



## TOWN OF ELIZABETH

PATRICK G. DAVIDSON, TOWN ADMINISTRATOR

TO: Honorable Mayor, Mayor Pro Tem, and Board of Trustees  
FROM: Patrick Davidson, Town Administrator  
DATED: May 13, 2025  
SUBJECT: Fuel Island Agreement with Elizabeth School District and the Elizabeth Fire Protection District

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### BACKGROUND

The Elizabeth School District purchases its fuel through the State of Colorado for delivery to its pumps in Elizabeth. The School District purchases both unleaded gasoline as well as diesel fuel. Their storage tanks are of sufficient size that they can monitor and adjust purchases to reflect small changes in prices, as well as to ensure adequate quantities are available for their operations.

Last year, the Elizabeth School District reached out to the Town of Elizabeth to determine if we were interested in participating in their program to purchase fuel. A similar discussion was also had with the Elizabeth Fire Protection District. The benefits for both the Town and for the Fire District revolve around the discounted price of fuel. In addition, in terms of the Town, it would allow the Town to make payments for fuel directly to the School District and to avoid the current process of seeking reimbursement of fuel taxes from the State for fuel bought at local merchants.

An Intergovernmental Agreement was prepared by the Town's Attorney and was then circulated to the Elizabeth School District and the Elizabeth Fire Protection District for their review and approval. We have now received the final copy, signed by both Districts for final action by the Board of Trustees.

### ANALYSIS

This is an overall cost cutting measure for the Town of Elizabeth. Early in the discussions it appeared that the Elizabeth School District was able to purchase fuel at a cost savings over the prices paid by the Town at retail pumps around Town. While the prices varied, it appeared that the price was consistently between \$0.25 to \$1.10 less per gallon for the School District than what was being encountered at the local gas stations in the community.

Under the agreement, the Town will be issued key fobs for use with fleet vehicles. An employee will enter a user number and code into the computer system, along with the fob, which will then grant access to fill the vehicle or fuel container. Additional security features are in place to ensure that the fuel is obtained for legitimate Town purposes. The School District will then generate a monthly report identifying the employee, the vehicle, and confirming the amount of fuel obtained during the prior month. This report is then sent to the Town's Finance Manager for

reconciliation and payment. No additional work is required by the Town to obtain a refund of fuel taxes paid to third parties.

To assist the School District in the transition to its system, the Town of Elizabeth has approved a total of \$20,000 within the 2025 budget, and the Elizabeth Fire Protection District approved a total of \$10,000 through its budget. Further, a separate line-item charge is assessed to offset the administrative and supply costs encountered in the Agreement. Lastly, a reserve fund is established to assist with long-term maintenance and other costs that may arise. Once the reserve fund has reached \$100,000, the mark-up will cease.

The Town has provided the requisite documentation of tax-exempt status, a list of vehicles and employees, and other documents required to implement the program. The only item remaining for all parties is the approval of the Board of Trustees.

#### **STAFF RECOMMENDATION**

Staff recommend the approval of the Intergovernmental Agreement.

#### **BUDGET CONSIDERATIONS**

The initial payment identified in the Intergovernmental Agreement, in the amount of \$20,000, is budgeted in the 2025 Budget. Cost savings will vary based on overall fuel prices, but it is anticipated that there are no other budget considerations for the foreseeable future.

#### **ATTACHMENTS**

A Resolution Authorizing The Town Administrator To Execute An Intergovernmental Agreement Between The Town Of Elizabeth, The Elizabeth School District, And The Elizabeth Fire Protection District For A Fuel Facility.

Intergovernmental Agreement

**RESOLUTION 25R19**

**A RESOLUTION AUTHORIZING THE TOWN ADMINISTRATOR TO EXECUTE AN INTERGOVERNMENTAL AGREEMENT BETWEEN THE TOWN OF ELIZABETH, THE ELIZABETH SCHOOL DISTRICT, AND THE ELIZABETH FIRE PROTECTION DISTRICT FOR A FUEL FACILITY.**

WHEREAS, the Town of Elizabeth, the Elizabeth School District, and the Elizabeth Fire Protection District seek to enter into a mutually beneficial agreement for the operation of a Fuel Facility; and

WHEREAS, the parties have negotiated an agreement which addresses all issues and concerns related to the establishment of a jointly beneficial Fuel Facility; and

WHEREAS, the prepared document has been executed by the Elizabeth School District and the Elizabeth Fire Protection District and is awaiting final approval by the Board of Trustees.

NOW THEREFORE BE IT RESOLVED BY THE BOARD OF TRUSTEES OF THE TOWN OF ELIZABETH, COLORADO AS FOLLOWS:

SECTION 1. The Board of Trustees hereby authorizes the Town Administrator to execute the Intergovernmental Agreement attached hereto as **Exhibit A**.

PASSED, APPROVED, and ADOPTED this 13th day of May 2024, by the Board of Trustees of the Town of Elizabeth, Colorado, on first and final reading, by a vote of \_\_\_\_\_ for and \_\_\_\_\_ against.

