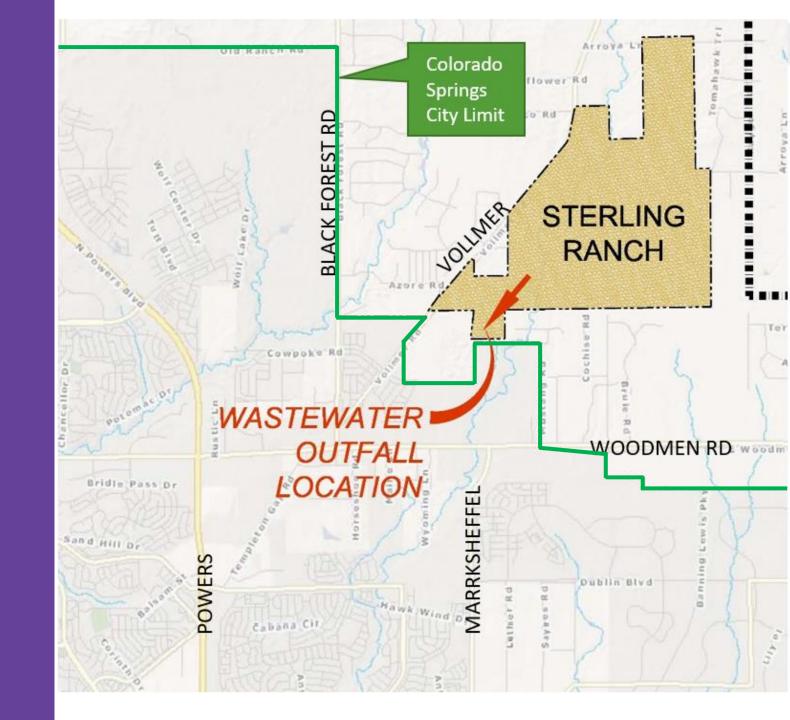


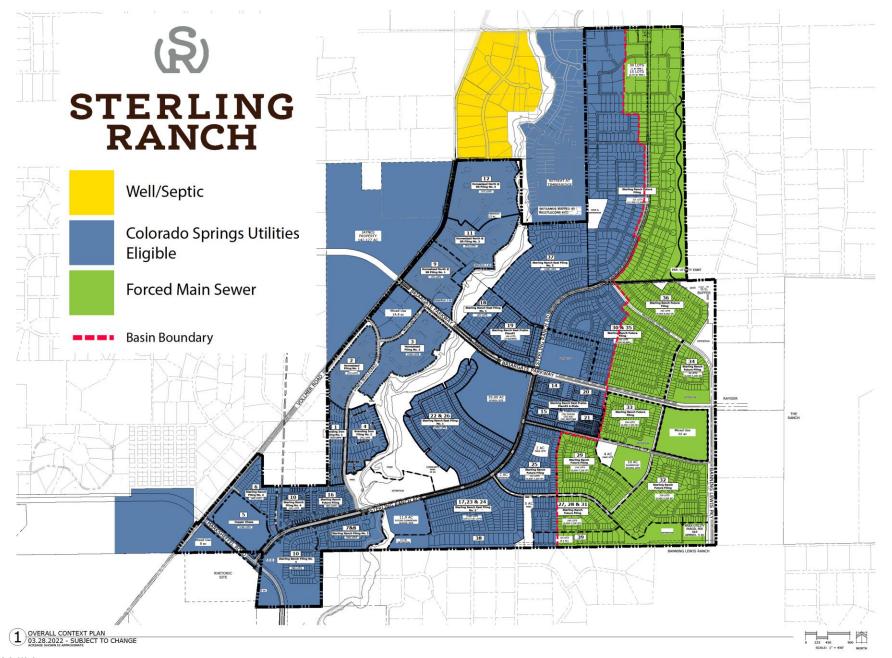
Outside City Wastewater Service Agreement

March 26, 2024, Regular City Council Meeting
Todd Sturtevant, Customer Utilities Connections Manager
Customer Utilities Connections

