

**CITY OF SALIDA, COLORADO
RESOLUTION NO. 05
(Series of 2025)**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SALIDA, COLORADO,
APPROVING FIRST AMENDMENT TO INTERGOVERNMENTAL AGREEMENT FOR
TRANSFER OF SEWER SYSTEM BETWEEN CITY OF SALIDA AND TOWN OF
PONCHA SPRINGS**

WHEREAS, on April 6, 2010, the City of Salida ("City" or "Salida") and the Town of Poncha Springs ("Town" or "Poncha Springs") entered into an Intergovernmental Agreement for Transfer of Sewer System (the "Transfer Agreement"), generally providing for the City, acting through its water and wastewater enterprise, to assume full responsibility for the provision of sewer services in Poncha Springs;

WHEREAS, the Transfer Agreement contains specific provisions with respect to the rates, fees and charges which could be imposed upon the customers of the combined sewer system;

WHEREAS, properties located within the Poncha Springs Municipal Service Area requiring connection to the sewer system operated by Salida must enter into a "Line Extension and Connection Agreement" with the City;

WHEREAS, on April 6, 2010, the City and the Town also entered into an Intergovernmental Agreement for Provision of Sewer Services (the "Service Agreement") which provides for conditions on final plat recordation, Salida as a referral agency, and the mechanics of performance guarantees, issuance of building permits, and other mechanics of the provision of sewer services;

WHEREAS, on June 6, 2023, the City imposed a moratorium on the approval of any further line extension agreements or connections to the sewer system "for properties in or around the Poncha Springs Service Area benefitting from the necessary Interceptor capital improvements;"

WHEREAS, on June 7, 2023, the Town and two individual Poncha Springs property developers filed an amended complaint in Case No. 2023CV030023, Chaffee County District Court against the City, alleging breaches of the two agreements ("the Lawsuit");

WHEREAS, as a condition of and to memorialize the Release and Settlement Agreement, the Parties agreed to execute this First Amendment to Intergovernmental Agreement for Transfer of Sewer System;

WHEREAS, in satisfaction of the requirements of the Release and Settlement Agreement, the Council wishes for the City to execute the First Amendment to Intergovernmental Agreement for Transfer of Sewer System between the City of Salida

and the Town of Poncha Springs, attached hereto as "Exhibit A," and incorporated herein by reference.

NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SALIDA, COLORADO THAT:

1. The City Council incorporates the foregoing recitals as findings by the City Council.
2. The City Council hereby approves the First Amendment to Intergovernmental Agreement for Transfer of Sewer System between the City of Salida and the Town of Poncha Springs attached hereto as "Exhibit A," and incorporated herein, and authorizes the Mayor to sign said document.

RESOLVED, APPROVED AND ADOPTED this 4th day of February 2025.

CITY OF SALIDA, COLORADO

[SEAL]

By _____
Mayor Dan Shore

[ATTEST]

City Clerk/Deputy City Clerk

Exhibit A

**First Amendment to Intergovernmental Agreement
for Transfer of Sewer System**