\_\_\_\_\_  
Angela Ternus, Mayor

ATTEST:

\_\_\_\_\_  
Michelle M. Oeser, Town Clerk

## INTERGOVERNMENTAL AGREEMENT

THIS INTERGOVERNMENTAL AGREEMENT ("Agreement") is made and entered into this 1<sup>st</sup> day of May 2025 (the "Effective Date"), by and between the TOWN OF ELIZABETH, a Colorado municipal corporation (the "Town"); the ELIZABETH FIRE PROTECTION DISTRICT, a Colorado special district (the "Fire District") and the ELIZABETH SCHOOL DISTRICT (the "School District"), (each a "Party" and collectively, the "Parties").

### RECITALS

**WHEREAS**, the School District owns a fuel filling facility (the "Fueling Facility") that it supplies with gasoline and diesel fuel that it purchases from the State;

**WHEREAS**, the Town and the Fire District desire to pay to access and use the School District's Fueling Facility to fuel their vehicles;

**WHEREAS**, C.R.S. § 29-1-203 authorizes the Town, the Fire District, and the School District to cooperate and contract together regarding functions and services each is authorized to provide; and

**WHEREAS**, the School District desires to allow the Town and the Fire District to access and use the Fueling Facility in exchange for the mutual promises included herein and warrants and represents that it may do so under any requirements of or agreements with the State.

**NOW THEREFORE**, after incorporating the recitals above, and in consideration of the compensation specified herein, the premises, the mutual promises of the Parties, and the mutual benefits to be gained by performance, it is agreed as follows:

### TERMS

#### Section 1. School District Obligations.

- a. The School District shall allow the Town and the Fire District unlimited, 24-hour access, 365 days a year, to its Fueling Facility to allow the Town and the Fire District to fuel their vehicles.
- b. The School District shall maintain the Fueling Facility and all related equipment and components in good working condition and in accordance with local and state requirements, and shall maintain adequate supplies of gasoline and diesel fuel in its pumps for use of the Town and Fire District .
- c. The School District shall use best efforts to time its purchase of gasoline and diesel fuel from the State to minimize costs to the Parties.

d. The School District shall separately invoice the Town and the Fire District monthly for the cost of the fuel provided to both entities. The Parties will determine by mutual agreement how the District will track and record fuel usage. The School District shall add as a separate line item on the invoice an additional 5% markup to actual costs billed to cover administration of the program and cost of supplies.

e. The School District shall charge as a separate line item on the invoice an additional 5% markup to actual costs billed and set it aside in a reserve fund for any future maintenance and repairs to the shared fueling facility. The School District will also contribute to the reserve fund. All parties shall contribute until a total of one hundred thousand dollars (\$100,000.00) has been contributed toward the reserve fund, at which time the additional 5% markup for the reserve fund shall cease. The School District will provide reporting/tracking information to the Town and the Fire District about contributions toward and the balance in the reserve fund (a) any time reserve funds are utilized, (b) on an annual basis, and (c) upon request of the Town or Fire District.

f. The School District shall allow camera access through the School District Security Department within two (2) business days of a request and shall maintain a minimum of ninety (90) days of camera footage for review by the Parties.

g. If the School District has reason to believe an employee or an authorized agent of another Party is using the Fueling Facility for personal use, then the School District shall promptly notify the other Parties so that the appropriate Party may, in its sole discretion, investigate and address the issue

## Section 2. Town Obligations.

a. Within 60 days of the Effective Date, the Town shall pay to the School District a total of twenty thousand dollars (\$20,000.00) for the School District to promptly upgrade and update the Fueling Facility and its related hardware and software components to include the future addition of a generator and surveillance camera, which then will be owned by the School District.

b. The Town shall , as reasonably needed, cooperate and work with the School District in securing grants to pay for continued upgrades at the Fueling Facility.

c. The Town shall pay the School District's invoices for the cost of fuel used within thirty (30) days of receipt of the same.

d. The Town shall provide an up to date employee and vehicle list to the School District's Transportation Director. Any change to the employee and/or vehicle list shall be updated with the School District within a reasonable time to ensure that the Town's former employees no longer have access to the Fueling Facility or fuel. If the Town has reason to believe an employee or an authorized agent of another Party is using the Fueling

Facility for personal use, then the Town shall promptly notify the other Parties so that the appropriate Party may, in its sole discretion, investigate and address the issue .

e. The Town shall provide documentation of tax exemption to the School District prior to utilizing the Fueling Facility.

