

RESOLUTION NO. _____-17

**A RESOLUTION DIRECTING THE CHIEF EXECUTIVE OFFICER OF
COLORADO SPRINGS UTILITIES TO EXECUTE AN AGREEMENT FOR
AUGMENTATION SERVICE**

WHEREAS, the City Code § 12.4.401 generally provides that customers with properties located within the City are required to connect their properties to the Colorado Springs Utilities' water supply system; and

WHEREAS, City Code § 12.4.403 generally provides that it is unlawful for any person who owns any house or other building occupied for business or residential purposes situated within the City to fail to connect the house or building to the Colorado Springs Utilities' water supply system in accord with the requirements of the City Code; and

WHEREAS, City Code § 12.4.402 provides that Colorado Springs Utilities may negotiate agreements that provide for the development of groundwater resources within the City to be supplied to users for purposes specified in the agreements upon approval by the Executive Director, Utilities Board or City Council as appropriate; and

WHEREAS, City Resolution No. 233-86 sets forth the City's groundwater development policy and provides that unless otherwise determined by City Council, groundwater located within the City may only be utilized for supplemental water supply for emergency and limited irrigation purposes; and

WHEREAS, Utilities Board Executive Limitation 10 provides that groundwater located within the City may only be utilized for supplemental supply for emergency, limited irrigation, aquifer storage and recovery, or periodic operation and maintenance of groundwater infrastructure; and

WHEREAS, 260EB – 2, LLC ("Customer") is the owner of a 35-acre portion of a 392-acre parcel of vacant land located southeast of the intersection of Shoup Road and State Highway 83 ("Property"); and

WHEREAS, Customer is planning on constructing a primary residence and several guest residences on the Property in the near future; and

WHEREAS, City Code § 12.4.401 generally provides that Customer is responsible for the cost of all water main extensions necessary for Colorado Springs Utilities to serve the Property; and

WHEREAS, Colorado Springs Utilities currently does not have water distribution mains in the vicinity of the Property and Customer would have to pay for extensive and costly offsite water main extensions in order to connect the Property to the Colorado Springs Utilities' water supply system; and

WHEREAS, extending distribution mains to the Property at this time would introduce water quality and safety concerns due to water age and underutilized pipes, and would not facilitate the orderly development of Colorado Springs Utilities' water supply system; and

WHEREAS, Customer is interested in drilling a new groundwater well on the Property to provide interim water service to the Property ("New Well") until such time as a water distribution main is installed near the Property; and

WHEREAS, Customer is the owner of the existing exempt groundwater well located upon the 392-acre parcel that withdraws water from the Dawson Aquifer pursuant to State of Colorado Well Permit No. 23874-A for livestock use ("Existing Well") and desires to continue using the Existing Well for its livestock use; and

WHEREAS, Colorado Springs Utilities is willing to allow Customer to utilize the New Well for domestic uses on the Property, pursuant to Colorado Springs Utilities' Augmentation Service Tariff, until such time as a water distribution main is located near the Property; and

WHEREAS, Colorado Springs Utilities is willing to allow Customer to utilize the Existing Well for livestock use on the 392 acre parcel; and

WHEREAS, Customer has agreed to fund its share of the costs associated with the extension of the water main(s) necessary to serve the Property in the future and connect the Property to the main(s) when requested to do so by Colorado Springs Utilities; and

WHEREAS, Colorado Springs Utilities requests that City Council authorize and direct the Chief Executive Officer for Colorado Springs Utilities to execute an agreement for augmentation service with Customer that provides for the use of the New Well and the Existing Well as set forth above.

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF COLORADO SPRINGS:

SECTION 1. The City Council finds and determines that an augmentation service agreement between Colorado Springs Utilities and Customer is in the best interest of the City of Colorado Springs.

SECTION 2. The Chief Executive Officer for Colorado Springs Utilities is authorized and directed to enter into an augmentation services agreement with the Customer 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 February, 2017.

ATTEST:

Merv Bennett, Council President

Sarah B. Johnson, City Clerk