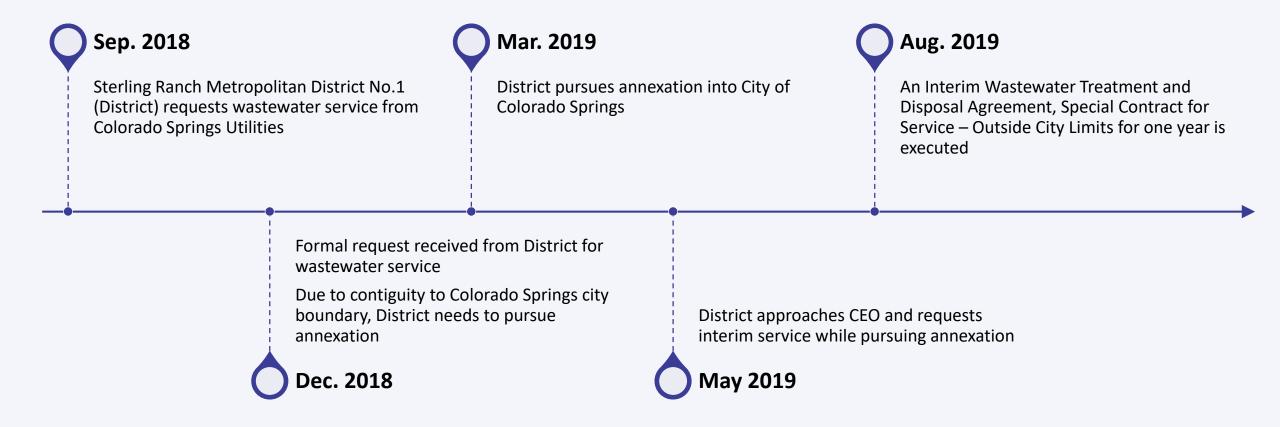
Service Request

- Falcon Area Water & Wastewater Authority (FAWWA) has requested continued wastewater service for Sterling Ranch
- Wastewater is currently serviced by Springs Utilities, Meridian Service Metropolitan District and Cherokee Metropolitan District
- Sterling Ranch is approximately 2,560 acres located north of Colorado Springs boundaries
- Water is provided by Denver Basin groundwater
- Primary developers consist of Elite
 Properties of America, Inc and Classic
 SRJ, LLC which are related entities
 and are part of Classic Companies





History Overview



History Overview



July 2020

District notifies Springs Utilities they are no longer pursing annexation

Non-renewal letter sent to District stating District must disconnect from wastewater system by Aug. 12, 2020



Aug. 2022

Falcon Area Water & Wastewater Authority (FAWWA) is the successor in interest to the Sterling Ranch Metropolitan District No.1

FAWWA requests permanent wastewater service for Sterling Ranch



Sept. 2022 - Present

Springs Utilities Wastewater Planning completes analysis of request

The Eastern Wastewater Expansion study and analysis is completed

District requests an extension of the agreement from the CEO as the connection to Meridian Ranch wastewater district has not been completed

Springs Utilities CEO verbally grants an extension of the interim agreement for wastewater service



July/Aug. 2020

Springs Utilities and City of Colorado Springs meet to discuss wastewater service outside City limits without annexation

City confirms they are not requiring annexation of Sterling Ranch



Sept. 2022

Agreement Terms and Conditions

- 25-year term to accept and treat wastewater
- Allowable Flows
 - 0.115 MGD initial allowable flow with current wastewater infrastructure
 - 0.29 MGD maximum allowable flow with upgraded wastewater infrastructure
- Pay applicable wastewater cost recoveries
 - \$1.6 M for initial allowable flow of 0.115 MGD
- Pay applicable Wastewater Regional System Availability Fee (WRSAF)
- Developer to construct upgraded wastewater infrastructure prior to exceeding the initial allowable flow at developer's cost and approved by Springs Utilities
- Springs Utilities may terminate agreement if:
 - Flows exceed allowable limits in agreement
 - Breach of the Agreement

Rate and Revenue

- Consistent with Regional Tariffs and URRs
- Contract Service Regional (S9C) Rate
 - \$0.0336 per cubic foot
 - Changes consistent with Tariffs

Approximately \$189 thousand in revenue each year at 0.115 MGD Approximately \$283 thousand additional revenue each year at 0.29 MGD

City Council Action

• Per City Code 12.5.304

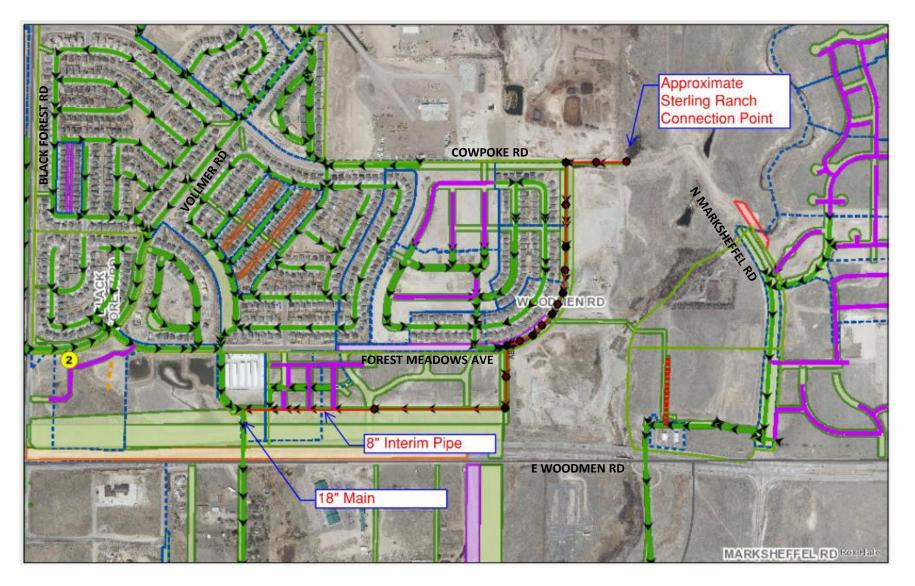
 In its legislative discretion, the City Council may authorize Colorado Springs Utilities to enter into an agreement for Regional Wastewater Service

Next Steps

 City Council vote on Resolution authorizing and directing the Chief Executive Officer of Colorado Springs Utilities to enter into an agreement for Regional Wastewater Service between Colorado Springs Utilities and Falcon Area Water and Wastewater Authority



Wastewater Connection Point



Aerial Map

