of a Closed Executive Session recording.

5) No Councilmember may remove the recording of a Closed Executive Session from the private room designated for listening of the recording except for the purpose of returning the recording to the City Clerk or the Clerk's designee.

H. The Mayor/Chief of Staff and/or the City Attorney or designee may, without prior approval or consent of the City Council, listen to a recording of a Closed Executive Session only in the following circumstances and in accordance with the following procedures:

1) The Mayor/Chief of Staff or City Attorney or designee shall have attended the Closed Executive Session; or

2) The review of the recording is necessary for the purpose of performing the City Attorney's Office official functions.

3) Neither the Mayor/Chief of Staff nor City Attorney or designee may copy, record, or otherwise transcribe all or any portion of a Closed Executive Session recording. No person may accompany the Mayor/Chief of Staff or the City Attorney or designee during the listening of the Closed Executive Session recording.

I. Nothing in this rule shall limit or preclude the City Council from authorizing access to a recording of a Closed Executive Session, or preparation of a transcript thereof, except that such authorization shall require the consent of a majority of all Councilmembers.

J. Notwithstanding any provision of this rule, the City Council may by a majority vote of a quorum present at a Regular Meeting prohibit access to a Closed Executive Session

recording at any time. Such vote may be taken at the request of any Councilmember who was present at the Closed Executive Session. (2021)

K. The recording of a Closed Executive Session shall be retained for not less than ninety (90) days after the date of the Closed Executive Session. The City Clerk shall provide for a procedure to manage retention of Closed Executive Session recordings and destruction thereof within a reasonable time after the expiration of such ninety (90) days, in accordance with this rule. This procedure shall be in accordance with the Colorado Municipal Records Retention Schedule. (1982; 1987; 2000; 2011; 2013; 2021)

2-7 PUBLIC PARTICIPATION (2021)

A. Persons, including Councilmembers, shall be permitted to address the City Council on topics relevant to City Council business during the Citizen Discussion period of the meeting or on other agenda items. City Council may allow members of the public to address the City Council electronically and/or telephonically.

B. A member of the public desiring to address the City Council shall sign up to speak, including his or her name, and the agenda topic on which he or she desires to speak. The President, or designee, may group related comments. When called upon by the President or designee, the person shall step to the podium, state his or her name, and speak clearly into the microphone, unless authorized otherwise by the President or designee. The public may only approach the dais with the permission of the President.

C. Time Limits

1) The Citizen Discussion period of the meeting is a limited public forum offering citizens the opportunity to provide input to the City Council on items that are not on the Regular Meeting agenda. The Citizen Discussion period of the meeting shall be limited to a total of no more than one (1) hour. Members of the public shall be permitted to speak for three (3) minutes each. The President may modify the one (1) hour time limit or limit comments to a different fixed time period, subject to a determination otherwise by approval of an appropriate motion by City Council.

2) Members of the public shall limit testimony to three (3) minutes per person. (The President may modify the time limits listed.) The President may limit comments on any one subject under City Council consideration to a fixed time period, subject to a determination otherwise by approval of an appropriate motion by City Council.

a) With approval of the President, a member of the public may yield their time to another member of the public. The member of the public yielding

time and the member of the public speaking must both be present, in person, at the meeting. (2025)

D. Remarks to be Germane

- 1) Topics shall be relevant and germane to City Council business, and shall be related to items over which the City has jurisdiction and those items which are not pending quasi-judicial matters.
- 2) The President shall rule on the germaneness of public comments. Abusive, personal, impertinent, irrelevant, slanderous or profane remarks, or loud, threatening, personal, or abusive language shall not be allowed.

E. Councilmembers, before or during the consideration of any matter, or in the course of a hearing, may request and receive information, explanations, or recommendations of any City employee, or any person speaking.

F. Any person who makes threatening, abusive, personal, impertinent, irrelevant, slanderous, or profane remarks which genuinely disrupt, disturb, or otherwise impede the orderly conduct of the City Council Meeting, or who otherwise engages in any other disorderly conduct which disrupts, disturbs, or otherwise impedes the orderly conduct of any City Council Meeting, or jeopardizes the City Council's ability to proceed with its business, shall be, upon the direction of the President or a majority of the City Council, barred from further attendance at that City Council Meeting. In that event, it would be the duty of a law enforcement officer, upon the request of the President, to issue such commands and take such actions as may be necessary to eliminate the disruptive conduct and restore peace and order to the proceedings. At any point, the President is authorized to recess the meeting until peace and order can be restored.

2-8 CITY COUNCIL RECOGNITIONS (2021)

A. City Council may issue resolutions of recognition to be presented at Regular Meetings. At the request of a Councilmember, Executive staff or member of the public, the City Council may, by resolution, recognize events of historical importance, local art and cultural celebrations, raise public awareness of local issues that impact community health and safety, support charitable fundraising campaigns benefiting a majority of residents, and recognize individuals who have made a significant contribution to the community. Prior to being placed on a Regular Meeting agenda, the President will confirm the recognition has the interest of at least five Councilmembers. Resolutions shall not be issued for campaigns or events contrary to City policies, events or organizations with no direct relationship to the City of Colorado Springs, and for-profit causes (2022).

B. The President may issue proclamations of recognition per Rule 2.1.A.9 of the City Council Rules and Procedures. Proclamations will not appear on the City Council meeting agenda.

PART 3 – CITY COUNCIL PROCEDURES

3-1 QUORUM

A. The President, or Presiding Officer, shall take the Chair at the hour appointed for the City Council to meet, and shall immediately call the Councilmembers to order. The City Clerk shall enter upon the meeting minutes the names of the Councilmembers present. Five (5) Councilmembers shall constitute a quorum to do business. In the absence of a quorum at the time appointed for a Regular Meeting, the Councilmembers present shall adjourn the meeting to another designated time. (1982; 2000; 2011)

3-2 ATTENDANCE (2013; 2021)

A. General

1) Councilmembers are expected to attend meetings and stay in attendance during each meeting. No Councilmember shall be excused from attendance at a City Council meeting except for good and valid reasons. No member should leave a City Council meeting while in session without advising the Presiding Officer. The City Council may compel the attendance of Councilmembers (City Charter Section 3-50).

2) No Councilmember may be excused from attending a City Council meeting without the permission of the City Council (City Charter Section 2-30(b)(4)).

B. Procedure for Excusal

1) No Councilmember may be excused from attending a City Council meeting without the permission of the City Council (City Charter Section 2-30(b)(4)).

2) Councilmembers shall be required to contact the President no later than one (1) hour before the start of the meeting requesting to be excused from the City Council meeting and stating the reason for the absence. Failure to comply, except in cases of emergency, shall result in an unexcused absence.

3) The President shall inform the City Council during the Call to Order of the excused Councilmembers and the Councilmembers shall be considered excused unless a Councilmember calls for a vote on excusal.

4) Councilmembers may be excused from attending all or a portion of a Council meeting with the permission of the President. After the vote for which a member is absent, the President shall announce the results of the vote and the names of the excused members.

C. If a Councilmember fails to attend three (3) consecutive scheduled regular meetings of the City Council without being excused by the City Council, the office of the Councilmember shall be forfeited. (City Charter Section 2-30(b)(4)).

D. Electronic and/or Telephonic Attendance

1) A Councilmember's presence at a City Council Meeting may be achieved electronically and/or telephonically with the approval of the President.

3-3 APPEAL OF A DECISION OF THE PRESIDENT (2021)

A. The President shall preserve decorum and decide all questions of order, subject to appeal by a Councilmember. A majority vote of the City Councilmembers present is required to overturn a decision of the President.

3-4 VIOLATION OF THE RULES AND PROCEDURES OF CITY COUNCIL

A. If a Councilmember violates the Rules and Procedures of City Council, the President shall call such Councilmember to order, in which case the Councilmember shall be silent, unless permitted to explain by the President. (1982; 2000; 2011)

3-5 VOTING

A. The City Council shall act only by ordinance, resolution, or motion. Every Councilmember present in Council Chambers when a question is presented shall vote on the question. Every ordinance, resolution, or motion, except those providing for the expenditure of money, shall require the affirmative vote of the majority of Councilmembers present for approval and passage. Every ordinance or resolution providing for the expenditure of money shall require the affirmative number of votes as required by City Charter upon final passage. (1982; 2000; 2011; 2022)

B. Whenever a vote is taken, each Councilmember present in Council Chambers shall vote in favor or against the motion. After all Councilmembers have voted, the President, or designee, shall announce the vote total and the City Clerk shall display the vote of the City Council digitally and it shall be plainly visible to the City Council and members of the public. The City Clerk shall then record the vote of each Councilmember in the meeting minutes before passing on to the next order of business. (1982; 2000; 2011, 2022)

C. In the event the electronic voting technology becomes inoperative during any City Council meeting, the City Council meeting is at a location without electronic voting technology, or a Councilmember is participating electronically and/or telephonically, the

City Clerk shall call the roll in alphabetical order with the same Councilmember being called first throughout the meeting. The City Clerk shall record the oral vote of each Councilmember in favor or against the motion in the meeting minutes. (1982; 2000)

3-6 VOTE OF ABSENT COUNCILMEMBER

A. It shall be improper for any Councilmember to state or attempt to state the vote or sentiments, unless previously stated by the absent Councilmember in a prior open meeting, of any absent Councilmember or for the City Clerk to make any reference in the meeting minutes to such an attempt. (1982; 2000; 2021)

3-7 DIVISION OF A QUESTION

A. Upon the request of any Councilmember, a question under consideration covering two (2) or more points shall be divided where the question allows such division. (1982; 2000)

3-8 DISSENTS AND PROTESTS

A. Any Councilmember shall have the right to express dissent from or protest against any ordinance or resolution of City Council, and have the reason therefore entered upon the meeting minutes. (1982; 2000)

3-9 TIE VOTES

A. In case of a tie vote on any proposal, the proposal shall be considered lost/failed. (2000)

3-10 UNANIMOUS CONSENT - EXPEDITING COUNCIL BUSINESS

A. Since these rules are designed for the protection of the minority, they need not be strictly enforced by the President except as to voting on ordinances and resolutions in formal Council sessions. When there appears to be no opposition to a matter, the formality of voting can be avoided by a Councilmember requesting unanimous (or general) consent to a proposal or by the President asking if there is any objection to a proposal, and if there is none, announcing the result as "unanimous consent" to the matter. (1982; 2000; 2011)

