

AGENDA
Wednesday, Feb. 21, 2024
1:00 p.m.
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[+1 719-733-3651,842214801#](tel:+17197333651842214801)

1:00 p.m.	1. Call to Order	Chair Donelson
1:05 p.m.	2. Invocation and Pledge of Allegiance	Chair Donelson
1:10 p.m.	3. Consent Calendar These items will be acted upon as a whole, unless a specific item is called for discussion by a Board Member or a citizen wishing to address the Utilities Board. (Any items called up for separate consideration shall be acted upon following Compliance Reports.)	Chair Donelson
	3a. Approval of Utilities Board Meeting Minutes: Jan. 16, 2024 Joint Utilities Board and Utilities Policy Advisory Committee Meeting	
	3b. Approval of Utilities Board Meeting Minutes: Jan. 17, 2024 Utilities Board Meeting	
1:15 p.m.	4. Customer Comments <ul style="list-style-type: none"> • During the customer comment period, comments are accepted for any topic not on the agenda. • Comments for specific agenda items will be taken following the presentation of the item and the Board's discussion. • Comments will be limited to three minutes per speaker, per item. • Following the comments from customers that have signed up to speak, an announcement will be made seeking additional comments and the Board will accept all those wishing to comment. 	Chair Donelson
1:20 p.m.	5. Compliance Reports: I-4 Risk Management	Travas Deal, Chief Executive Officer

I-5 Economic Development

I-13 Community Investment

E-2 CEO Responsibilities

- Water Outlook
- ECA/GCA monitoring

1:25 p.m.	6. Items Called Off Consent Calendar	
1:30 p.m.	7. A Resolution Authorizing the Approval of a Land Exchange of an Easement Located near the intersection of Delta Drive and Hancock Expressway and a Property located at the intersection of Marksheffel Road and Barnes Road to be used for the Kelker to South Plant Transmission Project <u>Vote</u> whether to recommend approval of acquisition to Council per Real Estate Manual, per sections 4.1 and 9.6.	Jessica Davis, Land Resource Manager
1:50 p.m.	8. Outside City Wastewater Service Agreement – Falcon Area Water and Wastewater Authority <u>Vote</u> whether to recommend approval of the Wastewater Service Agreement to City Council.	Todd Sturtevant, System Extensions Manager
2:10 p.m.	9. Excellence in Governance Policy Manual Revisions <u>Vote</u> to approve changes to the Colorado Springs Utilities Excellence in Governance Policy Manual.	Bethany Schoemer, Strategic Planning and Governance Specialist
2:25 p.m.	10. Board Member Updates	Board of Directors
2:30 p.m.	11. Adjournment	Chair Donelson

MINUTES

Colorado Springs Utilities Board and Utilities Policy Advisory Committee Joint Meeting Tuesday, Jan. 16, 2024

Utilities Board members present via Microsoft Teams or Blue River Conference Room:

Chair Dave Donelson, Vice Chair Yolanda Avila, Randy Helms, Nancy Henjum, Lynette Crow-Iverson, Brian Risley and David Leinweber

Utilities Policy Advisory Committee members present in the boardroom or via Microsoft

Teams: Chair Larry Barrett, Vice Chair Hilary Dussing, Gary Burghart, Michael Borden, Katherine Danner, Scott Smith, David Watson and Chris Meyer

Utilities Board Members Excused: Mike O'Malley and Michelle Talarico

Staff members present via Microsoft Teams or Blue River Conference Room:

Travas Deal, Renee Adams, Somer Mese, Mike Francolino, Tristan Gearhart, Lisa Barbato, Scott Shirola, Leslie Smith, Bethany Schoemer and Nicole Means

City of Colorado Springs staff members present via Microsoft Teams or Blue River Conference Room:

Renee Congdon and Chris Bidlack

Citizens present via Microsoft Teams or Blue River Conference Room: Kevin Walker, Marla Novak and Joe Loidolt

1. Call to Order

Utilities Board Chair Donelson called the joint Utilities Board and Utilities Policy Advisory Committee (UPAC) meeting to order at 1:02 p.m.

2. Introductions and Purpose

Board Chair Donelson welcomed everyone to the meeting and proceeded with introductions. Utilities Board Members and UPAC members took turns introducing themselves.

Board Chair Donelson explained the purpose of the joint meeting is to share additional materials in support of the Cost Recovery Assignment and use the discussion to provide information for the Utilities Board to conclude the assignment. Board Chair Donelson explained at the end of the meeting the Utilities Board can

accept UPAC's recommendations and take it under advisement in the 2025 ratemaking process or make an alternative recommendation.

3. Assignment Overview

UPAC Chair Larry Barrett presented an overview of the Cost Recovery Assignment. He explained the need for the assignment as continued changes within and outside City limits require investment in new Colorado Springs Utilities resources and infrastructure. Additionally, UPAC Chair Barrett summarized the work of the committee throughout the assignment. He reviewed the current cost recovery mechanisms: system extension fees, capacity fees for existing systems and capacity fees for planned additions, as well as the current impact of growth on rates. Lastly, Mr. Barrett reviewed the committee's recommendations for cost recovery for electric, gas, water and wastewater.

4. Industry Workshop Feedback

Ms. Leslie Smith, Customer Insights Supervisor, presented this item. She gave an overview of the industry workshop hosted by Springs Utilities on Nov. 1, 2023, which collected feedback on the four pillar questions of the Cost Recovery Assignment from industry members including the Colorado Springs Housing and Building Association (HBA), the Colorado Springs Chamber and EDC, the Pikes Peak Association of Realtors and the Apartment Association of Southern Colorado.

Ms. Smith summarized the industry feedback from the meeting including capacity and resource concerns, understanding what benefits the community, building to peak vs. building to load, assets considered in growth, incentives for efficiency and conservation and decreasing marginal revenue.

5. Residential Customer Survey Results

Ms. Smith discussed the results of the residential customer survey regarding questions about growth, housing and rates. The results were collected from September-October 2023 from the Springs Utilities' customer panel and include 492 complete surveys, 2,200+ customer comments and quota sampling to match demographics. Ms. Smith explained the considerations for the customer panel including differing generations, education, income and home ownership or renter status.

The key takeaways from the survey are as follows: most customers support community growth; growth is more accepted when viewed as "smart" or "planned" and attainable housing has strong support among customers. Additionally, customers are not supportive of increasing rates to support community growth or attainable housing; customers believe the obligation to recover costs belongs to developers or as a shared expense and customer segmentation shows differing motivations and beliefs on community growth.

Board Member Crow-Iverson asked a clarifying question regarding the statement that there is more interest in using rates to support attainable housing than community growth. Ms. Smith explained the reason for this question was to introduce the idea of attainable housing to see if customers thought this cost should go into rates. Board Member Henjum added input that this question shows there is a need to explain to customers the connection between growth impacting attainable housing. Ms. Smith agreed and referred to a previous question that customers also do not understand what goes into their rates. UPAC Member Scott Smith asked whether customers understand the current cost recovery mechanisms or if they think it's an all or nothing.

Ms. Smith review the final question of the survey which seeks to determine how customers' opinions on growth influence their opinions for cost recovery. For individuals in support of growth, the majority (58%) desire to share the costs. For individuals against growth, the majority (57%) desire to charge developers for the costs.

6. Group Discussion

Board Chair Donelson opened the floor for a group discussion. Board Member Leinweber made a comment regarding the affordable housing crisis and informing residents and customers of the crisis. Ms. Smith explained the method for all surveys, in particular avoiding bias and polarization when asking questions.

Board Member Henjum asked a question about including the HBA in the survey. Ms. Smith explained the HBA gave input into the assignment but not the survey in order to keep the survey unbiased. In response to a question from Board Member Henjum, Mr. Tristan Gearhart, Chief Planning and Finance Officer, explained the results of this survey point to a need for customers to understand what is in their bill. He expressed reliability is the highest concern of customers, especially considering the most recent cold snap, but Springs Utilities must always consider rates and relationships as well.

Mr. Kevin Walker, Housing and Building Association of Colorado Springs (HBA), shared that the HBA has sent a letter sharing their feedback regarding the Cost Recovery Assignment. Mr. Walker expressed the organization does not believe the recommendation goes far enough or is in the best interest of Springs Utilities and the community. Mr. Walker stated Springs Utilities staff have done a good job communicating, and he believes they will get to the point of agreement. Mr. Walker expressed there was not enough conversation about how investments we make today will benefit future ratepayers and the costs they pay.

UPAC Member Mr. Gary Burghart asked Mr. Walker which UPAC recommendation the HBA disagrees with. Mr. Walker stated the changes to electric and gas cost recovery are the most impactful for their organization. Mr. Walker explained adding costs to housing development is too simple of an answer.

7. Next Steps

Board Chair Donelson directed the Utilities Board to consider two options. The first option is the Utilities Board can accept the recommendation put forward by UPAC. Accepting the recommendation means the Board will take UPAC's recommendation under advisement and evaluate its application in the 2025 ratemaking process. The second option is the Utilities Board can decide to go through each line item and approve or disapprove implementation of UPAC's recommendation.

The Utilities Board Members unanimously supported accepting the recommendation and to evaluate it during the 2025 ratemaking process.

Board Member Leinweber expressed that he would like more information regarding data on the amount of housing needed in Colorado Springs. Ms. Lisa Barbato, System Planning and Projects Officer, proposed the request is done through the City of Colorado Springs rather than Springs Utilities.

Board Member Helms clarified that their acceptance means they will evaluate UPAC's recommendation later, but the Utilities Board is not specifically implementing UPAC's recommendation.

8. Closing Remarks

Board Chair Donelson thanked the members of UPAC for their time and effort on the Cost Recovery Assignment.

Board Member Henjum commented that the UPAC assignment was slowed down and revised in response to feedback from the HBA. She expressed Springs Utilities and the HBA have everything in common and want the same thing for the City and will work together to compromise moving forward.

9. Adjournment

The meeting adjourned at 2:44 p.m.

MINUTES
Colorado Springs Utilities Board Meeting
Wednesday, Jan. 17, 2024

Utilities Board members present via Microsoft Teams or Blue River Conference Room:

Chair Dave Donelson, Vice Chair Yolanda Avila, Randy Helms, Nancy Henjum, Lynette Crow-Iverson, Brian Risley, Mike O'Malley, Michelle Talarico and David Leinweber

Utilities Board Members Excused:

Staff members present via Microsoft Teams or Blue River Conference Room:

Becky Freiberg, Travas Deal, Renee Adams, Somer Mese, Mike Francolino, Tristan Gearhart, Lisa Barbato, Bethany Schoemer, Nicole Means, Bryan Babcock, Kandy Drake, Jenny Bishop, Maria Pastore, Mike Herrmann, Bryan English, Melissa Brown and Sean Frech

City of Colorado Springs staff members present via Microsoft Teams or Blue River Conference Room:

Renee Congdon, Alex Ryden, Jamie Fabos, Bill Paddock and Tim Scheiderer

Citizens present via Microsoft Teams or Blue River Conference Room:

1. Call to Order

Chair Donelson called the Utilities Board meeting to order at 1:01 p.m. and Ms. Nicole Means, Utilities Board Administrator, called the roll.

2. Invocation and Pledge of Allegiance

Becky Freiberg, Customer Service Supervisor, delivered the invocation, and Chair Donelson led the Pledge of Allegiance.

3. Consent Calendar

3a. Approval of Utilities Board Meeting Minutes: Nov. 15, 2023

3b. Resolution to Appoint Members to the Board of the Public Authority for Colorado Energy (PACE)

Vice Chair Avila moved approval of the Consent Calendar and Board Member Risley seconded the motion. The Consent Calendar was unanimously approved.

4. Update from the Colorado River Commissioner

Ms. Becky Mitchell, Colorado River Commissioner, gave updates on the Colorado River, the post-2026 negotiations and her expectations for the future of the Colorado River system. As of July, the Governor and Legislature created a full-time River Commissioner position, and Ms. Mitchell explained that she reports to the Governor of Colorado and the Department of Natural Resources.

Ms. Mitchell reviewed the Colorado River stream flows, sub-basins, transmountain diversions and statewide use. She stated 80% of precipitation falls on the west side of the state, yet 80% of the population live on the east side of the state. Ms. Mitchell gave an overview of the Colorado River Compact and expressed the foundational principle is equity. Ms. Mitchell discussed the post-2026 negotiations and the temporary guidelines outlined in 2007 and explained the new guidelines at Lake Powell and Lake Mead are layered on top of the Colorado River Compact. Lastly, Ms. Mitchell reviewed Upper Basin uses compared to Lower Basin uses.

5. Recognition

5a. Federal Energy Regulatory Commission (FERC) Dam Inspectors

Mr. Bryan Babcock, General Manager of Systems and Field Operations, introduced Mr. Bill Sturtevant, Dam Safety Engineer. Mr. Babcock discussed the collaboration and maintenance that occurs on the 25 dams in Colorado Springs Utilities' system. Safety on dams requires engineering groups, planning groups, information technology and operations crews. The crewmembers in attendance introduced themselves.

Mr. Sturtevant discussed the process with the Federal Energy Regulatory Commission (FERC) and the three inspections that occurred in the past year, including an environmental inspection, a full FERC physical inspection and a security inspection. Springs Utilities passed them all.

5b. 2023 Wack Dam It Golf Tournament in Support of Project COPE

Ms. Renee Adams, Chief Human Resources Officer, introduced Ms. Kandy Drake, Public Affairs Specialist, and gave an overview of the group of employees behind the Wack Dam It Golf Tournament. The event started in 2013, and since 2015, all proceeds have been donated to Project COPE (Citizens Option to Provide Energy). In 2023, the tournament raised a banner amount of \$23,000. This money will be matched dollar-for-dollar by Colorado Springs Utilities.

Ms. Drake described the work that goes into putting on the tournament and Mr. Carlos Wright, Water and Wastewater Construction Maintenance Manager, shared the history of the tournament, with the event starting out as a team building experience. The upcoming year marks the 10th anniversary of the tournament.

6. Blue River Settlement Negotiations Update

Ms. Maria Pastore, Water Resources Management Project Manager, and Mr. Bill Paddock, outside counsel, presented this item. Ms. Pastore gave a brief background

on the existing Continental Hoosier System, an overview of the Blue River Conditional Water Rights, outlined key terms of the agreement and presented next steps.

The Continental Hoosier System, also referred to as the Blue River System, begins in Summit County and diverts stream flows from the Blue River watershed and Middle Fork of the South Platte for storage in Montgomery Reservoir. The conditional water rights that have not yet been developed include Lower Blue Lake, Spruce Lake and Mayflower Reservoirs. Ms. Pastore reviewed the key terms of the agreement and additional mitigation provisions. The goal of the Montgomery Reservoir Enlargement Project is to improve the resiliency, redundancy and efficiency of the collection system. Participating entities are taking the proposed memorandum of agreement to their respective board of directors for approval in January and February.

Board Member O'Malley asked a question regarding the costs of the project, and Board Member Leinweber asked a question about the increase in water yield when enlarging Montgomery Reservoir. Board Member Henjum asked Mr. Paddock about the timeline and risks associated with the project and permitting.

The Utilities Board unanimously approved the Blue River Settlement Negotiations to go to City Council on Feb. 13, 2024, on consent.

7. Customer Comments

There were no customer comments.

8. Compliance Reports

- I-6 Infrastructure
- C-2 Annual Board Evaluation
- E-2 CEO Responsibilities
 - Water Outlook
 - ECA/GCA monitoring

Chair Donelson explained that compliance reports are on the agenda by exception and asked if there were any questions.

Chair Donelson gave a brief overview of the C-2 Annual Board Evaluation. The survey is issued as a means for the Utilities Board to evaluate its performance from the previous year and as an opportunity to recognize accomplishments and identify improvements for 2024. Chair Donelson shared the average scores for each question and discussed whether the board wants to discontinue the C-2 Evaluation.

Vice Chair Avila discussed the difficulty of a self-evaluation due to the newness of many board members elected in April. Board Member Henjum shared her support for an evaluation but suggested it be conducted in a private retreat, rather than a public

board meeting. Board Member Helms agreed with Board Chair Donelson that the Utilities Board is doing well.

9. Items Called Off Consent Calendar

There were none.

10. Long-Term Regional Water Service Agreements

Ms. Jenny Bishop, Water Resource Planning Engineer, reviewed four long-term regional water service agreements with three different entities: Triview Metropolitan District, Stratmoor Hills Water District and the City of Manitou Springs. Ms. Bishop reviewed the agreement terms and conditions and regional water service financials, which are consistent with regional tariffs and Utilities Rules and Regulations (URRs).

The agreement with Triview Metropolitan District provides clarification of language from the existing agreement. The Stratmoor Hills Water District agreement is to convey, treat and deliver water owned or controlled by Stratmoor Hills. The agreement with Manitou Springs will require renewing existing water agreements, including to deliver or exchange Fryingpan-Arkansas Project water and to bypass flows down Ruxton Creek. Lastly, there is an operational agreement with the City of Manitou Springs that will not need approval from the Utilities Board to renew the existing water agreement.

