

Effective  
01.01.25

2025

# STRATEGIC PLAN



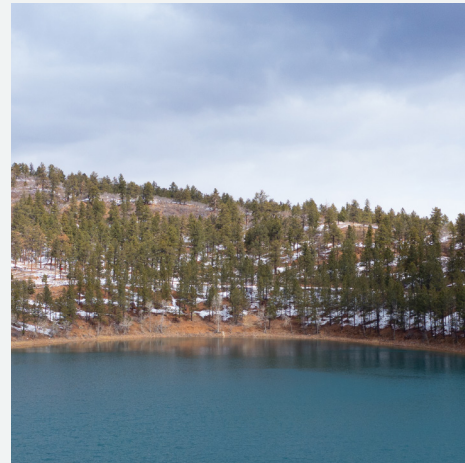
Colorado Springs Utilities

*It's how we're all connected*



# TABLE OF CONTENTS

4	Letter from the CEO
5	Strategic Focus
6	Strategic Foundation - Mission, Vision, Values
7	Strategy Map
9	Strategic Objectives
12	Strategic Initiatives
18	Enterprise Balanced Scorecard
19	Appendix: Glossary







## LETTER FROM THE CEO

Travas Deal

Throughout our century of service, we have overcome obstacles and adapted to change while delivering reliable utilities to our customers. Our strategic plan for 2025 and beyond sets us up for success as we look to continue that tradition into our next century of service.

I am incredibly proud of the significant achievements from the past year, which include passing a five-year rate case, launching a new volunteer program and establishing strong leadership development programs. These milestones are a testament to our dedication to excellence and our ability to adapt and thrive in a dynamic environment. Our strategic objectives for the coming years are clear:

- Operational excellence
- Focus on the customer
- Financial accountability
- Support our community
- Enable employee empowerment

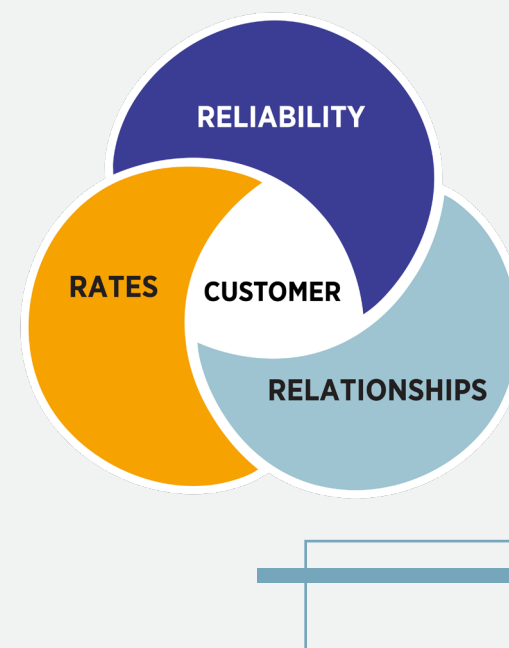
We have a lot of work on the horizon and need to be more strategic than ever. Our employees are our greatest asset, and I encourage all teams to align their goals and priorities with these objectives. By using this enterprise-level framework we've established, we can ensure that our efforts are cohesive and efficient.

I am excited about the future and confident in our ability to achieve great things. Together, we will continue to build on our legacy of service, innovation and community support. Thank you for your dedication and hard work. Let's make 2025 a year of remarkable achievements.

In service,

Travas Deal, CEO

## STRATEGIC FOCUS



The Utilities Board is primarily and ultimately accountable for ensuring the benefits of local ownership and control to the residents of Colorado Springs. The Utilities Board also has a responsibility to its current and future customers by balancing: reliability, rates and relationships.

### Reliability

- On-demand energy and water service
- System resiliency
- Trusted community service provider

### Rates

- Financial sustainability
- Resources used responsibly
- Customer value

### Relationships

- Safe, satisfied and loyal customers
- Safe, engaged innovative and customer-focused employees
- Valued stakeholders
- Vibrant regional economy

# STRATEGIC FOUNDATION

The Strategic plan focuses the organization on delivering the mission and vision and achieving a competitive position in each of the Utilities Board’s strategic focus areas of reliability, rates and relationships.

**Our Mission**

Provide safe, reliable and competitively-priced utilities to our customers.

**Our Vision**

Ready for today, prepared for a sustainable future.

**Our Values**

Every employee is accountable for upholding the values of the organization.