3-11 MOTIONS TO BE STATED BY THE PRESIDENT

A. When a motion is made and seconded, it may be restated by the President or by the City Clerk before debate and again before the final vote. Any member may request that it be reduced to writing. (1982; 2000; 2011)

3-12 SPECIAL MOTIONS

A. These motions must be disposed of immediately:

- 1) A motion objecting to consideration of an item must be made immediately after an item is called to the attention of City Council by the City Clerk or designee. This motion enables the City Council to avoid a main motion that would be undesirable to consider at the time. It does not require a second, is not debatable, is not amendable, and requires a two-thirds (2/3) vote of Councilmembers present. The movant must state the reason for objection. This motion may only be used for items eligible for objection to consideration. If City Council postpones consideration, City Council must determine a date certain for an item to be considered, as required by law. (1982; 2000; 2011; 2021)
- 2) A mover of any motion may withdraw the motion as a matter of right so long as the consent of the second is first obtained. (1982; 2000)
- 3) A Councilmember may move to suspend the Rules and Procedures of City Council. The purpose of this rule is to enable City Council to set aside one or more of its procedural rules that would otherwise prevent consideration of a certain action. A motion to suspend the rules suspends only those rules which specifically interfere with the consideration of the particular action involved. The rules are suspended only temporarily and are automatically reactivated after the proposed action has been considered. No rules or law set forth in the City Charter or City Code may be altered by suspending the rules. A motion to suspend rules is not a debatable motion and may not be amended. This motion requires a majority vote of the Councilmembers present. (1982; 2000; 2011)
- 4) A motion to accept withdrawal of an item may be made where the proponent of an item requests withdrawal, or where the proponent of an item is a Councilmember and the majority of Council does not wish to hear the item. This motion does not require a second, is not debatable except to state the purpose of the withdrawal, is not amendable, and requires a majority vote of those present. City Council may not withdraw an item without the consent of the proponent of the item, unless the proponent is a Councilmember. If the withdrawal of a land use application is made by the applicant pursuant to City Code § 7.5.403(E)(1), City Council shall accept the withdrawal. (2025)

3-13 PARLIAMENTARY PROCEDURE FOR MOTIONS

A. When an item is before City Council, no motion shall be entertained except as listed according to priority (highest to lowest). In making any of the following motions, the motion maker may not interrupt another speaker. (1982; 2000)

- 1) Motion to Adjourn - Requires a second, is not debatable, is not amendable, and requires a majority vote of those present. (1982; 2000)
- 2) To Postpone Temporarily - Requires a second, is not debatable, is not amendable, and requires a majority vote of those present. (1982; 2000)
- 3) To Close Debate - Requires a second, is not debatable, is not amendable, and requires a two-thirds (2/3) vote of those present. (1982; 2000; 2011)
- 4) To Limit or Extend Debate - Requires a second, is debatable as to type and time of limitations, is amendable as to time and type of limitations, and requires a two-thirds (2/3) vote of those present. (1982; 2000; 2011)
- 5) A Motion to Postpone to a Definite Time - Requires a second, is debatable as to reasons for postponement and date of reconsideration, is amendable as to date of reconsideration, and requires a majority vote of those present. (1982; 2000)
- 6) Motion to Refer- Requires a second, is debatable as to the referral, is amendable as to the referral, and requires a majority vote of those present. Items may be referred to Executive staff or a Board, Commission, or Committee. (1982; 2000; 2021)
- 7) Motion to Amend - Requires a second, is debatable unless applied to an undebatable motion, is amendable, and requires a majority vote of those present. (1982; 2000)
- 8) Motion to Postpone Indefinitely - Requires a second, is debatable, is not amendable, and requires a majority vote of those present. (This motion is not applicable to quasi-judicial items.) (1982; 2000)
- 9) Motion to Reconsider - Any action taken by the City Council is subject to reconsideration if the motion to reconsider is made by a Councilmember who voted with the majority. The motion requires a second, is debatable, is not amendable, and requires a majority vote of those present. This motion can be made only at the same meeting or at the next formal meeting of City Council. The Councilmember making the motion shall state the basis for the motion, including conditions of the reconsideration and applicable facts. As practicable, all Councilmembers present for the motion should be present for the reconsideration. (2021)
 - a. If the motion to reconsider is made at the same City Council meeting at which an action was taken, the motion must be made by a Councilmember who voted with the majority and may be seconded by any other Councilmember. If approved, the motion is adopted, and the action is

reconsidered and City Council can proceed with discussion and vote on the action that is reconsidered. If the motion to reconsider is not approved, the action shall not be reconsidered. As practicable, efforts should be made to inform all involved parties prior to Council undertaking the reconsideration at the same meeting.

b. If the motion to reconsider is made at a City Council meeting other than the City Council Meeting at which the action was taken, a Councilmember who voted with the majority must submit a request in writing to the President no later than noon of the third (3rd) day after the original action and request that the motion to reconsider be placed on the next Regular Meeting agenda. The request shall state the Councilmember's name, the item to be reconsidered and the date of the next Regular Meeting. If the motion to reconsider is voted upon and a majority of Councilmembers vote to reconsider an action, the reconsideration can be held immediately, If the item for reconsideration has been noticed. If not properly noticed for immediate reconsideration, or upon Council's desire, the item can be reconsidered at a later City Council meeting as designated by the City Council. In no event shall a motion to reconsider be made or considered more than thirty (30) days after the date the action to be reconsidered was originally taken by City Council. (1982; 1986; 1991; 2000; 2011; 2013)

10) Main Motions - Requires a second, is debatable, is amendable, and requires a majority vote of those present. Every ordinance providing for the expenditure of money requires the affirmative vote of five (5) members upon final passage or as otherwise required by law. (1982; 2000; 2011)

3-14 PROCEDURES FOR THE PASSAGE OF AN ORDINANCE OR RESOLUTION

A. Every ordinance finally passed by City Council shall be presented to the Mayor within forty-eight (48) hours thereafter for final adoption. If the Mayor approves the ordinance, the Mayor shall finally adopt it by signing it within five (5) days after presentation. If the Mayor disapproves or exercises the veto, the ordinance shall be returned to the City Clerk in accord with City Code section 1.2.108, within five (5) days with the Mayor's objections in writing. The Mayor's written objections may be transmitted electronically or by any other means. If six (6) Councilmembers vote to override or pass the ordinance over the Mayor's veto, it shall become a finally adopted ordinance notwithstanding the objections of the Mayor. If the Mayor does not return the ordinance with written objections in the specified time period, it shall become finally adopted as if the Mayor had approved it five (5) days after the presentation to the Mayor. (2011)

B. In any ordinance appropriating funds, the Mayor may disapprove or veto specific line items without disapproving the entire ordinance. After disapproval of specific line

items, the ordinance shall be returned to the City Council to complete the override process as outlined above as to each line item disapproved. (2011)

C. Notwithstanding the foregoing, the Mayor shall not have the power to disapprove by veto the following types of ordinances. This limitation applies only to the following specifically identified ordinances: an ordinance accomplishing any quasi-judicial act; an ordinance approving bonds to be issued by any City enterprise; an ordinance pertaining to Article VI, "Utilities" of the City Charter; an ordinance submitting a City Charter amendment, referring an initiated ordinance or City Charter amendment, or referring a City Charter convention question to the qualified electors. (2011)

D. The City Clerk shall, with the Mayor, sign and attest all ordinances. The City Clerk or designee shall, with the Council President, sign and attest all resolutions (2011, 2022).

3-15 PROCESS FOR APPOINTING A COUNCILMEMBER WHEN A VACANCY OCCURS (2022)

If a vacancy occurs in the office of a Councilmember more than sixty (60) days prior to the next general municipal election, the Council shall appoint an eligible person to fill such vacancy within thirty (30) days of the date of vacancy until the next general municipal election (City Charter Section 2-30). City Council may suspend or modify this rule in order to amend the appointment process as provided for in Rule 3-12.A.3, but in any case the appointment shall comply with the requirements of City Code and City Charter.

A. The process for filling a vacancy shall commence when the office of Councilmember becomes vacant upon death, removal from office, forfeiture of office in any manner authorized by law, or upon a Councilmember stating an intent to resign to the President in writing.

- 1) Upon any Councilmember signaling an intent to resign, the President shall request a written letter of resignation from the resigning Councilmember with a stated effective date of the resignation.

B. Notice of the upcoming or current vacancy shall be made available to members of the public. Applications to fill the vacancy shall be open for no less than fourteen (14) days after members of the public are notified.

- 1) A majority of City Council will determine the application questions.

C. Once the period for submitting applications has closed, City Council will be provided all eligible candidate applications for review. Each Councilmember will submit a list of no more than five (5) candidates to interview to the Council Administrator. All

candidates with a recommendation by three (3) or more Councilmembers will move forward to the interview phase of the selection process. If no candidate receives at least three (3) recommendations, a majority of City Council will determine whom to interview.

- 1) The Councilmember stating an intent to resign may submit a list of no more than five (5) candidates to interview to the Council Administrator prior to the effective date of resignation.

D. After the effective date of the vacancy, City Council shall hold a Special Meeting to interview and vote to appoint a replacement.

- 1) Public comment on the replacement will be heard in accordance with Rule 2-7.
- 2) The appointed Councilmember, before they enter upon the duties of their office, take, subscribe, and file with the Clerk an oath or affirmation to support the Constitution of the United States, the Constitution of the State of Colorado, and the Charter of the City of Colorado Springs, and to faithfully perform the duties of the office upon which they shall be about to enter (City Charter Section 13-30).

