



Legislation Text

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A Resolution Approving an Intergovernmental Agreement between the City of Colorado Springs, Colorado, the City of Fountain, Colorado, the Security Water District, and the Pueblo West Metropolitan District for the Operations, Maintenance, Replacement and Expansion of the Southern Delivery System, and Authorizing Execution of Such an Intergovernmental Agreement

Presenter:

John Fredell, Southern Delivery System, Program Director
Jerry Forte, P.E., CEO, Colorado Springs Utilities

Summary:

The Operations and Maintenance (O&M) IGA is a follow up agreement originally envisioned in the Construction IGA. The O&M IGA defines the types of O&M expenses for SDS Phase 1 and how they are allocated among the partners. It does not contain specific costs to be paid by any partner. Rather, it updates the percentages of total SDS O&M fixed and variable expenses that each partner will be obligated to pay related to their portion of SDS Water deliveries.

The O&M IGA also sets the guidelines under which Colorado Springs Utilities will operate SDS as the Operations Manager providing water deliveries, accounting, billing and all services needed to operate the system in order to deliver SDS water.

The agreement defines an Operating Committee with one representative from each partner (Colorado Springs Utilities, Fountain, Security and PWMD) to function as a point of coordination for the partners. The Operating Committee will coordinate on topics related to the operation of SDS similar to how the Construction Coordination Team (CCT) has during the construction phase of SDS.

The O&M IGA will go into effect after it is fully executed and upon the start of SDS commercial operations. The Construction IGA will remain effective concurrent with the O&M IGA until all remaining construction related activities are completed and those contracts are fully closed out. The two IGAs will overlap for a period of time to be determined, but anticipated to be approximately two years. Each of the other Partner organizations have obtained their governing body approvals to execute the O&M IGA.

Previous Council Action:

On January 20, 2016, staff presented a briefing on the Draft SDS Operations and Maintenance IGA to the Utilities Board. In mid-2003, staff presented the SDS Construction IGA to the Utilities Board. The SDS Construction IGA governs cost-sharing among the SDS partners (Colorado Springs Utilities, City of Fountain, Security Water and Sanitation District and Pueblo West Metropolitan) during construction of SDS Phase 1.

Background:

Other contracts are currently in effect that have specific requirements related to SDS operations. These contracts are referenced within the O&M IGA. The contracts are: the SDS Trust Agreement; the Supplemental Agreement for FVA Capacity Trade; Bureau of Reclamation (BOR) Excess Storage Capacity Contracts; and the BOR Conveyance Contract.

Financial Implications:

N/a

Board/Commission Recommendation:

The Utilities Board recommended to bring the Resolution to City Council for approval and adoption.

Stakeholder Process:

Extensive coordination with Partners, internal CSU staff and management and City legal staff during development of the O&M IGA.

Alternatives:

N/A

Proposed Motion:

Approve and adopt attached Resolution and authorize Utilities CEO to execute SDS O&M IGA.

N/A