

Paul G. Anderson, LLC
Attorney/Mediator

P.O. Box 50631
Colorado Springs, CO 80949-0631

Phone: (719) 510-9420
pandllc@comcast.net

August 2, 2019

Via EDARP

Nina Ruiz
El Paso County Planning & Community Development
2880 International Circle
Colorado Springs, CO 80910

Re: Letter of Intent - Service Plan Amendment
Colorado Centre Metropolitan District

Dear Ms. Ruiz,

Per the July 18 meeting with you, Craig Dossey, Mark Gebhart and Cole Emmons at the Development and Community Planning office, on behalf of the Colorado Centre Metropolitan District (District) I am submitting this Letter of Intent requesting an amendment to the District's Service Plan; the proposed amendment to the District's Service Plan is submitted herewith. The District understands that the July 18 meeting constituted the Early Assistance meeting for purposes of the District's application to amend its Service Plan as described herein.

Service Plan Amendment Request Summary

The District requests amendment of its Service Plan to include fire protection as part of the District's services consistent with the Colorado Special District Act, C.R.S. § 32-1-101, *et seq.* (Act). The District's request to amend its Service Plan is submitted in compliance with the Act. A legal description of the District's service area, along with vicinity and District boundary maps, are hereby submitted with this Letter of Intent.

Need and Justification for the Amendment

1. *Background*

The District was formed in 1984 pursuant to the Resolution 83-216 adopted by the El Paso County Board of County Commissioners (County Commissioners) and upon a Decree entered by the El Paso County District Court (District Court) in February 1984. The hearing notice regarding the District's petition to organize as a special district indicates that fire protection was one of the services to be provided by the newly formed District; however, the final version of the District's Service Plan (Exhibit A to the above County resolution) makes no reference to fire protection service.¹ Similarly, the County's resolution and the District Court

¹ The Service Plan contains a brief reference to fire protection and fire hydrants (at p. 20) in conjunction with the District constructing a water supply system.

Decree make no specific reference regarding the District providing fire protection. The District thereafter contracted with private and public entities for fire protection for several years, constructed a fire station, and since 1992 the District has received external fire protection service from the Colorado Springs Fire Department through an intergovernmental agreement (IGA) with the City of Colorado Springs.

In 2005 the District residents approved a three (3) mill levy for funding fire protection service and to create a reserve for "fire or other emergency", and between October 2006 and December 2008 the District had a staffed fire station within its service area pursuant to IGAs with Lorson Ranch Metropolitan District Nos. 1-7 and Rolling Hills Metropolitan District Nos. 1-15. Based on a public survey, in 2009 the District adopted Resolution No. 2009-4-23.1 to establish a "first responder" service within the District service area and a related monthly charge for "fire protection and related emergency service to the community until (Colorado Springs Fire Department) personnel arrive at the fire or emergency". The District has operated a 2-person, 24-hour first responder service continuously since 2009 by retaining off-duty firefighters as independent contractors in addition to maintaining an IGA with the City of Colorado Springs for external fire protection support. The IGA with the City was renewed in November 2018 with a termination date of December 31, 2037.

2. *Need & Justification*

According to the District's Fire Chief, annual response calls average between 175-200. A summary of annual responses is submitted with this Letter of Intent. Since 2009, the District has been providing fire protection in fact through its "all risk" first responder service and thus it seeks to formalize its authority to provide fire protection under the Service Plan. Doing so will enable the District to pursue outside funding opportunities and enhance its fire protection capabilities through additional equipment and training for its first responder contractors. With potential increased funding, the District can also consider expanding the number of on-duty fire protection personnel.

Additionally, the District has informal "mutual response" agreements with local fire departments. With enhanced equipment and personnel, the District can provide better mutual response and stronger support to other fire departments. As you know, the Fire Chiefs for the Colorado Springs Fire Department and Security Fire Department submitted letters of support for the District's Service Plan amendment; copies of those letters were distributed at the July 18 meeting and are also submitted with this Letter of Intent. For the reasons stated in those support letters, including fire protection service under the District's Service Plan ultimately makes sense.

Financial Analysis

Since 2009, the District has funded first responder services and all expenses related to the fire protection IGA with the City of Colorado Springs using the 3-mill levy earmarked for fire protection and emergency purposes and the "first responder" fee charged monthly to each

residential and commercial property within the District service boundaries.² Beginning with the 2010 budget year, the District's "Fire Chief" in coordination with the District Manager prepares an annual budget for District Board review and approval as part of the District's budget process. A summary of annual income and expenses for the years 2010 - 2018, as audited, is submitted with this Letter of Intent. As shown in the financial summary, the District has consistently met its annual expenses while simultaneously building a reserve fund for future capital expense. The District thus has demonstrated the ability to effectively fund fire protection under the auspices of its first responder services. Because current operations are not anticipated to change significantly any time in the near future, the transition from a first responder to a fire protection service is expected to be seamless and not result in any new or additional expense; as such, the first responder fee and excess mill levy revenue are expected to continue to fully fund fire protection if the Service Plan amendment is approved.

Under the Service Plan amendment, the District retains all financial authority and related powers under the Act. The District also retains authority to refinance and refund any District debt it may incur if the District's Board of Directors determines it is in the best interest of the District to do so.

Miscellaneous

As part of its annual budget process, the District shall ensure adequate notice and disclosure is provided to current and subsequent property owners within the District regarding the existence, operation and cost of the District including fire protection service costs. The District also acknowledges the following:

- a. The District's continued operations are under the jurisdiction of the Special District Control Act.
- b. The District will not change its territorial boundaries without the consent of El Paso County.
- c. The District will not consolidate with any other district without the consent of El Paso County.

Compliance

The District agrees that:

1. An annual transparency notice, aka annual report and disclosure, will be required and submitted as described in C.R.S. § 32-1-207(3)(d) and further addressed by County resolution.

² Under the 2005 and more recent 2018 intergovernmental agreement (IGA) with the City of Colorado Springs, the District paid for fire protection services through the purchase of a new fire engine; any additional charges incurred by the Colorado Springs Fire Department for services not covered under the IGA are billed separately to the District.

2. Should material modifications occur as described in C.R.S. § 32-1-207(2), the District shall apply for approval of such modifications to El Paso County in advance of the modification occurring.

Conclusion

The District has operated a first responder service since 2009 through which the District has provided fire protection in fact for over 10 years to its residents. Two major, neighboring fire departments, Colorado Springs and Security, fully support the District's efforts to formalize its authority to operate as a fire protection district. The District can meet future fire protection funding obligations through the current 3-mill levy and the first responder fee. Amending the District's Service Plan to include fire protection will allow the District to pursue opportunities currently available only to formal fire departments and enhance the District's long-term ability to provide fire protection within and outside of its service area.

To operate with the formal authority of a fire protection district and execute related functions, the District proposes that the County Commissioners approve the Service Plan amendment as submitted herewith. The District believes this Letter of Intent establishes the following:

- Based on the operating history of the first responder service, the District is capable of providing fire protection service consistent with the Act; and
- Approval of the Service Plan amendment submitted herewith is in the public interest and in the best interests of current and future property owners within the District.

The District appreciates the opportunity to work with you to complete this process. Please do not hesitate to contact me with any questions. Thanks very much.

Very truly yours,



Paul G. Anderson

Submittals as stated

cc w/submittals: M. Cole Emmons, Senior Assistant County Attorney

cc w/o submittals: Cindy Monroe, District Manager
Josh Winter, Fire Chief, Colorado Centre Metropolitan District
Alvaro J. Testa, Ph.D., P.E.