PART 4 - UTILITIES PRICING AND TARIFF HEARING PROCEDURE

The following rules, established in accordance with City Code Section 12.1.108 (Regulation of Electric, Streetlight, Natural Gas, Water and Wastewater Rates, Charges and Regulations), shall govern Council hearings concerning the adoption of resolutions which change the pricing or tariff for any regulated utility service of Colorado Springs Utilities (Utilities). (2021)

4-1 HEARING PROCESS

A. Pre-Hearing Procedures

- 1) The process to change pricing or tariffs for any regulated utility service shall commence with the filing by Utilities of a resolution identifying the proposed changes, accompanied by the proposed tariffs, with the City Clerk for distribution to City Council at least seven (7) days prior to ~~at~~ a regular or special meeting of Council at which meeting. Council shall establish a date for a public hearing by resolution ~~at that meeting~~, which hearing shall be no less than thirty (30) calendar days nor more than sixty (60) calendar days from the date of the Council meeting at which the hearing is set ~~notice to customers of the proposed resolution~~.
- 2) Utilities shall be responsible for notifying customers of proposed changes in pricing or tariffs for any regulated utility service as required by the City Code and Colorado law. Utilities shall place one copy of the Utilities filing and any written documents provided to Council to explain the proposed resolution on file in the office of the City Clerk. These documents shall be available for public inspection.
- 3) Before or during any public hearing, Council may be assisted by legal, technical or other professional personnel as it deems necessary. If Council retains a professional consultant or advisor, the consultant or advisor shall provide a written report to City Council, Utilities and any customer who has filed a notice of intent under subsection A.8 below at least ten (10) working days prior to the public hearing. A copy shall also be filed with the City Clerk and shall be available for public inspection.
- 4) If the change in pricing is supported by a cost of service study, Utilities shall provide a draft copy of the proposal and cost of service study to the City Auditor at least thirty (30) calendar days prior to the filing. If the proposed changes do not require a supporting cost of service study, Utilities shall provide a draft of the proposal to the City Auditor seven (7) calendar days prior to the filing of the proposed resolution. If the City Auditor chooses to file a report on the proposal, such report shall be filed with the City Clerk and Utilities at least five (5) calendar days prior to the public hearing.

5) Drafts of the proposed resolution and tariff sheets will be provided to the City Attorney seven (7) calendar days prior to filing with City Council.

6) Subsequent to the Utilities filing and ~~before any time prior to~~ the public hearing, Utilities may make the following changes to its filed proposal provided that copies of any changes are filed with the City Clerk and sent to customers who have notified the City Clerk of their intention to present witnesses: a) minor corrections or administrative clarifications to the Utilities' filing; and/or b) supplements containing additional information necessary or appropriate to substantiate the filing; ~~and/or c) modifications which reduce the amount of the change requested.~~ ~~Subsequent to the Utilities filing and at least seven (7) days prior to the public hearing, Utilities may make the following changes to its filed proposal provided that copies of any changes are filed with the City Clerk and sent to customers who have notified the City Clerk of their intention to present and such changes are published at least once in a newspaper of general circulation within the City: x) modifications which increase or reduce the amount of the pricing change requested; y) substantive changes to the regulations; and/or z) structural and/or substantive changes to the pricing.~~

7) ~~Prior to the public hearing, no increase in the prices as noticed may be proposed without notification to all customers who notified the City Clerk of their intention to present witnesses at the hearing and without publication of such changes at least once in a newspaper of general circulation within the City.~~ Material supporting any proposal to increase change the prices as previously noticed must be filed with the City Clerk and held open for public inspection.

8) The representative or attorney of a customer who wishes to present testimony by witnesses other than the customer must file a notice of intent with the City Clerk disclosing the names of witnesses, a short summary of testimony and a copy of all exhibits and other documentation to be presented to City Council no less than seven (7) working days prior to the public hearing. A copy of all such material must be filed at the same time with the Utilities' Pricing Department Manager.

9) There is no formal right to discovery, but parties are urged to share information in order to expedite the proceeding. Parties are also encouraged to meet in advance of the hearing to narrow or resolve the disputed issues between them. Nothing shall prohibit the Utilities from meeting with customers outside of the hearing process to discuss proposed changes in pricing or tariffs and to solicit their input.

B. Hearing Procedures

- 1) City Council shall hear the matter in its legislative capacity. The Colorado Court Rules of Civil Procedure and the Rules of the Public Utilities Commission of the State of Colorado shall not apply to the proceedings. City Council is not bound by the rules of evidence. City Council may take notice of general, technical or scientific facts, or of laws, regulations or court decisions without the necessity of presentation of evidence.
- 2) At the public hearing, Utilities shall make a presentation to explain the filing and the need for changes in pricing or tariffs. Any customer shall be allowed to present testimony and/or exhibits relevant to the proposed changes during that portion of the public hearing when public comment is allowed.
- 3) At the public hearing, City Council may question witnesses and may allow such questioning, rebuttal or argument by Utilities, and by customers, their attorneys or representatives, as City Council deems appropriate. City Council may limit the time for presentation by Utilities, customers and their attorneys or representatives, as it deems appropriate. Testimony must be relevant to the issues being heard and shall not be repetitious. If the testimony or exhibits are repetitious, City Council may require all similarly interested customers to designate a spokesperson or may appoint one for them.
- 4) No party shall have a right to present written briefs during or at the conclusion of the public hearing, unless requested by City Council.
- 5) Pursuant to the legal requirement that pricing and tariff decisions must be based on information contained "on the record", once the proposed resolution has been filed if Councilmembers have communications about matters subject to decision outside of the public hearing such communications are considered to be "ex parte communications". When an ex parte communication occurs, the pertinent details of the communication should be noted during the public hearing. In recognition of the fact that Councilmembers also serve on the Utilities Board, and that Councilmembers/Board members and members of Utilities staff frequently communicate on a number of issues, if an ex parte communication occurs between a Councilmember and a staff member of Utilities, the staff member will reduce the pertinent elements of the communication to writing. The writing will be distributed to all Councilmembers and customers who have filed notices of intent, and shall be placed on file with the City Clerk as part of the record of the proceeding. If a City Council Member discusses a proposed rate resolution with staff or members of the public outside a public hearing, the City Council Member shall disclose the substance of the discussions at the beginning of the public hearing to be included as part of the record of the proceeding.

C. Post-Hearing Procedures

- 1) At the conclusion of the public hearing, City Council shall identify issues for deliberation and decision. City Council may adjourn to another time to complete its deliberation and make a decision on the issues. City Council may revise any proposed pricing or tariff as a result of the information presented at the public hearing. All decisions made by City Council shall be based on the record.
- 2) After its deliberations, City Council shall instruct the City Attorney or designee to draft a proposed Decision and Order. The Decision and Order shall incorporate a description of the history of the proceeding, the issues identified by City Council for deliberation, and City Council's findings on the issues.
- 3) The written Decision and Order of City Council shall be incorporated in a Resolution of City Council revising pricing or tariffs. The Decision and Order shall be adopted in open public session and shall be placed on file with the City Clerk. It shall identify the date on which changes in pricing or tariffs were approved and the date on which they shall become effective.
- 4) All prices, as established by City Council in these proceedings, shall meet the requirements of the City Code. All prices shall be designated in tariff sheets and shall remain on file in the City Clerk's Office and the Utilities Pricing Department.
- 5) No party shall have the right to request rehearing, re-argument or reconsideration of the decision of City Council.
- 6) The Utilities filing and supporting documentation, all subsequent documents submitted to City Council or the City Clerk by Utilities, customers or their representatives, the report of the City Auditor, the presentations to City Council by any party, all City Council deliberations, its Decision and Order, and the Resolution adopted, shall constitute the record of these proceedings.

4-2 EXPEDITED HEARING PROCESS FOR INSTANCES OF GOOD CAUSE

A. Instances for Which Good Cause Exists (2011)

- 1) Certain pricing and tariff changes may be made, or refunds authorized, without meeting the notice and public hearing requirements imposed by Section I of this Part 4, provided that good cause exists. In the following instances, good cause exists:
 - a. Changes to the gas cost adjustment to reflect increased or decreased gas costs.

- b. Changes to the electric cost adjustment to reflect increased or decreased costs of the fuel used for electric generation or purchased power costs.
- c. Refunds to customers.
- d. Changes to other fees, rates or charges that are not within the control or discretion of the City or the Utilities.
- e. Changes to the pricing of water necessary to avoid a water shortage.
- f. Tariff changes which have no adverse impact on customers.

2) City Council may find that good cause exists in other instances, and must state the nature and circumstances of the good cause in the resolution resulting from its action.

B. Process for Expedited Hearing

- 1) Proceedings for consideration of matters for which good cause exists shall be conducted in a legislative manner as a City Council item.
- 2) When Utilities proposes changes to the gas cost adjustment or the electric cost adjustment, drafts of the proposal including the proposed resolution and tariffs will be provided to the City Auditor and the City Attorney seven (7) calendar days prior to filing the proposal with City Council. If the City Auditor finds that the proposed adjustment is adequately supported and conforms to the requirements of the cost adjustment tariffs, the City Auditor will provide such findings in a letter to the City Council that will be included in the filing by Utilities. If the proposed changes to the gas cost adjustment or the electric cost adjustment are supported by a letter from the City Auditor, the resolution effecting the change will be placed on the City Council's Consent Calendar. (2011)
- 3) The resolution adopting changes shall be considered an Order of City Council, shall specify the changes to be made and shall state: a) the circumstances which establish good cause and necessitate the change being made under these procedures, b) the effective date of the changes, and c) the manner in which the changes shall be published. (2000, 2004; 2011)

PART 5 – BOARDS, COMMISSIONS, AND COMMITTEES

City Council Boards, Commissions, and Committees shall be governed in accordance with City Charter Section 9-10, City Code section 1.2.901, et seq., and any establishing legislation. These Rules and Procedures of City Council govern the conduct of City Council Boards, Commissions, and Committees in the absence of separately adopted Rules and Procedures. (2021)

5-1 TYPES OF BOARDS, COMMISSIONS, AND COMMITTEES (2021)

A. City Council Appointed Boards, Commissions, and Committees - City Council Boards, Commissions, or Committees are generally advisory in nature to assist City Council by preparing recommendations for City Council decisions. City Council appointed Board, Commission, and Committee members shall be selected in accord with the provisions of the ordinance or resolution establishing the Board, Commission, or Committee and shall reside in the City of Colorado Springs in accordance with City Code Section 1.2.901.F and shall serve without compensation. Members of Boards, Commissions, and Committees shall not serve with a member of their household or immediate family or with a member that is an employer/employee on the same Board, Commission, or Committee.

1) At least one (1) Councilmember shall serve as a liaison to every City Council appointed Board, Commission, and Committee. Liaisons shall be assigned equally in number to the best extent possible among Councilmembers and ratified by the entire City Council. Liaisons serve as a conduit between the Chair/Vice-Chair of the Board, Commission, or Committee, and City Council. It is also a duty of the liaison to interview new appointees to the Board, Commission, or Committee. (2000, 2002; 2011)

2) At least one (1) Executive or Council staff shall be assigned to each City Council Board, Commission, or Committee to serve as a Staff Liaison. Staff Liaisons shall be responsible for attending each meeting, ensuring agendas and meeting minutes are published, informing the City Council staff of vacancies, and providing guidance concerning City policies and operations.

