



STATE OF  
COLORADO

Cazier - DNR, Tim <tim.cazier@state.co.us>

---

## FW: Xerox Scan

1 message

---

**Jerald Schnabel** <Jerald\_Schnabel@castleaggregate.com>  
To: "Cazier - DNR, Tim" <tim.cazier@state.co.us>

Thu, Jul 8, 2021 at 1:01 PM

Tim

The letter from CSU and Colorado Springs Parks is attached for your review.

Jerry Schnabel

-----Original Message-----

From: [xerox@contmtl.com](mailto:xerox@contmtl.com) [mailto:[xerox@contmtl.com](mailto:xerox@contmtl.com)]

Sent: Thursday, July 08, 2021 12:43 PM

To: Jerald Schnabel

Subject: Xerox Scan

Please open the scanned attachment

Number of Images: 2

Attachment File Type: PDF

Device Name: COXCASTLE

Device Location: Castle Concrete Office



**Xerox Scanb\_07082021124320.pdf**

398K



## Parks, Recreation and Cultural Service Administration

June 29, 2021

Tim Cazier, P.E.  
Environmental Protection Specialist III-Engineering  
Colorado Division of Reclamation, Mining and Safety  
1313 Sherman Street, Room 215  
Denver, CO 80203

Mr. Cazier:

On June 2, 2021, you spoke with a representative from the Office of the City Attorney in Colorado Springs (the "City Attorney") about whether the City of Colorado Springs (the "City") and Colorado Springs Utilities ("Utilities") must execute a Structure Damage Compensation Agreement ("Structure Agreement") concerning the Snyder Quarry, Permit M-77-210 (the "Mine"). Based on the City Attorney's description of the relationship between the City and Utilities, you determined that the Structure Agreement is not necessary in this circumstance. However, you asked the City and Utilities to tender a letter that explains this relationship in more detail.

The City, on behalf of its Parks, Recreation and Cultural Services Department (the "Parks Department"), recently purchased the real property where the Mine is located. The City will perform reclamation activities in and around the Mine to satisfy reclamation requirements at that site with the intent that the property can be used as a public park after reclamation. Utilities controls a structure (overhead powerlines) within 200 feet of the Mine. Because of this, the State of Colorado's Division of Reclamation, Mining and Safety requested that the City and Utilities execute a Structure Agreement that will require the City to reimburse Utilities for any damages the City may cause to Utilities' structure during the reclamation process. However, this Structure Agreement is not necessary because the City and Utilities are *one in the same entity within the City of Colorado Springs*.

The City is a home rule city and Colorado municipal corporation. Under Article XX of the Colorado Constitution, home rule cities may own and operate utilities within and without their territorial limits. The City owns and operates Utilities as an "enterprise" pursuant to the 1-20(a) and 1-20(d) of the City Charter and Chapter 12 of the City Code. While the City and Utilities are *financially* separate, all Utilities-controlled property (real or otherwise) is owned by the City. Therefore, a Structure Agreement is unnecessary because the City legally owns both the real property and the structure. Notwithstanding the relationship between the City and Utilities, if the Parks Department's activities cause damage to Utilities' structure, the Parks Department will be responsible for reimbursing Utilities for repair of the damage.

Thank you for your time and consideration to this matter.

Sincerely,



Karen Palus, Director  
Parks, Recreation and Cultural  
Services Department  
City of Colorado Springs



Sarah LaBarre, General Manager  
Planning, Engineering, and  
Development Division  
Colorado Springs Utilities