

PRESS RELEASE

CONTACT INFORMATION:

City of Salida, Colorado
Sara Law
719 530 2632
Sara.law@cityofsalida.com



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Regarding the Lawsuit brought by the Town of Poncha Springs, Tailwind Group LLC and Full Views Matter, LLC against the City of Salida

Salida, CO- In 2017, the City of Salida began communicating concerns about the size of the Poncha Sanitary Sewer Trunk Line that flows from Poncha Springs through Salida to the Wastewater Treatment Plant. The City notified the Town of Poncha Springs, as well as local developers, that the Trunk Line is undersized and unable to handle the projected future growth of the Town, noting that the capacity of the Wastewater treatment plant was not a concern.

Since that notification, the City of Salida has completed plans to replace the Trunk Line and alleviate the capacity issues so the Town of Poncha Springs could allow for their projected growth, knowing that the time and financing capacity to complete such a large project could be years.

Salida and Poncha Springs' officials participated in mediation in 2023, which was unsuccessful in reaching a solution to fund the trunk line replacement. The City has long operated within the policy that new development will pay the upfront costs of new or expanded infrastructure needed to cover the additional demand for the pipeline. The City maintains that these costs should not be solely borne by existing rate payers, either within the City of Salida or Town Poncha Springs, who are not contributing the additional loads. The Town of Poncha Springs, as well as Tailwind Group LLC and Full Views Matter, LLC brought suit against the City, maintaining that the costs of the Poncha Springs Trunk Line should be paid for by all customers within the system.

The City Council, who also serves as the Water and Sewer Enterprise Board, has set goals related to the community infrastructure and fiscal responsibility to ensure proper management of the water and wastewater system assets. Mayor Dan Shore stated that, "The City of Salida is committed to protecting existing rate payers in both communities from financing a multi-million-dollar project that does not benefit them while continuing negotiations with the Town of Poncha Springs to find a solution."

While the City is still honoring current sewer line agreements, which allow for new building permits to move forward, due to the size of the Poncha Trunk Line project, there is a need for

financing and a settlement with the Town of Poncha Springs on how the pipeline is paid for new connections for future subdivisions to be approved. The engineered design drawings were completed in 2023 and Salida is ready to move forward with improvements pending a re-negotiated IGA with the Town of Poncha Springs and procurement of financing for the project.

The City of Salida remains open to collaborative discussions with the Town of Poncha Springs and developers to explore viable solutions to fairly address capacity constraints and manage growth in a manner that protects the interests of both communities. We believe that through dialogue, cooperation, and shared responsibility, we can identify feasible options for ensuring the continued provision of essential services while safeguarding our shared resources for future generations.

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The City of Salida, CO, is the statutory seat of Chaffee County with a population of approximately 5,700 residents. Salida is a family-friendly community ideally situated in central Colorado - known by many as the "Heart of the Rockies," both for its geographic location and the abundance of arts, cultural and recreational amenities found here. The city is dedicated to maintaining a safe, fiscally responsible and forward-thinking government where residents, businesses and visitors can thrive. Explore more about Salida at www.cityofsalida.com.