



FEBRUARY 10, 2026

CITY COUNCIL WORK SESSION

4:30 P.M.

CITY COUNCIL AGENDA

6:00 P.M.

116 S. Main St., Fountain

Register to attend meeting virtually @

fountain.colorado.gov

1) Call to Order

2) Pledge of Allegiance

3) Roll Call

4) Public to be Heard

Citizens may address the Council on items that are not on the agenda. Council may not be able to provide an immediate answer but will direct staff to follow up. Out of respect for the Council and others in attendance, please limit your comments to five (5) minutes or less.

5.1) Presentations

- PPRBD 2025 Year in Review (Greg Dingrando, 15 mins)

5.2) Board/Commission/Committee

- Appointments to 150/250 Steering Committee (Council Member Estes, S. Trainor 10 mins)
- Re-Appointment Of 2 Members, And Appointment Of 3 New Members To The Economic Development Commission For Its Fiscal New Year; Under The Bylaws Effective March 1, 2026. (K. Bailey, 5 mins)

6) Correspondence, Comments and Ex-Officio Reports

7) Consent Agenda

All items listed under the Consent Agenda are considered routine and will be approved with one motion. There will be no separate discussion of these items unless a Council Member or citizen so requests, in which case the item may be removed from the Consent Agenda and considered separately, at the discretion of Council. (Est. time-3 min)

- A. Approval Of January 27, 2026, City Council Meeting Minutes (J. Carneal)
- B. Resolution 26-007, A Resolution Authorizing The Award Of A Professional Services Agreement Between Architect Christiansen, Reece & Partners, Pc And The City Of Fountain For Architectural Design And Engineering Services For The Construction Of Firehouse #4 (T. Evans)

8) Old Business

- A. Second Reading of Ordinance 1817 Amending the Water Adequacy Ordinance (T. Murphy, 10 minutes).
- B. Second Reading of Ordinance 1818 Repealing prior authorizations relating to water connection fees/tap fees (T. Murphy, 5 minutes).

9) New Business

- A.** Consideration Of Items Removed From The Consent Agenda
- B.** Resolution 26-008, A Resolution Adopting New Water System Connection Fees (T. Murphy, 30 min).
- C.** Resolution 26-009 A Resolution To Establish A Policy For The Utilization Of Revenues Derived Through Intergovernmental Support Agreements (IGSA) With Military Partners. (J. Trylch, 10 min)

10) City Council Agenda Requests

City Council shall use this time to request any items for future consideration.

11) Announcement of Executive Session

In accordance with the City Charter and the Colorado Open Meetings Act, the City Council open session is to determine whether it will hold a Closed Executive Session. A Closed Executive Session may be held upon an affirmative vote of two-thirds of the quorum present. If consent to the closed Executive Session is not given, the items may be discussed in open session or withdrawn from consideration.

12) Adjourn

A (Administrative Action) QJ (Quasi-Judicial Action) L (Legislative Action)

NEXT REGULAR WORKSESSION

February 24, 2026

NEXT REGULAR COUNCIL MEETING

February 24, 2026



Regular City Council Meeting

Appointments 5.2

150/250 Committee

February 10, 2026

Summary Information

Title:

APPOINTMENT OF MEMBERS TO THE 150/250 STEERING COMMITTEE

Initiator: Tamara Estes, City Councilmember

Presenter: Scott Trainor, City Manager

Legal Review: ☐ Yes ☒ No

☒ Council Action

☐ Council Information

☐ Report to Council

Summary Overview and List of Attachments:

The purpose of this item is to appoint members to the newly created 150/250 Committee.

Background Information

During the September 9, 2025 Council meeting, the City Council formed a temporary committee — the 150/250 Committee — to assist with the recognition of 2026 as the Sesquicentennial, or 150th birthday of the State of Colorado and the 250th birthday of our Nation. In that resolution, it called for the appointment of specific members representing the City Council, City Staff, School Districts D8 and D3, Fort Carson, the FV Chamber of Commerce, and our Veteran population. The purpose of this item is to appoint the following to represent each category:

- City Council: Tamara Estes
- City Staff: Scott Trainor
- School District #3: Samantha Briggs
- School District #8: Christy McGee
- Fort Carson: Dee McNutt
- Veterans: Steve Arce

We will bring back a name from the Chamber of Commerce when we have identified one. Differently than most committees, since there was a specific desire for representatives from each of the above organizations, we recruited directly from each of them rather than posting a call for volunteers. The exception was the Veteran position where we identified a Veteran who had indicated interest in volunteering and recruited him.

Strategic Plan Priority (if applicable):

- ☐ STRENGTHEN PUBLIC COMMUNICATIONS EFFORTS.
- ☐ IMPROVE TRANSPORTATION INFRASTRUCTURE.
- ☐ SUPPORT LOCAL BUSINESS DEVELOPMENT.
- ☐ ENHANCE WATER AND ELECTRIC SECURITY.

Recommendation

Staff recommends the appointment of all six (6) candidates to serve as members of the 150/250 Committee.

Proposed Motion

"I move to appoint the slate of six candidates, representing each category, to the 150/250 Committee, to serve through 2026."



Regular City Council Meeting

Appointments 5.2

Economic Development Commission

February 10, 2026

Summary Information

Title:

RE-APPOINTMENT OF 2 MEMBERS, AND APPOINTMENT OF 3 NEW MEMBERS TO THE ECONOMIC DEVELOPMENT COMMISSION FOR ITS FISCAL NEW YEAR; UNDER THE BYLAWS EFFECTIVE MARCH 1, 2026.

