

Fountain Creek ILF Program – OPTIONAL Meeting Notes

Date: 10/15/2026

Location: Microsoft Teams

Time: 1:30 PM

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
- Tamara Estes, FCWD Board
- Yvonne Wetzig, Colorado Springs Utilities
- Jason Messamer, Colorado Springs Utilities
- Jeff Rice, El Paso County

Agenda:

- I. Introductions of those present (if needed) and review and acceptance of previous meeting notes (Mark) (5 min).
 - a. *No new introductions were needed.*
- II. Schedule and deliverables review for 2026-2027. (15 min) (Lucy)
 - a. Submitting the ILF Instrument today.
 - i. *GEI is finalizing the revised draft ILF Instrument for secure transmission to the USACE today. The submission starts the next 45-day IRT review period, which is expected to conclude at the end of November. After the IRT review, the team expects another round of comments and will prepare a third revision for resubmittal in mid-March. The subsequent board approval and full execution are targeted for early June 2027.*
 - b. Outreach Plan development after submission
 - i. *Development of the Outreach Plan will continue following submittal of the revised draft ILF Instrument.*
 - c. User manual somewhat on pause until additional comments received by board, IRT. (December).
 - i. *The User Manual is being held until additional agency and board feedback clarifies ILF Program mechanics. GEI expects to update it in February, finalize it in May, and begin training FCWD staff in June so district staff can operate the program with reduced dependence on consultants.*
 - d. Site selection and site visits starting next week.
 - i. *Following submittal of the revised draft ILF Instrument, the team will focus on selecting sites for initial reconnaissance. See Item VI for additional information.*

- ii. *The schedule will be revised by GEI to be more legible and will identify activities that fall outside the existing budget.*
- III. Outreach Plan update (Alli/Lucy – 5 min).
 - a. Met with FCWD to strategize outreach leading up to board approval of Instrument; FCWD helping to put together list of people/entities.
 - i. *GEI is preparing a draft Outreach Plan that will be sent to FCWD for review in December, comments will be incorporated in January, and regional stakeholder outreach will then proceed. The group distinguished general informational outreach from marketing. Presentations and direct credit-sale efforts with entities such as Pueblo Water and infrastructure stakeholders should begin only after board approval and full execution of the ILF Instrument, when advanced-credit sales may be able to provide financing for technical investigations and project implementation. Mark emphasized preparing member governments and prospective ILF Advisory Committee participants for the program before approval and delaying credit marketing until the instrument is approved and executed.*
 - ii. *Mark asked Alli to include member-government representatives and potential participants in the future ILF Advisory Committee as a distinct outreach audience. Messaging should explain how credits are priced, made available, and used for compensatory mitigation, including implications for member-government capital projects that require federal permits.*
 - iii. *Alli and Hadit (FCWD) will consolidate the outreach contact lists, including member-government representatives and potential ILF advisory committee participants.*
 - b. Marketing will occur after approval.
- IV. Board Comments update (Alli/Lucy – 5 min)
 - a. Met with Steve A. to review outstanding comments on Instrument.
 - i. Most comments have been addressed. Steve is preparing a memo for December board meeting with FCWD staff/GEI support regarding built-in risk minimization and cash flow questions.
 - 1. *Alli and GEI met with Steve A. to review outstanding comments and were able to resolve most of the items outstanding. Remaining items such as built-in risk minimization, cash flow issues, how credit prices generate revenue, and how ILF Program risks will be managed remain items the FCWD Board needs further information/clarification. These items will be discussed at the December FCWD Board meeting.*
 - 2. *Lucy identified contingency and how audits are funded and at what frequency as another unresolved item and relayed that GEI is seeking guidance from agency contacts and comparable programs. Mark offered to contact Marcus with NFF directly to help resolve the question before finalization.*
- V. ILF Instrument Update (Shai/Lucy – 25 minutes)
 - a. MOA and easement templates – used Maria Lakes for easement; MOA?

- This will allow multiple 20 credit projects to overlap, in response to board questions on cash flow.

- i. The subcommittee supported increasing the authorized Advance Credits amount. Mark noted that full advance credit replenishment can take as long as eight years through ILF Project implementation, monitoring, milestones, and closeout, making additional capacity necessary for overlapping two, 20-credit projects.*
- d. 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)
 - i. Shai explained that the revised financial model is based on an example project producing approximately 20 wetland credits and 1,500 functional feet of stream credits over three years. After revising capital and operating expenses and removing the income-tax row, the model supports a 20% administrative fee with minimum prices of \$280,000 per wetland credit and \$3,500 per stream functional foot; the instrument will provide ranges rather than single fixed prices.*
 - ii. Shai confirmed a 10% construction contingency, while Lucy explained that a separate 10% project contingency covers other capital expenditures such as land, design, permitting, document preparation, and agency review but excludes the long-term management endowment and 10% construction contingency. The model also assumes little or no off-site hauling, making low-*

hauling sites important in site selection (previously built in to the site selection model).