The Utilities Board unanimously approved the following regional agreements to go to City Council on Feb. 13, 2024 on consent: Triview Amendment, Stratmoor Hills Emergency Service and Manitou Springs Water Service.

11. Pikes Peak Geospatial Alliance (PPGA) Orthoimagery Project

Mr. Mike Herrmann, Asset Management Innovation and Technology Manager, and Mr. Tim Scheiderer, City Attorney, presented this item. Mr. Scheiderer provided a brief background on the Pikes Peak Geospatial Alliance (PPGA) which was established in 2004 with other local governments. The purpose of the 2024 PPGA project is to acquire new color, digital, aerial photography of El Paso and Teller Counties. Mr. Herrmann reviewed the project breakdown and costs.

The Utilities Board unanimously approved the agreement go to City Council on February 13, 2024 on consent.

12. Outside City Wastewater Service Request and Agreement to Annex 7508 Tudor Rd.

Mr. Bryan English, Development Projects Manager, gave an overview of the request and agreement to annex. Due to their existing septic system failing, the owners of 7508 Tudor Road have requested Springs Utilities wastewater service for multi-family use. Mr. English explained there is sufficient wastewater system capacity at the time of application. Mr. English reviewed the agreement to annex and requested the item go to City Council.

The Utilities Board unanimously approved to send the Agreement to Annex 7508 Tudor Road for wastewater service to City Council on Jan. 23, 2024 on consent.

13. Black Forest Addition No. 2 Right-of-Way Annexation

Mr. English presented an overview of the right-of-way annexation. City of Colorado Springs Public Works has proposed the annexation comprised of 21.851-acres, located along Black Forest Road. Mr. English explained it is the City's standard practice to annex a City right-of-way when eligible. Annexation and extension of City limits would simultaneously extend Springs Utilities' water service boundary. Board Member Leinweber asked for a clarification on the map of the right-of-way regarding the vicinity of the City.

The Utilities Board unanimously approved to recommend approval of extending water to Black Forest Road Addition No. 2 Right-of-Way Annexation to City Council. City Planning will schedule the Planning Commission hearing and City Council hearing.

14. Resolution Delegating Authority to Chief Executive Officer to Enter into Agreements to Annex for Residential Properties in the Park Vista Enclaves

Mr. English presented background on Agreements to Annex in the Park Vista Enclaves. The Park Vista addition and Park Vista Estates addition are two centrally located unincorporated El Paso County enclaves. In the preceding months, there have been multiple single-family residential requests for outside City water service in this area. Mr. English explained Springs Utilities provides natural gas and electric services to enclaves, with many properties served by well and septic.

Mr. English reviewed the primary issues, concerns and risks. The number of service requests have noticeably increased, existing wells are underperforming and failing and the current review and approval process is inefficient. Mr. English explained Springs Utilities' proposal to grant the CEO authority to approve Agreements to Annex in the Park Vista Enclaves. Board Member Leinweber asked if there is a time limit outlined in the resolution.

The Utilities Board unanimously approved the resolution delegating authority to the Chief Executive Officer to enter into Agreements to Annex for residential properties in the Park Vista Enclaves to go to City Council on Feb. 13, 2024 on consent.

15. Proposed Annexation-Related City Code Changes

Ms. Renee Congdon, City Attorney's Office – Utilities Division Chief, presented this item. Board Member Risley gave a brief overview of the history of the proposed annexation-related City Code changes. He explained the item went through Strategic Planning Committee and asked whether the Utilities Board would like to hear the full presentation. Board Member Henjum requested a high-level overview for the public's sake.

Ms. Congdon prefaced the item will go to City Planning Commission, then to City Council if approved by the Utilities Board. Ms. Congdon explained most of the work involved a reorganization of the annexation section of chapter 7 in City Code. Additional changes are found in chapter 7 and chapter 12. Ms. Congdon gave an overview of the proposed changes to chapter 7 including looking at annexations from a four-service utility perspective, determining whether an annexation will have an impact on existing customers and adding the requirement for a financial analysis from a Springs Utilities perspective. Board Member O'Malley stated his desire to include fiber optic as a service for annexations. Ms. Congdon discussed broadening the language to encompass all utility services.

Ms. Congdon discussed annexation-related changes to chapter 10 in City Code, which includes exceptions to exclusive provider language, added policy considerations and requirements to sections on special contract service to be consistent with other extensions of water service and streamlining the water extension ordinance process. For water extensions, the change would remove the requirement for Utilities Board approval and remove the 25% contiguity from the 128% test.

Ms. Congdon explained the reason for the change is to promote efficiency. Board Member O'Malley expressed concerns about removing the language around the 25% contiguity. Board Member Risley discussed the concern and stated the outcome does not change because the annexor can redraw to make it work for them. Board Member Henjum shared her perspective that setting a specific number to determine if Springs Utilities can serve the water needs of the area is more important to her than the discussion between outlining one-fourth or one-sixth in City Code.

Six Board Members voted in favor of removing the 25% contiguity requirement and instead aligning City Code with state standards, which is one-sixth contiguity. The Utilities Board voted 8-1 to recommend approval of annexation-related City Code changes with Board Member O'Malley voting against.

16. Colorado Springs Underground Damage Prevention Safety Program Update

Ms. Melissa Brown, Regulatory and Compliance Manager, and Mr. Sean Frech, Regulatory and Compliance Program Manager, discussed the Underground Damage Prevention Safety Program. The program is a city ordinance which enables Colorado Springs to bring the enforcement of Colorado's excavation and one call law from the hands of a State Commission down to the local level for closer oversight. Ms. Brown stated the program went into effect on Jan. 1, 2021, and supports Springs Utilities' mission of providing safe and reliable utility services by protecting our underground infrastructure.

Ms. Brown explained there is an increase in total damages, which is due to fiber installation. For non-fiber activity, there has been a reduction in repeat offenders after they have taken Springs Utilities education classes. In 2021, fiber was 12.6% of total damages, and in 2023, fiber was 80% of total damages in underground

infrastructure. Ms. Brown discussed the 2023 audit, in which the enforcement of Colorado’s excavation damage prevention law was determined “adequate”, which is the highest rating.

Ms. Brown discussed the two changes to City Code, which incorporates a stop work order and changes to rulemaking by modifying the CEO’s existing authorities to include promulgating rules and regulations for the program to govern excavators working in Colorado Springs.

The Utilities Board unanimously approved the City Code changes for the Underground Damage Prevention Safety Program to go to City Council on Feb. 13, 2024 for first reading and Feb. 27, 2024 for second reading on consent.

17. Executive Session

Ms. Congdon polled the Utilities Board Members, and the Utilities Board went into Executive Session at 4:39 p.m.

18. Board Member Updates

The Utilities Board came back from closed Executive Session at 5:35 p.m.

Vice Chair Avila gave a brief update on Personnel Committee. The committee will consolidate meetings in 2024 and have eight meetings, including an onsite meeting in the community.

Board Member Risley gave an overview of the discussion in Strategic Planning Committee regarding changes to the Governance Manual, including eliminating the C-2 Board Evaluation. He also reviewed the North Slope Recreation agenda item from Strategic Planning Committee, which involved a discussion about balancing recreation and the security of Springs Utilities infrastructure.

Board Member O’Malley shared his desire to get more information about expanding Project COPE so ratepayers can give back megawatts to people in need.

19. Adjournment

The meeting adjourned at 5:40 p.m.



Date: Feb. 21, 2024

To: Utilities Board

From: Travas Deal, Chief Executive Officer

Subject: **Excellence in Governance Monitoring Report
Risk Management (I-4)**

Desired Action: Monitoring

Compliance: The CEO reports compliance with the instructions.

INSTRUCTIONS			
Category:	Utilities Board Instructions to the Chief Executive Officer	Reporting Timeframe:	July 1, 2023 – December 31, 2023
Policy Title (Number):	Risk Management (I-4)	Reviewing Committee:	Finance
Monitoring Type:	Internal, External, City Auditor	Monitoring Frequency:	Semi-Annual, Annual, Years ending in 0 and 5

The Chief Executive Officer shall direct that the enterprise maintains enterprise risk management activities that identify, assess and prudently manage a variety of risks including strategic, financial, operational, legal and hazard. Accordingly, the CEO shall:

1. Maintain a Risk Management Committee to identify, measure, monitor, manage and report risk on an enterprise-wide basis.

A Risk Management Committee (RMC) was maintained with a structure and procedures specified in the Enterprise Risk Management (ERM) Plan. RMC meetings were restructured to capture a top-down approach to risk management. Elements at each scheduled RMC meeting included:

- Enterprise risk registry – A tracking tool is used to identify, measure, monitor, and report on risks. This tracking tool incorporates elements of the Financial Risk Report, which monitors energy and interest rate market risks and various financial risks.
- Special topic review – Reporting of current projects and their efforts to manage and/or mitigate identified risks and special topics.

2. Operate under and maintain a written Enterprise Risk Management (ERM) Plan and its required plans listed below that each include management level approval, detailed procedures, internal controls and reporting requirements, and external audits.

The Enterprise Risk Management (ERM) Plan was maintained and is currently approved. Due to the continuous evaluation of business needs of Colorado Springs Utilities, the ERM Plan was revised to better align with the risks the organization is, and will be, facing.

The current ERM Plan ensured risks were identified, measured, monitored, managed, and reported for each of the five risk categories.

A. Energy Risk Management Plan - establishes procedures for limiting organizational exposure to price volatility and supports the acquisition or sale of energy that does not unreasonably jeopardize the ability to meet customer needs.

The Energy Risk Management Plan was maintained and remains current. This Plan reports energy-related commodity risks to operational groups and executive management. Additionally, the plan's processes and controls were in place for trade and settlement activities associated with transactions in these commodity markets.

B. Investment Plan - establishes investment scope, objectives, delegation of authority, standards of prudence, eligible investments and transactions, risk tolerance and safekeeping and custodial procedures for the investment of all funds.

The Investment Plan was maintained and remained current. Compliance was met by the handling of cash management investments with clear delegation of authorities as defined by the plan and adherence to Colorado state law regarding municipal investments.

C. Financial Risk Management Plan - establishes objectives and procedures for minimizing risk to support responsible compliance.

The Financial Risk Management Plan was maintained and remained current. Compliance was met by monitoring, managing, and reporting of the portfolio of financial derivatives and associated counterparties and the enterprise exposure to interest rate risk. During the second half of 2023, Colorado Springs Utilities did not enter into any financial derivative transactions which are governed by the plan.



Date: Feb. 21, 2024

To: Utilities Board

From: Travas Deal, Chief Executive Officer

Subject: **Excellence in Governance Compliance Report
Economic Development (I-5)**

Desired Action: Monitoring

Compliance: The CEO reports compliance with the instructions.

INSTRUCTIONS			
Category:	Utilities Board Instructions to the Chief Executive Officer	Reporting Timeframe:	January 1, 2023 – December 31, 2023
Policy Title (Number):	Economic Development (I-5)	Reviewing Committees:	Finance
Monitoring Type:	Internal	Monitoring Frequency:	Annual

The Chief Executive Officer shall direct that the enterprise’s obligation to serve responsibilities are the primary method to support economic development but may also use other approved methods of support. Accordingly, the CEO shall:

- 1. Offer economic development incentives, special rates or terms and conditions for utility services and alternative development solutions when they are defined within Utilities Rules and Regulations, Tariffs and City Code and approved by the City Auditor.*

In 2023, all prospecting and business expansion and retention efforts aligned with existing tariffs and Springs Utilities’ Rules and Regulations. Colorado Springs Utilities offered three new economic development incentive packages and completed the execution of two economic development special contracts as outlined in the Utilities Rules and Regulations, Application and Contract for Services. As required, written documentation demonstrating compliance with tariff provisions were provided to the City Auditor and City Attorney for each incentive package, contract review and approval.

2. *Consider economic development support that:*

- A. *Optimizes existing utility infrastructure.*
- B. *Grows the customer base.*
- C. *Assures a neutral or positive impact to citizens.*
- D. *Partners with local entities.*

In 2023, Colorado Springs Utilities worked closely with the Colorado Springs Chamber and EDC, El Paso County, and the Municipal Government to provide utility assessments and solutions for 56 potential new businesses interested in locating in Colorado Springs. Each of the 56 assessments prepared by the Colorado Springs Utilities engineers provided:

- Analysis of existing utility resource capabilities
- Infrastructure delivery assessment
- Transmission interconnect study requirements
- Distribution or transmission upgrade or extension obligations and
- Resource and infrastructure timelines

Through the year, Colorado Springs Utilities was involved with 40 business retention and expansion meetings. Colorado Springs Utilities partnered with numerous local entities Exponential Impact, Apartment Association of Colorado Springs, Pikes Peak Small Business Development Center, Downtown Partnership and many other entities.

3. *Create a business-friendly culture by eliminating operational policies and standards that no longer provide value and by proactively communicating the rationale behind current operational policies.*

- In 2023, Colorado Springs Utilities worked closely with the Colorado Springs Chamber and EDC, El Paso County Economic Development, City Economic Development, Downtown Partnership, Exponential Impact, Small Business Development Center and other economic development community partners to evaluate customer feedback regarding utility barriers to development.
- Colorado Springs Utilities staff participated on the City Agencies for Small Business Advancement team to proactively assist and provide solutions to small businesses, thereby shaping how businesses navigate the various processes while reinforcing the narrative that our city agencies are committed to supporting businesses.
- Colorado Springs Utilities staff proactively shared information with community partners so they can serve as our ambassadors and assist developers and customers in navigating the Springs Utilities' development process.
- Colorado Springs Utilities staff participated in forums and served on panels

aimed at educating existing and prospective customers and community partners and clarifying the rationale behind Springs Utilities policies and standards. Examples include Colorado Restaurant Association – Pikes Peak Chapter, Building Owners & Managers Association (BOMA), Apartment Association of Colorado Springs (AASC) and in support for Exponential Impact's Accelerate program.



Date: Feb. 21, 2024

To: Utilities Board

From: Travas Deal, Chief Executive Officer

Subject: **Excellence in Governance Monitoring Report
Community Investment (I-13)**

Desired Action: Monitoring

Compliance: The CEO reports compliance with the instructions.

INSTRUCTIONS			
Category:	Utilities Board Instructions to the Chief Executive Officer	Reporting Timeframe:	January 1, 2023 – December 31, 2023
Policy Title (Number):	Community Investment (I-13)	Reviewing Committees:	Strategic Planning
Monitoring Type:	Internal	Monitoring Frequency:	Annual
Guidelines:	Affordable Housing (G-10) Community Support (G-11)		

The Chief Executive Officer shall direct that Colorado Springs Utilities is responsive to community needs and values by maintaining and communicating a strong community presence that significantly contributes to the citizens’ quality of life. Accordingly, the CEO shall:

- 1. Maintain a community involvement plan that is in alignment with Colorado Springs Utilities’ strategic objectives and that provides a benefit to the citizens and customers.*

Colorado Springs Utilities developed and implemented a 2023 community involvement strategy aligned with the Colorado Springs Utilities Strategic Plan and Utilities Board Policies. The plan is managed by the Community Relations Section of the Public Affairs Department.

- 2. Encourage and support employee volunteerism within the communities served by Colorado Springs Utilities.*

The CEO and his executive team supported volunteerism through personal participation and active recognition of volunteers in 2023. Total volunteerism through the Community Focus Fund and Ambassador volunteer programs was 13,029.75 hours.

- 3. Communicate to customers and provide student and adult education programs on the safe and efficient use of utility services.*

Community education and outreach programs convey the value of our services and promote utility efficiency and safety. In 2023, staff presented numerous online and in-person water, energy and safety programs to student and adult audiences. Messaging revolved around safe and efficient use of utility services. Methodology included community event booths, facility tours, adult presentations, teacher workshops, student programs, landscape classes and webinars, public meetings, town halls and the annual Water and Energy Tours for stakeholders around the state. In total, 38,332 customer connections were made, and 557 events were attended.

- 4. Allow philanthropic support of community-oriented organizations only in the service territories or localities impacted by Colorado Springs Utilities' operations.*

All organizations that received philanthropic support in 2023 were in the Colorado Springs Utilities service territory or localities impacted by Colorado Springs Utilities' operations.

- 5. Only allow funding of community-oriented organizations that complete an application describing how the funds will be used in alignment with Colorado Springs Utilities' strategic objectives.*

All organizations that received Community Focus Fund (CFF) financial support in 2023 completed an application which included a description of how the funds would be used. Funding decisions were based on requested project alignment with Colorado Springs Utilities' strategic objectives.

- 6. Allow funding of community-oriented organizations with Political Action Committees (PACs) only if they demonstrate independent PAC revenue and decision-making.*

Colorado Springs Utilities contributed economic development partner funding to the Colorado Springs Chamber and EDC which operates a Political Action Committee. The Chamber and EDC successfully demonstrated independent PAC revenue and decision-making as outlined in their annual impact report to Colorado Springs Utilities. No other

organizations with PACs received funding in 2023.