**Safety**

We are passionately committed to no one getting hurt.

**People**

We promote and foster an inclusive work environment in which everyone is treated with dignity and respect.

**Trust**

We demonstrate the highest standards of integrity, competence, transparency and professionalism.

**Responsibility**

We are committed to fiscal and environmental stewardship of all resources.

**Collaboration**

We develop cooperative goals, share information and foster relationships.

**Continuous Improvement**

We innovate, optimize and adapt to serve customers today and in the future.



# STRATEGY MAP

Utilities Board Focus Areas: Reliability, Rates and Relationships

OUR MISSION	Provide safe, reliable and competitively-priced utilities to our customers.				
OUR VISION	Ready for today, prepared for a sustainable future.				
OUR VALUES	Safety, People, Trust, Responsibility, Collaboration, Continuous Improvement.				
STRATEGIC OBJECTIVES	Operational Excellence	Focus on the customer	Financial accountability	Support our community	Enable employee empowerment
2025 STRATEGIC INITIATIVES	Optimize business processes  Develop enterprise prioritization	Enhance outage management communication	Align long-term financial plans	Implement Energy Wise	Promote safety maturity excellence





# STRATEGIC OBJECTIVES

Strategic objectives are continuous improvement activities designed to address business and performance gaps and leverage organizational strengths. They are our high-level, three to five year goals that will help us achieve our mission and vision. These objectives are designed to guide the organization's efforts and resources toward desired outcomes. Strategic objectives make strategy actionable by involving all employees in operationalizing the organization's goals; aligning day-to-day work, projects, programs and initiatives.





## Operational Excellence

*Uphold a culture of service reliability and create a standard of excellence focused on continuous improvement and organizational efficiency.*

**Why it matters:** This objective is the core of our business and mission.

### What it entails:

- Provide reliable electric, natural gas, water and wastewater services to our customers.
- Invest in infrastructure improvements to ensure sustainability.
- Adopt innovative technologies and manage our utilities' assets.
- Commit to prudent environmental stewardship.
- Create the greatest value by optimizing resources and improving productivity.

## Support our Community

*Contribute to the growth, vitality and quality of life in the Pikes Peak Region.*

**Why it matters:** As a locally-owned utility, we are an integral part of the business and residential communities and it is our responsibility to be a collaborative partner.

### What it entails:

- Maintain and update long-term integrated resource plans.
- Contribute to the retention and growth of local businesses through efficiencies in service.
- Contribute to the growth and vitality of our community by being a cooperative community partner.

## Focus on the Customer

*Serve by anticipating and exceeding customer expectations.*

**Why it matters:** Our customers are at the center of every decision we make. We need to go beyond the basics and ensure they have a positive experience while doing business with us.

### What it entails:

- Anticipate and meet customer preferences.
- Enhance internal and external customer relationships.
- Provide innovative customer solutions and options.
- Reduce business barriers for residential, commercial and industrial customers.

## Enable Employee Empowerment

*Create an environment where employees feel valued, have autonomy to complete their work and are supported.*

**Why it matters:** Our employees are the most important and essential asset of our organization.

### What it entails:

- Foster a culture that embraces continuous improvement.
- Strive for an incident-free workplace.
- Adopt a safety mindset in everything we do.
- Provide market-competitive compensation and benefits.
- Develop future leaders aligned with the organization's values.
- Build internal talent pipeline for targeted jobs.
- Encourage professional development and training opportunities.
- Recognize, appreciate and value employees.
- Promote an inclusive, respectful and engaged workforce.