- iii. *The currently modeled project generates approximately \$1.2 million in gross revenue, which translates into roughly \$250,000 for the administrative fund under the modeled assumptions (admin fund = 20% of gross revenue). Mark emphasized that this cannot remain a black box: the District needs to identify which program-wide costs (e.g. audits, staff time, administration, and other shared expenses) are funded by the 20% amount and confirm that the allocation is sufficient across multiple projects.*
- iv. *Mark requested alternative model scenarios showing the effect of selling more credits in year one. GEI will provide options as model is designed so that changing the sales rate automatically updates pricing and administrative-fee results.*
- e. *Ceiling for credit pricing remains the same as discussed with the ILF subcommittee on 9/29*
- f. *2026 dollars with 10% inflation year-over-year*
 - i. *Lucy stated that the proposed 2026 ranges are \$280,000 to \$400,000 for wetland credits, \$3,500 to \$6,000 for stream credits, and \$100,000 to \$250,000 for species credits, with 10% year-over-year inflation. Species-credit treatment remains uncertain because of changes to the federal Endangered Species Act. The team is coordinating with the USFWS and the USACE and may retain, revise, or remove species-credit language in the final draft.*

VI. Site Selection (Cole/Shai/Lucy – 60 min)

- i. *A site-selection process has been developed that includes four stages: Step 1 desktop GIS, aerial imagery, and plan review; Step 2 field reconnaissance and assessment of access, conditions, and restoration potential; Step 3 landowner coordination and confirmation of willingness; and Step 4 technical investigations such as wetland delineations, hydrology, biological surveys, functional assessments, and conceptual design. Additional technical work and associated spending associated with Step 4 begin only after the ILF Instrument is fully executed.*
- ii. *GEI emphasized the need for board alignment and careful timing before credit sales begin.*
- b. *Current status on spreadsheet and GIS top-ranked sites*
 - i. *The ranking spreadsheet and GIS model used to score candidate properties is intended to remain a living document. This desktop evaluation establishes initial scores, site visits adjust scores, and legally or technically defensible information is then collected for the highest-ranked sites.*
 - ii. *Cole demonstrated GIS-ranked candidate locations, and the group discussed why heavily altered sites with strong hydrology, habitat, access, and restoration potential may outrank sites from earlier plans. Cole reviewed candidate sites in southern and central El Paso County and near the Arkansas River and Black Squirrel Creek. Examples included irrigated or altered fields,*

possible undecreed ponds, habitat areas, tributary confluences, and large private parcels with potential restoration features.

c. 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. *Mark recommended giving the FCWD Board an early, high-level explanation of how the tool searches across El Paso and Pueblo counties and why it may identify sites outside previously studied Fountain Creek reaches and currently planning documents. Alli and Mark discussed using a brief update at the next board meeting and a more detailed December 18 presentation featuring the spreadsheet and GIS model.*
 2. *Jeff recommended using county planning and parcel-information resources, including EDARP, to understand prior applications and identify ownership information. He also raised airport proximity as a potential screening factor because wetlands may attract birds; Lucy agreed that the team should investigate applicable airport-distance requirements.*
 - ii. Do we want to exclude any projects within a city limit? Make it easier for member governments to avoid future utility/infrastructure complexity but gets rid of some of our top sites. What should be the process?
 1. *The Subcommittee agreed to not exclude anything at this time but rather evaluate on a case-by-case basis.*
 - iii. Ball fields/sports centers- eliminate from search criteria?
 1. *The Subcommittee agreed to not exclude anything at this time but rather evaluate on a case-by-case basis.*
- d. Timelines: Site visits starting late October/early November to top ranked sites.
- i. Process for alerting FCWD members of selected sites?
 - ii. Process for landowner outreach to arrange site visits?
 1. *The FCWD will make initial landowner contact, with GEI and others supporting as needed. The group discussed tentative site visits during the second and third weeks of November, after presenting priority sites to the full subcommittee on October 27. Steve R stated it may take more time than this so this timeframe should be extended.*
 - iii. Who should attend initial site visits?
 1. *All are welcome, though it is recommended to keep the group attending relatively small to avoid concerns from landowners.*

VII. Next Steps (5 min)

- a. Selected properties for site visits.
 - i. *The team will refine the ranking criteria, identify priority sites, present them to the full ILF subcommittee on October 27, establish who will attend visits, and begin landowner outreach.*
- b. Incorporation of USFWS data.
- c. Intro to full delivery group (Naturion)
- d. Outreach to landowners and partner groups.

- i. ILF Practitioners meeting/roundtable –scheduled for October 29, 2026
 - 1. *Alli reported approximately 12 to 15 registrations for the October 29 ILF practitioners meeting. Alli and GEI will coordinate on updated slides and outreach to consultants and infrastructure organizations.*