Fountain Creek ILF Program – Meeting Notes

Date: 10/27/2026

Location: Microsoft Teams

Time: 11:00 AM

Attendees:

- Alli Schuch, FCWD
- Steve Rodriguez, FCWD
- Lucy Harrington, GEI Consultants
- Christine Gutierrez, GEI Consultants
- Shai Kamin, GEI Consultants
- Cole Russell, GEI Consultants
- Mark Shea, Colorado Springs Utilities
- Stephane Atencio, FCWD Counsel
- Yvonne Wetzig, Colorado Springs Utilities
- Jeff Rice, El Paso County
- Terry Hart, FCWD Board
- Nate Ober, Naturion

Agenda:

I. Introductions of those present (if needed) and review and acceptance of previous meeting notes (Mark – 5 min).
   a. *Nate Ober with Naturion joined to present an introduction to full delivery services for ILF Projects.*

II. Schedule and deliverables review for 2026-2027. (Christine – 10 min)
   a. Revised draft ILF Instrument submitted on 10/15. To be reviewed by Agencies by 11/30.
      i. *The revised draft Instrument was submitted to the IRT, and comments are expected back from the IRT by November 30, 2026. GEI will prepare responses and revisions, which will be followed by ILF Subcommittee. Resubmittal is targeted for mid-April 2027 with final packaging and FCWD Board approval targeted for May 2027 prior to the August 1, 2027 deadline.*
      ii. *Lucy explained that the August 1, 2027 deadline is an agency-mandated deadline for a fully executed Instrument. If the agencies and FCWD Board have not approved and signed the instrument by that date, the Corps may administratively withdraw it, requiring the entire submission and agency-review process to restart. After execution, the district has five years to begin selling credits.*
      iii. *Blue schedule items represent work without a currently approved budget. GEI has begun some related work and expects the task order to begin formally in January. The additional funding need results in part from an additional IRT*

review round requested by the Corps that was not included in the previously approved scope.

iv. *Steve A. requested a draft budget for the FCWD Board's December consideration, including GEI support. Alli confirmed that they are developing a draft for the December agenda. Terry and Mark emphasized that it should show both expenditures and anticipated revenue, including ILF Program setup costs, expected credit-sale timing, ongoing administration, and whether or how the district may recover some of its initial investment.*

b. Transfer and walk through of GIS files on 10/30 with FCWD
   i. *GEI will be meeting with FCWD on 10/30 to provide an overview of the GIS files.*
c. Outreach Plan development underway.
   i. *The development of the Outreach Plan has resumed following the most recent submittal of the revised draft ILF Instrument. The second draft of the Outreach Plan will be submitted for FCWD review end of November with implementation expected early 2027. Marketing activities will not be conducted until the ILF Program has been approved by the FCWD Board.*
d. User manual somewhat on pause until additional comments received by board/IRT.
   i. *The User Manual development has been paused until additional IRT comments are received so the manual will be consistent with the Final Instrument. Mark requested a draft of this be developed and provided earlier.*
e. Board meeting focused on ILF (December 18).
   i. *Alli, Steve A., and GEI will coordinate on deliverables for the special board meeting to be held on December 18, 2026.*

III. Board Meeting Update (Alli/Mark – 5 min)
   a. Update on October 23rd FCWD Board Meeting.
      i. *The Board meeting focused on an update on the ILF Instrument and future implementation of the ILF Program. This prompted Subcommittee discussion as to who should be involved in the future ILF Technical Advisory Committee. Terry suggested a structure similar to the Monetary Mitigation Fund Advisory Committee: a technically focused group with Board participation. A recommendation will be made to the FCWD Board in December by Alli and Mark.*
      ii. *Mark raised the need to determine whether the ILF's administrative fee should remain within a financially separate program fund or be transferred to the district's water activity enterprise to manage. He cited the National Forest Foundation's structure as an example and noted that the choice could affect flexibility and the potential recovery of district development costs. The topic was deferred for further discussion at the next meeting.*

IV. Introduction to Full Delivery Services (Nate, Naturion – 30 min)
   a. *Delivery Model: Nate Ober presented an over of Naturion's full-delivery model as an alternative to district-managed project delivery, explaining how it transfers development,*

construction, regulatory, performance, and timing risks while providing cost and delivery certainty. Nate described advantages including cost certainty, reduced project-management burden, private-sector expertise, competitive procurement, faster access to a project pipeline, and a defined credit-delivery obligation. The district would still retain ultimate program responsibility and would need to monitor provider performance.