- 7. Consider partnerships with other funding entities to leverage resources and maximize impact.*

In compliance with Community Support Guideline (G-11.3), Colorado Springs Utilities provided \$500,000 to match employee, customer, and business donations to Project COPE in 2023. These funds were directed to the Colorado Springs Utilities Foundation to assist 1,701 households in paying their utilities bills.

- 8. Inform the community of the enterprise's corporate citizenship and employee volunteerism.*

Throughout the year, Colorado Springs Utilities publicized efforts of our employees and their families to give back to the community we serve. We accomplished this using internal and external communication channels, including social media, website, newsletters, news media and the annual report.

- 9. Develop programs intended to support affordable housing within the City.*

In compliance with Affordable Housing Guideline (G-10.1), Colorado Springs Utilities promoted affordable housing through multiple methods, including coordination with the City, providing funding, rebates and credits, recommending changes to the tariff and implementing procedures that incentivize affordable housing. All affordable housing projects receiving funding, credits, rebates or deferrals from Springs Utilities met specified energy and water conservation criteria.



Date: February 21, 2024

To: Utilities Board

From: Travas Deal, Chief Executive Officer

Subject: **Excellence in Governance Monitoring Report**
Utilities Board/Chief Executive Officer Partnership Expectations (E-2)

Desired Action: Monitoring

EXPECTATIONS	
Category:	Utilities Board/Chief Executive Officer Partnership Expectations
Policy Number:	E: 2 (Chief Executive Officer Responsibilities)

The Utilities Board and the Chief Executive Officer work in partnership to achieve excellence in governance and operations to attain long-term organizational success and sustainability.

February 2024 Water Outlook using data as of January 31, 2024

Locally, temperatures were below average, and precipitation was above average in January. Demands were less than last year at this time.

2024 Demands

January use averaged 41.4 million gallons per day (MGD), which was about 4.4 percent less than last January. Temperatures in January were below the thirty-year average at 29.9 degrees Fahrenheit, which was 1.9 degrees below normal. Total precipitation for January was 0.62 inches, which is above normal. Year to date precipitation is 0.62 inches, which is 214 percent of normal.

Current Reservoir Levels

Local storage is currently at about 50,277 acre-feet (76 percent of capacity). The 1991-2020 average is 72 percent of capacity. Rampart Reservoir is at 82 percent of capacity, and Pikes Peak storage is at 66 percent of capacity. System wide, total storage is about 218,300 acre-feet (84 percent of capacity). Last year at this time, total system wide storage was 72 percent of capacity. It was about 73 percent at this same time in 2022, about 71 percent of capacity in 2021, about 80 percent of capacity in 2020, about 73 percent of capacity in 2019, about 83 percent of capacity in 2018, about 78 percent of capacity in 2017, about 80 percent of capacity in 2016, and about 78 percent of capacity in 2015. The 1991-2021 average system wide storage for the end of January is 73 percent of capacity.

Water Supply Outlook

The U.S. Drought Monitor shows parts of the state, including portions on the eastern plains, are experiencing abnormally dry conditions with drought concentrated in the southwest quadrant of the state. The seasonal drought outlook predicts drought improvement and removal is likely in parts of western Colorado between now and April 30, 2024. The three-month climate outlook shows equal chances for above-average and below-average temperatures across the entire state, with higher chances for above-average precipitation across all of Colorado. We continue to monitor runoff, demand, and storage to maximize available water supply.

Operational Notes

South Catamount Reservoir capacity remains restricted for planned dam maintenance this fall. The South Slope system pipeline to Tollefson Water Treatment Plant has been removed from service until spring of 2024 for normal winter operations. Total system storage is at 84 percent of capacity and holds about 3.2 years of demand, which is above average for the end of January. Local storage contains about 267 days of demand.

Electric Cost Adjustment (ECA)

On February 28, 2023, City Council approved the ECA rate of \$0.0284 per kWh effective March 1, 2023. As of January 31, 2024, the ECA under collection balance was \$13.7 million. The under collection balance changed by \$5.4 million from the \$8.3 million under collection balance reported last month. Utilities will continue to provide regular updates to the Utilities Board as appropriate.

Gas Cost Adjustment (GCA)

On January 9, 2024, City Council approved the GCA rate of \$0.1238 per Ccf effective January 15, 2024. As of January 31, 2024, the GCA over collection balance was \$10.0 million. The over collection balance changed by \$11.4 million from the \$21.4 million over collection balance reported last month. Utilities will continue to provide regular updates to the Utilities Board as appropriate.



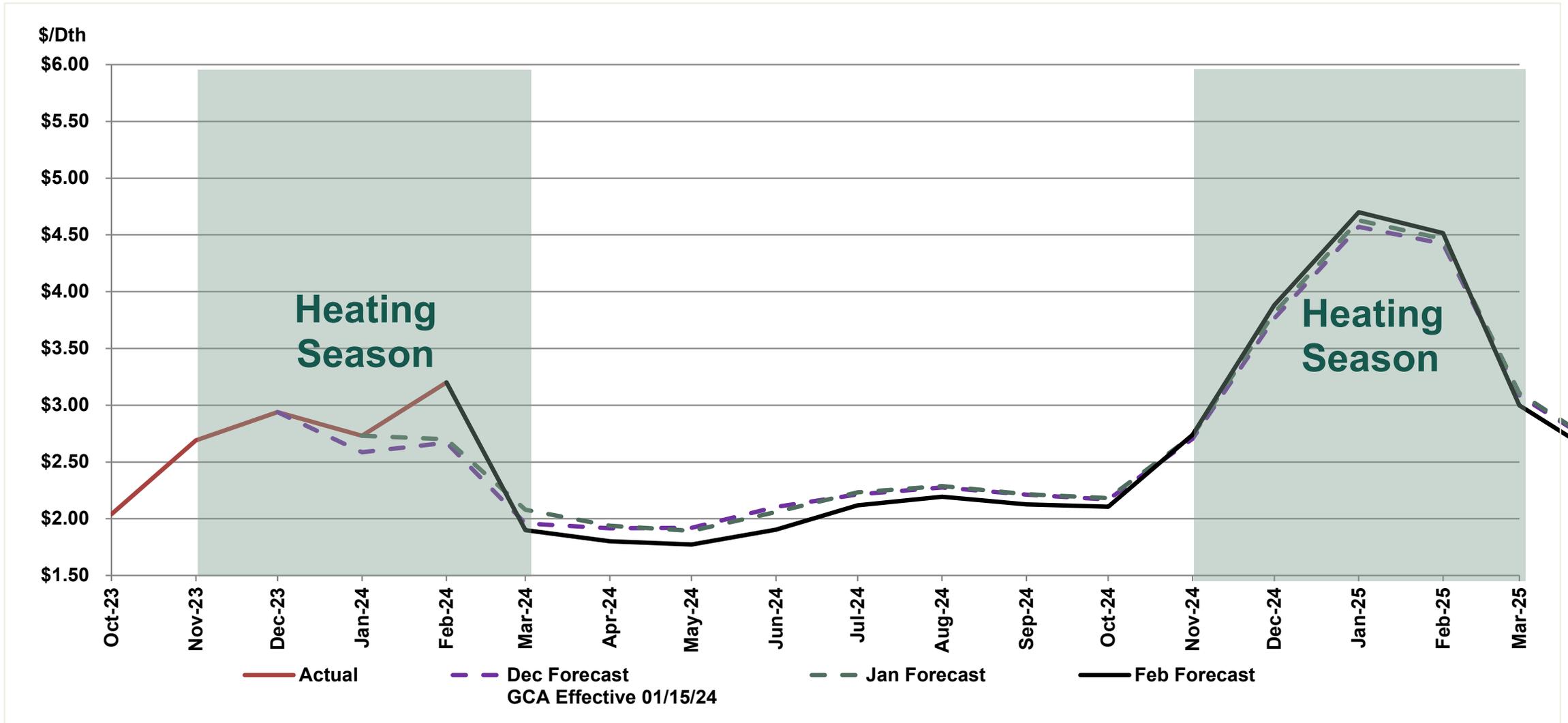
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Electric Cost Adjustment Gas Cost Adjustment

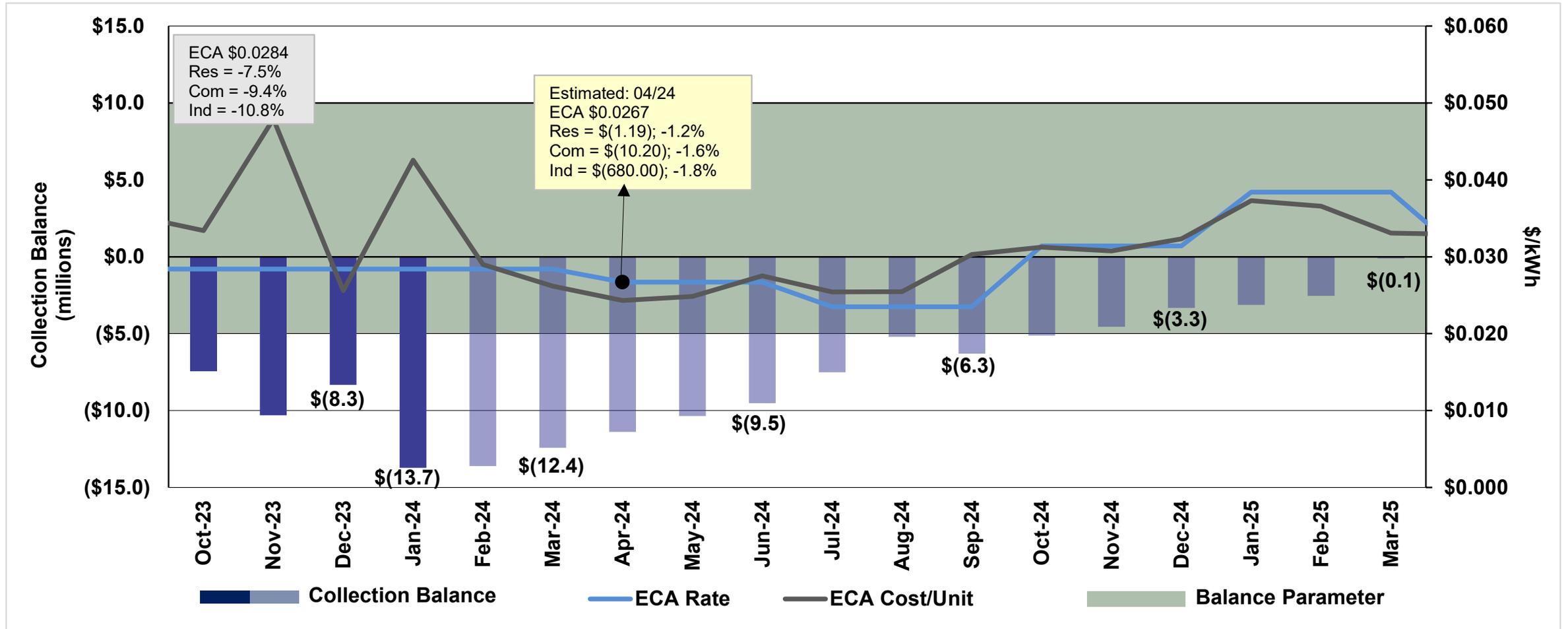
Scott Shirola, Pricing and Rates Manager

February 21, 2024

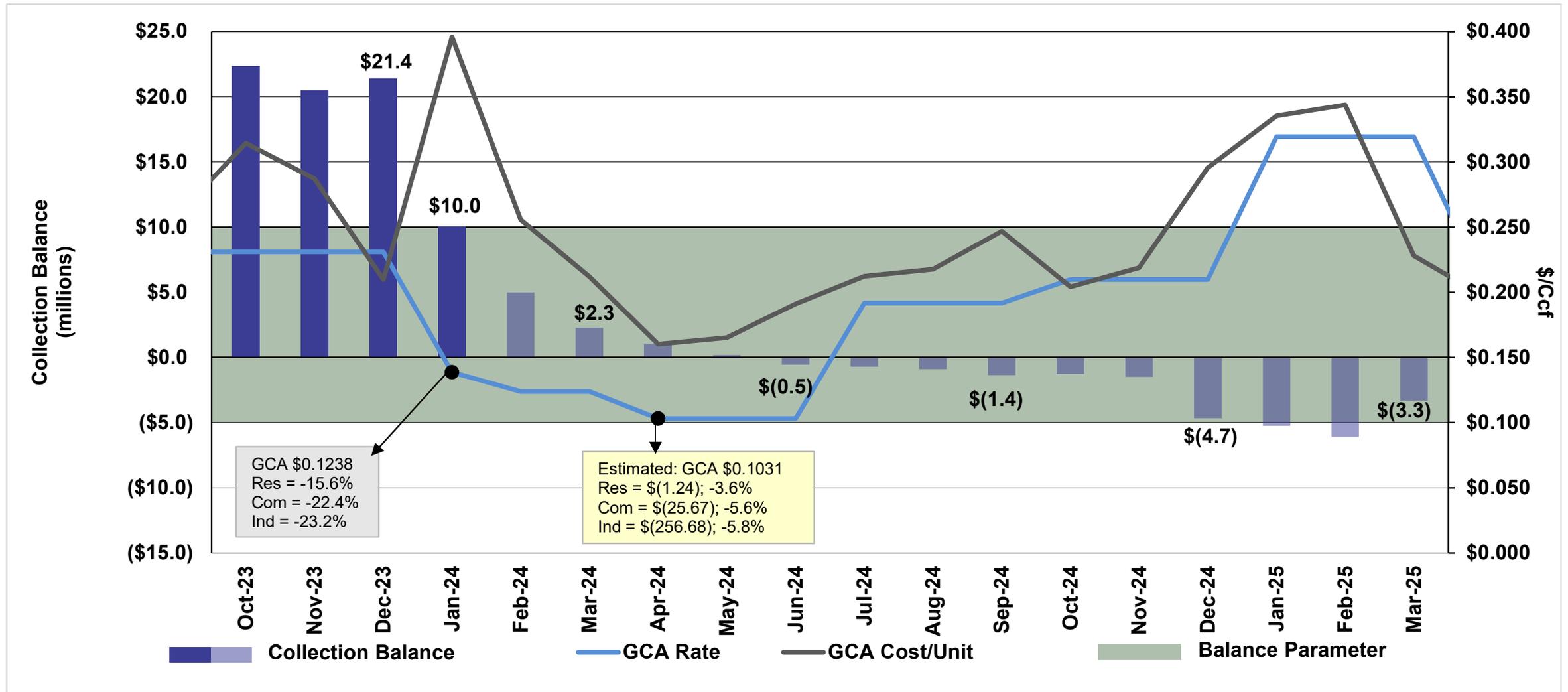
Natural Gas Prices as of February 1, 2024



ECA Projections February 2024



GCA Projections February 2024





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Water Outlook

Justin Zeisler, P.E.