Initiator: Kimberly Bailey, Economic Development Director

Presenter: Kimberly Bailey, Economic Development Director

Legal Review: ☐ Yes ☒ No

☒ Council Action

☐ Council Information

☐ Report to Council

Summary Overview and List of Attachments:

Two current EDC Board members have submitted applications for renewal of their 2-year terms. The applicants are Ron Coyle and Joyce Dexter-Munyon, for the 2026–2028 term.

Per the EDC bylaws, the Board consists of five total seats. In addition to the two renewal appointments, three new appointments are required to fill the remaining seats.

Open recruitment was conducted from October 2025 through January 2026, and the City received four applications. Recruitment targeted individuals with experience as active or retired business owners, real estate professionals, military, finance, or legislative backgrounds, to serve in an advisory capacity on matters affecting the local economy and business development.

City Council will appoint three new members to serve an inaugural one-year term, as required by the bylaws.

The four new applicants are:

- Blake Kruthaupt
- Damon Farmer
- Kendra Lubin
- Timothy Pruitt

Attachments: 6 Applications

Background Information

2-Year Renewal Term Appointments (2026-2028)

Ron Coyle current term ends March 2026 as fulfillment of his inaugural 1YR service term under the EDC bylaws. He is seeking a 2YR renewal term to continue service with the Commission.

Joyce Dexter-Munyon current term ends March 2026 as fulfillment of her inaugural 1YR service term under the EDC bylaws.

She is seeking a 2YR renewal term to continue service with the Commission.

1-Year Inaugural Term Applicants (2026-2027)

Blake Kruthaupt is a financial advisor with Merrill Lynch providing wealth management, incentives, and budgeting services to business. He has a passion for small business and downtown revitalization with a view of preservation in small-town values with a rapid growth community in Fountain. He is a graduate of CU Denver with a B.S. in Business Administration.

Kendra Lubin has been a Fountain resident since 2020. Her background is in healthcare and active-duty military service. She and her husband represent the voice of a business start-up with areas of need in permitting, safety compliance, regulations, insurance with overall business operations and challenges. She shall provide a perspective on reducing barriers of entry, supporting existing business retention, and driving sustainable local growth, representing entrepreneurialism in the community.

Damon Farmer is retired military serving as a contractor and teacher at Fort Carson Army Installation. With a grown family of three children, he wishes to give back to help make Fountain a desirable community for small business, tourism, and sustainable growth. He is focused on improving communications within the community, identifying business district corridors to retain local economy, and downtown revitalization for residents/families. His family are 13Yrs residents of Fountain and desire a mutually rewarding experience of civic duty by serving on the Commission.

Timothy Pruitt is a recent resident and former enlisted member of the Army military. He has interest in promoting long-term sustainable growth and expanding opportunities for residents of transitioning service members in the community; with a background in workforce talent recruitment and data-analysis in the Military. He holds degrees as a Master of Business Administration and a B.S. in Management.

Strategic Plan Priority (if applicable):

- ☐ STRENGTHEN PUBLIC COMMUNICATIONS EFFORTS.
- ☐ IMPROVE TRANSPORTATION INFRASTRUCTURE.
- ☐ SUPPORT LOCAL BUSINESS DEVELOPMENT.
- ☐ ENHANCE WATER AND ELECTRIC SECURITY.

Recommendation

Proposed Motion

I move to re-appointment Ron Coyle and Joyce Dexter-Munyon for a 2 year term.

I move to appoint (**pick 3**-Blake Kruthaupt, Damon Farmer, Kendra Lubin Timothy Pruitt) to serve an inaugural one-year term.



Regular City Council Meeting

Consent –7A

Council Meeting Minutes

January 27, 2026

Summary Information

Title:

APPROVAL OF THE JANUARY 27, 2026, CITY COUNCIL MEETING MINUTES

Initiator: City Clerk Carneal

Presenter: City Clerk Carneal

Legal Review: ☐ Yes ☒ No

☒ Council Action

☐ Council Information

☐ Report to Council

Summary Overview and List of Attachments:

The attached minutes were compiled as the result of the January 27, 2026 City Council Meeting.

Attachments: Above Referenced Meeting Minutes

Background Information

Strategic Plan Priority (if applicable):

- ☐ STRENGTHEN PUBLIC COMMUNICATIONS EFFORTS.
- ☐ IMPROVE TRANSPORTATION INFRASTRUCTURE.
- ☐ SUPPORT LOCAL BUSINESS DEVELOPMENT.
- ☐ ENHANCE WATER AND ELECTRIC SECURITY.

Recommendation

Staff recommends approval.

Proposed Motion

Motion to approve shall be included under the consent agenda.

CITY COUNCIL MEETING

January 27, 2026

1) Call to Order

Mayor Thompson called the meeting to order at 6pm.

2) Pledge of Allegiance

The Pledge of Allegiance was recited.

3) Roll Call

Mayor Thompson

Mayor Pro Tem Estes

Council Member Rick

Council Member Herzberg

Council Member Gieck

Council Member Verhoeff

Council Member Ruffennach

4) Public to be Heard

Susan Sharamack provided history and legal information regarding the Shramek family estate and the properties at 300 and 304 Georgia Lee Lane.

5.1) Presentations

- **A Proclamation Recognizing Martin Luther King, Jr., Day**

Former Council Member Hinton read the proclamation into the record read into peripety in January 2021.

5.2) Board/Commission/Committee Appointments

- **Discussion of an alternate to the PPRBD Board (Mayor Thompson)**

Council Member Rick shared meeting details and Council appointed Council Member Ruffennach as the alternate.

6) Correspondence, Comments and Ex-Officio Report

City Manager Trainor reminded Council of the upcoming Council retreat.