B. President's Boards, Commissions, and Committees - The President may appoint special Boards, Commissions, or Committees composed of Councilmembers and/or members of the public to assist in the study of items before the City Council. A working group so appointed shall serve until the matter is disposed of by the City Council unless sooner terminated by the President. (1982; 2000; 2011)

C. City Council Subcommittees – The City Council may form subcommittees on specific subject matters and meet outside of Work Sessions and Regular Meetings. Subcommittees can be formed upon the consensus of five (5) Councilmembers. City

Council may work with the Mayor to assign an Executive staff liaison. When possible, matters related to the subcommittee should be brought before the subcommittee prior to a Work Session or Regular Meeting.

D. Councilmember Appointments on Boards, Committees, and Commissions – Councilmembers shall serve as voting members on City, regional, and intergovernmental Boards, Committees, and Commissions as required by law. Such appointments to these Boards, Commissions, and Committees shall be assigned and ratified by the entire City Council.

5-2 POWERS (2021)

A. No Board, Commission, or Committee shall have the power to employ any person or incur any expense, unless specifically authorized by City Council.

B. Board, Commission, and Committee members may not speak or act for City Council except when formally given such authority for specific purposes.

C. Boards, Commissions, and Committee cannot exercise authority over Executive or Council staff.

D. Board, Commission, and Committee members do not report to individual Councilmembers. Boards, Commissions, and Committees shall take direction from the City Council as a body with the majority of Councilmembers in favor, not individual Councilmembers.

E. Boards, Commissions, and Committees should consider the interest of all citizens of Colorado Springs and make recommendations to City Council accordingly.

5-3 ATTENDANCE (2021, 2025)

A. General

1) Board Members are expected to attend meetings and remain in attendance for the duration of each meeting.

2) No Board Member may be excused from attending a meeting without the permission of the Chair.

3) No Board Member shall be excused from attendance at a meeting except for good and valid reasons.

4) No Board Member should leave a meeting while in session without advising the Chair.

B. Procedure for Excusal. The Chair shall inform the Board during the Call to Order of the excused Board Members and the Board Members shall be considered excused unless a Board Member calls for a vote on excusal. (2025)

C. Board, Commission, and Committee members presence at a meeting may be achieved electronically and/or telephonically with the approval of the Chair.

D. Board, Commission, and Committee members shall vacate the office in accordance with City Code Section 1.2.905.

5-4 TERMS OF CITY COUNCIL APPOINTED BOARDS, COMMISSIONS, AND COMMITTEES MEMBERS (2021)

A. All appointed members of City Council Boards, Commissions, and Committees shall be eligible for re-appointment to a second term at the conclusion of their first term unless there is dissention from a Councilmember or the Chair/Vice-Chair of the Board, Commission, or Committee.

B. Alternate members of City Council Boards, Commissions, or Committees shall be eligible for promotion to full members of a Board, Commission, or Committee without having to re-interview unless there is dissention from a Councilmember or the Chair/Vice-Chair of the Board, Commission, or Committee.

C. Terms of appointed City Council Board, Commission, or Committee members shall be staggered in one year increments, unless otherwise set forth in the establishing legislation. When a vacancy occurs due to a resignation, the new appointee to the City Council Board, Commission, or Committee shall fill the unexpired term.

D. City Council may designate an Alternate Member to a specific Board seat, if applicable (2022).

5-5 INTERVIEW PROCESS FOR CITY COUNCIL APPOINTED BOARDS, COMMISSIONS, AND COMMITTEES (2021)

A. In accordance with City Code Section 1.2.901.E, when a vacancy occurs on a City Council Board, Commission, or Committee due to resignation, removal, or term limits, and no qualified alternate is available, a City Council-led interview process shall commence. Notice of the upcoming or current vacancy shall be made available to members of the public. Applications for the vacancy shall be open for no less than fourteen (14) days after

members of the public are notified. Councilmember liaisons will review the applications of those that applied and determine which applicants to interview. The interview committee will consist of at least one Councilmember liaison, Chair and/or Vice Chair of the Board, Commission, or Committee, and Executive or Council staff liaison, if possible. If the Board seat is designated to a specific Council District, the District Councilmember will be invited to participate in the complete interview process. Upon conclusion of the interviews, the Councilmember liaison(s) will recommend applicants for appointment to a Board, Commission, or Committee. The recommendation shall be placed on the next available Regular Meeting for City Council consideration. (2021; 2022)

B. If the Councilmember liaison does not review the applications and commit to interview schedule within fifteen (15) business days from receipt of the application packet, the President may assign another Councilmember to complete the process. (2022)

5-6 CITY COUNCIL APPOINTED BOARDS, COMMISSIONS, AND COMMITTEES ANNUAL REPORTS AND RECERTIFICATION (2021)

A. In accordance with City Code Section 1.2.907, City Council Appointed Boards, Commissions, and Committees shall provide annual reports of activity to the City Council or shall provide such reports as frequently as required by specific direction of Council. Such report should be submitted no later than a date administratively established by City Council. Such dates shall be based on the operational activities of each Board, Commission, and Committee. City Council may request that annual reports be presented at a Work Session. All annual reports shall be provided to the City Council electronically. Reports should include a summary of Board, Commission, or Committee activities and policy and/or budget recommendations. After reviewing annual reports, City Council may make a recertification determination for each Board, Commission, or Committee. City Council may also modify establishing legislation to better align with advisory needs of City Council. City Council may request specific advisory recommendations from the Board, Commission, or Committee. City Council may request additional or more frequent reporting if necessary.

5-7 ELECTION OF OFFICERS (2025)

A. Each Board, Commission, and Committee shall elect its own Chair and Vice Chair from among its members (City Charter Section 9-10(a)).

B. The Chair of each Council-appointed Board, Commission, or Committee shall be a resident of the City of Colorado Springs (City Code 1.2.903).

C. Unless otherwise stated in the governing Rules and Procedures of a specific Board, Commission or Committee, each Board, Commission, or Committee shall elect a Chair and Vice Chair at their first meeting of the new calendar year. After the election, the

Staff Liaison shall notify Legislative Services with the names of each newly elected Board Member.

D. The election of officers shall be conducted as follows:

- 1) Candidates for the office of Chair and Vice Chair shall be nominated from the floor, separately, before the election for each office.
- 2) No second to a nomination shall be required.
- 3) The nominations shall be closed by a declaration of the Presiding Officer after the Presiding Officer asks for further nominations and receives no reply.
- 4) The election for each office shall be in the form of an election in which each Board Member, declares his or her vote for a candidate.
- 5) Officers shall be elected by a majority vote of the full Board, Commission or Committee. In the event there are more than two (2) candidates for an office and no individual receives a majority vote, the candidate receiving the least number of votes shall withdraw until one (1) candidate receives a majority vote.

RULE 5-8 POWERS AND DUTIES OF CHAIR, VICE CHAIR, AND SECRETARY (2025)

A. The Chair shall be the Presiding Officer at all Board, Commission, or Committee Meetings and shall have the following powers and perform the following duties:

- 1) Set agendas for Meetings with the assistance of the Staff Liaison
- 2) Take the chair, call the Board to order, and upon a quorum being present, proceed to business.
- 3) Seat alternate Board Members to achieve a quorum as provided for in City Code.
- 4) Preserve order and decorum and have general direction of the chambers.
- 5) Decide all questions of order, subject to a Board Member's right to appeal to the Board as a whole.
- 6) Speak to points of order prior to other Board Members.

- 7) Speak on general questions from the Chair or to call some other Board Members to the Chair.
- 8) Announce the results promptly on the completion of every vote.
- 9) Receive all messages and communications from other departments and have them read by the Staff Liaison or placed on file, unless the Board, by vote, shall order a message or communication read.
- 10) Vote upon all questions in the same manner as any other Board Member.
- 11) Summarize the direction given by the Board.
- 12) Represent the Board before the City Council
- 13) Participate in interviews of prospective Board Members
- 14) To serve as the official spokesperson for the Board on decisions.
- 15) To coordinate with the President of City Council and the Staff Liaison regarding administrative matters and to receive correspondence from the City Council or the Mayor on behalf of the Board.
- 16) To assign each Board Member a seat and alter the seating arrangement as needed.
- 17) To call Special Meetings of the Board.

B. The Vice Chair shall have the following powers and perform the following duties:

- 1) The Vice Chair shall be the Presiding Officer at meetings where the Chair is absent or otherwise unable to act. Upon the Chair's inability to act, or upon the request of the Chair, the Vice Chair may exercise the full powers and authority of the Chair
- 2) Set agenda for each Board Meeting in coordination with Staff Liaison and Chair
- 3) Participate in interviews of prospective Board Members

C. The Secretary, who is typically the Staff Liaison, shall perform the following duties:

1) Take summary meeting minutes of all Board Meetings. Meeting minutes shall contain the following information:

- a) Date, time and location of Board Meeting
- b) List of Board Members present
- c) General outline of each agenda item discussed and the outcome if any action is taken
- d) Motions and the vote on each motion
- e) Time of adjournment

D. Other Presiding Officer

1) For brief periods during meetings, the Chair may designate any Board Member to preside when the Chair or Vice Chair is absent or otherwise unable to act.

2) If, at the time of convening the meeting, the Chair and Vice Chair are absent, then the Staff Liaison shall call the Board to order and the first order of business shall be the election of a Board Member as a temporary presiding officer, who, when elected, shall preside at that meeting with all the powers and authority of the Chair. If necessary, the presiding officer shall seat the alternate Board Members after being selected or, if a quorum is not present, the Board shall adjourn.

RULE 5-9 VOTING (2025)

A. Voting Required. Every Board Member present when a question is presented, except those that recuse themselves prior to a matter being heard, shall vote on the question.

B. Motion to be Restated. When a motion is made and seconded, it may be restated by the Chair or by the Staff Liaison before debate and again before the final vote. Any Board Member may request that the motion be reduced to writing.

C. Majority Required. Every vote shall require the affirmative vote of the majority of the Board Members present for approval and passage unless a specific number of Board Members is required. In case of a tie vote on any proposal, the proposal shall be considered lost/failed.

D. Record of the Vote. Whenever a vote is taken, each Board Member present must vote "aye" or "nay." After all Board Members have voted, the Chair shall cause the results and the names of any excused Board Members to be announced to the Board and others

present in the Chamber. The Staff Liaison shall then record the vote of each Board Member in the minutes before passing on to the next order of business.