Water Resource Engineer, Water Resource Planning

February 21, 2024

Local Weather Conditions as of January 31, 2024

Precipitation (Inches of Moisture)

- January 2024 – 0.62 in. (214% of normal)
- 2024 YTD Total – 0.62 in. (214% of normal)

Average Temperature (Degrees F)

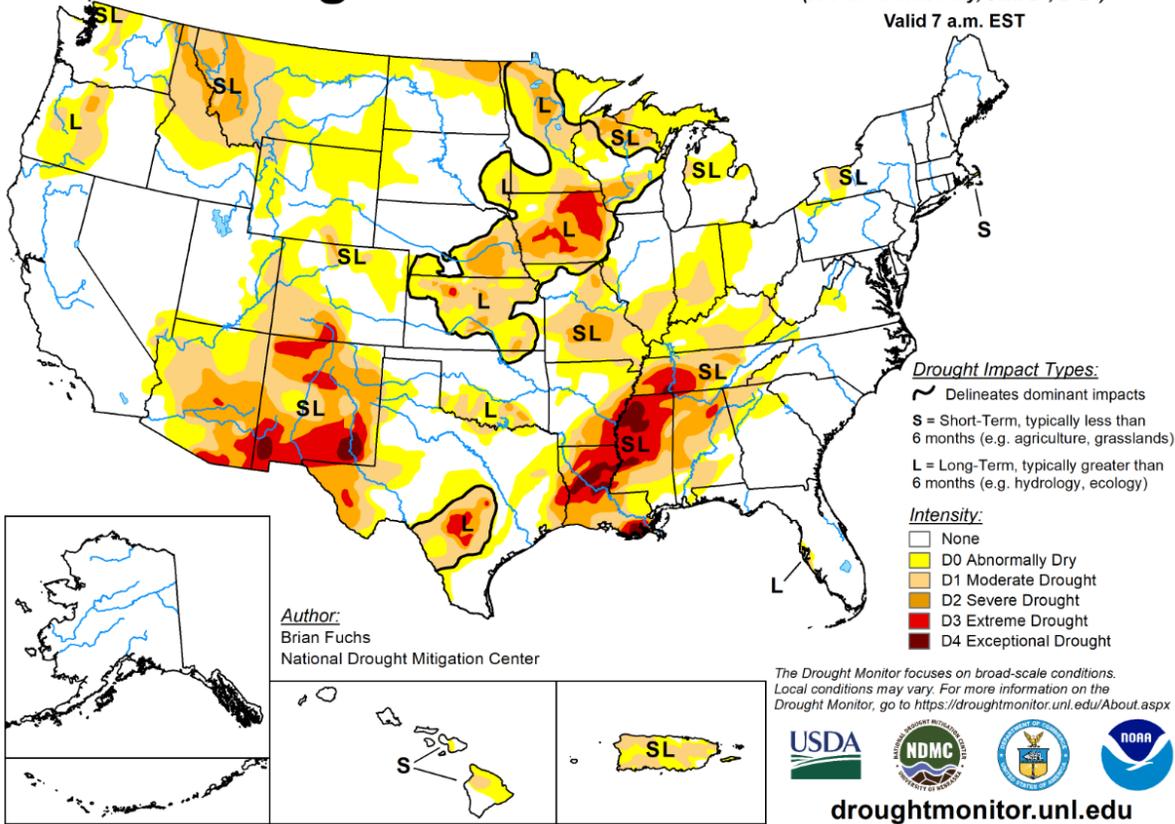
- January 2024 – 29.9 Deg. (1.9 deg. below normal)
- 2024 YTD Average – 29.9 Deg. (1.9 deg. below normal)



DROUGHT MONITOR

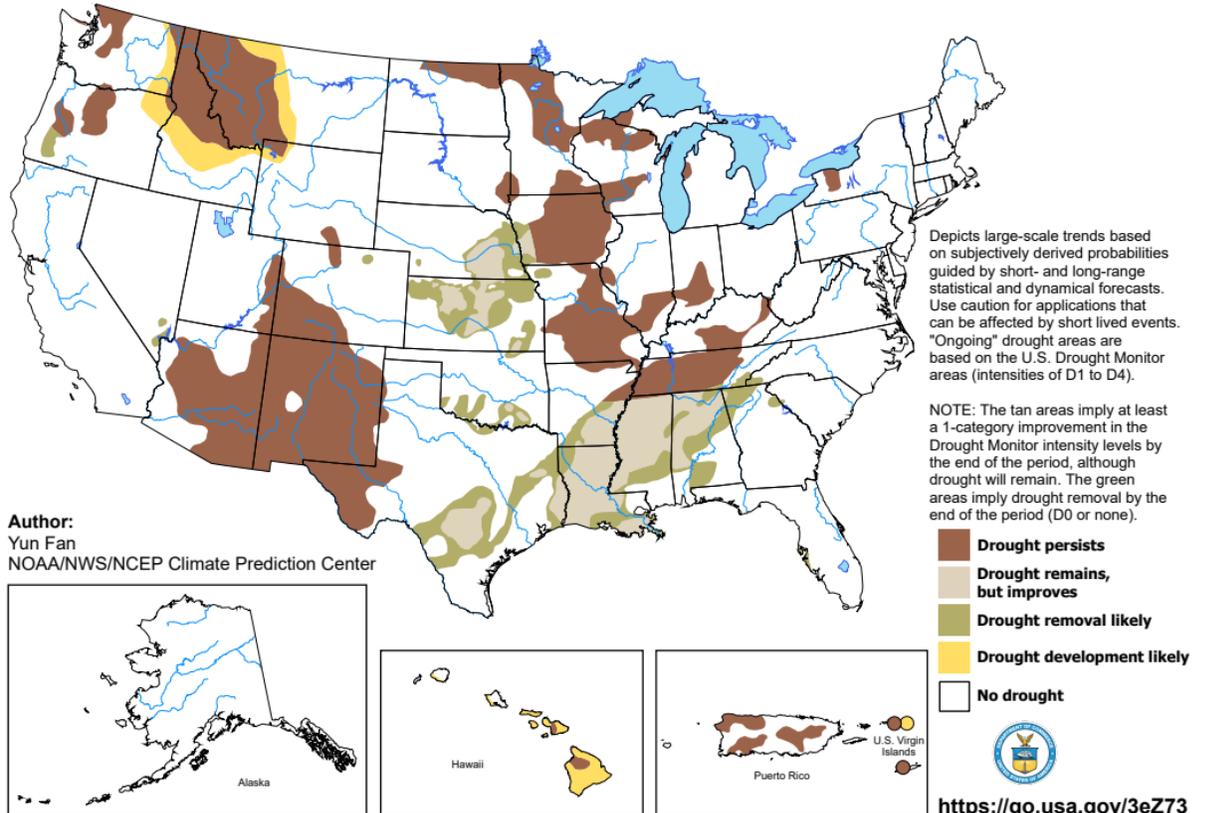
U.S. Drought Monitor

January 23, 2024
 (Released Thursday, Jan. 25, 2024)
 Valid 7 a.m. EST

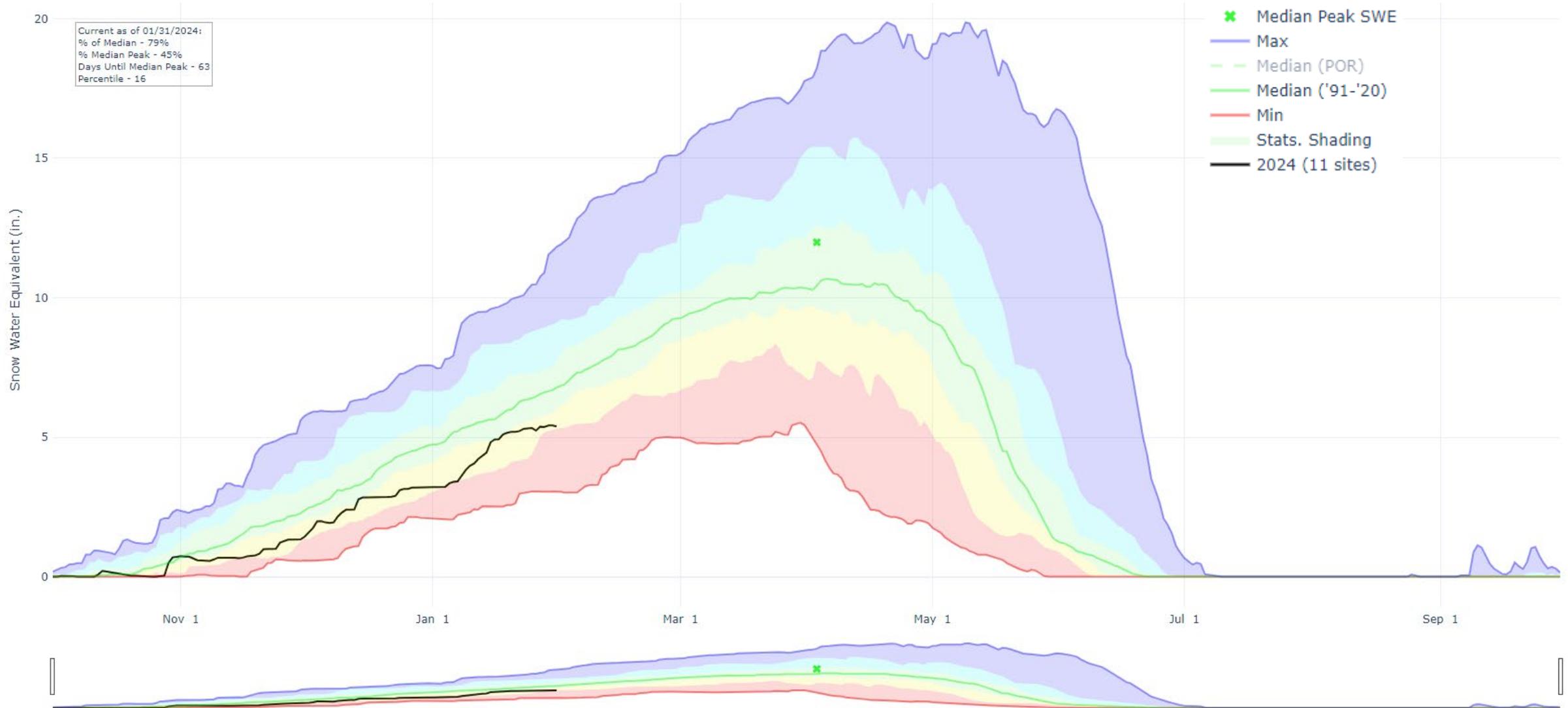


U.S. Seasonal Drought Outlook Drought Tendency During the Valid Period

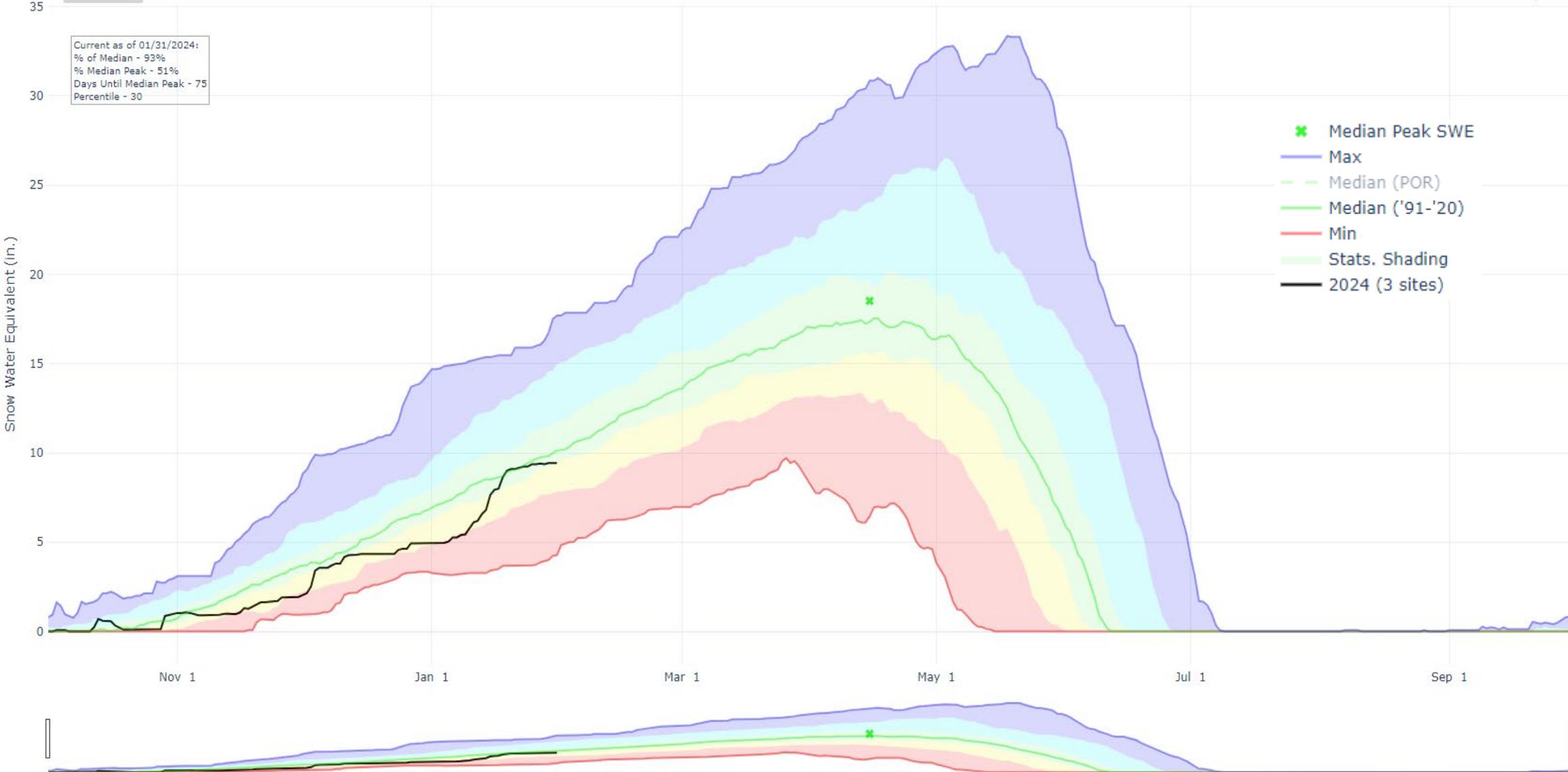
Valid for January 18 - April 30, 2024
 Released January 18, 2024



Snowpack in the Arkansas River Basin is 79% of normal



Snowpack in the Colorado River Headwaters Basin is 93% of normal

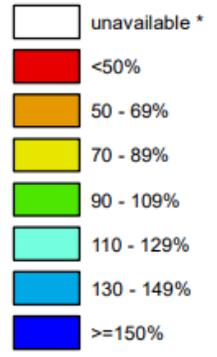


Colorado SNOTEL Current Snow Water Equivalent (SWE) % of Normal

Jan 31, 2024

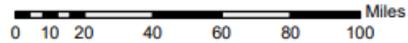
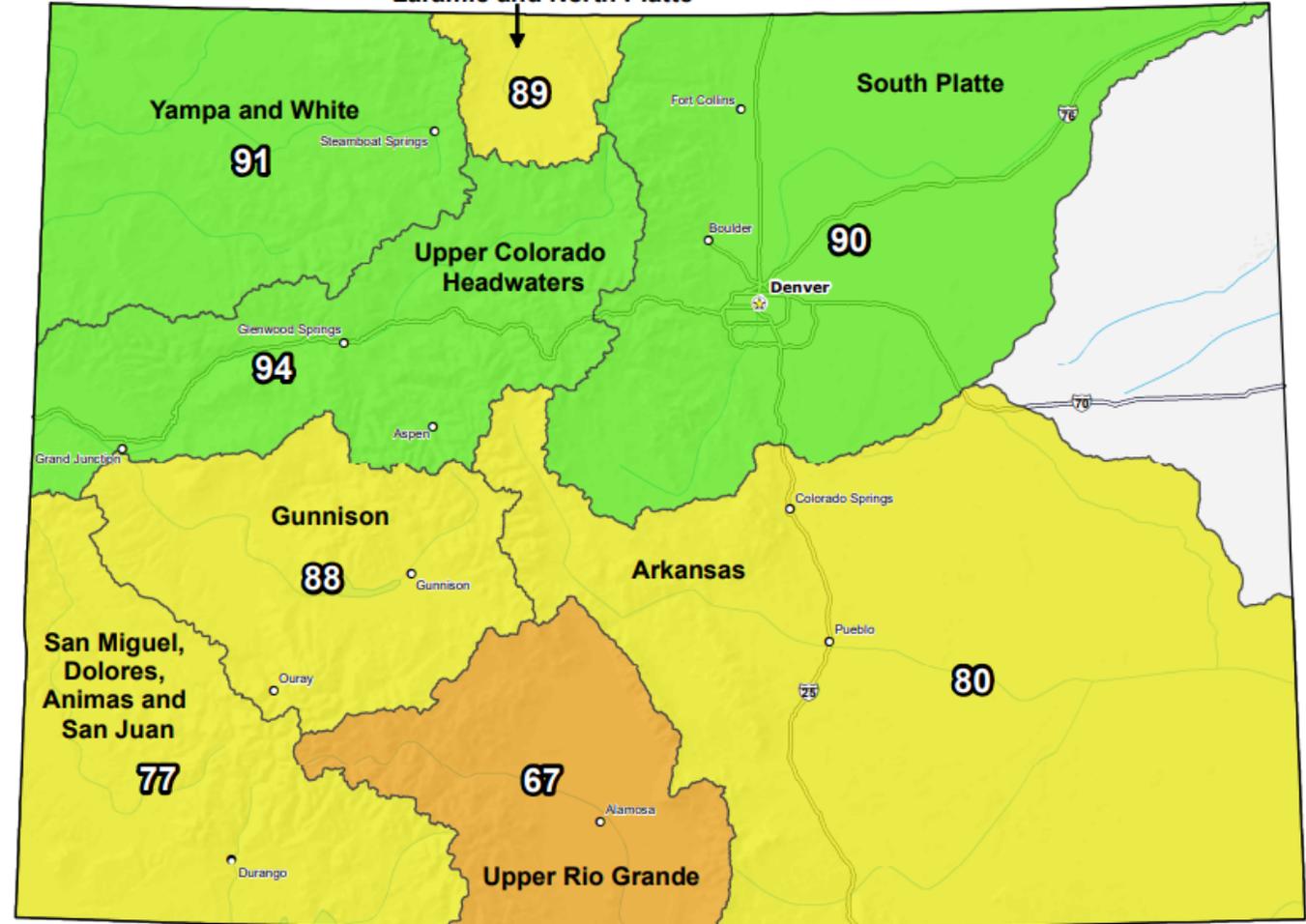
Laramie and North Platte

Current Snow Water Equivalent (SWE) Basin-wide Percent of 1991-2020 Median



* Data unavailable at time of posting or measurement is not representative at this time of year

Provisional Data
Subject to Revision



The snow water equivalent percent of normal represents the current snow water equivalent found at selected SNOTEL sites in or near the basin compared to the average value for those sites on this day. Data based on the first reading of the day (typically 00:00).