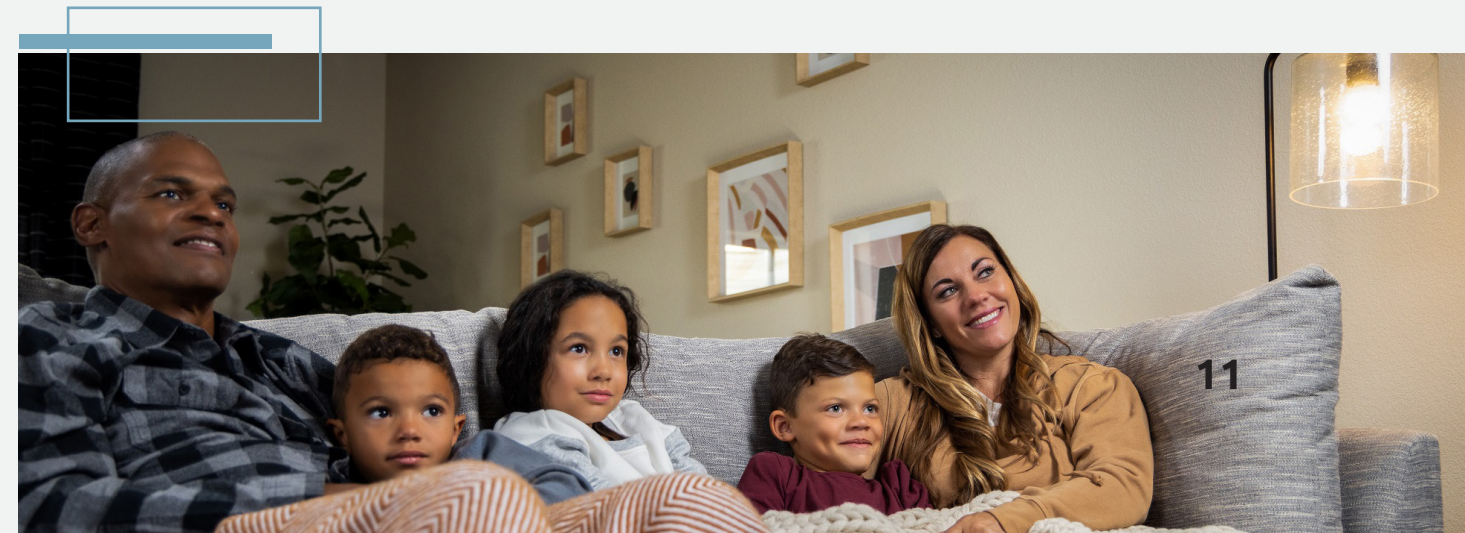
## Financial Accountability

*Ensure we are all responsible stewards of customer resources.*

**Why it matters:** We all play a role in the financial health of the organization and to best serve our customers, we need to be vigilant when making financial decisions.

### What it entails:

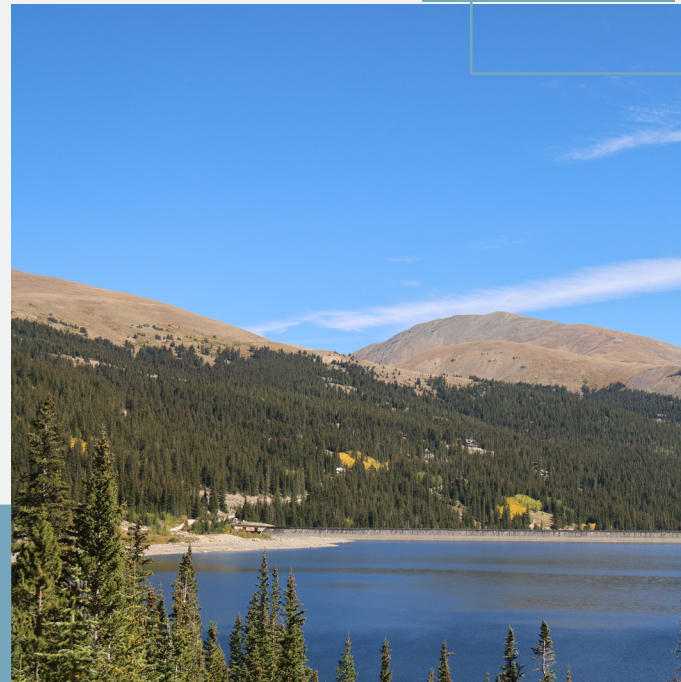
- Create a long-term enterprise financial plan.
- Maintain a fair and equitable rate structure.
- Maintain a strong bond rating.
- Manage revenue volatility.
- Mitigate financial risk.
- Explore additional revenue generation streams.
- Responsibly use resources at a division, department and section level.





# STRATEGIC INITIATIVES

Strategic Initiatives are new or continuing projects and actions designed to improve performance of one or more strategic objectives. They help the organization achieve its long-term goals and are directly tied to the mission and vision. Strategic initiatives typically span 1-2 years.



**Definition:** As we plan and execute the work ahead of us, it's imperative that we have the correct systems in place to effectively support our efforts. With this initiative, we will identify new strategies and leverage technologies to improve current processes. In accomplishing this initiative, we will increase organizational efficiency by developing a consistent and documented approach to maintaining assets over their lifecycle. This initiative will be completed by 2027.