Council Member Rick requested Council support for an application for the City to be designated a Great American Defense Community; Assistant City Manager Trylch explained the application process and intent to submit a packet.

Council Member Verhoeff reported a successful Congressman Crank Veteran Services office hours event.

Mayor Thompson noted the legislative session was underway and bill information could be found on the State legislative website.

7) Consent Agenda

- A. Approval Of January 13, 2025, City Council Meeting Minutes (J. Carneal)**
- B. Resolution 26-002, A Resolution To Amend The Time Delay Agreement Between The Shramek Family And The City Of Fountain. (T. Evans)**
- C. Resolution 26-003, A Resolution Authorizing And Approving The 10-Year Extension To The Agreement Establishing The Widefield Aquifer Recharge Association (WARA) (T. Murphy)**

Council Member Gieck made a motion to approve the Consent Agenda, seconded by Mayor Pro Tem Estes. All members voted yes (7-0): the motion carried.

8) Old Business

9) New Business

A. Consideration Of Items Removed From The Consent Agenda

No items were removed.

B. Resolution No. 26-004, A Resolution to approve a Memorandum of Understanding between Fountain and Pikes Peak Office of Emergency Management (PPROEM). (J. Trylch, 5 Minutes)

Assistant City Manager Trylch explained that the City's emergency management program was reviewed and reorganized in 2025 and summarized training and preparedness work completed with PPROEM support. He stated the MOU would formalize a partnership to assist the City with emergency planning, training, coordination, and response support.

Andrew Knotbohm, Executive Director of PPROEM, spoke in support of the agreement and emphasized the importance of regional coordination for emergency preparedness.

Council Member Verhoeff made a motion to approve, seconded by Mayor Pro Tem Estes. All members voted yes (7-0): the motion carried.

C. Resolution 26-005, A Resolution Adopting The 2026 Revised City Of Fountain Employee Policies & Procedures Handbook. (J. Garrett, 20 min.)

Human Resources Director Garrett presented the revised Employee Handbook and summarized major updates including disciplinary policy changes, personally owned recording device policies, inspection of City property policies, and inclusion of IT Services policies.

City Manager Trainor noted the review included over 400 slides and stated staff intends to bring the handbook forward annually moving forward.

Council Member Verhoeff made a motion to approve, seconded by Council Member Ruffannach. All members voted yes (7-0): the motion carried.

D. Discussion And Update Of Southmoor Drive Closure To Include Options For Next Steps (T. Evans 15 min)

Deputy City Manager Evans reviewed the history of the closure and presented funding context and options for reopening.

City Attorney Strider reviewed municipal liability considerations related to hazardous road conditions.

Transportation Director McDonald reviewed the Pavement Quality Index (PQI) and described the roadway's failed condition.

Council discussed potential reopening options, including guardrail, partial improvements, and full improvements, and requested input from the Roadway Focus Group before returning the item for further consideration.

Residents commented that large trucks do not typically travel down the closed portion of Southmoor Drive. Several residents stated the closure has increased traffic on nearby residential streets and has created access issues for homes and businesses. Residents also expressed that the roadway was a helpful route prior to closure and supported reopening for improved connectivity, including use as a bypass during closures and accidents on Highway 85/87.

Additional comments noted that a prior vehicle incident in the area was due to human error, and residents expressed that reopening Southmoor Drive would improve access to community destinations, including the American Legion.

E. Resolution No. 26-006, Resolution to approve Agreement Extension Between The City Of Fountain and Asplundh Tree Expert, LLC for the 2026 Annual Electric Line Clearance Services (R. Burrows, 5 min.)

Utilities Engineering and Planning Technician Burrows explained the agreement extension provides specialized electric line clearance services to support system reliability and safety.

Council Member Herzberg made a motion to approve, seconded by Council Member Rick. All members voted yes (7-0): the motion carried.

F. First Reading Of Ordinance No. 1817, An Ordinance Repealing And Reordaining Sections 13.05.030 And 13.05.070 Of The Fountain Municipal Code Establishing Regulations Regarding The Allocation Of Newly Acquired Water Resources (T. Murphy, 10 min.)

Water Resources and Engineering Manager Murphy provided a recap of the City's water adequacy ordinance adopted in 2024 and explained the proposed 2026 updates. He stated the ordinance applies only to areas served by the City's water utility and is intended to address limited water resources, ensure new growth pays its own way, and protect existing ratepayers.

Murphy explained the updates would create a new restricted account to set aside a portion of newly acquired water resources for future public needs, with Council holding authority over allocations from that account. He also stated the ordinance updates would allow Council to set the split of remaining water resources between residential and commercial/industrial/institutional development by resolution. Murphy also addressed annexation requests and explained annexations seeking City water service would be required to bring their own water resources.

Council Member Gieck made a motion to approve, seconded by Council Member Ruffennach. All members voted (6-1): the motion carried. Council Member Verhoeff voted no.

G. First Read Ordinance 1818, An Ordinance Repealing Prior Authorizations Relating To Water Connection Fees And Water Tap Fees (T. Murphy, 10 min.)

Water Resources and Engineering Murphy explained the first reading vote was to repeal prior authorizations in order to begin the process of updating water tap and connection fees. He clarified that the vote did not approve new fees and that updated fees would return for Council consideration at the February 10, 2026 meeting.

Murphy reviewed the difference between water rates and tap fees, explaining that water rates support ongoing utility operations while tap fees are intended to reimburse the utility for infrastructure and water resource capacity costs needed for new growth. Murphy stated the current tap fee structure has not been updated since 2008 and

does not reflect the proportional impacts of larger meters on the system, which contributes to under-recovery of costs for growth-related debt.