Prepared by:
USDA/NRCS National Water and Climate Center
Portland, Oregon
<https://www.nrcs.usda.gov/wps/portal/wcc/home/>



2024 Demands

January

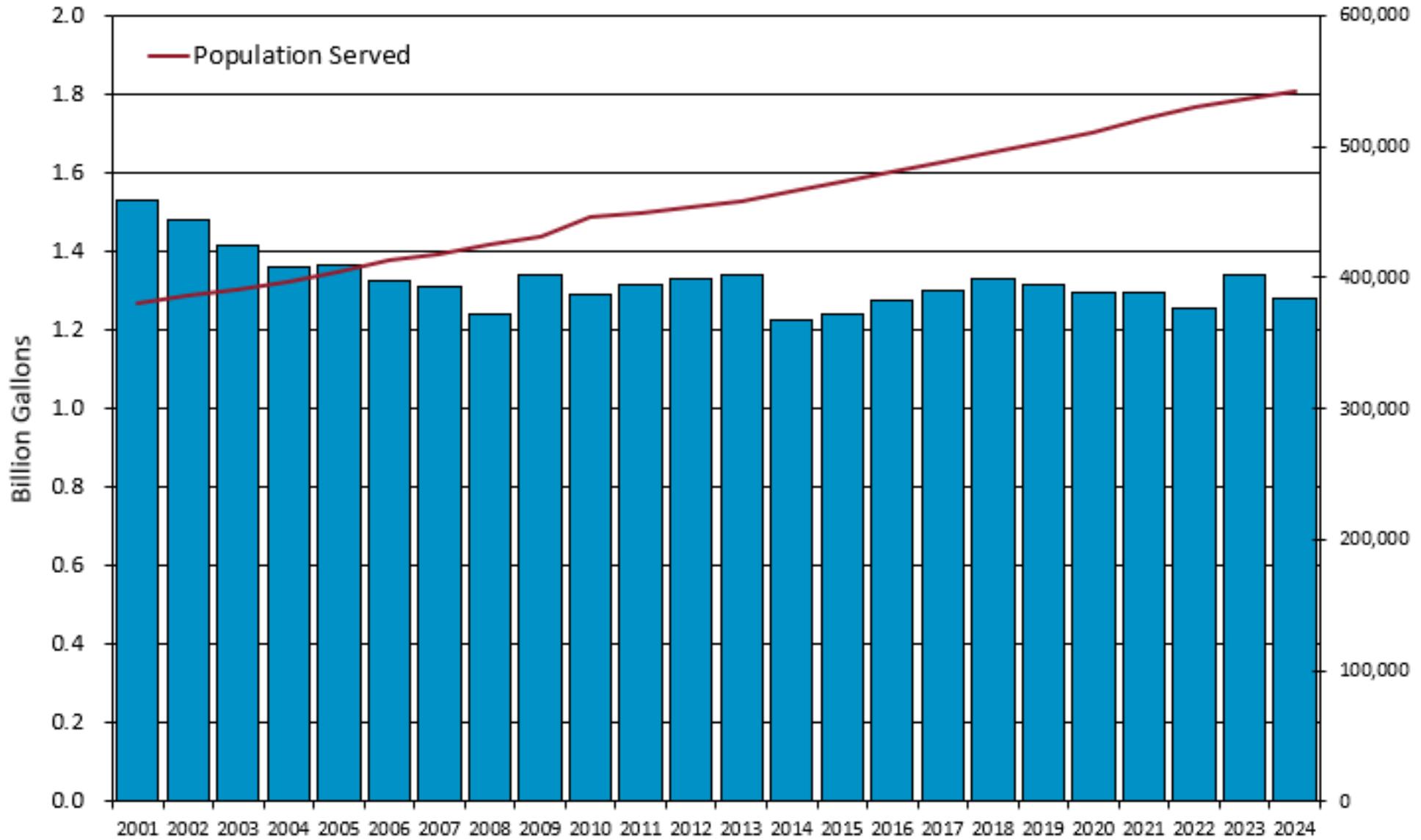
- Averaged 41.4 MGD
- 4.4% less than January 2023

2024 Year to Date

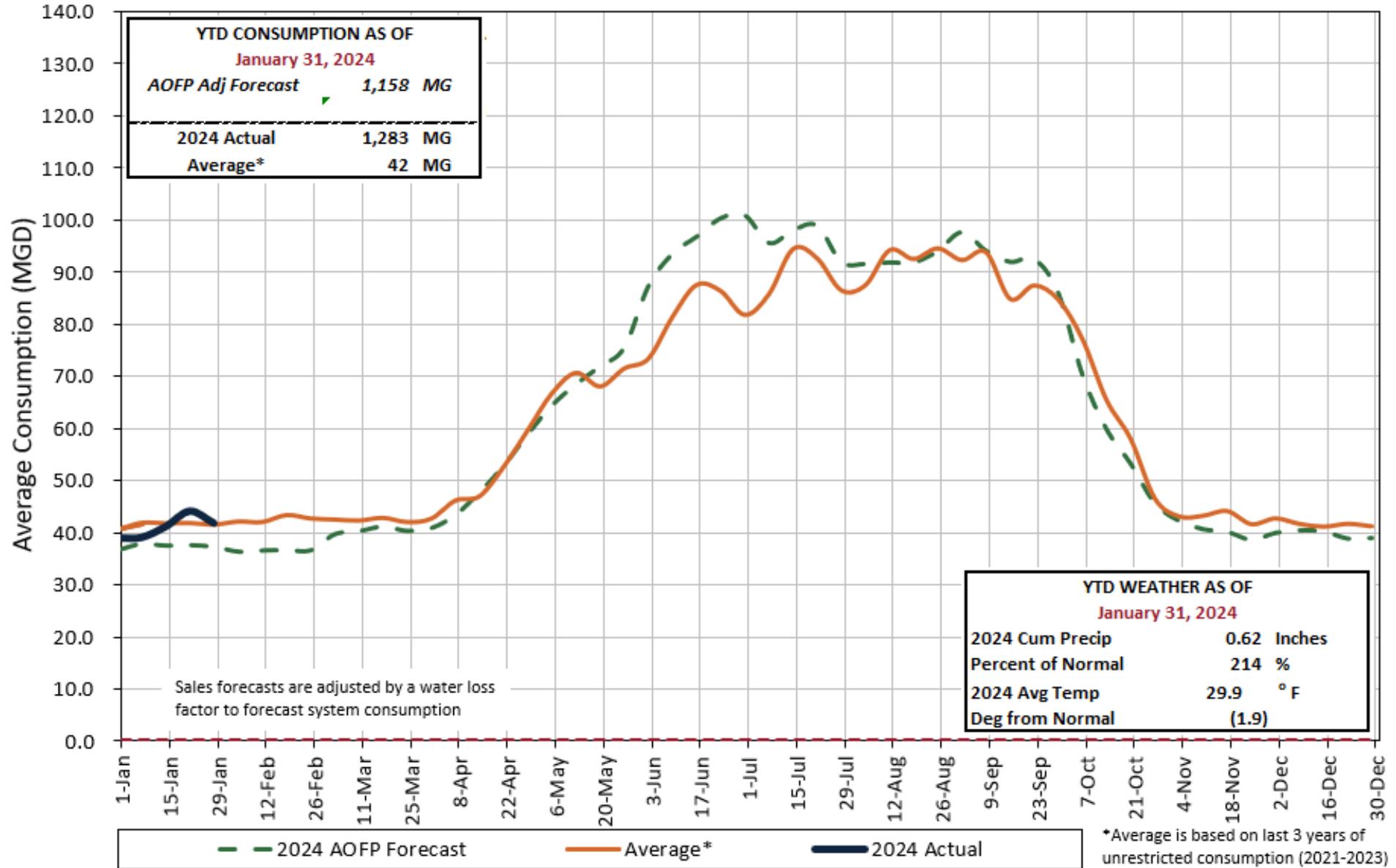
- Averaging 41.4 MGD, 1.3 BG total
 - 4.4% less than 2023
 - 0.06 Billion Gallons less than 2023



Monthly Water Use for January



2024 Actual Consumption (Weekly Data)



Reservoir Levels

January 31, 2024

- Pikes Peak 66 %
 - 91-20 Avg. 65 %
- Rampart 82 %
 - 91-20 Avg. 76 %
- Local Total 76 %
 - 91-20 Avg. 72 %
- System Total 84 %
 - 91-20 Avg. 73 %



Colorado Springs' System Wide Storage:

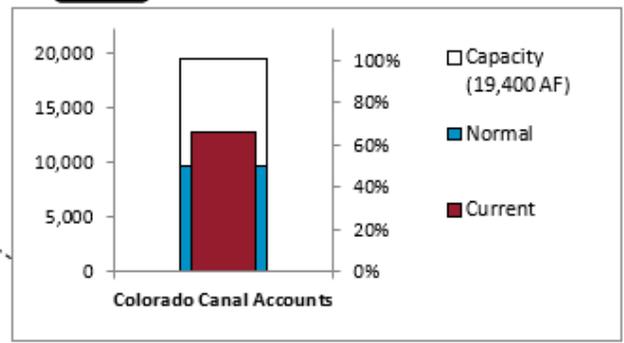
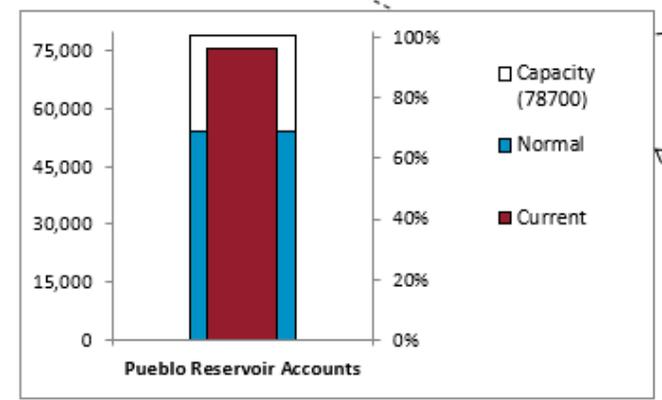
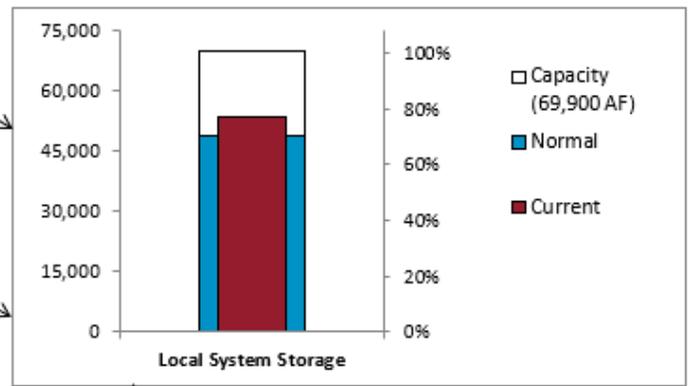
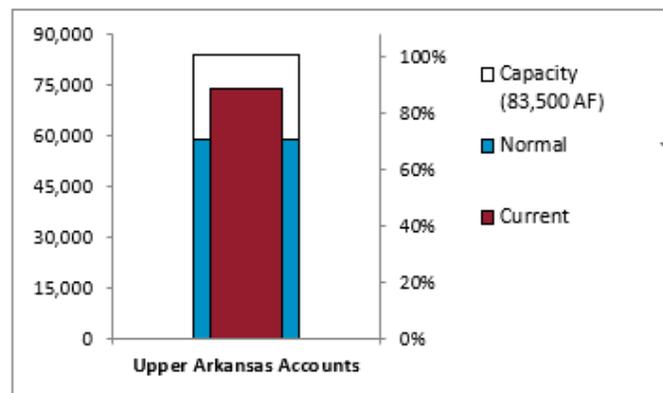
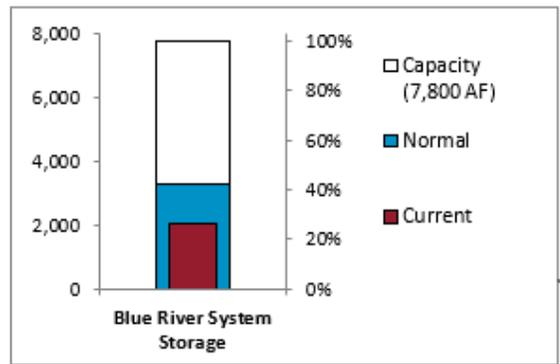
January 31, 2024 218,300 af

84.0 %

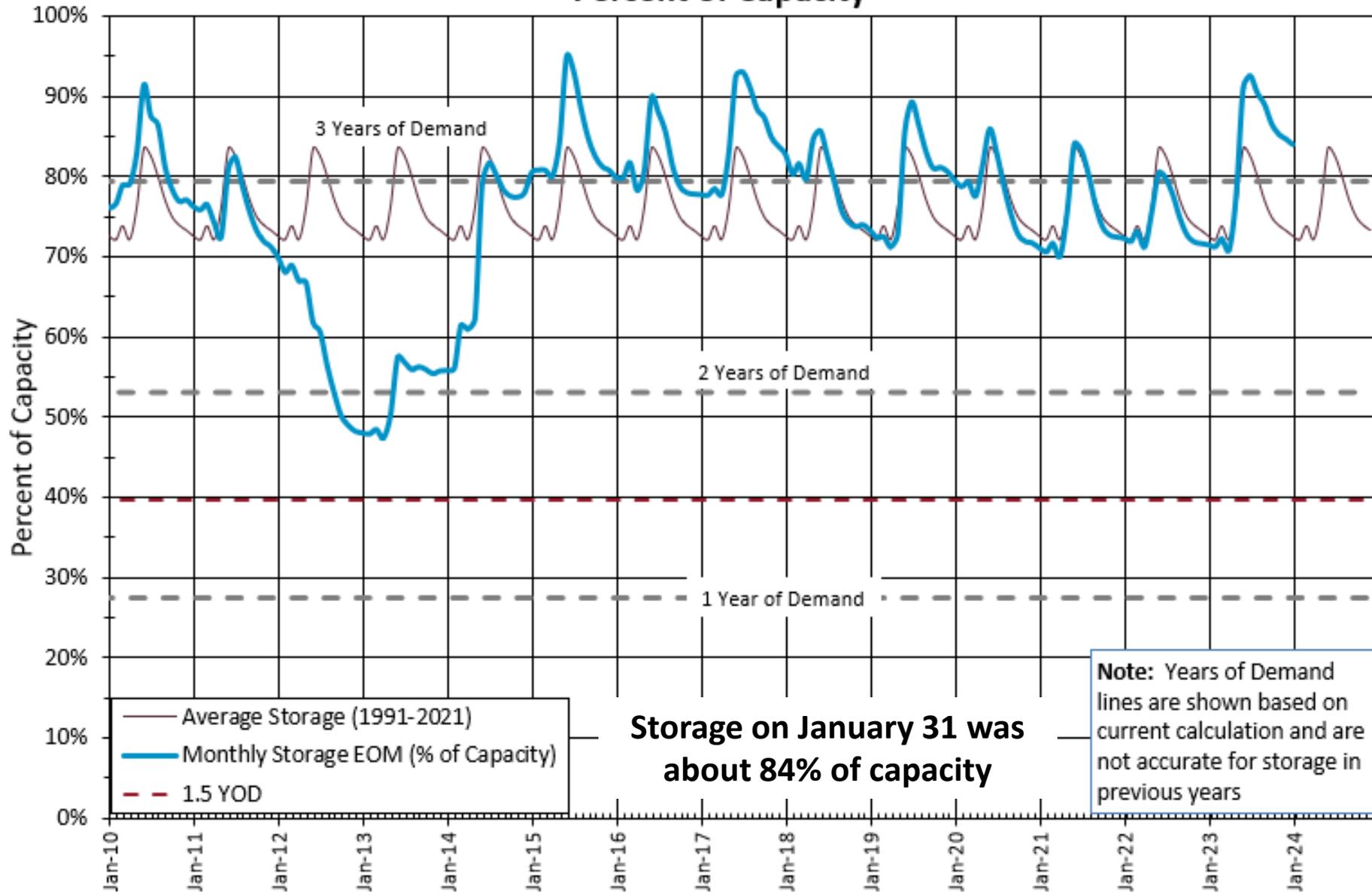
2001-2022 avg 174,400 af

67.2 %

Average YTD Demand 41.4 MGD



Monthly Storage Percent of Capacity



Water Outlook

- Situation Outlook Summary
 - System-wide storage is at 84.0% of capacity, about 11% above our long-term average
 - About 3.2 years of demand in storage, based on the past 3 years of demand
 - Have 267 days of demand in local storage
- Three-month outlook predicts
 - Equal chances for above-average and below-average temperatures across all of Colorado
 - Higher chances for above-average precipitation across all of Colorado
- We continue to monitor snowpack, demand and storage to maximize available water supply

Operational Notes

Storage Conditions

- South Catamount Reservoir capacity remains restricted for planned dam maintenance this fall
- South Slope system pipeline to Tollefson WTP has been removed from service until spring of 2024 for normal winter operations



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Board Memo Agenda Item

Staff Report

Date: February 21, 2024
To: Utilities Board
From: Travas Deal, Chief Executive Officer
Subject: Land exchange approvals

NARRATIVE:

Desired Action: Recommend approval of a land exchange to Council

Executive Summary: Staff is requesting that Utilities Board recommend approval of a resolution to City Council that will allow Springs Utilities to participate in a land exchange for the Kelker to South Plant Transmission Project. The Kelker to South Plant Transmission Project is for a new overhead single circuit 115kV transmission line from Kelker Substation to South Plant Substation. The easement that Springs Utilities will receive in the requested land exchange is critical to the project.