**Key milestones:**

1. Implement an asset management strategy and plan for a multi-year implementation.
2. Implement a framework for business management systems.

**How will we measure success?**

We will measure success by the creation and delivery of retrievable process documents for major delivery milestones. We will also establish a scope of work and allocate resources to accomplish strategy.



## Strategic Initiative #1

*Optimize business processes*

Strategic Objective Alignment:

*Operational excellence*







## Strategic Initiative #2

*Develop enterprise prioritization framework*

Strategic Objective Alignment:

*Operational excellence*

**Definition:** Create a framework to evaluate and rank the most impactful and strategically aligned projects and activities. Acknowledge resource constraints and properly account for the human resources necessary to accomplish the prioritized projects and programs as well as the core business day-to-day work. When this initiative is complete, it will ensure investments are aligned with the enterprise vision and provide the most value to the organization through use of a common evaluation framework. This initiative will be completed by 2027.

### Key milestones:

1. Define Objectives: Establish clear goals aligned with business strategy.
2. Identify and evaluate projects: Compile and assess potential projects based on impact and resource needs.
3. Select and apply a framework: Choose a prioritization method and rank projects accordingly.
4. Implementation and Monitoring: Develop an execution plan and continuously assess project effectiveness.

### How will we measure success?

We will measure success by ensuring that all projects and programs that require funding will have an assigned strategic alignment score for prioritization.

**Definition:** Enhancing outage management communication aims to improve customer experience, optimize resource allocation, and foster community trust by providing timely and transparent information during service disruptions. The completion of this initiative will lead to faster restoration times, increased customer satisfaction, better resource allocation, proactive outage prevention and reduced call center strain. We anticipate this project to be completed by January 2026.

### Key milestones:

1. Evaluate and select: Assess current communication processes and choose effective tools.
2. Engage and train: Involve stakeholders and train staff on new systems.
3. Implement and test: Launch new channels, conduct pilot tests and gather feedback.
4. Monitor and improve: Continuously assess effectiveness and make adjustments.

### How will we measure success?

We will measure success by improving residential and small business customer satisfaction scores.



## Strategic Initiative #3

*Enhance outage management communication*

Strategic Objective Alignment:

*Focus on the customer*







## Strategic Initiative #4

*Align long-term financial plans with business needs and future resource growth*

Strategic Objective Alignment:

*Financial accountability*

**Definition:** Ensure that the financial impact of the organization's vast and complex future plans are adequately calculated, communicated, prioritized, funded and managed in a safe and responsible manner. Completion of this initiative will result in long-term financial health for the organization.

**Key milestones:**

1. Design and define a comprehensive enterprise financial planning framework.
2. Create and publish a thorough 10-year financial plan.
3. Formalize consistent Operations and Maintenance and capital charge request, approval and reporting processes.

**How will we measure success?**

We will measure success by tracking an initiative completion percentage, continuous tracking of financial metric performance and uniform spending variance reporting.

**Definition:** Our energy future is transforming. To meet state requirements and the needs of a growing community we must work together to use energy responsibly. Customers are part of the transformation. With energy-wise time-of-day rates, customers pay different rates for electricity based on the time of day it is used. "Off-peak" rates are lowest on weekdays before 5 p.m. and after 9 p.m., and on weekends and holidays. "On-peak" rates are highest during weekdays from 5 p.m. to 9 p.m. These rates give customers more control over their bill since they can shift electricity use to times when it costs less. Rates will be higher June-September when demand is highest and lower October-May. The rate will go into effect in October 2025. Residential and business customers with smart meters (i.e., Automated Metering Infrastructure or AMI meters) will be eligible.

**Key milestones:**

1. Phased communication plan.
2. October 2025 rollout to eligible customers with full rollout expected by December 2025 - April 2026.

**How will we measure success?**

We will measure success of this program by tracking lower energy use during peak demands.



**Definition:** Safety is the highest priority for our employees, contractors and the community. Promoting safety maturity excellence focuses on transforming the organization from a safety culture of compliance to a culture of commitment. This will be accomplished by supporting and empowering employees to utilize the organizational safety programs, policies, procedures and best practices in everything we do. Health, safety and environment (HSE) will take priority over productivity and the workforce will be engaged with continually improving HSE. This initiative will be completed by 2027.