Section 3. Fire District Obligations.

a. Within 60 days of the Effective Date, the Fire District shall pay the School District a total of ten thousand dollars (\$10,000.00) for the School District to promptly upgrade and update the Fueling Facility and its related hardware and software components to include the future addition of a generator and surveillance camera, which then will be owned by the School District.

b. The Fire District shall, as reasonably needed, cooperate and work with the School District in securing grants to pay for continued upgrades at the Fueling Facility.

c. The Fire District shall pay the School District's invoices for the cost of fuel used within thirty (30) days of receipt of the same.

d. The Fire District shall provide an up to date employee and vehicle list to the School District's Transportation Director. Any change to the employee and/or vehicle list shall be updated with the School District within a reasonable time to ensure that the Fire District's former employees no longer have access to the Fueling Facility or fuel. If the Fire District has reason to believe an employee or an authorized agent of another Party is using the Fueling Facility for personal use, then the Fire District shall promptly notify the other Parties so that the appropriate Party may, in its sole discretion, investigate and address the issue.

e. The Fire District shall provide documentation of tax exemption to the School District prior to utilizing the Fueling Facility.

Section 4. Term and Termination.

a. This Agreement is effective as of the Effective Date through December 31, 2025, and may be automatically renewed as more fully set forth herein.

b. A Party may terminate this Agreement by giving the other parties sixty (60) days advance written notice. In addition, this Agreement shall renew automatically on January 1 of each year for year-long renewal periods without affirmative action of the parties unless any Party notifies the other Parties of their intention not to renew the Agreement. Any notice of non-renewal must be received on or before October 31 of the year preceding the year for which renewal would otherwise occur.

Section 5. Assignment. Neither this Agreement, nor any of a Parties' rights, obligations, duties, or authority hereunder, may be assigned in whole or in part.

Section 6. Relationship of Parties. This Agreement does not and shall not be construed as creating a relationship of joint venturers, partners, or employer-employee between any of the Parties referenced herein. The Parties enter into this Agreement as separate and independent entities and shall maintain such status throughout the term of this Agreement. Each Party's agents and employees are not, and shall not be deemed to be, agents or employees of the other Party for any purpose.

Section 7. Liability of Parties. No Party shall have any obligation whatsoever to repay any debt, financial obligation, or liability of any other Party, except where specified herein. Each Party shall be solely responsible for the actions and omissions of its employees, and authorized agents (collectively, "negligent acts"). No Party shall be responsible or legally liable for the negligent acts of the other Party. Nothing in this Agreement shall be construed as a waiver of the notice requirements, defenses, immunities, or limitations on liability that either Party may have under applicable state or federal law or this Agreement.

Section 8. Insurance. Each Party agrees to procure and maintain, at its own cost, a policy, or policies of insurance sufficient to insure against all liability, claims, demands, and other obligations assumed by it pursuant to this Agreement. Such policies shall include, at a minimum, comprehensive general liability, personal injury, and property damage with minimum combined single limits of not less than the amounts required by the Colorado Governmental Immunity Act, C.R.S. § 24-10-101, *et seq.* (the "Immunity Act"). The Parties further understand and agree that each Party and their officers and their employees are relying on, and do not waive or intend to waive by any provision of this Agreement, the monetary limitations or any other rights, immunities, and protections provided by the Immunity Act.

Section 9. Modification. Except as stated in Section 4(b), this Agreement may only be modified, amended, changed, or terminated, in whole or in part, by an agreement in writing duly authorized and executed by all Parties. No consent of any third party shall be required for the negotiation and execution of any such agreement.

Section 10. Waiver. The waiver of a breach of any provision of this Agreement by any Party shall not constitute a continuing waiver or a waiver of any subsequent breach of the same or another provision of this Agreement.

Section 11. Integration. This Agreement contains the entire agreement between the Parties and no statement, promise or inducement made by any Party or the agent of any Party that is not contained in this Agreement shall be valid or binding, except as noted in Section 1(d).

Section 12. Severability. Invalidation of any of the provisions of this Agreement or of any Section, paragraph, sentence, clause, phrase or work herein, or the application thereof in any given circumstance, shall not affect the validity of any other provision of this Agreement.



Section 18. Disputes. The Parties agree to exercise good faith and fair dealing in implementing and adhering to the provisions of this Agreement, as well as during any dispute resolution. Should the Parties not agree on any matter arising out of or related to this Agreement, then the Parties shall use best efforts to meet and shall endeavor to resolve their disagreement informally. Should the Parties, despite best efforts, be unable to reach agreement, then each Party shall bear its own legal fees and costs incurred with respect to any court proceeding, arbitration, or mediation.

Section 19. Execution. This Agreement may be executed by original, scanned, or facsimile counterpart signatures and shall have the same force and effect as if all signatures appeared on the same original.

\*\*\*\*\* Intentionally Left Blank \*\*\*\*\*

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement, effective as of the day and year first above written.

TOWN OF ELIZABETH

By: \_\_\_\_\_  
Patrick Davidson, Town Administrator

ATTEST:

\_\_\_\_\_  
Michelle Oeser, Town Clerk

ELIZABETH SCHOOL DISTRICT

By:   
Dan Snowberger, Superintendent

ATTEST:

  
Jaimee Glazebrook, Board Clerk

ELIZABETH FIRE PROTECTION DISTRICT

By:   
TJ Steck, Fire Chief

ATTEST:

  
Taylor Clark, HR Generalist - Executive Assistant