Pursuant to the provisions of the Colorado Springs City Charter, the City is empowered to acquire real property necessary for Utilities' projects. Section 6.1 of *The City of Colorado Springs Procedure Manual for the Acquisition and Disposition of Real Property Interests, Revised 2021* states the City may agree to convey property to an identified party in exchange for acquiring other property and that any Land Exchange must be approved by City Council in the same manner as the Acquisition and Disposition of property. Section 6.7 of the *RES Manual* states if the City property being disposed of is valued less than the property being received as part of a Land Exchange, City shall, subject to City Council approval: pay the difference in value to the Land Exchange partner; or accept the property being received as a partial Gift; or accept the difference in value of the property being received as a partial donation. Colorado Springs Utilities would like to pay the difference in value (\$119,000) to the Land Exchange partner at closing.

Benefits: Colorado Springs Utilities is modernizing the electric grid for sustainability and system resiliency and reliability.

Board Policy: Real Estate Manual, sections 6.1 and 6.7

Cost/Budget: The difference in value between the two properties being exchanges is \$119,000. Subject to Council approval, Springs Utilities will pay the difference in value to the other party.

Affected Parties: Springs Utilities and Real Estate Services, with the support of the City Attorney's Office, have worked closely with the other owner to reach the agreed terms. In addition, negotiations with property owners are conducted in accordance with the RES Manual, and all applicable laws.

Alternatives: Recommend approval or denial of proposed land exchange.

Submitter: Jessica Davis	Email address: jedavis@csu.org
Division/ Department: Systems Planning and Projects	Phone number: 719-668-7581
	Date submitted: Feb. 5, 2024

SPG Staff Use Only: Consent Calendar	<input type="checkbox"/>	Yes	<input checked="" type="checkbox"/>	No	ITEM NO. 7
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A Resolution Authorizing the Approval of a Land Exchange of an Easement Located near the intersection of Delta Drive and Hancock Expressway and a Property located at the intersection of Marksheffel Road and Barnes Road to be used for the Kelker to South Plant Transmission Project

Jessica Davis
Land Resource Manager
February 21, 2024

Kelker-South Plant Transmission Project

- Single circuit 115kV transmission line
 - ~5 miles long
- Ensure reliability of system
- Supporting additional power generation to the downtown network



Ch. 6 – City Real Estate Manual

- Section 6.1 (Land Exchanges)
 - The City may agree to convey property to an identified party in exchange for acquiring other property and that any Land Exchange must be approved by City Council in the same manner as the Acquisition and Disposition of property.
- Section 6.7b (Exchange of Properties of Differing Monetary Values)
 - If the City property being disposed of is valued less than the property being received as part of a Land Exchange, City shall, subject to City Council approval:
 - Pay the difference in value to the Land Exchange partner
- Mutually beneficial for both parties

Vicinity Map for Land Exchange



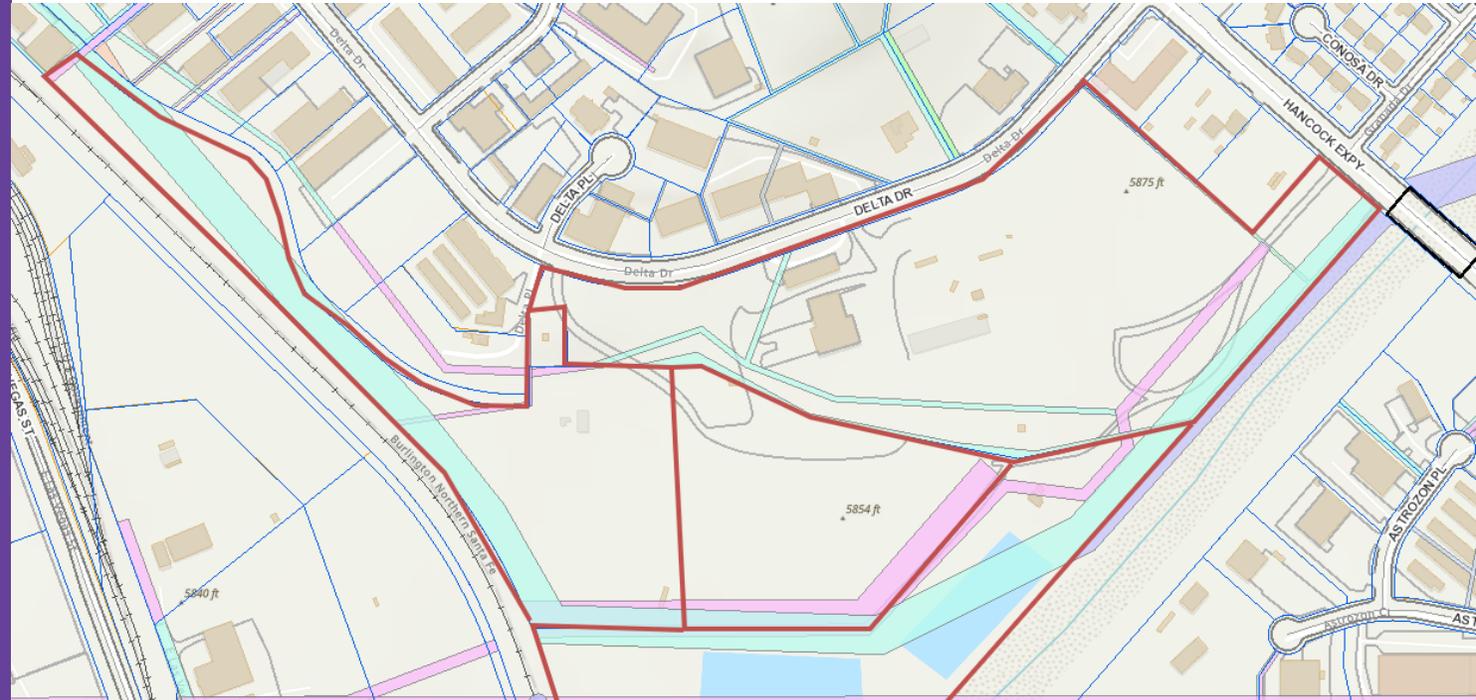
Hancock Expressway and Delta Dr.



Marksheffel Rd. and Barnes Rd.

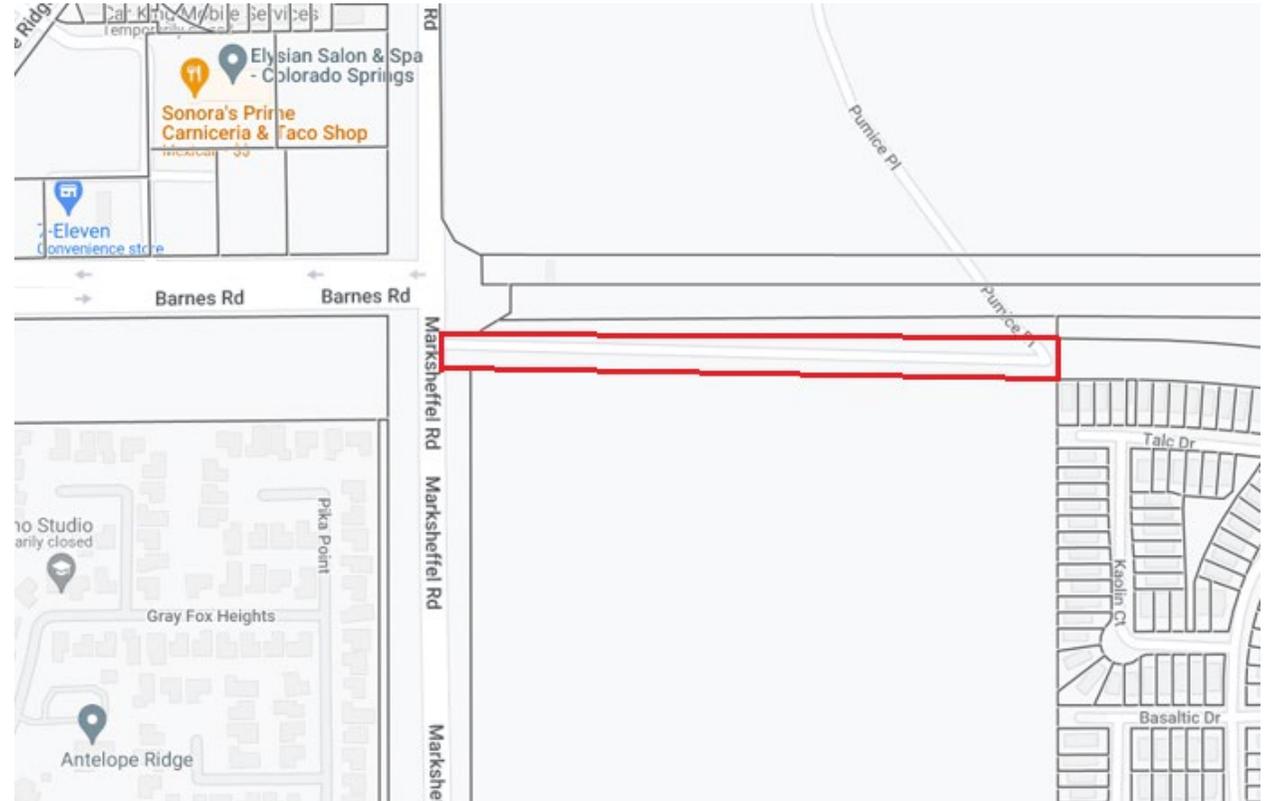
Property Information

- Owner: Edward C. Levy Co.
- APNs:
 - 6434200026
 - 6434200020
 - 6434200002
 - 6434204013
- Easements ~ 8.60 acres
- Appraisal value: \$375,000



Property Information

- Owner: City of Colorado Springs
- APNs:
 - 5300000624
- Easements ~ 2.27 acres
- Fair market value: \$256,000
- Difference in value: \$119,000



Action Requested

- Request for item to be added to March 12, 2024, Formal City Council agenda for a vote.



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RESOLUTION NO. _____ - 24

A RESOLUTION AUTHORIZING THE APPROVAL OF A LAND EXCHANGE OF AN EASEMENT LOCATED NEAR THE INTERSECTION OF DELTA DRIVE AND HANCOCK EXPRESSWAY AND A PROPERTY LOCATED AT THE INTERSECTION OF MARKSHEFFEL ROAD AND BARNES ROAD TO BE USED FOR THE KELKER TO SOUTH PLANT TRANSMISSION PROJECT

WHEREAS, Colorado Springs Utilities (“Utilities”) has identified certain properties located near the intersection of Delta Drive and Hancock Expressway in Colorado Springs, known as El Paso County Tax Schedule Numbers 6434200026, 6434200020, 6434200002, and 6434204013 (the “Properties”) from which they must acquire an easement (“Easement”) for the Kelker to South Plant Transmission Project (“Project”); and

WHEREAS, the City is the owner and Utilities is the controlling department for the property located at Marksheffel Road and Barnes Road, also known as El Paso County Tax Schedule Number 5300000624 (the “Utilities Property”); and

WHEREAS, Utilities and the owner of the Properties desires to participate in a land exchange in which the Easement would be conveyed to Utilities in exchange for the Utilities Property to be conveyed to the owner of the Properties (“Land Exchange”) ; and

WHEREAS, appraisals of the Easement and the Utilities Property indicate that the value of the Easement exceeds the value of the Utilities Property by \$119,000; and

WHEREAS, the Land Exchange is necessary for the Project and the Project is in the public interest; and

WHEREAS, pursuant to 6.1 of *The City of Colorado Springs Procedure Manual for the Acquisition and Disposition of Real Property Interests, Revised 2021* (“Real Estate Manual”), the City may agree to convey property to an identified party in exchange for acquiring other property provided that such land exchange is approved by City Council; and

WHEREAS, pursuant to Section 6.7 of the Real Estate Manual, if the City property being disposed of is valued less than the property being received as part of a land exchange, the City may, subject to City Council approval, pay the difference in value to the land exchange partner; and

WHEREAS, Utilities requests the approval of City Council for the Land Exchange and the payment of \$119,000 to the owner of the Properties for the difference in fair market value between the Easement and the Utilities Property.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF COLORADO SPRINGS:

Section 1. City Council finds the Land Exchange to be in compliance with the Real Estate Manual, the City Charter, City Code, and all other applicable laws.

Section 2. In accord with the Real Estate Manual, the City Council hereby authorizes the Land Exchange and the payment of \$119,000 to the owner of the Properties.

Section 3. The City's Real Estate Services Manager is hereby authorized to execute all documents necessary to complete the Land Exchange as contemplated herein and to obtain the Mayor's signature on the deed in order to dispose of the Utilities Property.

DATED at Colorado Springs, Colorado, this _____ day of _____, 2024.

ATTEST:

Randy Helms, Council President

Sarah B. Johnson, City Clerk

EXHIBIT A

A PARCEL OF LAND LYING WITHIN SECTIONS 33 & 34, TOWNSHIP 14 SOUTH, RANGE 66 WEST OF THE 6TH P.M., CITY OF COLORADO SPRINGS, EL PASO COUNTY, COLORADO, AS RECORDED IN THE REAL PROPERTY RECORDS OF EL PASO COUNTY, COLORADO IN BOOK 6830, PAGE 1065, BEING MORE PARTICULAR DESCRIBED AS FOLLOWS:

TRACTS "A" AND "D", SPROUL RAIL INDUSTRIAL PARK FILING NO. 3, ACCORDING TO THE PLAT THEREOF AS RECORDED IN PLAT BOOK K-2 AT PAGE 55 OF THE RECORDS OF EL PASO COUNTY, COLORADO, TOGETHER WITH A PORTION OF THE NORTH HALF OF SECTION 33 AND A PORTION OF THE NORTH HALF OF SECTION 34, AND A PORTION OF THE SOUTHWEST QUARTER OF SECTION 34, ALL IN TOWNSHIP 14 SOUTH, RANGE 66 WEST OF THE 6TH P.M., BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE MOST NORTHERLY CORNER OF SAID TRACT "A", WHICH POINT IS ON THE SOUTHERLY RIGHT-OF-WAY OF DELTA DRIVE; THENCE S49°18'00"E, 580.00'; THENCE N40°42'00"E, 260.00' TO A POINT ON THE SOUTHERLY RIGHT-OF-WAY LINE OF THE HANCOCK EXPRESSWAY; THENCE S49°, 18'00"E ALONG SAID SOUTHERLY LINE, 200.00'; THENCE S40°42'00"W, 260.00'; THENCE CONTINUE S40°42'00"W ALONG THE SOUTHEASTERLY LINE OF SAID TRACT "A", 469.58'; THENCE CONTINUE S40°42'00"W, 1069.55' TO A POINT ON THE NORTHERLY LINE OF THE SOUTHWEST ONE-QUARTER OF SECTION 34; THENCE S89°27'20"W ALONG SAID NORTHERLY LINE, 899.79' TO A POINT ON THE EASTERLY RIGHT OF WAY LINE OF ATCHISON, TOPEKA AND SANTE FE RAILROAD; THENCE ALONG SAID NORTHEASTERLY LINE FOR THE FOLLOWING THREE (3) COURSES; THENCE N19°12'20" W, 234.24'; THENCE ALONG A CURVE TO THE LEFT HAVING A CENTRAL ANGLE OF 26°42'30", A RADIUS OF 1482.70', AND A LENGTH OF 691.15'; THENCE N45°54'50"W, 1271.21' TO THE MOST SOUTHERLY CORNER OF SPROUL RAIL INDUSTRIAL PARK FILING NO. 1, AS RECORDED IN PLAT BOOK 1-2 AT PAGE 10; THENCE N50°00'00"E, 134.56' TO THE MOST WESTERLY CORNER OF A REPLAT OF SPROUL RAIL INDUSTRIAL PARK FILING NO. 2, AS RECORDED IN PLAT BOOK N-2 AT PAGE 23; SAID POINT ALSO BEING ON THE NORTHEASTERLY RIGHT-OF-WAY LINE OF THE FOUNTAIN VALLEY IRRIGATION CANAL NO. 4, AS IT NOW EXISTS; THE FOLLOWING ELEVEN (11) COURSES ARE CONTIGUOUS WITH SAID NORTHEASTERLY RIGHT-OF-WAY LINE, THE FOLLOWING FIVE (5) COURSES OF WHICH ARE CONTIGUOUS WITH THE SOUTHWEST BOUNDARY OF SAID FILING NO. 2; THENCE S47°, 49'23"E, 94.92'; THENCE ON A CURVE TO THE LEFT HAVING A CENTRAL ANGLE OF 17°25'47", A RADIUS OF 605.74' AND A LENGTH OF 184.27'; THENCE S65°15'10"E, 194.91'; THENCE ON A CURVE TO THE RIGHT HAVING A CENTRAL ANGLE OF 50°36'30", A RADIUS OF 206.00', AND A LENGTH OF 181.95'; THENCE S14°38'40"E, 155.17' TO THE SOUTH CORNER OF SAID FILING NO. 2; THENCE ON A CURVE TO THE LEFT HAVING A CENTRAL ANGLE OF 35°10'02", A RADIUS OF 232.25', A LENGTH OF 142.54' AND WHOSE CHORD BEARS S32°13'41"E, 140.32'; THENCE S49°48'42"E, 206.89'; THENCE ON A CURVE TO THE LEFT HAVING A CENTRAL ANGLE OF 27°42'57", A RADIUS OF 426.40', AND A LENGTH OF 206.26'; THENCE S77°31'39"E, 20.15'; THENCE ON A CURVE TO THE LEFT HAVING A CENTRAL ANGLE OF 12°28'21", A RADIUS OF 545.42' AND A LENGTH OF 118.73'; THENCE N90°00'00"E, 41.61' THENCE N01°52'20"W DEPARTING FROM SAID CANAL RIGHT-OF-WAY, 69.53'; THENCE N88°07'40"E, 100.00'; THENCE N01°S2'20"W, 150.00', (3) THENCE S88°07'40"W, 100.00'; THENCE N23°02'40"E, 116.72' TO A POINT ON THE SOUTHERLY RIGHT-OF-WAY LINE OF DELTA DRIVE; THENCE ALONG THE NORTHERLY LINE OF SAID TRACT "A", WHICH LINE IS ALSO SAID SOUTHERLY RIGHT-OF-WAY LINE OF DELTA DRIVE FOR THE FOLLOWING FOUR (4) COURSES; (1) THENCE ALONG A CURVE TO THE LEFT HAVING A CENTRAL ANGLE OF 43°02'40", A RADIUS OF 640.00', A LENGTH OF 480.81', AND WHOSE CHORD BEARS S88°28'40"E, 469.58'; (2) THENCE N70°00'00"E, 590.00'; (3) THENCE ON A CURVE TO THE LEFT HAVING A CENTRAL ANGLE OF 29°18'00", A RADIUS OF 640.00', AND A LENGTH OF 327.28'; (4) THENCE N40°42'00"E, 140.00' TO THE POINT OF BEGINNING.