b. *Maintenance Responsibilities: Nate relayed that full delivery may include interim monitoring and maintenance, but long-term stewardship depends on the contract. In West Virginia, Naturion delivers projects through monitoring and hands them to the ILF provider for long-term stewardship; in North Carolina, Naturion may retain the long-term responsibility. The price can be adjusted if the district elects to perform monitoring itself.*
c. *Contracting Structure: Nate described a possible front-loaded payment structure in which early credit releases carry higher per-credit payments and later releases carry lower payments while maintaining a blended contractual average. This helps the provider recover early land, engineering, permitting, and construction expenditures without requiring the ILF sponsor to pay the entire amount upfront.*
d. *Provider Site Evaluation: Site selection is central to credit yield and project risk. Naturion typically screens available properties, meets with landowners, narrows the list, conducts site visits, reviews public data such as LiDAR, and uses Civil 3D and hydraulic modeling to compare existing and proposed conditions. Site risk, including flash flooding, sediment, erodible soils, and expected functional uplift, is incorporated into pricing. Nate offered to evaluate sites already identified by the district and GEI, narrow a larger list to the strongest candidates, and potentially begin permitting at Naturion's expense if a full-delivery contract is expected. Mark said existing district tools should be used to avoid duplication and ensure board and district priorities are reflected in provider work.*
e. *Land Protection Documents: Nate confirmed that the provider normally handles conservation easements or other site-protection instruments. Lucy said GEI is developing templates for a conservation easement (private lands) and an MOA (public lands) that could be used across the ILF service area, potentially reducing legal expense and avoiding delays once the first funds are received.*
f. *Confidentiality and Competition: Steve A. asked whether Naturion could use FCWD site-selection information to compete against the district. Nate said confidentiality, noncompetition, a first right of refusal, or similar protections could be defined in a nondisclosure or service contract, subject to approval by Naturion and the FCWD.*

V. ILF Instrument Update (Lucy/Christine – 20 minutes)
   a. Review of items from 10/15 ILF Subcommittee optional meeting. See 10/15 meeting notes for discussion. (Christine)
      i. *Due to limited time, this agenda item was skipped, and ILF Subcommittee members were directed to 10/15 meeting notes for an overview.*

ii. MOA and easement templates – using Maria Lakes Bank for conservation easement template.
    1. Alli, Steve A., and GEI will meet to discuss MOA and easement templates.
iii. Audits: Assumed will come out of admin fees; min of 1x/yr.
    1. Alli/Lucy/Mark to provide updates on responses from other ILF programs and if current auditors can handle restricted fund or program audits, if that's different than current audit practices, and costs.
iv. Increased advance credit sales amount requested
    - 40 credits: wetlands.
    - 3000 credits: streams.

    This will allow multiple 20 credit projects to overlap, in response to board questions on cash flow.
v. Pro forma- by eliminating the need to pay 30% income tax as determined in last meeting, floor of credit pricing could be lowered (necessary for fee schedule submitted to agencies)
    - $280,000 to $400,000 wetlands (acre)
    - $3,500 to $6,000 stream (functional foot)
    - $100,000 to $250,000 species (acre, stand-alone)
vi. Ceiling remains the same as discussed with the ILF subcommittee on 9/29
vii. 2026 dollars with 10% inflation year-over-year

b. Discussion of Administrative Costs breakdown (Lucy)
    i. Staff time, audits, rent, supplies, conferences, etc.?
        1. *Due to limited time, this agenda item was not discussed. This item will be discussed at the next ILF Subcommittee meeting on 11/10.*