**Key milestones:**

1. Form an enterprise Safety Leadership Network to help drive best practices related to safety maturity throughout the organization.
2. Initiate a Management of Change (MOC) process to review and update the Safety Onboarding program.
3. Present the 13 Elements of Excellence throughout the organization to all division, department and work groups by the end of 2025.
4. Develop and implement Injury Illness Prevention Plans at the division/department levels.

**How will we measure success?**

We will measure success by the development of Injury and Illness Prevention Plans at the division/department level and retraining all employees to the updated Safety Onboarding program.



## Strategic Initiative #6

*Promote safety maturity excellence as exhibited by a "high performing" level of safety maturity model*

Strategic Objective Alignment:

*Enable employee empowerment*



## Strategic Initiative #5

*Implement Energy Wise*

Strategic Objective Alignment

*Support our community*



# ENTERPRISE BALANCED SCORECARD

The balanced scorecard measures the organization’s performance in achieving Strategic Objectives. Updated and reviewed throughout the year, the balanced scorecard helps identify gaps, trends and opportunities for improvement.

UTILITIES BOARD STRATEGIC FOCUS	STRATEGIC OBJECTIVE	PERFORMANCE MEASURE	WEIGHT	1 DOES NOT MEET EXPECTATIONS	2 PARTIALLY MEETS EXPECTATIONS	3 MEETS EXPECTATIONS	4 EXCEEDS EXPECTATIONS	5 FAR EXCEEDS EXPECTATIONS
RELIABILITY 40%	Operational Excellence	Electric- SAIDI- Interruptions in minutes per year	10.0	> 57.50 minutes	57.50 – 52.51 minutes	52.50 – 47.51 minutes	47.50 – 42.50 minutes	< 42.50 minutes
		Natural Gas - Failures per 100 miles of pipe	10.0	> 8.00 failures	8.00 - 6.01 failures	6.00 - 4.00 failures	3.99 - 2.00 failures	< 2.00 failures
		Water - Failures per 100 miles of mainline	10.0	> 14.00 failures	14.00 – 12.01 failures	12.00 – 10.00 failures	9.99 – 8.00 failures	< 8.00 failures
		Wastewater - Failures per 100 miles of mainline	10.0	> 1.00 failures	1.00 - 0.76 failures	0.75 - 0.51 failures	0.50 - 0.25 failures	< 0.25 failures
RATES 40%	Financial Accountability	Residential Electric Service - Front Range Comparison	3.0	> 10.0% higher than average	5.1– 10.0% higher than average	+/- 5.0% of average	5.1 – 10.0% lower than average	> 10.0% lower than average
		Residential Natural Gas Service - Front Range Comparison	3.0	> 10.0% higher than average	5.1– 10.0% higher than average	+/- 5.0% of average	5.1 – 10.0% lower than average	> 10.0% lower than average
		Residential Water Service - Front Range Comparison	3.0	> 25.0% higher than average	20.1 – 25.0% higher than average	10.1 - 20.0% higher than average	15.0 – 20.0% higher than average	< 15.0% higher than average
		Residential Wastewater Service - Front Range Comparison	3.0	> 10.0% higher than average	5.1 - 10.0% higher than average	+/- 5.0% of average	5.1 – 10.0% lower than average	> 10.0% lower than average
		Small Commercial 4-Service Bill - Front Range Comparison	3.0	> 10.0% higher than average	5.1 – 10.0% higher than average	+/- 5.0% of average	5.1 – 10.0% lower than average	> 10.0% lower than average
		Large Comm/Industrial 4-Service Bill - Front Range Comparison	3.0	> 10.0% higher than average	5.1 - 10.0% higher than average	+/- 5.0% of average	5.1 - 10.0% lower than average	> 10.0% lower than average
		Days Cash on Hand - Current Year	2.5	< 140 days	140 - 150 days	151 - 160 days	161 - 180 days	> 180 days
		Days Cash on Hand - 3 Year Average	2.5	< 140 days	140 - 150 days	151 - 160 days	161 - 180 days	> 180 days
		Adjusted Debt Service Coverage - Current Year	2.5	< 1.75 times	1.75 - 1.79 times	1.80 - 1.90 times	1.91 - 1.95 times	> 1.95 times
		Adjusted Debt Service Coverage - 3 Year Average	2.5	< 1.75 times	1.75 - 1.79 times	1.80 - 1.90 times	1.91 - 1.95 times	> 1.95 times
		Debt Ratio- Current Year	2.5	> 61.1%	61.0 - 59.6%	59.5 - 55.0%	54.9 - 48.1%	< 48.1%
		Debt Ratio- 3 Year Average	2.5	> 61.1%	61.0 - 59.6%	59.5 - 55.0%	54.9 - 48.1%	< 48.1%
		Bond Rating	7.0	Any 2 of the 3 ratings from the agencies less than AA (S&P) Aa2 (Moody's)/AA (Fitch)	Any 1 of the 3 ratings from the agencies less than AA (S&P)/ Aa2 (Moody's)/AA (Fitch)	Standard & Poors AA Moody's Investors Service: Aa2 Fitch Ratings: AA	Any 1 of the 3 ratings from the agencies greater than AA (S&P)/ Aa2 (Moody's)/AA (Fitch)	Any 2 of the 3 ratings from the agencies greater than AA (S&P)/ Aa2 (Moody's)/ AA (Fitch)
	Focus on the Customer	Customer Satisfaction - Residential	3.0	> 1.50	1.50 - 2.49	2.50 - 3.49	3.50 - 4.49	> 4.49
		Customer Satisfaction - Business	3.0	> 1.50	1.50 - 2.49	2.50 - 3.49	3.50 - 4.49	> 4.49
RELATIONSHIPS 20%	Support our Community	Environmental Index	3.0	< 65.00	65.00 - 74.99	75.00 - 85.99	86.00 - 94.99	> 94.99
	Enable Employee Empowerment	Safety: Occupational Injuries and Illnesses Rate	8.0	> 20% above benchmark	10.01 - 20% above benchmark	+/- 10% of benchmark	10.01 - 20% below benchmark	> 20% below benchmark
		Workforce Index	3.0	< 1.50	1.50 - 2.69	2.70 - 3.49	3.50 - 4.60	> 4.60