EXHIBIT B

PARCELS OF LAND LYING WITHIN SECTIONS 33 & 34, TOWNSHIP 14 SOUTH, RANGE 66 WEST OF THE 6TH P.M., CITY OF COLORADO SPRINGS, EL PASO COUNTY, COLORADO, BEING MORE PARTICULAR DESCRIBED AS FOLLOWS:

PARCEL 1:

COMMENCING AT THE SOUTHWESTERLY CORNER OF TRACT D SPROUL RAIL INDUSTRIAL PARK FILING NO. 1

THENCE ALONG THE SOUTHEASTERLY LINE OF SAID TRACT D NORTH 50 DEGREES 06 MINUTES 01 SECONDS EAST, A DISTANCE OF 77.33 FEET TO THE POINT OF BEGINNING.

THENCE DEPARTING SAID LINE SOUTH 41 DEGREES 06 MINUTES 07 SECONDS EAST, A DISTANCE OF 559.05 FEET;

THENCE SOUTH 41 DEGREES 03 MINUTES 34 SECONDS EAST, A DISTANCE OF 353.00 FEET TO A POINT ON THE SOUTHWESTERLY LINE OF THE SUBJECT PROPERTY;

THENCE ALONG SAID LINE SOUTH 45 DEGREES 55 MINUTES 19 SECONDS EAST, A DISTANCE OF 353.56 FEET;

THENCE CONTINUING ALONG A CURVE TURNING TO THE RIGHT WITH AN ARC LENGTH OF 676.19', HAVING A RADIUS OF 1482.70', WITH A CHORD BEARING OF SOUTH 32 DEGREES 52 MINUTES 16 SECONDS EAST, WITH A CHORD LENGTH OF 670.35';

THENCE DEPARTING SAID LINE SOUTH 88 DEGREES 34 MINUTES 40 SECONDS EAST, A DISTANCE OF 890.35 FEET;

THENCE NORTH 63 DEGREES 00 MINUTES 19 SECONDS EAST, A DISTANCE OF 533.31 FEET TO A POINT ON THE SOUTHEASTERLY LINE OF THE SUBJECT PROPERTY;

THENCE NORTH 40 DEGREES 41 MINUTES 48 SECONDS EAST, A DISTANCE OF 481.16 FEET;

THENCE ALONG SAID LINE SOUTH 77 DEGREES 38 MINUTES 35 SECONDS EAST, A DISTANCE OF 16.65 FEET;

SURVEYED BY:
BLEW & ASSOCIATES P.A.
3825 N SHILOH DRIVE
FAYETTEVILLE, AR, 72703
PHONE #479-443-4506
SURVEY@BLEWINC.COM



EXHIBIT B (CONT.)

THENCE NORTH 40 DEGREES 43 MINUTES 32 SECONDS EAST, A DISTANCE OF 477.88 FEET;
THENCE NORTH 49 DEGREES 19 MINUTES 21 SECONDS WEST, A DISTANCE OF 47.48 FEET;
THENCE SOUTH 42 DEGREES 23 MINUTES 28 SECONDS WEST, A DISTANCE OF 228.00 FEET;
THENCE SOUTH 41 DEGREES 23 MINUTES 23 SECONDS WEST, A DISTANCE OF 324.35 FEET;
THENCE SOUTH 41 DEGREES 23 MINUTES 23 SECONDS WEST, A DISTANCE OF 304.57 FEET;
THENCE SOUTH 63 DEGREES 00 MINUTES 19 SECONDS WEST, A DISTANCE OF 563.09 FEET;
THENCE NORTH 88 DEGREES 34 MINUTES 40 SECONDS WEST, A DISTANCE OF 549.14 FEET;
THENCE NORTH 88 DEGREES 34 MINUTES 40 SECONDS WEST, A DISTANCE OF 257.46 FEET;
THENCE NORTH 30 DEGREES 10 MINUTES 57 SECONDS WEST, A DISTANCE OF 298.46 FEET;
THENCE NORTH 38 DEGREES 59 MINUTES 22 SECONDS WEST, A DISTANCE OF 307.01 FEET;
THENCE NORTH 42 DEGREES 55 MINUTES 55 SECONDS WEST, A DISTANCE OF 387.46 FEET;
THENCE NORTH 41 DEGREES 02 MINUTES 16 SECONDS WEST, A DISTANCE OF 347.31 FEET;
THENCE NORTH 41 DEGREES 02 MINUTES 16 SECONDS WEST, A DISTANCE OF 328.55 FEET TO A POINT ON THE NORTHERLY LINE OF THE SUBJECT PROPERTY;
THENCE ALONG SAID LINE FOLLOWING A CURVE TURNING TO THE RIGHT WITH AN ARC LENGTH OF 140.25', HAVING A RADIUS OF 605.74', WITH A CHORD BEARING OF NORTH 54 DEGREES 28 MINUTES 43 SECONDS WEST, WITH A CHORD LENGTH OF 139.93';
THENCE CONTINUING ON ALONG THE NORTHERLY LINE NORTH 47 DEGREES 41 MINUTES 21 SECONDS WEST, A DISTANCE OF 93.89 FEET TO A POINT ON THE SOUTHEASTERLY LINE OF PREVIOUSLY REFERENCED TRACT D;
THENCE SOUTH 50 DEGREES 06 MINUTES 01 SECONDS WEST, A DISTANCE OF 57.23 FEET TO THE POINT OF BEGINNING.
CONTAINING 363,613 SQ. FEET, OR 8.347 ACRES, OF LAND MORE OR LESS.

PARCEL 2:

COMMENCING AT THE MOST WESTERLY CORNER OF THE SUBJECT PROPERTY AT A POINT ON THE SOUTHWESTERLY RIGHT-OF-WAY LINE OF HANCOCK EXPRESSWAY;
THENCE NORTH 49 DEGREES 16 MINUTES 28 SECONDS WEST, A DISTANCE OF 10.00 FEET TO THE POINT OF BEGINNING;
THENCE NORTH 49 DEGREES 17 MINUTES 45 SECONDS WEST, A DISTANCE OF 39.82 FEET;
THENCE SOUTH 42 DEGREES 23 MINUTES 28 SECONDS WEST, A DISTANCE OF 253.65 FEET;
THENCE SOUTH 49 DEGREES 19 MINUTES 21 SECONDS EAST, A DISTANCE OF 47.19 FEET;
THENCE NORTH 40 DEGREES 43 MINUTES 32 SECONDS EAST, A DISTANCE OF 253.52 FEET TO THE POINT OF BEGINNING.
CONTAINING 11,030 SQ. FEET, OR 0.253 ACRES, OF LAND MORE OR LESS.

SURVEYOR'S CERTIFICATE



BUCKLEY D. BLEW
LICENSED PROFESSIONAL LAND SURVEYOR NO. 38540
STATE OF COLORADO

BASIS OF BEARING

ALL BEARINGS ARE GRID BEARINGS OF THE COLORADO STATE PLANE COORDINATE SYSTEM, CENTRAL ZONE, NAD83. THE BEARING OF THE LINE BETWEEN NGS PID JK0841 (A STAINLESS STEEL ROD IN MONUMENT CASE STAMPED "Y 395 1983") AND NGS PID JK0839 (A STAINLESS STEEL ROD IN MONUMENT CASE STAMPED "S 393 1983") IS S 44°54'47" E. ALL DISTANCES SHOWN HEREON ARE GROUND DISTANCES. COMBINED PROJECT SCALE FACTOR (GRID TO GROUND) IS 1.00018917943.

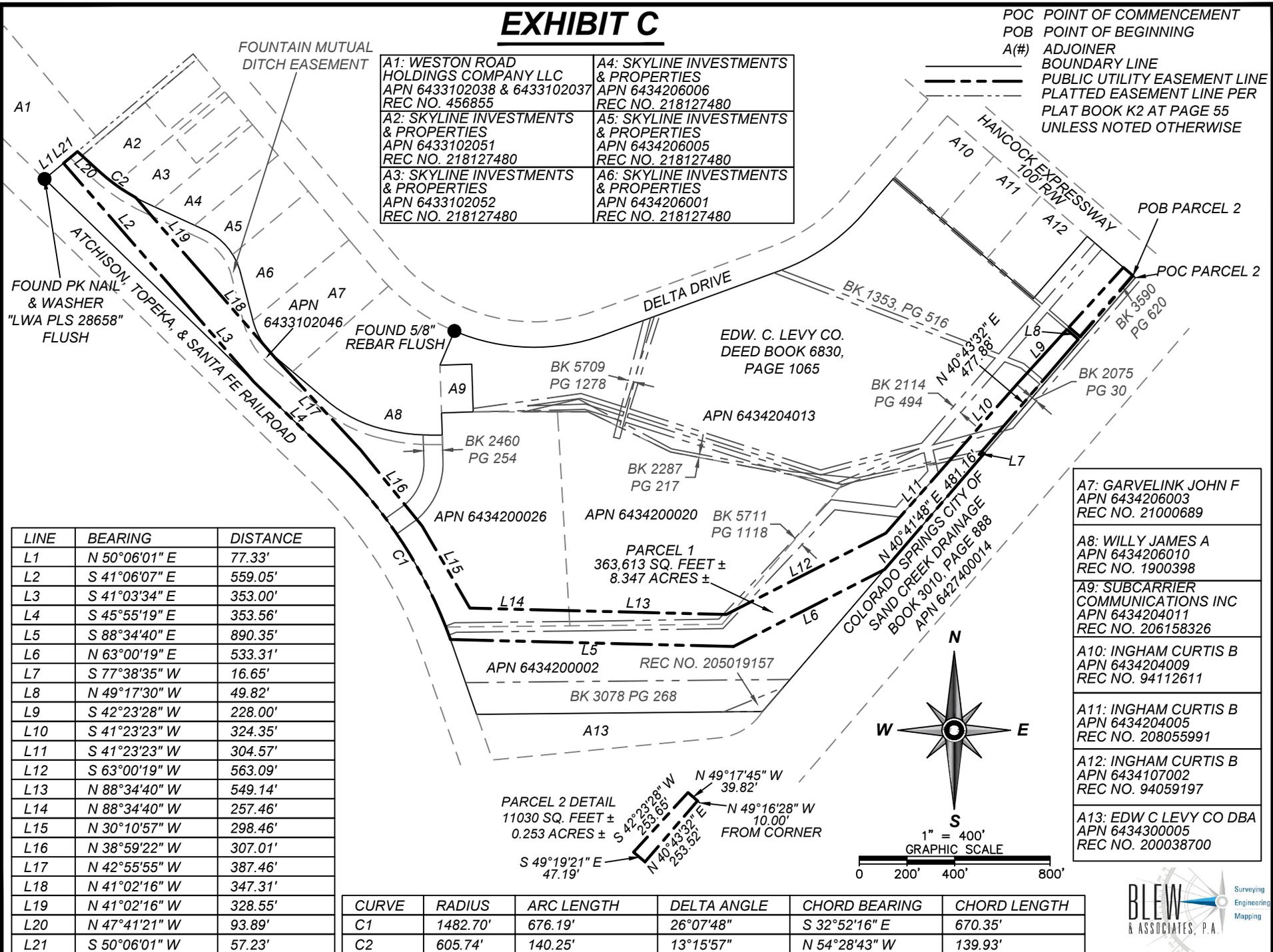
SURVEYED BY:
BLEW & ASSOCIATES P.A.
3825 N SHILOH DRIVE
FAYETTEVILLE, AR, 72703
PHONE #479-443-4506
SURVEY@BLEWINC.COM



EXHIBIT C

POC POINT OF COMMENCEMENT
 POB POINT OF BEGINNING
 A(#) ADJOINER
 BOUNDARY LINE
 PUBLIC UTILITY EASEMENT LINE
 PLATTED EASEMENT LINE PER
 PLAT BOOK K2 AT PAGE 55
 UNLESS NOTED OTHERWISE

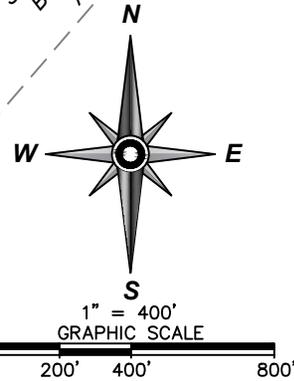
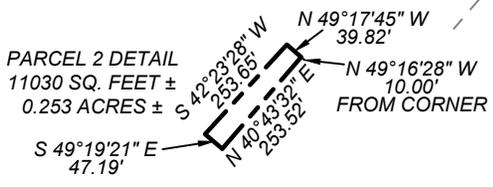
A1: WESTON ROAD HOLDINGS COMPANY LLC APN 6433102038 & 6433102037 REC NO. 456855	A4: SKYLINE INVESTMENTS & PROPERTIES APN 6434206006 REC NO. 218127480
A2: SKYLINE INVESTMENTS & PROPERTIES APN 6433102051 REC NO. 218127480	A5: SKYLINE INVESTMENTS & PROPERTIES APN 6434206005 REC NO. 218127480
A3: SKYLINE INVESTMENTS & PROPERTIES APN 6433102052 REC NO. 218127480	A6: SKYLINE INVESTMENTS & PROPERTIES APN 6434206001 REC NO. 218127480



LINE	BEARING	DISTANCE
L1	N 50°06'01" E	77.33'
L2	S 41°06'07" E	559.05'
L3	S 41°03'34" E	353.00'
L4	S 45°55'19" E	353.56'
L5	S 88°34'40" E	890.35'
L6	N 63°00'19" E	533.31'
L7	S 77°38'35" W	16.65'
L8	N 49°17'30" W	49.82'
L9	S 42°23'28" W	228.00'
L10	S 41°23'23" W	324.35'
L11	S 41°23'23" W	304.57'
L12	S 63°00'19" W	563.09'
L13	N 88°34'40" W	549.14'
L14	N 88°34'40" W	257.46'
L15	N 30°10'57" W	298.46'
L16	N 38°59'22" W	307.01'
L17	N 42°55'55" W	387.46'
L18	N 41°02'16" W	347.31'
L19	N 41°02'16" W	328.55'
L20	N 47°41'21" W	93.89'
L21	S 50°06'01" W	57.23'

