

## Fountain Creek ILF Program – Standing Meeting Notes

Date: 04/07/2026

Location: Microsoft Teams

Time: 11:00 AM

### Attendees:

- Lucy Harrington, GEI Consultants
- Christine Gutierrez, GEI Consultants
- Alli Schuch, Fountain Creek Watershed District
- Mark Shea, Colorado Springs Utilities
- Macie Wagner, Fountain Creek Watershed District (River Corps)
- Stephane Atencio, Fountain Creek Watershed District General Counsel
- Will Vogl, El Paso County Conservation District
- Wendy Petit, Pueblo County
- Erin Powers, City of Colorado Springs
- Steve Rodriguez, Fountain Creek Watershed District
- Terry Hart, FCWD Board Member
- Jeff Rice, El Paso County Engineering
- Tamara Estes, FCWD Board Member/City of Fountain

### Agenda:

1. Introductions of those present (if needed)
  - a. *Introductions of all present were conducted.*
2. Review and acceptance of previous meeting notes (*agenda item added during meeting*)
  - a. *No changes to the previous meeting notes. Notes were accepted as is.*
3. IRT update on Draft ILF Instrument
  - a. Draft ILF Instrument submitted August 2025
  - b. Public Notice began in January 2026 and closed on February 28, 2026
    - i. USFWS, CDPHE and USACE meeting
      1. *Public comments were received from CPW and one private citizen on the Prospectus. Responses have been drafted and are under internal review. Alli and Mark will review prior to submitting responses to USACE.*
  - c. Submit Final ILF Instrument by July 31, 2026.
    - i. Address comments received
      1. *Following submittal of Prospectus comments, the USACE will release comments on the Instrument.*
    - ii. Easement template
      1. *Lucy reached out to USACE to verify whether an easement template is required for submittal with the final Instrument. While not required, it would expedite future site modifications review of the site protection instrument. Lucy recommends developing the template now to streamline future project specific review. Steve recommends requesting*

*copies of conservation easement agreements from Palmer to build a basic template for the FCWD that includes the basic provisions and placeholders for site-specific information. Changes requested by a third-party to satisfy their preferences would be their financial responsibility.*

2. *Lucy to send Steve A. an approved conservation easement developed by Colorado Open Lands for him to compare against Palmer's three templates sent to Alli and combine to develop a template for FCWD.*
  - iii. GSA Boundary
    1. *The discrepancy between the map and GSA narrative will be resolved to coincide with the district boundaries, which includes the county lines for El Paso and Pueblo counties. Activities will be restricted to impacts that occur and mitigation within the FCWD boundaries.*
4. Update on meetings held to date
- a. Credit interest from clients
    - i. *Alli to meet with City of Colorado Springs (4/07) and City of Fountain (4/10) to discuss interest and any questions about the ILF Program.*
    - ii. *Mark relayed that CDOT's wetland mitigation bank recently closed and that they are interested in purchasing credits through the ILF Program to support future projects. Alli mentioned interest from CDOT for their bridge removal project near downtown Fountain.*
    - iii. *Lucy suggested allowing entities to put down deposits (10%) on credits prior to the sale of credits to help fund the program. Other ideas for how to handle costs associated with the program prior to the sale of credits include a line of credit for the ILF Program from the FCWD general fund.*
  - b. ILF for Practitioners Workshop
    - i. *The ILF Program presentation was well received with a lot of interest from local entities and utilities to purchase credits needed for current and future projects.*
    - ii. *Mark recommended having another practitioners workshop close to the launch of the ILF Program.*
  - c. Special Board Meeting - Items for Board to consider and questions to be resolved:
    - i. Area of Authority: What can FCWD cover? Fountain Creek WS HUC 8? Both Counties? Areas outside of these counties?
    - ii. Water Rights compliance.
    - iii. Use of the Water Activity Enterprise to run the program.
    - iv. Liability for interim and long-term monitoring period.
    - v. Allowable uses of 20% admin fees collected by the program.
      1. *Can funds be used to support maintenance activities?*
      2. *How are administrative fees described in the Instrument?*
      3. *What other costs could administrative fees be used for?*
    - vi. What is covered by the cost of credits?
    - vii. What is the cash flow model?
    - viii. How to minimize risk of program viability?
      1. *Lucy recommends quarterly meetings with ILF Committee to review cash flow.*

2. *The next Special Board meeting (4/13) will focus on reviewing the financial model for credit costs, discussing credit demand, and reviewing different scenarios for levels of credit sales. The goal is to better understand the cash flow and projections of the ILF Program. The FCWD Board would like more information from a policy perspective for the above listed items to be able to make program-related decisions.*
3. *Steve A. brought up the need to understand liability if the program were to fail and how the financial model covers that liability. A discussion pertaining to member government liability vs. program/district liability was had. Erin Powers and Terry Hart both voiced concerns of member government liability and requested additional information on the FCWD's liability as well. While any project or program failure would be rectified to the extent possible by the IRT prior to any liability to the district, Steve A. will work with Lucy and Christine to verify and appropriately respond to the question of liability for the member governments.*
4. *Lucy and Mark relayed several elements of the ILF Program that account for liability and other actions that will be taken throughout program implementation to mitigate liability including conducting quarterly credit price audits and review.*
5. Scope of work for next phase of ILF Program
  - a. *Due to limited time, this agenda item was not discussed.*
6. ILF Program Dashboard
  - a. SIPA Grant
    - i. *Due to limited time, this agenda item was not discussed.*
7. Next steps - *Due to limited time, this agenda item was not discussed.*
  - a. Continuing project identification
    - i. Development of project selection criteria
    - ii. Identify willing landowners for initial projects
    - iii. Ongoing discussions regarding undecreed ponds
  - b. Future meetings
    - i. Special Board Meeting on April 13,2026
    - ii. City of Fountain meeting, April 10,2026
    - iii. Future ILF Subcommittee meetings through July 2026
  - c. Outreach to landowners and partner groups.
    - i. Op Ed in newspaper?