Balanced scorecard

Mission

Organizational alignment

Performance measure

Strategic initiative

Strategic objectives

# GLOSSARY

An integrated strategic planning and performance management system that communicates with clarity an organization’s vision, mission and strategy to employees and other stakeholders; aligns day-to-day work to vision and strategy; provides a framework for prioritizing programs and projects; and uses strategic performance measures and targets to measure progress.

The organization’s purpose, including who is served and what products, programs and services are provided to customers and stakeholders.

The existence of a consistently clear understanding of the organization’s mission, vision and strategy throughout an entire organization. An aligned organization is one where everyone understands how what they do contributes to the aspirations of the organization and it is clear how business units, supports units, and employees interact to create value for the organization’s customers and connects to the organization’s vision.

Performance measures provide objective evidence of progress toward a strategic goal and are an analytical basis for decision making.

New or continuing projects and actions designed to improve performance of one or more strategic objectives. Strategic initiatives typically span 1-2 years.

The specific continuous improvement activities designed to fill gaps. They are 3–5 year goals that help us achieve our mission and vision. Strategic objectives make strategy actionable by involving all employees in operationalizing the organization’s goals.



Strategic  
plan

The document used to communicate with an organization the organizational goals, the actions needed to achieve those goals and all of the other critical elements developed during the planning exercise.

Strategic  
planning

An organizational management activity that is used to set priorities, focus energy and resources, strengthen operations, ensure that employees and other stakeholders are working toward common goals, establish agreement around intended outcomes/results, and assess and adjust the organization's direction in response to a changing environment. It is a disciplined effort that produces fundamental decisions and actions that shape and guide what an organization is, who it serves, what it does, and why it does it, with a focus on the future. Effective strategic planning articulates not only where an organization is going and the actions needed to make progress, but also how it will know if it is successful. The result of the planning process is a strategic plan.

Strategic  
focus area

Focus areas that build on the customer value proposition to define the organization's high-level business strategy, break down the vision and mission into action, and focus energy on desired strategic results. Colorado Springs Utilities' focus areas are reliability, rates and relationships.

Strategy

The positioning choices made and the actions taken, from many choices and actions that are potentially available, to move the organization from its current state to some desirable future state. How an organization intends to accomplish its vision; an approach, or "game plan".

Strategy  
map

A graphic that shows a snapshot of the organization's strategy and all of the elements of the strategic plan.

Values

The organization's beliefs and principles that articulate the culture of the organization. These are the standards that describe how employees and the organization are expected to behave internally and externally. They serve as the basis for decision making and influence actions in everyday situations.

Vision

A vivid, emotionally inspiring, time-specific picture of a future to which the organization aspires.





Colorado Springs Utilities  
*It's how we're all connected*