VI. Site Selection (Cole/Shai/Lucy – 45 min)
    a. Current status and walk-through on spreadsheet and GIS top-ranked sites
        i. Shai provided an overview of the site selection spreadsheet and GIS model. The GIS system calculates scores across several hundred candidate sites using various, while the spreadsheet provides an accessible format for participants without GIS software.
        ii. Top-ranked sites were reviewed, and a discussion was had on how hydrology, flood risk, maintenance, invasive species, land use, local-government support, and project design should be verified before advancing sites.
        iii. Extreme Hydrology: Mark asked whether the scoring should account for unusually aggressive hydrology. Shai said the model could add a maximum-flow or extreme-flow variable, while noting that main-stem Fountain Creek sites naturally have high peak flows and a greater likelihood of ground changes during major precipitation events.
        iv. Local Conditions: Steve R. and Terry noted that site evaluation must account for practical conditions such as prior earthwork, vegetation management, flood response, and encampment-related management issues. Mark suggested

that member governments should be contacted early because some may support mitigation projects while others may oppose projects within their jurisdiction.

v. *Invasive Species: Mark identified invasive and non-native vegetation, including phragmites and Russian olive, as an important site factor. Lucy said this evaluation of these conditions will be conducted during the field-verification phase because they are not reliably captured by desktop GIS layers.*

vi. *Agricultural Land: Lucy explained that heavily disturbed agricultural land can provide substantial functional uplift when restored to wetland and riparian conditions, but active farming and landowner willingness may constrain feasibility.*

b. Outstanding Questions:

i. Weighting on projects currently in plans? This puts anything not in plans (i.e. not on "mainstem" lower in ranking. Do we still want to prioritize mainstem projects (pluses/minuses)?

1. *Lucy noted that previously identified sites had largely come from plans focused on the Fountain Creek mainstem, while the newer GIS model considers mitigation opportunities throughout the broader service area with sites identified on the Arkansas River, Chico Creek, and other areas across El Paso and Pueblo counties, including locations where the district has not previously worked. The group discussed keeping sites outside the Fountain Creek Watershed on the list while evaluating proximity to impacts, district priorities, voter and member-government support, and the long-term sustainability of a broad program.*

ii. What, if any, should be the process for securing member government approval for a project site on private lands? Public lands will follow the same landowner outreach process described in Step 2 of the Site Selection graphic. Process would seek to avoid future utility/infrastructure complexity. Potential to eliminate top sites.

1. *Due to limited time, this agenda item was not discussed. This item will be discussed at the next ILF Subcommittee meeting on 11/10.*

iii. Airport restrictions

1. *Shai explained that airport restriction zones around the Colorado Springs and Pueblo airports will be incorporated into the model because projects that attract birds may prompt FAA concerns. These restrictions do not automatically prohibit a project, but they may trigger additional agency review. Mark also suggested mapping United States Air Force Academy and training airstrips to support early stakeholder outreach.*

iv. Geographic and/or political preferences (e.g. consider even distribution of projects in El Paso and Pueblo Cos? Preference for upper vs. lower watershed areas?)? Perhaps rotation? *note: may be better to address in User's Manual

1. *Terry supported ranking sites first by objective physical criteria and then considering whether a site lies within the Fountain Creek Watershed as a subjective policy factor. It was also clarified that the relevant watershed includes Monument Creek and other tributaries, not only the main channel. Participants also noted that Pueblo County may offer more water and easier sites while El Paso County has more land, creating a need to consider geographic balance without excluding strong sites outside the Fountain Creek drainage.*

c. Timelines: Site visits November through December to top ranked sites.
    i. Outreach process for site investigation – what is the order of operations (e.g., alerting landowners, FCWD members)?
        1. *Due to limited time, this agenda item was not discussed. This item will be discussed at the next ILF Subcommittee meeting on 11/10.*
    ii. Who should attend initial site visits?
        1. Guests for site visits include Alli, Mark, Steve R., GEI, and designers.

VII. Next Steps (Lucy – 5 min)
a. Future ILF Subcommittee meetings – November meetings?
    i. Currently scheduled for 11/10 and 11/24
        1. *Christine said both November meetings were initially planned for cancellation because IRT comments are not expected until November 30. Mark requested that the November 10 time be held tentatively for further site-selection and administrative-cost discussions.*
b. Incorporation of USFWS data.
    i. Lucy relayed that incorporation of USFWS data should remain on the team's radar and that the group should reconnect with the service once they have worked through ongoing regulatory issues.
c. Outreach to landowners and partner groups.
    i. ILF Practitioners meeting/roundtable –scheduled for October 29, 2026
        1. *The October 29 practitioners meeting will provide a near-term outreach opportunity for landowners, practitioners, and credit purchasers.*