



Legislation Text

File #: 16-330, **Version:** 1

A resolution of support for an Executive Agreement between the municipal government of the City of Colorado Springs and Colorado Springs Utilities pertaining to the expenditure of funds for a stormwater control program

Presenter:

Mayor John Suthers

Summary:

Following City Council's approved of an Intergovernmental Agreement (IGA) with Pueblo County, designed to provide a description of commitments concerning the funding and implementation of stormwater control activities by the City of Colorado Springs and Colorado Springs Utilities, it is necessary for the City and Utilities to execute an executive agreement, in which Utilities agrees to guarantee certain stormwater expenditures if the City is unable or unwilling to meet its annual Stormwater Control Program funding commitments as referenced in the IGA.

Previous Council Action:

N/A

Background:

Under the terms of the IGA, the City and Utilities have committed to the expenditure of certain funding amounts towards the Stormwater Control Program over a twenty (20) year period in five year increments of \$100M (2016-2020), \$110M (2021-2025), \$120M (2026-2030) and \$130M (2031-2035). To meet such commitments, the City Council must approve annual appropriations. Utilities and the City have agreed to share in the cost of meeting the above-referenced funding commitments. The executive agreement outlines the following agreements between the City of Colorado Springs and Colorado Springs Utilities:

1. Utilities share of the Minimum Total Expenditures under paragraph III.A(1) of the IGA shall be an average of \$3M per year, with a Minimum Annual Expenditure of \$2.6M for each year of the twenty year period from 2016-2035 (not subject to escalation); provided, however, that Utilities total contribution shall be escalated in each of the five year payment increments by the same percentage as the overall Minimum Total Expenditures are escalated under such paragraph of the IGA. In other words, Utilities average contribution for each year of the second five years (2021-2025) would be approximately \$3.3M, for the third five years (2026-2030) approximately \$3.6M, and for the last five years (2031-2035) approximately \$3.9M.
2. The City Council shall appropriate the remainder of the Minimum Total Expenditures under the IGA. If required City expenditures under the IGA are not appropriated in any given year, then Utilities shall meet its guaranty obligation under the IGA and the repayment to Utilities shall be made

pursuant to Section 5, below.

3. Utilities and the City shall each be responsible for timely assembling their portion of the data necessary for the completion of the annual reports to Pueblo County as referenced in paragraph III.A(2) of the IGA, with the City assuming the responsibility for the filing of the final report with the County.
4. The above referenced obligation of Utilities under the IGA shall extend beyond the initial twenty (20) year term, if necessary, as provided under paragraphs III.A(1) and III.B(3) of the IGA.
5. To the extent that Utilities is called upon to make any payment to the City pursuant to paragraph III.A(3) of the IGA, the City agrees that Utilities shall have the right to deduct the total amount of each such payment made by Utilities from quarterly "surplus payments" currently made by Utilities to the City. The repayment agreement in this Section 5 is independent of any other action taken by the City Council pursuant to City Charter § 6-40(b).
6. The parties agree that the repayment agreement in Section 5, above, is a fair and equitable manner in which to compensate Utilities for its payment of funds on behalf of the City as required by the IGA and that such procedure is consistent with the provisions of the City Code, the City Charter, and all provisions pursuant to which surplus payments are made to the City.
7. To the extent that there should be any future modification to the timing or nature of such surplus payments or a cessation thereof that would impact the ability of Utilities to utilize this means of achieving reimbursement, the City agrees to identify, in coordination and cooperation with Utilities, an alternate means to timely reimburse Utilities.
8. The provisions hereof shall continue to apply for so long as the operative provisions of the IGA are in effect, and may be amended by the City and Utilities in writing.

Financial Implications:

N/A

Board/Commission Recommendation:

N/A

Stakeholder Process:

N/A

Alternatives:

N/A

Proposed Motion:

Approval of the resolution as presented.

N/A