



## Legislation Text

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**File #:** 19-715, **Version:** 1

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Resolution approving Amendment to Extend Term of April 3, 2014, First Revised Water Transmission Service Contract between the Aurora-Colorado Springs Joint Water Authority and the Cities of Aurora and Colorado Springs

**Presenter:**

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Michael Gustafson, Senior Attorney, City Attorney's Office

Aram Benyamin, Chief Executive Officer, Colorado Springs Utilities

**Summary:**

Colorado Springs Utilities is seeking City Council approval of a resolution approving the Amendment to Extend Term of April 3, 2014, First Revised Water Transmission Service Contract between the Aurora-Colorado Springs Joint Water Authority and the Cities of Aurora and Colorado Springs and authorizing the President of City Council to execute the Amendment.

**Background:**

The cities of Aurora and Colorado Springs ("Cities") have for many years worked cooperatively in developing water resources to bring water from the Colorado River Basin to the water systems of the Cities through the project commonly known as the Homestake Project. By contract executed May 13, 1983, the Cities established a separate governmental entity and subdivision of the State of Colorado known as the Aurora-Colorado Springs Joint Water Authority ("Authority"). One specific purpose of the Authority was to finance, construct, operate, and maintain a pipeline from the outlet of Twin Lakes Dam to the Otero Pumping Station Intake ("Otero Extension Pipeline") and provide for the transmission of the Cities' Homestake water through the pipeline, pursuant to a Water Transmission Service Contract dated June 1, 1983. The bonds issued for the construction of the Otero Extension Pipeline have been paid off.

The Water Transmission Service Contract expired on December 31, 2013 and on April 3, 2014, the Cities and the Authority entered into a First Revised Water Transmission Service Contract ("Revised Transmission Contract") that set forth the terms under which the Authority was to operate and maintain the Otero Extension Pipeline and provide water transmission service to the Cities through its expiration on December 31, 2019.

The Cities and the Authority are engaged in discussions about the future of the Authority and wish to extend the term of the Revised Transmission Contract as they review, analyze and negotiate potential changes to the existence, scope, purpose, rights and obligations of the Authority as set forth in the Establishing Contract. In order to allow sufficient time for those discussions to progress, the Authority and the Cities have negotiated an amendment to the Revised Transmission Contract that extends its term through December 31, 2021, with a single one-year automatic extension of the term.

The amendment also adds recent appropriations language to the Revised Transmission Contract.

The amendment to the Revised Transmission Contract is an IGA that needs to be approved by the City Council for each City. Colorado Springs Utilities will seek City Council's approval of the amendment to the Revised Transmission Contract by resolution on the consent calendar at the December 10th City Council meeting. Aurora is in the process of moving the amendment to the Revised Transmission Contract through its City Council's approval process and expects to have approval from its City Council by mid-December 2019.

**Previous Council Action:**

Council approved the establishment of the Joint Water Authority via Ordinance No. 83-54 on March 22, 1983. Council approved the original Water Transmission Service Contract via Ordinance No. 83-106 on May 24, 1983. Council approved the First Revised Water Transmission Service Contract between the Aurora-Colorado Springs Joint Water Authority and the Cities of Aurora and Colorado Springs on February 25, 2014.

**Financial Implications:**

Colorado Springs Utilities is currently assessed approximately \$58,000.00 on water transmission service from the Authority annually, which should continue under the extended Revised Transmission Contract subject to additional assessments that may be necessary to operate, maintain, or improve the Otero Extension Pipeline and associated facilities.

**City Council Appointed Board/Commission/Committee Recommendation:**

N/A

**Stakeholder Process:**

Enter stakeholder process. Enter N/A if not applicable.

**Alternatives:**

(1) Approve the resolution approving the amendment to the First Revised Water Transmission Service Contract and authorizing and the President of City Council to execute the amendment to the Revised Transmission Contract; (2) not approve the resolution; (3) modify the resolution or the Revised Transmission Contract; and (4) refer the matter back to Colorado Springs Utilities for further consideration.

**Proposed Motion:**

Approval of proposed resolution.

N/A