Council discussed concerns regarding impacts on small business and economic development, and staff clarified incentives could be addressed through future economic development agreements.

Council Member Herzberg made a motion to approve, seconded by Mayor Pro Tem Estes. All members voted (6-1): the motion carried. Council Member Verhoeff voted no.

10) City Council Agenda Requests

11) Announcement of Executive Sessions

12) Adjourn

There being no further business, Mayor Thompson declared the meeting adjourned at 6:25 PM.

City Clerk

Mayor



Regular City Council Meeting

Consent –7B

Council Meeting Minutes

February 10, 2026

Summary Information

Title:

RESOLUTION 26-007, A RESOLUTION AUTHORIZING THE AWARD OF A PROFESSIONAL SERVICES AGREEMENT BETWEEN ARCHITECT CHRISTIANSEN, REECE & PARTNERS, PC AND THE CITY OF FOUNTAIN FOR ARCHITECTURAL DESIGN AND ENGINEERING SERVICES FOR THE CONSTRUCTION OF FIREHOUSE #4.

Initiator: Deputy City Manager Todd Evans

Presenter: Deputy City Manager Todd Evans

Legal Review: ☐ Yes ☒ No

☒ Council Action

☐ Council Information

☐ Report to Council

Summary Overview and List of Attachments:

This architectural design and engineering services proposal is for the full design and engineering to construct an app. 8000 sq ft full-service firehouse at the corner of Link Road and Watchmen Rd. These services itemize to \$238,500.00 and will include:

- Architectural, construction and material design
- Mechanical and plumbing engineering for building systems
- Electrical engineering, structural engineering, civil engineering
- Landscape architecture, schematic design
- Design development, construction documents, etc

Attachments: CRP Architects Fire Station #4 Proposal

Background Information

Upon completion of the bid process, anticipated for March/April 2026, Staff will present to Council the construction bid results, anticipated construction costs, and construction budget.

Strategic Plan Priority (if applicable):

- ☐ STRENGTHEN PUBLIC COMMUNICATIONS EFFORTS.
- ☐ IMPROVE TRANSPORTATION INFRASTRUCTURE.
- ☐ SUPPORT LOCAL BUSINESS DEVELOPMENT.
- ☐ ENHANCE WATER AND ELECTRIC SECURITY.

Recommendation

Staff recommends approval.

Proposed Motion

Motion to approve shall be included under the consent agenda.



RESOLUTION 25-007

A RESOLUTION TO A RESOLUTION AUTHORIZING THE AWARD OF A PROFESSIONAL SERVICES AGREEMENT BETWEEN ARCHITECT CHRISTIANSEN, REECE & PARTNERS, PC AND THE CITY OF FOUNTAIN FOR ARCHITECTURAL DESIGN AND ENGINEERING SERVICES FOR THE CITY CONSTRUCTION OF FIRE STATION # 4.

WHEREAS, upon consultation with a coordination group comprised of Fountain FD and City Administration, the City has selected CRP Architects for professional services to design the new construction of Fire Station #4.

WHEREAS, the City Council of the City of Fountain desires to Award a Professional Services Agreement for Architect design and Engineering to CRP Architects PC, to fulfill architectural design and engineering services as detailed in the scope of services. These services itemize to \$238,500.00.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Fountain, Colorado,

1. The Mayor, City Manager or other representatives of the City delegated by the Mayor or City Manager are hereby authorized to Execute the Contracts with CRP Architects PC for the Professional Services Agreement for Architectural Design.

Done this 10th day of February, 2026.

Sharon Thompson, Mayor

ATTEST:

Joney Carneal, City Clerk



Regular City Council Meeting

Old Business – 8A

Amending the Water Adequacy Ordinance

February 10, 2026

Summary Information

Title:

SECOND READING OF ORDINANCE NO. 1817, AN ORDINANCE REPEALING AND REORDAINING SECTIONS 13.05.010, 13.05.030 AND 13.05.070 OF THE FOUNTAIN MUNICIPAL CODE ESTABLISHING REGULATIONS REGARDING THE ALLOCATION OF NEWLY ACQUIRED WATER RESOURCES

Initiator: Dan Blankenship, Utilities Director

Presenter: Taylor Murphy, Water Resources and Engineering Manager

Legal Review: ☒ Yes ☐ No

☒ Council Action

☐ Council Information

☐ Report to Council

Summary Overview and List of Attachments:

The purpose of this item is to amend Chapter 13.05 (Water Adequacy) of City Code to establish new rules and guidelines governing how new water resources will be allocated and made available for development and/or redevelopment.

Attachments:

Redline of Chapter 13.05 Changes

Ordinance No. 1817 as amended

Background Information

City of Fountain Ordinance No. 1806, commonly referred to as the 'Water Adequacy Ordinance (WAO)', was adopted in October 2024 and created a new Chapter 13.05 (Water Adequacy) within Title 13 (Utility Code) of the Fountain Municipal Code. The Water Adequacy Ordinance was created to protect Fountain's water system and existing customers from adverse impacts resulting from new growth. The WAO established the responsibility for new development and/or redevelopment to provide adequate water supply and potable water service by:

- Purchasing water taps with the payment of connection fees, if the City had available water to serve the proposed development; or
- Participating in a water project that creates the water supply needed to serve the proposed development; or
- Demonstrating that the developer has the ability to provide the water supply and/or potable water service necessary to meet the adequate water supply and potable water service requirements for their proposed development.

