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Title: Resolution Directing the Chief Executive Officer of Colorado Springs Utilities to Execute the Sewer Treatment and Disposal Agreement between Colorado Springs Utilities and Stratmoor Hills Sanitation District

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Attachments: 1. Council Resolution Stratmoor Hills Water and Sewer, 2. Signed Resolution_104-15

Date	Ver.	Action By	Action	Result
10/27/2015	1	City Council	adopted	Pass

Resolution Directing the Chief Executive Officer of Colorado Springs Utilities to Execute the Sewer Treatment and Disposal Agreement between Colorado Springs Utilities and Stratmoor Hills Sanitation District

From:
Jerry Forte, P.E., CEO, Colorado Springs Utilities

Summary:
Stratmoor Hills Sanitation District (Stratmoor) is a Colorado statutory district that provides wastewater collections services within the City of Fountain and for an unincorporated area of El Paso County. Stratmoor’s wastewater system delivers wastewater into Colorado Springs Utilities’ (Utilities) wastewater system which is then treated at Utilities’ Las Vegas wastewater treatment facility. Utilities has been treating and disposing of Stratmoor’s wastewater since 1960, and the contract under which it currently provides such service expires on November 9, 2015. Utilities is requesting City Council approval of a resolution authorizing Utilities to execute a new special contract for sewage treatment and disposal with Stratmoor.

Previous Council Action:
N/A

Background:
Stratmoor’s service area is adjacent to the City of Colorado Springs boundary. Stratmoor’s service area includes the South Academy Highlands development which was recently annexed into the City of Fountain. Utilities has been treating Stratmoor’s wastewater since 1960. The proposed special contract is in accordance with the City Codes and Utilities’ Tariffs, which allow for special contracts for wastewater service outside City limits. Service under the proposed special contract is per the

Contract Service - Outside City Limits rate schedule, which states that service under this rate schedule is available “by contract outside the corporate limits of the City in areas where Utilities’ treatment system is available for institutions, plants, organized sewer districts, municipal corporations or other similar organizations and only with prior approval by the City Council”. The term of the proposed special contract is five years and may be renewed in one year increments at the parties’ discretion for up to two additional years.

Under the proposed special contract, Utilities will continue to own and operate the current collection pipeline and the meters for Stratmoor’s wastewater flows. In addition, there is a new wastewater pipeline that has been installed for the volumes originating from the new South Academy Highlands development, which will be owned and operated by Stratmoor. At some point next year, Utilities will convey its current collection line to Stratmoor under a separate agreement, which will allow Stratmoor to own and operate the entire wastewater collection system inside its service territory.

The service provided under the proposed special contract will continue to be administered under Utilities’ Industrial Pretreatment Program, and the wastewater will be treated at the Las Vegas wastewater treatment facility.

Stratmoor’s Board of Directors has approved and executed the proposed special contract.

Financial Implications:

The 2016 annual gross wastewater revenue under the proposed special contract is projected to be \$400,000. The gross revenue is expected to increase by a marginal amount annually over the term of the special contract resulting from incremental development in South Academy Highlands.

Board/Commission Recommendation:

N/A

Stakeholder Process:

Utilities continues to work with Stratmoor to ensure the terms of this proposed special contract satisfy Utilities’ and Stratmoor’s service requirements and regulations.

Alternatives:

There are no alternatives for Stratmoor to process its wastewater.

Proposed Motion:

Motion for approval of the attached resolution authorizing execution of the proposed special contract and directing the Chief Executive Officer of Utilities to execute the contract.

N/A