E. Electronic Voting. In the event the electronic voting machine becomes inoperative during any meeting, or the meeting is at a location without an electronic voting machine, the Chair shall call for a roll call vote. The Staff Liaison shall record the oral vote of "aye" and "nay" of each Board Member

F. Vote of Absent Board Member. It shall be improper for any Board Member to state or attempt to state the vote or sentiments of any absent Board Member, to attempt to vote or allow a vote by proxy, or for the Staff Liaison to make any reference in the minutes to such an attempt. Board Member must be present at a meeting (either in person or via an approved remote connection) to vote.

PART 6 - PUBLIC HEARINGS

6-1 GENERAL PROCEDURES FOR LEGISLATIVE PUBLIC HEARING

A. A legislative public hearing shall be conducted to provide a reasonable opportunity for all interested parties to express themselves, as long as the testimony or evidence being given is related to the purpose of the public hearing. Members of the public shall limit testimony to three (3) minutes per person. The President has the authority to limit debate to a reasonable length of time to be equal for both positions, subject to a determination otherwise by action of the entire City Council on motion. (2011)

B. Each legislative item shall be presented in the following order:

- 1) City staff will present the item with a recommendation.
- 2) Supporters of the request will be heard.
- 3) Opponents of the item will be heard
- 4) The City Council will discuss the item and render its decision.

C. Any person speaking may be questioned by a Councilmember. The City Council, at its discretion, may establish a reasonable time limit for each speaker.

The President shall rule upon all disputed matters of procedure, unless, on motion duly made, the President is overruled by a majority vote of Councilmembers present. (2011)

D. The Colorado Rules of Evidence shall not apply, and City Council may receive petitions, exhibits and other relevant documents without formal identification or introduction.

E. All parties who desire to submit exhibits to the City Council for the purposes of inclusion in the record shall submit twelve (12) copies to the City Clerk who shall mark the exhibit and distribute it to the City Council. A digital copy may also be submitted to the City Council Administrator. One (1) copy of each exhibit may be displayed so that all of City Council can simultaneously observe it. (1982; 2000; 2011; 2021)

6-2 GENERAL PROCEDURES FOR QUASI-JUDICIAL MATTERS (2021)

A. A quasi-judicial action generally involves a determination of the rights, duties, or obligations of specific individuals on the basis of the application of presently existing legal standards or codified policy considerations to past or present facts developed at a hearing

conducted for the purpose of resolving the particular interests in question. The existence of a statute or ordinance mandating notice and a hearing is generally evidence of a quasi-judicial action. Another factor indicating the judicial nature of a municipal action is whether the matter is of a type ordinarily heard by a court. If the issue is essentially political, the action cannot be deemed to be quasi-judicial (McQuillin Mun. Corp. § 49.77 (3d ed.)). It is the nature of a decision rendered by the governmental body and the process by which that decision is reached that determines whether the governmental body has exercised a quasi-judicial function in rendering its decision. See *Cherry Hills Resort Development Co. v. City of Cherry Hills Village*, 757 P.2d 622 (Colo. 1988).

B. The City Council shall not solicit and shall endeavor to refrain from receiving information and evidence that is not included in the staff-provided materials provided in the record for quasi-judicial matters while such matter is pending before the City Council or any agency, Board, Commission or Committee thereof, except at the public hearing. City Council may request that staff provide additional information in the public record or present additional evidence at the public hearing. As an elected official, it is often impossible to avoid such contacts and exposure to information. Therefore, if any Councilmember is exposed to information about a pending matter outside of the public hearing through contacts with members of the public, the applicant, or through site visits, the member shall disclose all such information and/or evidence acquired from such contacts, which is not otherwise included in the written or oral staff report, during the public hearing and before the public comments period is opened. Individual site visits by City Councilmembers may occur if in conformance with the standards set forth above and should be disclosed before the public comments period is opened along with any impressions following such site visits. If City Council receives written individual information on quasi-judicial actions, a copy shall be made and/or provided for the rest of City Council. When *ex parte* contacts and communications occur, members shall refrain from stating a position for or against any pending quasi-judicial matters, or those matters the member knows are likely to become quasi-judicial matters, prior to the conclusion of hearing. Matters are "pending" when an application has been filed. Information and evidence gained by members via their attendance at noticed public hearings before subordinate Boards and Commissions after matters are pending are not considered *ex parte* contacts and are permitted.

C. Applicants and appellants will each have standing as a party and generally be limited to thirty (30) minutes per side during quasi-judicial hearings. Those offering testimony who are not applicants or appellants will generally be limited to three (3) minutes per person. Time limits may be modified at the discretion of the President. In appeals from decisions of subordinate boards and commissions and hearing officers, City Council reserves the right to limit the hearings to the matters raised on appeal (2022).

D. An opponent of an application shall have standing as a party at a quasi-judicial hearing if the opponent either (i) appealed the decision of the Planning Commission or other subordinate City Boards, Commissions, or Committees, or (ii) appealed an administrative decision and the appeal was subsequently upheld by the Planning Commission or other subordinate City Boards, Commissions, or Committees. (2022)

E. The order of the hearing for quasi-judicial items appealed from or considered by the Planning Commission or other subordinate City Boards, Commissions, or Committees shall be as follows:

- 1) City staff shall have available a copy of any required public notice as published in the newspaper, a copy of any required affidavit of posting of public notice, all application documents for the proposed project, and other materials as appropriate. City staff shall give an overview of the project and summarize the Board, Commission, or Committee action for the record.
- 2) Any opponent of the application who has standing as a party (as set forth above), shall describe the nature of the appeal or opposition and present evidence (2022).
- 3) The applicant shall present evidence in support of the project.
- 4) Any others in support of the applicant shall present their evidence.
- 5) Those opposing the application shall present evidence.
- 6) A short rebuttal by the applicant shall be limited to issues raised in preceding testimony or argument. No new evidence shall be presented during rebuttal.
- 7) Final comments from the applicant or other parties are allowed with permission of the President only.
- 8) Final comments from City staff and staff recommendation shall conclude the public hearing, which is then closed.
- 9) All questions will be directed through the President who will then direct the appropriate person to respond.
- 10) City Council may then make its decision on the matter or delay its decision. If final action is not taken at the public hearing, the President will advise the audience when the matter will be considered. Councilmembers not present for all of the public hearing will be allowed to vote on the matter only if they carefully review

all applicable recorded proceedings, meeting minutes, if available, and other documentation prior to voting.

F. Electronic and/or Telephonic Quasi-Judicial Hearings

1) Quasi-judicial hearings may be held in electronic and/or telephonic formats as determined by the President. If during the course of the electronic and/or telephonic quasi-judicial hearing the City's means of conducting the hearing fails and results in the loss of either a quorum of the City Council, the advisory board, commission, or committee, or presence of the appointed officer, licensing official, or hearing officer, or of the ability of the applicant or members of the public to participate, the hearing shall immediately be postponed until such time as the resumption of the electronic and/or telephonic means for conducting the hearing. Failure of electronic and/or telephonic capabilities of an applicant or member of the public shall not require immediate postponement of the quasi-judicial hearing.

6-3 GENERAL PROCEDURES FOR CONFIRMATION OF MAYORAL APPOINTEES (2014; 2021)

A. The City Council is required by City Charter section 4-40(f) to confirm the Mayor's appointment of individuals to serve in the following positions: City Clerk, City Attorney, Municipal Judges, Chief Financial Officer, Police Chief, Fire Chief, Public Works Director, Parks Director, Community Development Director, Airport Director, and any other director of a City Department division, office, agency or enterprise if the Mayor's appointment authority is set forth by ordinance (collectively, "Mayoral appointee"). In considering a Mayoral appointee for confirmation, City Council should limit their review to the Mayoral appointee's academic credentials, training and experience, and qualifications or ability to perform the essential functions for the position for which the confirmation is sought. The confirmation process is not intended as a review of the Mayoral appointee selection process; the Mayoral appointee's qualifications relative to other candidates considered but not selected for appointment; or matters not directly relevant to the Mayoral appointee's ability to perform the essential functions of the position. Additionally, as time is generally of the essence, City Council should strive to complete the confirmation at their next Regular Meeting.

1) If the Mayor desires City Council representation on the selection committee, the President, in consultation with the Mayor, shall select and appoint one (1) or two (2) Councilmembers to serve on the Mayoral appointee candidate selection committee. The Councilmember(s) shall serve at the discretion of the Mayor and the Councilmember(s) duties on the selection committee shall be at the discretion of the Mayor. The Councilmember(s) serving on the selection committee shall keep confidential the details of candidate applications, resumes, curriculum vitae, references, and background information for those candidates who are not selected

as a Mayoral appointee. The details of the Mayoral appointee's application, resume, curriculum vitae, references, and background information may be released by the administration to the entire City Council upon commencement of the confirmation process. Councilmembers shall keep confidential any information in the confirmation packet that is not subject to public disclosure pursuant to the Colorado Open Records Act or any other applicable law.

2) Upon the Mayor's notification to City Council that a Mayoral appointee has been recommended, the City Council shall commence the following confirmation procedure:

3) The Mayor may notify City Council by contacting the President in person, by telephone, or by delivering a written or emailed request for confirmation of the Mayoral appointee.

4) Within two (2) business days of the Mayor's notice to City Council, the Mayor or the Mayor's designee shall forward to City Council the confirmation packet, which will include the advertised position description for the office the Mayoral appointee will hold, the Mayoral appointee's application, resume, curriculum vitae, references, background information, and the proposed salary. The information contained in the confirmation packet shall be clearly marked so that Councilmembers can easily determine which documents will be part of the confirmed Mayoral appointee's personnel file as that term is defined by the Colorado Open Records Act, C.R.S. § 24-72-201, et seq. ("CORA"). Confirmation process must commence within thirty (30) days after receipt of the confirmation packet.

5) If one or more Councilmembers served on the Mayoral appointee candidate selection committee, the Councilmember(s) shall be available to discuss one-on-one with other Councilmembers the Mayoral appointee's academic credentials, training and experience, and qualifications or ability to perform the essential functions for the position for which the confirmation is sought.

6) Within five (5) business days of receipt of the confirmation packet, any Councilmember may request additional information about the selection process, the Mayoral appointee's qualifications or stakeholder recommendations by forwarding the request to the President or designee. The President or designee shall forward the request to the Mayor or designee. The Mayor or designee may provide the requested additional information.