The WAO also created a new process where, if the City has available water, developers can reserve water taps by entering into an agreement with the City and placing a deposit in an amount equal to ½ the connection fees. The Water Tap Reservation Agreement provides a pathway for developers to work through the City's entitlement process with the certainty of having water available to meet the needs of their proposed development upon completion of the City's entitlement process. At the same time, it provides the City with some certainty in planning and allocating its limited water resources by not having to hold or set aside water resources for every prospective development unless the developer reserves their needed water resources

with a deposit. The current version of the WAO does not place any limitations on the type of use or quantity of water taps that can be reserved, provided the quantity does not exceed the City's available capacity.

In late 2025, the City Council considered a proposed lease with the Security Water District that would provide the City with a new water resource that could be used to sell new water taps. With widespread acknowledgment that access to limited water resources was vital to future growth in Fountain, concerns were raised about the lack of limits on the tap reservations, which could potentially result in the new limited water resources being monopolized by one or a small number of developers for a single type of use. In response to the concerns about the lack of means to allocate new water resources, and out of a desire to ensure that limited water resources promote diversified growth for the benefit of the community, changes are now proposed to the Water Adequacy Ordinance to allow for City Council discretion in allocating new water resources in alignment with city priorities and objectives.

The proposed changes to the Water Adequacy Ordinance include the following new Code requirements:

- 20% of all new water resources shall be set aside into a 'Restricted Account' that can only be used for development and/or redevelopment projects approved by City Council.
- 80% of all new water resources shall be made available for development and/or redevelopment projects, that are located within the City Limits, on a first come first served basis subject to the allocations, as approved by Resolution of the City Council into two categories:
 - Residential; and
 - Commercial, Industrial and Institutional.
- The City's water resources shall not be available for annexations unless the City Council approves the use of water resources from the Restricted Account. Otherwise, annexations must provide their own water supply as required by the Water Adequacy Ordinance.

Since the first reading on January 27, 2026, the following changes have been made:

- Section 13.05.010 – 'Purpose' is now also being amended and renamed to 'Purpose and Intent'
- Section 2 of the Ordinance proclamation, stating 5 points of intent of the City Council, has been moved to within Section 13.05.010.
- Under Section 13.05.070(B), subsection 1 and 2 have been added to clarify what occurs if an applicant's land-use submittal has not been approved within 12 months.
- All instances of the Utilities Director's and City Council's "sole discretion" have been reworded at the direction of the City Attorney.

Strategic Plan Priority (if applicable):

- ☐ STRENGTHEN PUBLIC COMMUNICATIONS EFFORTS.
- ☐ IMPROVE TRANSPORTATION INFRASTRUCTURE.
- ☒ SUPPORT LOCAL BUSINESS DEVELOPMENT.
- ☒ ENHANCE WATER AND ELECTRIC SECURITY.

Recommendation

Staff recommends that the Council approve, on second reading, Ordinance No. 1817 as amended.

Proposed Motion

Motion to approve Ordinance No. 1817, as amended, on second reading.

ORDINANCE NO. 1817

AN ORDINANCE REPEALING AND REORDAINING SECTIONS 13.05.010, 13.05.030 AND 13.05.070 OF THE FOUNTAIN MUNICIPAL CODE ESTABLISHING REGULATIONS REGARDING THE ALLOCATION OF NEWLY ACQUIRED WATER RESOURCES

WHEREAS, The City of Fountain is authorized to acquire, manage, and allocate municipal water resources in furtherance of the public health, safety, and welfare; and

WHEREAS, Access to water is a finite and increasingly constrained resource in Colorado, requiring careful long-term planning and policy-driven allocation by municipalities; and

WHEREAS, The City periodically acquires additional water resources to serve existing customers and to support future growth and redevelopment consistent with adopted plans and policies; and

WHEREAS, Certain development projects may advance significant municipal objectives, including economic development, housing, infrastructure investment, and community revitalization, and may require strategic use of limited municipal water resources; and

WHEREAS, Establishing a mechanism to reserve a limited portion of newly acquired water resources for City Council–approved development and re-development projects enhances the City Council’s ability to implement policy objectives while preserving legislative oversight; and

WHEREAS, Providing the City Council authority to allocate the remaining newly acquired water resources into residential and commercial/industrial/institutional use categories promotes efficient, transparent, and responsive water management; and

WHEREAS, The amendments to Section 13.05.070 are intended to complement, and not replace, existing water adequacy review procedures and are consistent with applicable provisions of Colorado law.

NOW, THEREFORE, BE IT ORDAINED by the City Council of the City of Fountain, Colorado, that:

Section 1. Sections 13.05.010, 13.05.030 and 13.05.070 of the Fountain Municipal Code are hereby amended as set forth in Exhibit A attached hereto and incorporated herein by reference.

Section 2. If any provision of this ordinance is held invalid, such invalidity shall not affect the other provisions of this ordinance.

Section 3. This ordinance shall be effective upon passage and publication as provided by the City Charter.

Introduced, read by title and passed this _____ day of _____,
2026, by the City Council, City of Fountain, Colorado, signed by the Mayor, and ordered
published by title with a summary written by the City Clerk together with a statement that the
ordinance is available for public inspection and acquisition in the office of the City Clerk in the
Colorado Springs Gazette, a newspaper of general circulation in the City of Fountain.

Sharon Thompson, Mayor

ATTEST:

Joney Carneal, City Clerk

Introduced, read by title, and passed on second and final reading on the _____ day of _____, 2026, and ordered published by title in the Colorado Springs Gazette, a newspaper of general circulation in the City of Fountain, Colorado, in accordance with the City Charter.

