



CITY COUNCIL ACTION FORM

DEPARTMENT	PRESENTED BY	DATE
City Attorney	Nina P. Williams - City Attorney	February 4, 2025

AGENDA ITEM

Resolution 2025-05, Approving First Amendment to Intergovernmental Agreement for Transfer of Sewer System between City of Salida and Town of Poncha Springs

BACKGROUND

In 2023, the Town of Poncha Springs, along with two developers (Tailwind Group, LLC and Full Matters, LLC), brought a Lawsuit against the City of Salida, in response to the City's responsible actions to protect the community-at-large regarding serious health and safety issues that may have otherwise resulted from overflowing sewage throughout the region.

City Council's immediately previous action at tonight's meeting settled such lawsuit, through the approval of the Release and Settlement Agreement with the Town of Poncha Springs and the two Developer Plaintiffs.

The City has maintained for years that a resolution of the long-time dispute between the Town and the City could not occur without an amendment to at least one of the two Sewer IGAs entered into on April 6, 2010. This was because of conflicting and unclear language within the legal documents, especially as it related to who should bear the burden of paying for capital infrastructure upgrades required by significant new development.

This First Amendment to the Intergovernmental Agreement for Transfer of Sewer System clarifies such responsibilities, and memorializes terms within the Lawsuit's Release and Settlement Agreement.

RECOMMENDATION

Staff recommends approval of the Resolution approving the Sewer IGA Amendment with Poncha Springs to achieve Council's goal of resolving this matter between the neighboring communities, and providing more clarity regarding the funding and financing of necessary sewer infrastructure.

MOTION

A City Councilmember should state "*I move to approve Resolution 2025-05, Approving First Amendment to Intergovernmental Agreement for Transfer of Sewer System between City of Salida and Town of Poncha Springs,*" followed by a second and a roll call vote.