7) Within five (5) business days of the City Council's receipt of the confirmation packet, the President or designee shall propose a confirmation schedule to the Mayor that may include, but is not limited to, the following events prior to formal consideration of the confirmation request at a Regular Meeting: individual or group interviews of the Mayoral appointee, a public input process, or a Work Session discussion. As time is generally of the essence, City Council should strive to complete the confirmation at their next Regular Meeting, if possible. Regardless, the proposed confirmation schedule shall ensure the confirmation process concludes no more than ninety (90) days following the date of receipt of the confirmation packet.

8) The Mayor may request changes to the President's proposed confirmation schedule to meet administrative or operational needs of the City. To the extent possible, the President should accommodate the Mayor's request and modify the proposed confirmation schedule accordingly. When final, the City Council Administrator or designee shall distribute the confirmation schedule to the City Council and coordinate the confirmation events set forth in the confirmation schedule.

B. City Council Action

1) Events of Consideration Prior to Formal Confirmation.

a. Councilmembers shall review and be familiar with the information contained in the confirmation packet.

b. If the confirmation schedule includes individual or group interviews of the Mayoral appointee, Councilmembers shall make every effort to meet with the appointee in person. If a Councilmember is unable to meet with the appointee in person, the Councilmember shall make arrangements to speak with the Mayoral appointee individually by phone or video conference. Travel costs for out-of- town Mayoral appointees shall be paid by the Administration.

2) Formal Consideration of the Confirmation Request.

a. Confirmation shall be considered as Mayor's Business at a Regular Meeting or Special Meeting of the City Council.

b. The Mayor or designee may make a presentation and request confirmation of the Mayoral appointee. The Mayoral appointee, if present, may address the City Council. The City Council may inquire into the Mayoral

appointee's academic credentials, training and experience, and qualifications or ability to perform the essential functions for the position for which the confirmation is sought. The public shall be given an opportunity to speak about the Mayoral appointee's education, training, experience, and any other matters relevant to the appointee's qualifications or ability to fulfill the duties of the position.

c. Councilmembers, the Mayor or designee, or the Mayoral appointee may request postponement of the confirmation so long as ninety (90) days have not elapsed since the Mayor's notice was delivered pursuant to Rule 7-3(C), above. The President shall state the purpose of the postponement and the date on which the confirmation will be taken up again. The motion to postpone shall be in accordance with Rule 3-17(E), above.

d. All Mayoral appointees, except the City Attorney, shall be confirmed by the passage of a resolution receiving a concurring vote of five (5) Councilmembers. The Mayoral appointee's confirmation resolution shall set forth the name of the Mayoral appointee, the position to be held by the Mayoral appointee and any other terms of the Mayoral appointee's service the Mayor includes.

e. The City Attorney shall be confirmed by the passage of an ordinance receiving a concurring vote of five (5) Councilmembers. The City Attorney's confirmation ordinance shall set forth the name of the City Attorney, the salary of the City Attorney, and any other terms of the Mayoral appointee's service the Mayor includes.

f. Failure to commence the confirmation process within thirty (30) days of the Mayor's notice, or to complete the confirmation process within ninety (90) days of the Mayor's notice, shall be deemed a de facto confirmation pursuant to the terms of City Charter section 4-40(f).

3) Councilmembers shall keep confidential any information in the confirmation packet that is not subject to public disclosure pursuant to CORA or any other applicable law.

PART 7 - COUNCILMEMBER CONDUCT

7-1 COUNCILMEMBER INVESTIGATIONS

A. Whenever a verbal or written communication is received by other Councilmembers, City Council Appointees, or City Council employees stating allegations of misconduct about a Councilmember, City Council shall schedule a Closed Executive Session to discuss. If deemed merited by City Council, an independent third-party investigation may be requested. In order to summarily deal with untruthful complaints, the independent third-party investigator shall immediately communicate with the Councilmember about whom the complaint has been made and commence an investigation by meeting with the Councilmember and the complainant. If the complaint is without merit, the independent third-party investigator shall close and seal the file and report that the matter has been investigated without any finding of merit to City Council. If the complaint merits further investigation, the third-party investigator shall make a report to the City Council to request authorization for further investigation. All investigative work shall be considered work product and may be otherwise privileged. Complete final investigation reports shall be made to City Council. By adoption of this rule, City Council authorizes an annual budget item for the purposes of retaining an independent third-party investigator. (1995; 2000)

B. If the allegations of misconduct are deemed with merit, City Council may impose the following sanctions:

- 1) An oral or written reprimand
- 2) Censure by Resolution
- 3) Suspension or removal from Board, Commission, and Committee Assignments
- 4) Other sanctions as set forth in City Charter or City Code (2025).

7-2 GENERAL PROCEDURES FOR WAIVER OF ATTORNEY-CLIENT PRIVILEGED COMMUNICATIONS

A. The attorney-client relationship between the City Attorney's Office and the City is established in City Charter Section 13-80. The following process should be utilized to determine whether there is a knowing waiver by Council of attorney-client privileged communications for matters within the power and authority granted to Council by the City Charter:

- 1) If the matter is not time sensitive, the City Attorney or designee will discuss options to waive the attorney-client privilege during a closed executive session. A decision to waive the attorney-client privilege will be done in open session at a regular meeting.

2) If the matter is time sensitive, the City Attorney or designee may poll Councilmembers to determine whether a majority of Council authorizes waiver of the attorney-client privilege by any method or means the City Attorney or designee determines is reasonable under the circumstances. The City Attorney will inform Council of the outcome of the poll as soon as practicable. If waiver of the attorney-client privilege is not unanimous, the matter should be discussed at a closed executive session.

7-3 RIGHT OF FLOOR

A. When recognized by the President, a Councilmember shall confine comments to the question under debate, avoid personal attacks, and refrain from impugning the motives of any other Councilmember's argument or vote.

7-4 CITY COUNCIL REQUESTS OR DIRECTION (2011; 2021)

A. Although individual Councilmembers are encouraged to freely communicate with the Mayor, City Attorney, City Clerk and other Executive staff, Councilmembers should refrain from giving individual direction to persons who report directly to the Mayor. Individual requests or instructions of Councilmembers are not binding on the Mayor, City Attorney, City Clerk or City Council Appointees. In the case of Councilmembers requesting information or assistance without City Council authorization, the Mayor, City Attorney, City Clerk, or City Council Appointees may refuse such requests that require, in their opinion, a material amount of staff time, funds, or are disruptive. Councilmembers and City Council Appointees may bring such requests to the entire City Council for consideration. City Council, as a body and individual Councilmembers will refrain from evaluating, either formally or informally, the overall job performance of any staff other than City Council Appointees. (2000; 2011)

7-5 VOTING

A. Every Councilmember present in Council Chambers, or electronically, at a City Council meeting must vote on every item before City Council unless it would constitute a conflict of interest under the City Charter or City Code of Ethics. Councilmembers shall leave the hearing regarding any item on which they are recused. (2000; 2021, 2022)

7-6 MONITORING PERFORMANCE

A. City Council will evaluate each City Council Appointee's job performance at least once per year based upon an approved performance plan. (2000)

7-7 CODE OF CONDUCT

- A. Councilmembers shall represent loyalty to the interests of the citizens of Colorado Springs. Councilmembers should consider the interest of all of the citizens of Colorado Springs and vote accordingly.
- B. Councilmembers shall come properly prepared for City Council Meetings.
- C. Councilmembers shall not attempt to exercise individual authority or influence over the City and its enterprises.
- D. Individual Councilmembers shall never lead the public or media to have the impression that City Council Appointees are acting improperly. If an individual Councilmember believes a City Council Appointee is acting improperly, the matter shall be discussed and decided by City Council.
- E. Councilmembers shall respect the confidentiality appropriate to issues of a sensitive or legal nature. Any Councilmember who discusses confidential matters publicly will be subject to censure by the majority of City Council as provided in City Charter Section 3-50 and/or subject to the complaint process set forth in the City Code of Ethics.
- F. Councilmembers shall avoid engaging in private discourse or committing any other act which may tend to distract the attention of the City Council or the members of the public from business before the City Council, or which might interfere with any person's right to be heard after recognition by the conducting Councilmember.
- G. Violations of decorum or conduct of Councilmembers shall be resolved by the President.

7-8 DECORUM (2021)

- A. Councilmembers should strive to develop an atmosphere of civility that is respectful of diverse opinions. Councilmembers should act with decency towards other Councilmembers, staff, and members of the public at all times. A Councilmember should not impugn or demean another Councilmember, staff or member of the public. Councilmembers should be welcoming to other Councilmembers, staff, and members of the public. Every effort should be made to be fair and impartial in listening to other Councilmembers, staff, and members of the public. Councilmembers should be aware of body language, tone of voice, and word choice as not to appear intimidating or aggressive towards other Councilmembers, staff, or members of the public. Councilmembers should not make personal comments about other Councilmembers or their opinions and actions that may be perceived as derogatory or defamatory.

7-9 COMPUTER USAGE AND COMPUTING ENVIRONMENT

A. The City provides computer systems for use by Councilmembers in the conduct of official business. City Councilmembers must adhere to City computer usage policy. Inappropriate usage of computer and technology will be addressed by the Mayor through the President of the Council. (2011; 2021)

PART 8 – ADMINISTRATIVE OPERATIONS

No Councilmember may use City funds, staff, consultants, equipment, vehicles, or facilities in support of any political action committee or for any purpose related to any ballot issue campaign or any campaign involving the nomination, retention, election, or re-election of any person to any public office. Councilmembers shall abide by additional prohibitions as set forth by City Code Section 5.2.3. (2021)

8-1 COMMUNICATIONS ADDRESSED TO CITY COUNCIL CONCERNING ADMINISTRATIVE MATTERS

A. City communications addressed to the City Council that require administrative action shall be referred to the Mayor or appropriate Executive staff member for response. Communication matters regarding Colorado Springs Utilities are directed by Utilities Board policies.

8-2 FINANCES (2021)

A. Annually, as part of the City Council department budget process, Councilmembers shall, by majority decision, determine per Councilmember budget cycle allocation for travel and other allowed expenditures. Councilmembers may spend the funds allocated to the Councilmember from the City Council department budget on the following items without further City Council authorization, excluding out of state travel:

- 1) Mileage used in the course of official City business.
- 2) Meals for the Councilmember related to the official or ceremonial functions of the Councilmember.
- 3) The Councilmember's admission to and meals at events related to City business or the Councilmember's official or ceremonial duties.
- 4) Dues for organizations to which the Councilmember belongs, provided that the membership must be related to the official or ceremonial duties of City Council.