Sharon Thompson, Mayor

ATTEST:

Joney Carneal, City Clerk



Regular City Council Meeting

Old Business-8B

Repeal of Prior Water Connection Fees

February 10, 2026

Summary Information

Title:

SECOND READING OF ORDINANCE NO. 1818, AN ORDINANCE REPEALING PRIOR AUTHORIZATIONS RELATING TO WATER CONNECTION FEES AND WATER TAP FEES

Initiator: Taylor Murphy, Water Resources & Engineering Manager

Presenter: Taylor Murphy, Water Resources & Engineering Manager

Legal Review: ☒ Yes ☐ No

☒ Council Action

☐ Council Information

☐ Report to Council

Summary Overview and List of Attachments:

The purpose of this item is to repeal all prior authorizations relating to water connection fees and water tap fees to eliminate ambiguity and establish a clear legal pathway for future fee adoption.

Attachments: Ordinance No. 1818

Background Information

Fountain's current Water Connection Fees were first adopted in 2008 by Ordinance 1443. Since that time the ¾" tap fee has been temporarily reduced and/or modified as part of a variety of incentive programs, and ultimately restored to the original amount, all of which have been approved by various ordinances, but the inherent base fees for all connection sizes have remained unchanged.

Given the amount of time that had passed without any change to the City's utilities connection fees, starting in 2023, Utilities staff began reviewing connection fees (aka tap fees) for adequacy. Due to the lack of available treated water, there was no urgency to the review process. However, with the possibility of acquiring new water resources (primarily the pending Security water lease) to allow for new water taps and connections, Utility staff completed the thorough evaluation of Fountain's current water connection fees. The review and evaluation process revealed that the current fees are outdated and the approach that was used to establish the fees created inequities resulting in under-collection of fees for larger size meters. In addition to updating the fees based on current costs, staff has developed an updated water connection fee schedule based on a detailed analysis of meter data from existing customers that scales costs for larger meters fees in proportion to their needs (annual water consumption) and impacts (demand created on the system peak day).

To implement the proposed connection fees, the current fees previously adopted by ordinance must be repealed. Since the current fee adoption by Ordinance 1443, there have been a series of fee changes, Code updates, repeals, and re-authorizations. Over time, subsequent ordinances and actions by the City Council affecting these fees have resulted in some ambiguity regarding which authorizing ordinances are in effect. In order to resolve that ambiguity and avoid future conflicts or discrepancies, the proposed ordinance seeks to repeal all prior ordinances and authorizations of water connection fees so that the proposed 2026 updated fees can be implemented on a blank slate.

This ordinance will:

- Repeal all prior authorizations relating to water connection or water tap fees;
- Eliminate reliance on historic or superseded code and fee provisions; and
- Preserve City Council authority to adopt future water connection fees.

This ordinance does not adopt new fees or modify existing fees. To ensure that there is no gap in the authority to charge water connection fees, staff will present a resolution to adopt new water connection fees, concurrent with the second reading of this ordinance.

Since the first reading on January 27, 2026, the following changes have been made:

- Under Section 4 of the Enacting Ordinance language, the approved ordinance would only take effect after publishing and be subject to Council adopting new Connection/Tap fees by Resolution.

Strategic Plan Priority (if applicable):

- ☐ STRENGTHEN PUBLIC COMMUNICATIONS EFFORTS.
- ☐ IMPROVE TRANSPORTATION INFRASTRUCTURE.
- ☐ SUPPORT LOCAL BUSINESS DEVELOPMENT.
- ☒ ENHANCE WATER AND ELECTRIC SECURITY.

Recommendation

Staff recommends that the Council approve, on second reading, Ordinance No. 1818 as amended.

Proposed Motion

Motion to approve Ordinance No. 1818, as amended, on second reading.

ORDINANCE NO. 1818

AN ORDINANCE REPEALING PRIOR AUTHORIZATIONS RELATING TO WATER CONNECTION FEES AND WATER TAP FEES

WHEREAS, the City of Fountain has, from time to time, adopted ordinances and code provisions establishing water connection fees (also known as tap fees); and

WHEREAS, such fees were adopted under Chapter 13.04 of the Fountain Municipal Code (“Water Code”), which chapter was later repealed and replaced by Chapter 13.20 (“Utility Code”) pursuant to Ordinance No. 1669 without reestablishing the applicable fees; and

WHEREAS, conflicts among ordinances addressing water connection fees, including but not limited to Ordinance Nos. 1484, 1574, 1669, and subsequent attempts to correct issues arising from ordinance 1669 with ordinance 1695, have resulted in ambiguity regarding the current authorization of such fees; and

WHEREAS, the City Council finds that it is in the best interests of the City to eliminate ambiguity regarding water connection fees and to establish a clear and legally defensible pathway for future fee adoption;

NOW, THEREFORE, BE IT ORDAINED by the City Council of the City of Fountain, Colorado:

Section 1. Any and all ordinances, resolutions, code provisions, exhibits, fee schedules, or administrative interpretations previously adopted by the City of Fountain relating to water connection fees or water tap fees are hereby repealed as of the effective date of this ordinance. This repeal includes, without limitation, those portions of Ordinance Nos. 1484, 1574, 1669, and 1695, and any provisions of the Fountain Municipal Code or administrative fee schedules derived therefrom that specifically apply to water connection fees.

Section 2. No water connection fee or water tap fee shall be imposed, collected, or enforced unless expressly adopted by the City Council through a subsequent resolution.

Section 3. Nothing in this ordinance shall be construed to limit the authority of the City Council to adopt water connection fees or water tap fees by ordinance or resolution at a future date.

Section 4. This ordinance shall be effective upon passage and publication as provided by the City Charter, subject to the **City Council adoption of a Resolution setting new water connection/tap fees.**

Introduced, read by title and passed this 27th day of January 2026, by the City Council, City of Fountain, Colorado, signed by the Mayor, and ordered published by title with a summary written by the City Clerk together with a statement that the ordinance is available for public inspection and acquisition in the office of the City Clerk in the Colorado Springs Gazette, a newspaper of general circulation in the City of Fountain.

