

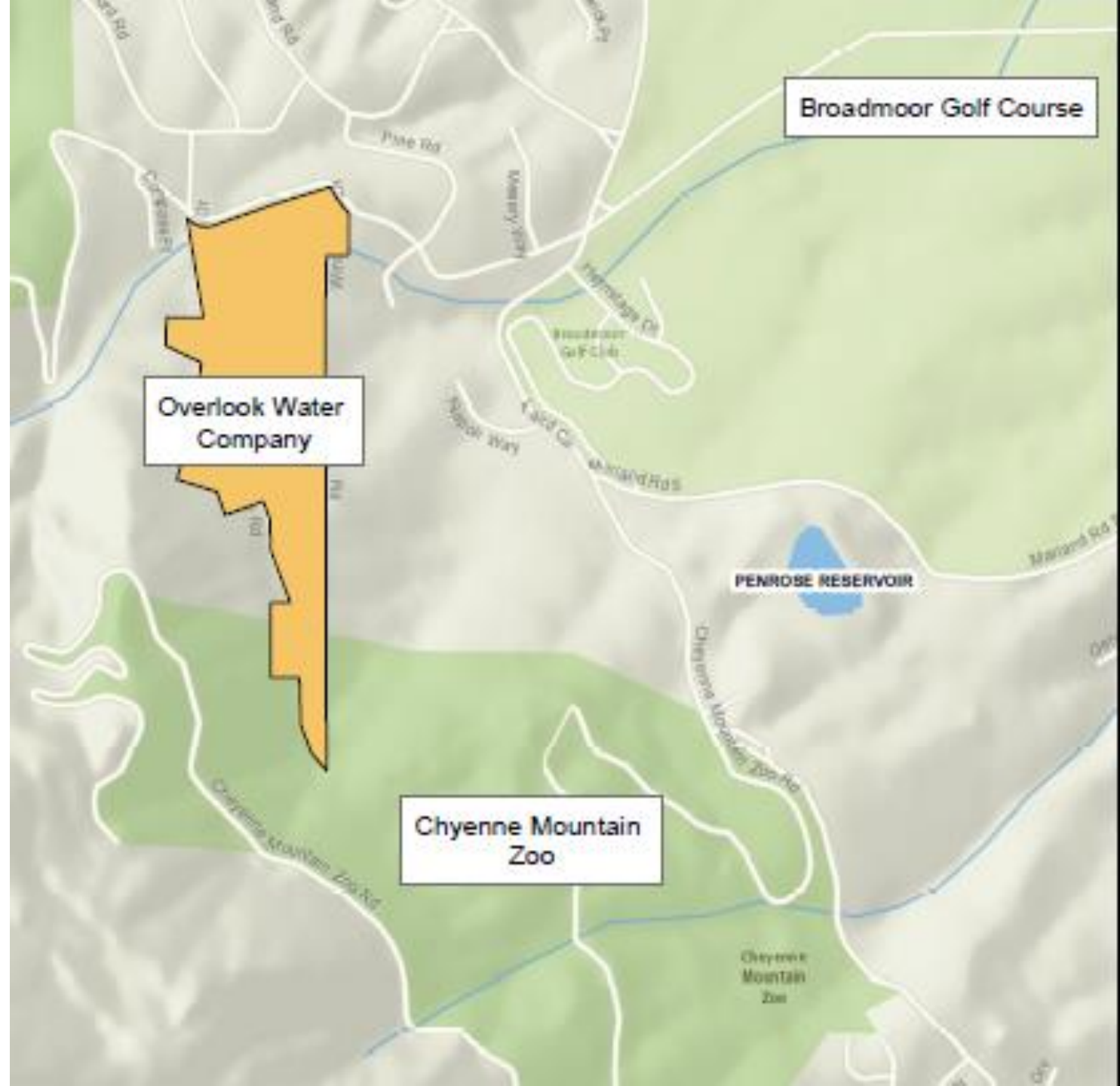


# **Overlook Mutual Water Company Settlement and Augmentation Agreement**

July 22, 2025 City Council Meeting  
Jenny Bishop, Water Resource Planning  
Renee Congdon, City Attorney's Office

# Overlook Mutual Water Company

- Enclave located northeast of Cheyenne Mountain Zoo
- Summer cabin retreat started around 1911
- 28 homes – most full-time residences
- More than a century of water use
- Water supply comes from Junior McKay water rights currently owned by Utilities



# History of Agreements

## 1957 Agreement

- Between Overlook and the Broadmoor
- Allowed for perpetual use of McKay water rights by Overlook
- Overlook obligated to maintain infrastructure
- Overlook required to file to be excluded from Broadmoor “certificated area”

## 1973 Agreement

- Between the Broadmoor and Colorado Springs
- Colorado Springs acquired all assets of the Broadmoor including the McKay water rights
- Obligates the City to provide services to Broadmoor’s “certificated area”



# Division 2 Water Administration

Requires augmentation for the McKay Tunnel water right to continue use

Dispute over which party has the obligation to adjudicate the augmentation plan





# Settlement Agreement Terms

- Colorado Springs will convey the junior McKay water rights to Overlook
- Overlook will adjudicate an augmentation plan in coordination with Colorado Springs Utilities
- Colorado Springs will reimburse costs up to \$35,000 for the adjudication of the augmentation plan
- Colorado Springs Utilities will enter into an Augmentation Service agreement with Overlook
- The Parties will release all claims that have arisen, or could arise under the Agreements

# Augmentation Services Agreement

- Special Contract consistent with City Code §12.4.304
- Up to 3 acre-foot of water annually
- 25-year Agreement
- Cost based on Augmentation Service Tariff
  - Includes 1.5 multiplier since out of City service
  - \$54.88 per acre-foot
- Includes an administrative fee of \$250 per year

# Next Steps

Consider Resolution approving and authorizing the Utilities CEO to enter into the Settlement Agreement.