B. All out-of-state travel by a Councilmember must be authorized by City Council before expenditures or reimbursements shall be authorized. Any Councilmember intending to expend funds or obtain reimbursement for out-of-state travel and associated costs, will make such request to City Council at a time prior to the event. The request will be considered as an action item under Councilmember Discussion on the next Council Work Session meeting agenda. For the purposes of this Rule, out of state travel by the Councilmember includes attending conferences, trainings, meetings, or events, provided

such travel is in compliance with the City's current travel and meals polices and is related to the official or ceremonial duties of the Councilmember.

C. In a year in which a Councilmember's term is set to expire, the Councilmember will be limited to spending twenty-five percent (25%) of the annual allocation prior to leaving City Council. Newly elected Councilmembers will be limited to spending seventy-five percent (75%) of the annual allocation. (2025)

Charter

6-70. Utility Rates.

The Council shall by ordinance or resolution establish rates, rules and regulations, and extension policies for the services provided by Utilities.

City Code

12.1.104: DELEGATION OF AUTHORITY:

Except for the matters expressly provided herein, Council hereby delegates all of its authority over the management and operation of the Utilities to the Utilities Board with the intent that the Utilities Board be empowered to exercise authority, judgment and discretion over Utilities to the fullest extent legally possible. This delegation of authority does not include authority to pass ordinances, issue revenue bonds, institute eminent domain proceedings, appropriate funds or adopt annual budgets, approve intergovernmental agreements, adopt or change tariffs for regulated products and services, create advisory boards in accordance with the City Charter, approve the sale, conveyance or lease of a substantial part of Utilities systems and water rights with an affirmative vote of a supermajority of sixty percent (60%) of the electors of the City voting upon that question in accordance with the City Charter, or to take any action expressly required of the Council in its legislative capacity by the Colorado Constitution, the City Charter, or other controlling law. ...

12.1.108: REGULATION OF ELECTRIC, STREETLIGHT, NATURAL GAS, WATER AND WASTEWATER RATES, CHARGES AND REGULATIONS:

A. Determined By City Council: The rates, charges and regulations, including conditions, for all classes of regulated electric, streetlight, natural gas, water and wastewater services shall be determined by the City Council for customers and users inside and outside of the corporate limits of the City and shall be set forth in tariff sheets to be adopted by resolution as provided in this section.

B. Tariff Sheets On File: One copy of the currently effective tariff sheets for each regulated utility service shall be kept on file with the City Clerk and shall be open for public inspection during regular business hours. Copies hereof may be purchased by any person upon payment of the cost of reproduction.

C. Adopted By Resolution; Hearing: Base rates or regulations or any change shall be adopted by resolution, which shall adopt by reference the appropriate tariff sheet or sheets to be established or revised.

1. Preliminary Information For The City Auditor And City Attorney: When Utilities proposes to change base rates, and the proposed change will result in the determination of a new revenue requirement supported by a cost of service study, Utilities will provide a draft of the proposal and cost of service study to the City Auditor and the City Attorney at least thirty (30) days prior to filing the proposed resolution with City Council. When changes to base rates are proposed, but do not involve a cost of service study, a draft of the proposal will be provided to the City Auditor and the City Attorney seven (7) days prior to the filing of a proposed resolution. Any request for additional information by the City Auditor and any response by Utilities, will be in writing. Drafts of the proposed resolution and tariff sheets will be provided to the City Attorney seven (7) days prior to filing of the final proposed resolution with City Council. The final proposed resolution regarding adoption or change in base rates or regulations shall be filed with the City Clerk for distribution to City Council at least seven (7) days prior to the City Council meeting at which the hearing on the rate case is set.

2. Notice And Order For Hearing: Upon presentation of a proposed resolution regarding adoption or change in base rates or regulations, the At a regular or special meeting of City Council,

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City Council shall set a hearing by resolution not less than thirty (30) days nor more than sixty (60) days from the date of the Council meeting at which the hearing is set notice of the proposed resolution to receive evidence regarding the proposed adoption or change in base rates or regulations and shall order notice of the proposed resolution to be made as follows:

- a. One copy of the proposed resolution, including the proposed change in the base rates or regulations, and one copy of any written documents which Utilities has provided to City Council to explain the proposed resolution, shall be filed and kept open for public inspection in the Office of the City Clerk.
- b. Notice shall be given by publishing a summary of the proposed resolution at least once in at least one newspaper of general circulation within the City at least thirty (30) days and no more than sixty (60) days prior to the date set for the public hearing. The notice shall include: 1) an explanation of the proposed changes in rates or regulations, or new base rates or regulations; 2) the time when the same shall go into effect; and 3) a statement that one copy of the resolution and one copy of any written documents which the Utilities has provided to City Council to explain the proposed resolution are on file and open for public inspection in the Office of the City Clerk.
- c. If it is impractical due to the size or bulk of the proposed resolution to publish the same in a newspaper, a summary thereof prepared by Utilities shall be published and notice shall be given of the availability of the proposed resolution for public inspection, including any new schedules stating plainly the changes to be made in the schedules then in force, at least once in at least one newspaper of general circulation in the authorized service area at least thirty (30) days and no more than sixty (60) days prior to the date set for public hearing.
- d. Notice of any change in base rates or regulations for electric and/or natural gas service shall be mailed to affected customers served outside the City's corporate boundaries. The notice shall state the date and time of public hearing and that one copy of the proposed ordinance or resolution, including the proposed change in base rates or regulations, and one copy of any written documents which the Utilities has provided the City Council to explain the proposed resolution and changes are on file and open for public inspection in the Office of the City Clerk.
- e. If a City Council Member discusses a proposed rate resolution with staff or members of the public outside a public hearing, the City Council Member shall place the substance of the discussions on the public record during the subsequent public hearing.

3. Public Hearing: The City Council shall conduct a public hearing to consider the proposed resolution. The procedures to be followed concerning the hearing shall include the following:

- a. The City Council shall not delegate hearing on the proposed resolution to any other person, board or commission.
- b. The City Council may question witnesses and may be assisted by legal, technical or other professional personnel or advice, as it deems necessary. All discussions and presentations by staff concerning the proposed resolution shall occur during a public hearing.
- c. The Utilities shall make a presentation, including a presentation of exhibits to explain the proposed base rates or regulations, and the need therefor.
- d. Any users or customers of the Utilities, their representatives or their attorneys, shall be allowed to present testimony and/or exhibits relevant to the proposed resolution during that portion of the public hearing when public comment is allowed.
- e. Any users or customers may represent themselves, may select a representative or be represented by legal counsel.
- f. Customers or users, their representatives or attorneys, who desire to present witnesses other than themselves concerning the proposed resolution may request an opportunity to present testimony and/or exhibits by filing with the City Clerk and Utilities' Chief Executive Officer a notice of intent to present witnesses, which shall contain a list of the names of witnesses which the user

Commented [RC1]: Utilities must provide a copy of resolution and rate case filing to City Clerk to be distributed to Council 7 days prior to meeting at which hearing will be set.

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or customer proposes to present at the public hearing and a short summary of testimony of each witness, including a copy of all exhibits and other documentation that the user or customer proposes to present to City Council for its consideration, not less than seven (7) working days prior to the public hearing.

g. Testimony must be relevant to the issues being heard before the City Council, and not be repetitious. If the testimony or exhibits to be offered by a customer or user appear to be unduly repetitious, Council may require all similarly interested customers or users to designate a spokesman, or may appoint a spokesman for them, who alone shall be allowed to present testimony or exhibits.

h. City Council shall have discretion to limit the time for presentation by the Utilities and customers or users, their representatives or attorneys, desiring to present testimony or exhibits. The hearing shall be legislative in nature, but the City Council may allow the questioning, rebuttal or argument by Utilities, customers or users, their attorneys or representatives, as it considers appropriate.

4. Amendments And Revisions: The City Council may amend the proposed resolution and revise any proposed base rate or regulation as a result of information presented at the public hearing.

D. Procedure To Change Certain Rates Or Charges And Authorize Refunds By Resolution Without Notice And Public Hearing:

1. When Utilities proposes changes for electric cost adjustments or gas cost adjustments, the drafts of the proposal, the proposed resolution and tariffs will be provided to the City Auditor and City Attorney seven (7) days before filing the final proposed resolution with City Council.

2. The City Council, for good cause shown, may by resolution:

- a. Authorize a refund of costs or charges to Utilities' customers; or
- b. Change rates or charges of the electric utility to reflect electric cost adjustments (increased or decreased costs of fuel and/or purchased power) in the rates of the electric utility; or
- c. Change rates or charges of the gas utility to reflect increased or decreased gas costs from the gas supplier; or
- d. Change any other fees, rates or charges that are not within the control or discretion of the City or the Utilities; or
- e. Change any other rates or charges of the water utility necessary to avoid a water shortage; or
- f. Change any other tariff provision which City Council, in its discretion, deems to be appropriate; provided, the change has no adverse impact on customers.

3. In the cases noted above, Council may authorize the changes without requiring notice and public hearing. The resolution adopting the changes will be considered an order of City Council and shall specify the changes to be made and shall state: a) the circumstances necessitating the change without notice and public hearing, b) the effective date of the changes, and c) the manner in which the changes shall be published. Furthermore, whenever City Council authorizes a refund of costs or charges to customers of the Utilities, the resolution authorizing the refund shall provide for the disposition of refunds due to customers which cannot be located.

E. Standards For Setting Electric, Streetlight And Natural Gas Rates: All rates, as established by City Council for electric, streetlight and natural gas service, shall be just, reasonable, sufficient and not unduly discriminatory. All rates and regulations shall be designated in tariff sheets as provided above and shall indicate an approval date and an effective date to be set by City Council.

F. Authority For Water And Wastewater Setting Rates: City Council shall set water and wastewater rates for customers inside and outside the corporate limits of the City and for all classes of water service at the amount as Council, in its discretion, determines to be reasonable

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and appropriate in light of all circumstances. All water rates and regulations shall be designated in tariff sheets as provided above and shall indicate an approval date and an effective date to be set by the City Council. (Ord. 98-173; Ord. 01-42; Ord. 02-60; Ord. 03-50; Ord. 04-198; Ord. 18-42

Council Rules of Procedure

PART 4 - UTILITIES PRICING AND TARIFF HEARING PROCEDURE

The following rules shall govern Council hearings concerning the adoption of resolutions which change the pricing or tariff for any regulated utility service of Colorado Springs Utilities (Utilities):

4-1. HEARING PROCESS

A. Pre-Hearing Procedures

1) The process to change pricing or tariffs for any regulated utility service shall commence with the filing by Utilities of a resolution identifying the proposed changes, accompanied by the proposed tariffs, with the City Clerk for distribution to City Council at least seven (7) days prior to a regular or special meeting of Council. at which meeting Council shall establish a date for a public hearing by resolution at that meeting, which hearing shall be no less than thirty (30) calendar days nor more than sixty (60) calendar days from the date of the notice to customers of the proposed resolution Council meeting at which the hearing is set.