Sharon Thompson, Mayor

ATTEST:

Joney Carneal, City Clerk

Introduced, read by title, and passed on second and final reading on the _____ day of _____, 2026, and ordered published by title in the Colorado Springs Gazette, a newspaper of general circulation in the City of Fountain, Colorado, in accordance with the City Charter.

Sharon Thompson, Mayor

ATTEST:

Joney Carneal, City Clerk



Regular City Council Meeting

New Business –9A

Items removed from Consent Agenda

January 27, 2026

Summary Information

Title:

CONSIDERATION OF ITEMS REMOVED FROM THE CONSENT AGENDA

Initiator: City Clerk

Presenter: City Clerk

Legal Review: ☐ Yes ☒ No

☒ Council Action

☐ Council Information

☐ Report to Council

Summary Overview and List of Attachments:

Any Items removed from the Consent agenda for further discussion shall be heard under this item.

Background Information

Strategic Plan Priority (if applicable):

- ☐ STRENGTHEN PUBLIC COMMUNICATIONS EFFORTS.
- ☐ IMPROVE TRANSPORTATION INFRASTRUCTURE.
- ☐ SUPPORT LOCAL BUSINESS DEVELOPMENT.
- ☐ ENHANCE WATER AND ELECTRIC SECURITY.

Recommendation

Staff recommends approval.

Proposed Motion

Motion to approve shall be included under the consent agenda.



Regular City Council Meeting

New Business – 9B

Water Connection Fees

February 10, 2026

Summary Information

Title:

RESOLUTION 26-008, A RESOLUTION ADOPTING NEW WATER SYSTEM CONNECTION FEES

Initiator: Dan Blankenship, Utilities Director

Presenter: Taylor Murphy, Water Resources & Engineering Manager

Legal Review: ☐ Yes ☒ No

☒ Council Action

☐ Council Information

☐ Report to Council

Summary Overview and List of Attachments:

The purpose of this item is to present new Water System Connection Fees for Council consideration and adoption.

Attachments: Resolution 26-008
2026 Water System Connection Fees

Background Information

Fountain's current Water Connection Fees were first adopted in 2008 by Ordinance 1443. Since that time the connection fee for the ¾" tap has been temporarily reduced and/or modified as part of a variety of incentive programs, and ultimately restored to the original amount. The connection fees for all other tap sizes have remained unchanged since 2008.

Given the amount of time that had passed without any change to the City's water connection fees, starting in 2023, Utilities staff began reviewing the connection fees (aka tap fees) for adequacy. Due to the lack of available treated water, there was little urgency to the review process. However, with the possibility of acquiring new water resources (primarily the pending Security water lease) to allow for new water taps/connections, Utility staff have now completed a thorough evaluation of the city's current water connection fees. The review and evaluation process revealed that the approach that was used to establish the current fees created inequities resulting in under-collection of fees for larger size meters. To address the inequities, staff has created a new framework for the proposed update to the fees that more equitably recovers the costs that were expended to create capacity for growth.

As part of the evaluation, staff analyzed water use data from 2018 – 2024 for all commercial accounts within the city's water system to determine consumption characteristics of each user type for each water meter size. Based on the results of the evaluation, the new framework includes separate fees within each meter size to reflect the drastically different usage patterns observed by the different user types. The proposed fee schedule includes the following user types:

'Residential' for each individually metered unit of a 1- or 2-family dwelling, including each individually metered unit of townhomes.

'Commercial, Industrial and Institutional' (CII) for standard non-residential indoor water usage in business applications with up to moderate irrigation for minor landscaping, and master metered commercial multi-family housing.

‘Seasonal Peak’ for irrigation-centric accounts and specific commercial-style uses for outdoor or recreational purposes that have significant summer peak-season water usage.

To create an equitable schedule of new Water Connection Fees that appropriately recovers costs based on the system impact caused by each meter size and use-type, staff started by calculating the system costs to serve a standard ¾” residential meter, referred to as a Single-Family Equivalent (SFE). Using recent water rights acquisition costs and the infrastructure debt for the Southern Delivery System as a basis, the cost to provide water service to 1-SFE (¾” Residential Water Connection) is:

¾” Residential Tap Fee (1 SFE)	
Water Acquisition Fee	\$9,193
Water Infrastructure Fee	\$10,173
Total Connection Fee	\$19,366

Using the 2018 – 2024 Commercial account data, an equitable basis for scaling the fees to larger meters was established. Water rights are allocated on an annual-use basis, so the average annual water-use for each meter size and user type was compared to that of Fountain’s 1 SFE to scale the Water Acquisition Fee. Fountain’s Water Utility allocates capacity on a peak-day usage basis, so the average peak-day use for each commercial meter size and user type was used to scale the Infrastructure Fee as compared to the peak-day usage of 1 SFE. The combined fees result in the proposed Water System Connection Fees as shown in Exhibit A of Resolution 26-xxx.

Strategic Plan Priority (if applicable):

- ☐ STRENGTHEN PUBLIC COMMUNICATIONS EFFORTS.
- ☐ IMPROVE TRANSPORTATION INFRASTRUCTURE.
- ☐ SUPPORT LOCAL BUSINESS DEVELOPMENT.
- ☒ ENHANCE WATER AND ELECTRIC SECURITY.

Recommendation

Staff recommends approval of Resolution 26-008, adopting the 2026 Water System Connection Fees.

Proposed Motion

Motion to approve Resolution 26-008, a resolution adopting new water system connection fees.



