



Legislation Text

File #: 15-00138, **Version:** 2

Ordinance No. 15-15 authorizing execution of a Settlement Agreement and extension of water services outside the City Limits

From:

Jerry Forte, Chief Executive Officer, Colorado Springs Utilities

Summary:

Colorado Springs Utilities is requesting that City Council approve the attached Ordinance Authorizing Execution of a Settlement Agreement and Extension of Water Services Outside the City Limits related to litigation in Cascade Public Service Company and Cascade Metropolitan District No. 1, et al. v. City of Colorado Springs and Colorado Springs Utilities, Case No. 2011CW42.

Previous Council Action:

N/A

Background:

In executive session at the February 18, 2015 Utilities Board meeting, the Office of the City Attorney, outside legal counsel and Utilities' Water Services staff briefed the Utilities Board on the proposed settlement agreement in Cascade Public Service Company and Cascade Metropolitan District No. 1, et al. v. City of Colorado Springs and Colorado Springs Utilities, Case No. 2011CW42 ("Settlement Agreement"). In order to complete settlement of that case City Council will need to approve the Settlement Agreement by the attached Ordinance as it calls for the potential extension of Utilities' retail water service into an area that is not eligible for annexation under the City Code. The Ordinance approving the Settlement Agreement will be presented to City Council for first reading on February 24, 2015. The Settlement Agreement is being finalized and the final agreement will be provided to City Council at or before the February 24, 2015 City Council meeting.

Financial Implications:

The Settlement Agreement requires Utilities to make a payment to one of the parties in the litigation. In addition, it is anticipated that the provision of water service contemplated by the Ordinance will be cost neutral as rates will cover the cost of providing water service.

Board/Commission Recommendation:

To be determined at the February 18, 2015 Utilities Board meeting.

Stakeholder Process:

N/A

Alternatives:

Not approve the Ordinance, which will likely result in the litigation proceeding to trial.

Proposed Motion:

Recommend approval of the attached Ordinance Authorizing Execution of a Settlement Agreement and Extension of Water Services Outside the City Limits.

Colorado Springs Utilities proposes an Ordinance approving the settlement agreement in Cascade Public Service Company and Cascade Metropolitan District No. 1, et al. v. City of Colorado Springs and Colorado Springs Utilities, Case No. 2011CW42. The purpose of the Ordinance is to obtain City Council approval of the settlement agreement and the extension of water services outside of the city limits.