Commented [RC2]: Utilities will provide the proposed resolution and proposed tariff changes to the City Clerk to be distributed to Council no less than 7 days prior to the meeting at which Council will set a hearing on the proposed tariff changes.

2) Utilities shall be responsible for notifying customers of proposed changes in pricing or tariffs for any regulated utility service as required by the City Code and Colorado law. Utilities shall place one copy of the Utilities filing and any written documents provided to Council to explain the proposed resolution on file in the office of the City Clerk. These documents shall be available for public inspection.

3) Before or during any public hearing, Council may be assisted by legal, technical or other professional personnel as it deems necessary. If Council retains a professional consultant or advisor, the consultant or advisor shall provide a written report to Council, Utilities and any customer who has filed a notice of intent under subsection A.8 below at least ten (10) working days prior to the public hearing. A copy shall also be filed with the City Clerk and shall be available for public inspection.

4) If the change in pricing is supported by a cost of service study, Utilities shall provide a draft copy of the proposal and cost of service study to the City Auditor at least thirty (30) calendar days prior to the filing. If the proposed changes do not require a supporting cost of service study, Utilities shall provide a draft of the proposal to the City Auditor seven (7) calendar days prior to the filing of the proposed resolution. If the City Auditor chooses to file a report on the proposal, such report shall be filed with the City Clerk and Utilities at least five (5) calendar days prior to the public hearing.

5) Drafts of the proposed resolution and tariff sheets will be provided to the City Attorney seven (7) calendar days prior to filing with Council.

6) Subsequent to the Utilities filing and before any time prior to the public hearing, Utilities may make the following changes to its filed proposal provided that copies of any changes are filed with the City Clerk and sent to customers who have notified the City Clerk of their intention to present witnesses: a) minor corrections or administrative clarifications to the Utilities' filing; and b) supplements containing additional information necessary or appropriate to substantiate the filing. Subsequent to the Utilities filing and at least seven (7) days prior to the public hearing, Utilities may make the following changes to its filed proposal provided that copies of any changes are filed with the City Clerk and sent to customers who have notified the City Clerk of their intention to present

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witnesses and such changes are published at least once in a newspaper of general circulation within the City; e) modifications which increase or reduce the amount of the change requested; (ii) substantive change to the regulations; and (iii) structural and/or substantive changes to the pricing..

7) Prior to the public hearing, no increase in the prices as noticed may be proposed without notification to all customers who notified the City Clerk of their intention to present witnesses at the hearing and without publication of such changes at least once in a newspaper of general circulation within the City. Material supporting any proposal to increase change the prices as previously noticed must be filed with the City Clerk and held open for public inspection.

8) The representative or attorney of a customer who wishes to present testimony by witnesses other than the customer must file a notice of intent with the City Clerk disclosing the names of witnesses, a short summary of testimony and a copy of all exhibits and other documentation to be presented to Council no less than seven (7) working days prior to the public hearing. A copy of all such material must be filed at the same time with the Utilities' Pricing Department Manager.

9) There is no formal right to discovery, but parties are urged to share information in order to expedite the proceeding. Parties are also encouraged to meet in advance of the hearing to narrow or resolve the disputed issues between them. Nothing shall prohibit the Utilities from meeting with customers outside of the hearing process to discuss proposed changes in pricing or tariffs and to solicit their input. (2011)

Commented [RC3]: Clarifies what can be included in a supplemental and what the notice provisions are.

B. Hearing Procedures

1) Council shall hear the matter in its legislative capacity. The Colorado Court Rules of Civil Procedure and the Rules of the Public Utilities Commission of the State of Colorado shall not apply to the proceedings. Council is not bound by the rules of evidence. Council may take notice of general, technical or scientific facts, or of laws, regulations or court decisions without the necessity of presentation of evidence.

2) At the public hearing Utilities shall make a presentation to explain the filing and the need for changes in pricing or tariffs. Any customer shall be allowed to present testimony and/or exhibits relevant to the proposed changes during that portion of the public hearing when public comment is allowed.

3) At the public hearing, Council may question witnesses and may allow such questioning, rebuttal or argument by Utilities, and by customers, their attorneys or representatives, as Council deems appropriate. Council may limit the time for presentation by Utilities, customers and their attorneys or representatives, as it deems appropriate. Testimony must be relevant to the issues being heard and shall not be repetitious. If the testimony or exhibits are repetitious, Council may require all similarly interested customers to designate a spokesperson or may appoint one for them.

4) No party shall have a right to present written briefs during or at the conclusion of the public hearing, unless requested by Council.

5) Pursuant to the legal requirement that pricing and tariff decisions must be based on information contained "on the record", once the proposed resolution has been filed if Councilmembers have communications about matters subject to decision outside of the public hearing such communications are considered to be "ex parte communications". When an ex parte communication occurs, the pertinent details of the communication should be noted during the public hearing. In recognition of the fact that Councilmembers also serve on the Utilities Board, and that Councilmembers/Board members and members of Utilities staff frequently communicate on a number of issues, if an ex parte communication occurs between a Councilmember and a staff member of Utilities, the staff member will reduce the pertinent elements of the communication to writing. The writing will be distributed to all Councilmembers and customers who have filed notices

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~~of intent, and shall be placed on file with the City Clerk as part of the record of the proceeding. If a City Council Member discusses a proposed rate resolution with staff or members of the public outside a public hearing, the City Council Member shall disclose the substance of the discussions at the beginning of the public hearing to be included as part of the record of the proceeding.~~

Commented [RC4]: Copied directly from City Code.

C. Post-Hearing Procedures

- 1) At the conclusion of the public hearing, Council shall identify issues for deliberation and decision. Council may adjourn to another time to complete its deliberation and make a decision on the issues. Council may revise any proposed pricing or tariff as a result of the information presented at the public hearing. All decisions made by Council shall be based on the record.
- 2) After its deliberations, Council shall instruct the City Attorney to draft a proposed Decision and Order. The Decision and Order shall incorporate a description of the history of the proceeding, the issues identified by Council for deliberation, and Council's findings on the issues.
- 3) The written Decision and Order of Council shall be incorporated in a Resolution of Council revising pricing or tariffs. The Decision and Order shall be adopted in open public session and shall be placed on file with the City Clerk. It shall identify the date on which changes in pricing or tariffs were approved and the date on which they shall become effective.
- 4) All prices, as established by Council in these proceedings, shall meet the requirements of the City Code. All prices shall be designated in tariff sheets and shall remain on file in the City Clerk's Office and the Utilities Pricing Department.
- 5) No party shall have the right to request rehearing, reargument or reconsideration of the decision of Council.
- 6) The Utilities filing and supporting documentation, all subsequent documents submitted to Council or the City Clerk by Utilities, customers or their representatives, the report of the City Auditor, the presentations to Council by any party, all Council deliberations, its Decision and Order, and the Resolution adopted, shall constitute the record of these proceedings.

4-2. EXPEDITED HEARING PROCESS FOR INSTANCES OF GOOD CAUSE

A. Instances for Which Good Cause Exists (2011)

- 1) Certain pricing and tariff changes may be made, or refunds authorized, without meeting the notice and public hearing requirements imposed by Section I of this Part 4, provided that good cause exists. In the following instances, good cause exists:
 - a. Changes to the gas cost adjustment to reflect increased or decreased gas costs.
 - b. Changes to the electric cost adjustment to reflect increased or decreased costs of the fuel used for electric generation or purchased power costs.
 - c. Refunds to customers.
 - d. Changes to other fees, rates or charges that are not within the control or discretion of the City or the Utilities.
 - e. Changes to the pricing of water necessary to avoid a water shortage.
 - f. Tariff changes which have no adverse impact on customers.

- 2) Council may find that good cause exists in other instances, and must state the nature and circumstances of the good cause in the resolution resulting from its action.

B. Process for Expedited Hearing

- 1) Proceedings for consideration of matters for which good cause exists shall be conducted in a legislative manner as a Council item.
- 2) When Utilities proposes changes to the gas cost adjustment or the electric cost adjustment, drafts of the proposal including the proposed resolution and tariffs will be provided to the City Auditor and the City Attorney seven (7) calendar days prior to filing the proposal with Council. If the City Auditor finds that the proposed adjustment is adequately supported and conforms to the

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requirements of the cost adjustment tariffs, the City Auditor will provide such findings in a letter to the Council that will be included in the filing by Utilities. If the proposed changes to the gas cost adjustment or the electric cost adjustment are supported by a letter from the City Auditor, the resolution effecting the change will be placed on the Council's Consent Calendar.

3) The resolution adopting changes shall be considered an Order of Council, shall specify the changes to be made and shall state: a) the circumstances which establish good cause and necessitate the change being made under these procedures, b) the effective date of the changes, and c) the manner in which the changes shall be published.

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CHANGES TO CITY CODE § 12.1.108 AND THE RULES AND PROCEDURES OF CITY COUNCIL REGARDING THE RATE CHANGE PROCESS

Renee Congdon, Utilities Division Chief, City Attorney's Office



Proposed Changes to City Code § 12.1.108 and the Rules and Procedures of City Council

1. Changes filed with Clerk at least 7 days prior to the Council meeting at which the hearing on the rate change is set
2. Hearing set by resolution 30-60 days after the meeting setting the hearing



Proposed Changes to City Code § 12.1.108 and the Rules and Procedures of City Council

3. **Supplemental filings**
 - A. Minor changes and substantiation may be filed any time before the hearing
 - B. All other changes must be filed at least 7 days prior to the hearing
4. All ex parte restrictions are removed EXCEPT: if a council member discusses the rate or tariff change, the Council member must disclose the substance of the discussion at the beginning of the public hearing so that it is included in the public record



Changes to City Code § 12.1.108

- Board Recommendation February 18
- Council Approval February 24 Regular Meeting
- Second Reading March 9, 2026

Changes to Council Rules and Procedures

- Presentation at City Council lunch February 23, 2026
- Council Work Session March 9, 2026
- Council Approval March 24, 2026 Regular Meeting



Questions?