RESOLUTION 26-008

A RESOLUTION ADOPTING NEW WATER SYSTEM CONNECTION FEES

WHEREAS, the City of Fountain provides potable water service to its citizens through a water utility operated under its Electric, Water and Wastewater Utility Enterprise; and

WHEREAS, the City's water utility operates as a not-for-profit/cost-of-service municipal business enterprise which generates revenue through water sales to cover operational expenses and recovers costs associated with creating capacity for new growth through connection fees; and

WHEREAS, the City of Fountain desires to ensure that new growth pays its own way and does not occur in a manner that imposes undue costs, burdens or adverse impact to service that is provided to the existing utility ratepayers; and

WHEREAS, since the early 2000's the City's water utility has accrued significant debt in the form of public bonds to fund the acquisition of various water rights and the construction of existing capital infrastructure projects necessary to create new system capacity and supply future growth; and

WHEREAS, the utility's costs to pay off that debt should be adequately recouped by the connection fees assessed to new development such that the portion of the debt attributable to system capacity needed to serve new development is fully repaid by the resulting development that has been enabled through the funded projects and water rights; and

WHEREAS, failure to appropriately set adequate water connection fees places the burden of debt for new growth on existing utility customers and results in financial pressure to increase rates to cover debt payments; and

WHEREAS, water utility staff have reviewed the existing water connection fees that were adopted in 2008 and determined that they do not adequately or equitably recover costs in proportion to the impact and amount of capacity required to serve new or upsized connections to the water system, resulting in an under-recovery of expenses, which places the burden of paying for the under recovered portion of the aforementioned debt on the water utility's existing ratepayers; and

WHEREAS, the City's water utility has developed a new schedule of water system connection fees that more equitably charges all meter sizes based on the different types of water users within each meter size, the appropriate recovery of costs for the expenses that the utility has incurred to serve the demands for each meter size and use type; and

WHEREAS, the City Council has considered the information presented by the water utility and desires to implement the new Water System Connection Fees to more equitably recover costs from new development based upon their water system impact and to ensure that the costs associated with new growth are not borne by existing utility ratepayers.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Fountain, Colorado, as follows:

1. 2026 Water System Connection Fees are hereby established in the amounts set forth in Exhibit A attached hereto and incorporated herein by reference.

Done this 10th day of February 2026.

Sharon Thompson, Mayor

ATTEST:

Joney Carneal, City Clerk



Regular City Council Meeting

New Business-9C

IGSA Revenues Policy

February 10, 2026

Summary Information

Title:

RESOLUTION 26-009, A RESOLUTION TO ESTABLISH A POLICY FOR THE UTILIZATION OF REVENUES DERIVED THROUGH INTERGOVERNMENTAL SUPPORT AGREEMENTS (IGSA) WITH MILITARY PARTNERS

Initiator: Assistant City Manager John Trylch

Presenter: John Trylch

Legal Review: ☐ Yes ☒ No

☒ Council Action

☐ Council Information

☐ Report to Council

Summary Overview and List of Attachments:

At the January 31st City Council Retreat, John Trylch presented a draft policy to City Council for discussion, pertaining to the use of residual revenues received from the city IGSA program. City Council discussed the policy and directed that it be brought back to Council at the February 10, 2026 Council Meeting for official consideration and approval. The resolution incorporates the recommendations discussed at the Council Retreat.

Background Information

Strategic Plan Priority (if applicable):

- ☒ STRENGTHEN PUBLIC COMMUNICATIONS EFFORTS.
- ☒ IMPROVE TRANSPORTATION INFRASTRUCTURE.
- ☒ SUPPORT LOCAL BUSINESS DEVELOPMENT.
- ☒ ENHANCE WATER AND ELECTRIC SECURITY.

Recommendation

Staff recommends approval of the Resolution establishing a Council policy on the utilization of IGSA revenues.

Proposed Motion

Motion to approve the Resolution 26-009.



RESOLUTION 25-009

A RESOLUTION TO ESTABLISH A POLICY FOR THE UTILIZATION OF REVENUES DERIVED THROUGH INTERGOVERNMENTAL SUPPORT AGREEMENTS (IGSA) WITH MILITARY PARTNERS

WHEREAS, the City of Fountain has developed, maintained and continues to expand its military partnership activities and services provided through Intergovernmental Support Agreements; and

WHEREAS, the City of Fountain has developed, maintained and continues to expand its military partnership activities and services provided through Intergovernmental Support Agreements; and

WHEREAS, these revenues create new opportunities for investment into the Fountain community that benefits residents and Fountain's military partners; and;

WHEREAS, the City Council desires to establish a policy for the use of these IGSA revenues to ensure their utilization and maximize the benefit to the fountain community.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Fountain, Colorado, establishes the following policy for the use of IGSA related revenues:

1. Use of IGSA funds should be prioritized to support the city's strategic plan, and whenever possible be connected to city Strategic Priorities.
2. IGSA funds should be used for one-time expenses such as projects, facilities, vehicles, equipment or other items that enhance the city's ability to provide the highest quality services to residents.
3. IGSA funds should not be used to offset the cost of city operations or re-occurring administrative expenses (besides those that directly support the needs of the IGSA program).
4. IGSA funds can be used to support initiatives or programs that benefit Fountain's military community need (e.g. donations to Veterans service organizations or projects).

5. IGSA funds should be reflected as an assigned fund balance in the budget (as opposed to a restricted fund balance) to both identify specific uses for IGSA revenues in the city budget but still maintain flexibility in Council's ability to direct IGSA funding. IGSA revenues will be allocated principally through the annual

Done this 10th day of February, 2026.

Sharon Thompson, Mayor

ATTEST:

Joney Carneal, City Clerk