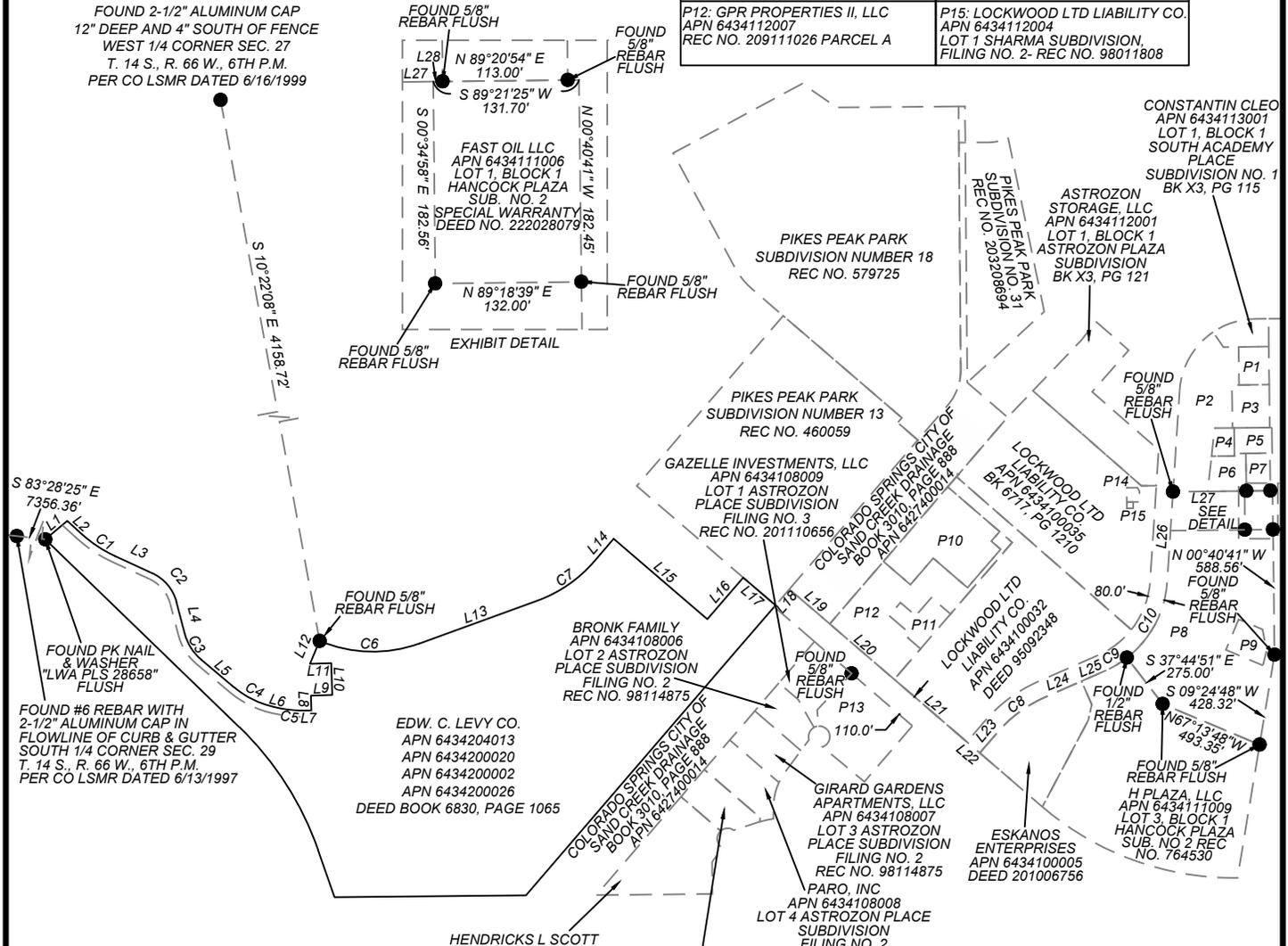
CURVE	RADIUS	ARC LENGTH	DELTA ANGLE	CHORD BEARING	CHORD LENGTH
C1	1482.70'	676.19'	26°07'48"	S 32°52'16" E	670.35'
C2	605.74'	140.25'	13°15'57"	N 54°28'43" W	139.93'

A7: GARVELINK JOHN F APN 6434206003 REC NO. 21000689
A8: WILLY JAMES A APN 6434206010 REC NO. 1900398
A9: SUBCARRIER COMMUNICATIONS INC APN 6434204011 REC NO. 206158326
A10: INGHAM CURTIS B APN 6434204009 REC NO. 94112611
A11: INGHAM CURTIS B APN 6434204005 REC NO. 208055991
A12: INGHAM CURTIS B APN 6434107002 REC NO. 94059197
A13: EDW C LEVY CO DBA APN 6434300005 REC NO. 200038700



MONUMENTATION DETAIL

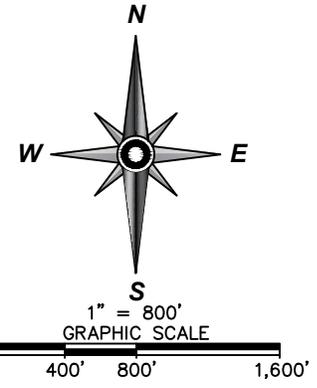
P10: GPR PROPERTIES III, LLC APN 6434100038 REC NO. 219021746	P13: GAZELLE INVESTMENTS, LLC APN 6434108010 LOT 2 ASTROZON PLACE SUBDIVISION FILING NO. 3 REC NO. 201110656
P11: GPR PROPERTIES II, LLC APN 6434112008 DEED 209111026 PARCEL B	P14: LOCKWOOD LTD LIABILITY CO. APN 6434112004 LOT 1 SHARMA SUBDIVISION REC NO. 96047188
P12: GPR PROPERTIES II, LLC APN 6434112007 REC NO. 209111026 PARCEL A	P15: LOCKWOOD LTD LIABILITY CO. APN 6434112004 LOT 1 SHARMA SUBDIVISION, FILING NO. 2 - REC NO. 98011808



LINE	BEARING	DISTANCE
L1	N 50°06'01" E	134.56'
L2	S 47°41'21" E	93.89'
L3	S 65°16'31" E	194.91'
L4	S 14°40'01" E	155.17'
L5	S 49°50'03" E	206.89'
L6	S 77°33'00" E	20.15'
L7	N 89°58'39" E	41.61'
L8	N 01°53'41" W	69.53'
L9	N 88°06'19" E	100.00'
L10	N 01°53'41" W	150.00'
L11	S 88°06'19" W	100.00'
L12	N 23°01'19" E	116.72'
L13	N 69°58'39" E	590.00'
L14	N 40°40'39" E	140.00'
L15	S 49°19'21" E	580.00'
L16	N 40°48'47" E	258.62'
L17	S 49°17'30" E	200.00'
L18	N 40°42'30" E	100.00'
L19	S 49°17'30" E	250.00'
L20	N 49°17'27" W	399.99'
L21	N 49°17'27" W	450.00'
L22	S 49°17'27" E	80.00'
L23	N 40°42'33" E	130.21'
L24	N 66°17'03" E	188.00'
L25	N 66°17'03" E	120.78'
L26	N 03°43'03" E	425.13'
L27	N 89°21'25" E	336.01'
L28	N 89°20'54" E	8.53'

P1: BFS RETAIL & COMMERCIAL APN 6434113012 LOT 2 SOUTH ACADEMY PLACE SUBDIVISION NO. 5 REC NO. 01590201	P4: REED INC. APN 6434113013 LOT 3 SOUTH ACADEMY PLACE SUBDIVISION NO. 5 - REC NO. 01590201	P7: CORINTHIAN REAL ESTATE APN 6434113008 LOT 1 SOUTH ACADEMY PLACE SUBDIVISION NO. 3 PLAT BK B-4, PG 7
P2: ACADEMY CAR CARE CENTER APN 6434113011 LOT 1 SOUTH ACADEMY PLACE SUB NO. 5 REC NO. 01590201	P5: REED INC. APN 6434113006 DEED 216141757 PARCEL A	P8: H PLAZA, LLC APN 6434111010 & 6434111012 LOT 1 & 3 HANCOCK PLAZA SUB FILING NO. 3 - REC NO. 221714666
P3: REED INC. APN 6434113005 LOT 1, BLOCK 1 SOUTH ACADEMY PLACE SUBDIVISION NO. 2 REC NO. 1320890	P6: REED INC. APN 6434113015 DEED 216141757 PARCEL C	P9: H PLAZA, LLC APN 6434111011 LOT 2 HANCOCK PLAZA SUB. FILING NO. 3 - REC NO. 221714666

CURVE	RADIUS	ARC LENGTH	DELTA ANGLE	CHORD BEARING	CHORD LENGTH
C1	605.74'	184.27'	17°25'47"	S 56°33'38" E	183.56'
C2	206.00'	181.95'	50°36'24"	S 39°58'19" E	176.09'
C3	232.25'	142.55'	35°09'58"	S 32°15'02" E	140.32'
C4	426.40'	206.26'	27°42'55"	S 63°41'31" E	204.25'
C5	545.42'	118.73'	12°28'21"	S 83°47'11" E	118.50'
C6	640.00'	480.81'	43°02'39"	S 88°30'01" E	469.58'
C7	640.00'	327.28'	29°17'59"	N 55°19'39" E	323.73'



PARCEL DESIGNATION	5300000624	DATE:	January 29, 2024
OWNER:	CITY OF COLORADO SPRINGS		

EXHIBIT A

LEGAL DESCRIPTION

A portion of that parcel of land as described in Reception Number 96020361 of the records of El Paso County, said parcel is located in the Southwest Quarter of Section 21, Township 13 South, Range 65 West of the Sixth Principal Meridian, El Paso County, Colorado, more particularly described as follows:

Commencing at the Southwest Corner of said Section 21 (being a 2 ½" Aluminum cap "GMS INC., PLS 22095"), thence N. 9°05'07" E., a distance of 1,155.27 feet to a point on the south property line of said property described in Reception Number 96020361, also being the southeast corner of an easement described at Reception Number 210127763, said point also being the **POINT OF BEGINNING**;

1. Thence along said the east line of said easement described at Reception Number 210127763, N. 1°07'38" W., to the north property line of said property described in Reception Number 96020361, a distance of 75.02 feet;
2. Thence along said north property line, S. 89°51'29" E., to the east property line of said property, a distance of 1,156.55 feet;
3. Thence along said east property line, S. 1°07'38" E., to the said south property line, a distance of 75.02 feet;
4. Thence along said south property line, N. 89°51'29" W., a distance of 1,156.55 feet, more or less, to the **POINT OF BEGINNING**.

Said parcel of land contains 86,715 square feet or 1.991 acres, more or less.

EXHIBIT B SKETCH is attached hereto and thereby incorporated as a part of the preceding legal description.

Bearings are based on a GPS Static Survey performed July 20, 2006, by CH2M Hill Inc. The west line of the Southwest Quarter of Section 21 from the southwest corner (a 2-1/2" aluminum cap, PLS 22095) to the west quarter corner (a 2-1/2" aluminum cap, PLS 17664) bears N 0°35'20" W., a distance of 2,642.51 feet.

This description was prepared by:
 Kevin Williams, P.L.S. 28294
 On behalf of Wilson & Co.
 990 S. Broadway, Ste. 220
 Denver, CO 80209

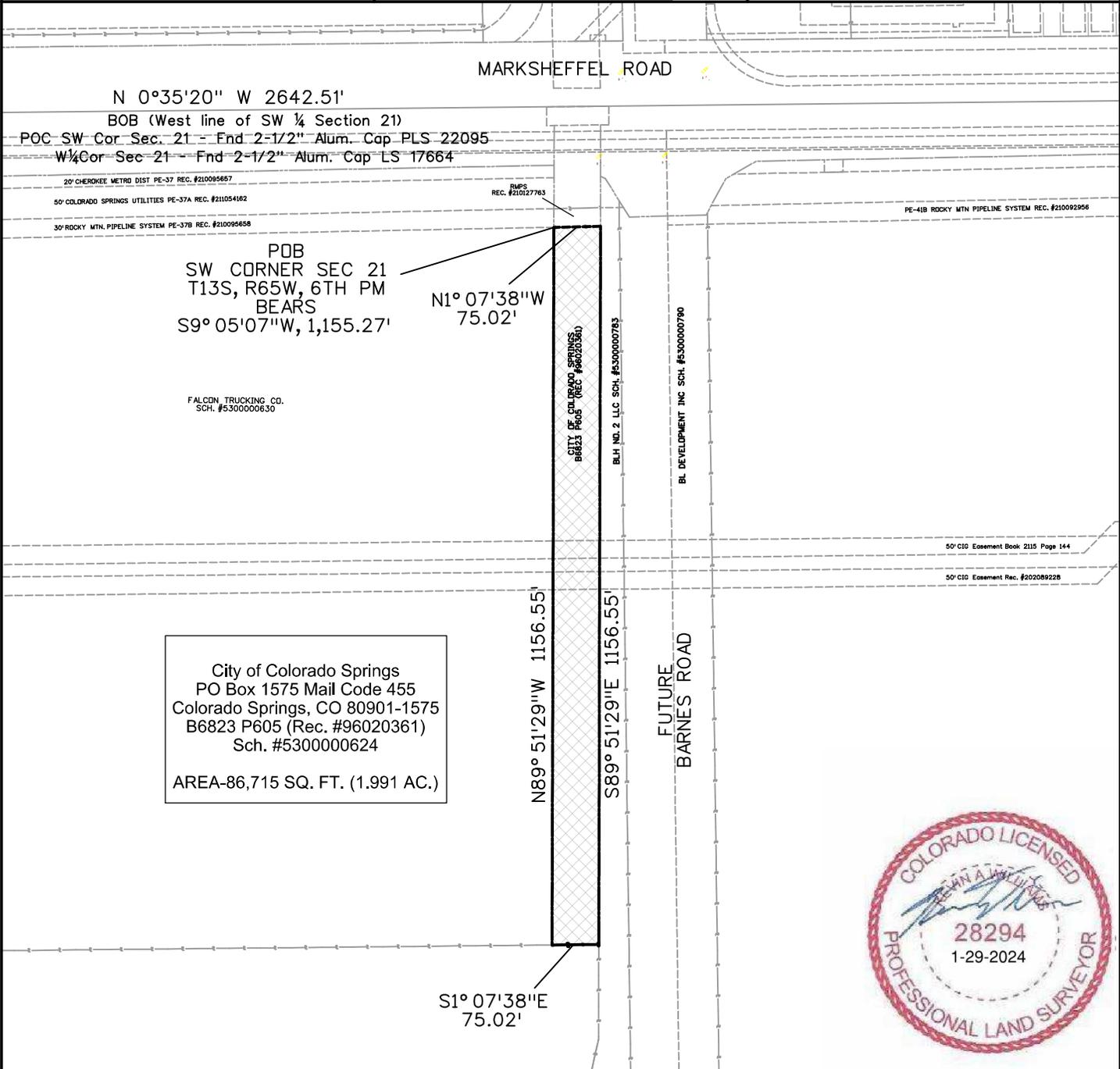


DATE: 29-JAN-2024

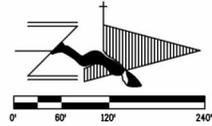
APPROVED BY: K. WILLIAMS

EXHIBIT B SKETCH

PARCEL 5300000624
 SW 1/4 SECTION 21
 T 13 S, R 65 W, 6TH P.M.
 CITY OF COLORADO SPRINGS,
 EL PASO COUNTY, COLORADO



- NOTES:
1. This sketch does not constitute a land survey plat by Wilson & Co.
 2. This sketch is a graphic representation of the burdened property. In the event Exhibit B is inconsistent with Exhibit A. Exhibit A shall control.
 3. Bearings are based on a GPS Static Survey performed July 20, 2006 by CH2M Hill Inc. The line between stations DOT1 and E 24 bears N 48°53'48" E a distance of 40,950.79 ft.



SHEET 1 OF 1

Board Memo Agenda Item

Staff Report

Date: February 21, 2024
To: Utilities Board
From: Travas Deal, Chief Executive Officer
Subject: Outside City Wastewater Service Agreement – Falcon Area Water and Wastewater Authority

NARRATIVE:

Desired Action: Approval

Executive Summary: Falcon Area Water and Wastewater Authority (FAWWA) is a Colorado statutory water and wastewater authority that was formed in 2017 with a planned service area of approximately 2,560 acres located 20 miles northeast of downtown Colorado Springs in unincorporated El Paso County with close proximity to Woodmen Road and Powers Boulevard, outside the City limits. FAWWA intends to provide wastewater collection service to developments within its service area and has requested wastewater treatment service from Colorado Springs Utilities. Colorado Springs Utilities has negotiated the attached regional wastewater treatment agreement under which it will provide wastewater treatment service to FAWWA for maximum available flows of up to 0.29 million gallons per day. The agreement requires approval by the Utilities Board and City Council. Should the Utilities Board approve the agreement it will go to City Council for consideration at the March 12, 2024 regular City Council meeting.

Benefits: This long-term (25-year) regional wastewater service agreement is consistent with current regional policy and regional tariffs and will provide a positive revenue benefit to Colorado Springs Utilities' customers.

Board Policy: I-7, Water Supply Management

Cost/Budget: Gross revenue under the proposed agreement will be approximately \$472,000 per year.

Affected Parties: Colorado Springs Utilities and FAWWA

Alternatives: N/A

Submitter: Todd Sturtevant

Email address: tsturtevant@csu.org

Division/ Department: System Planning and Projects,
Customer Utilities Connections

Phone number: 719-668-8128

Date submitted: February 1, 2024

SPG Staff Use Only: Consent Calendar

Yes

No **X**

ITEM NO. 8



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

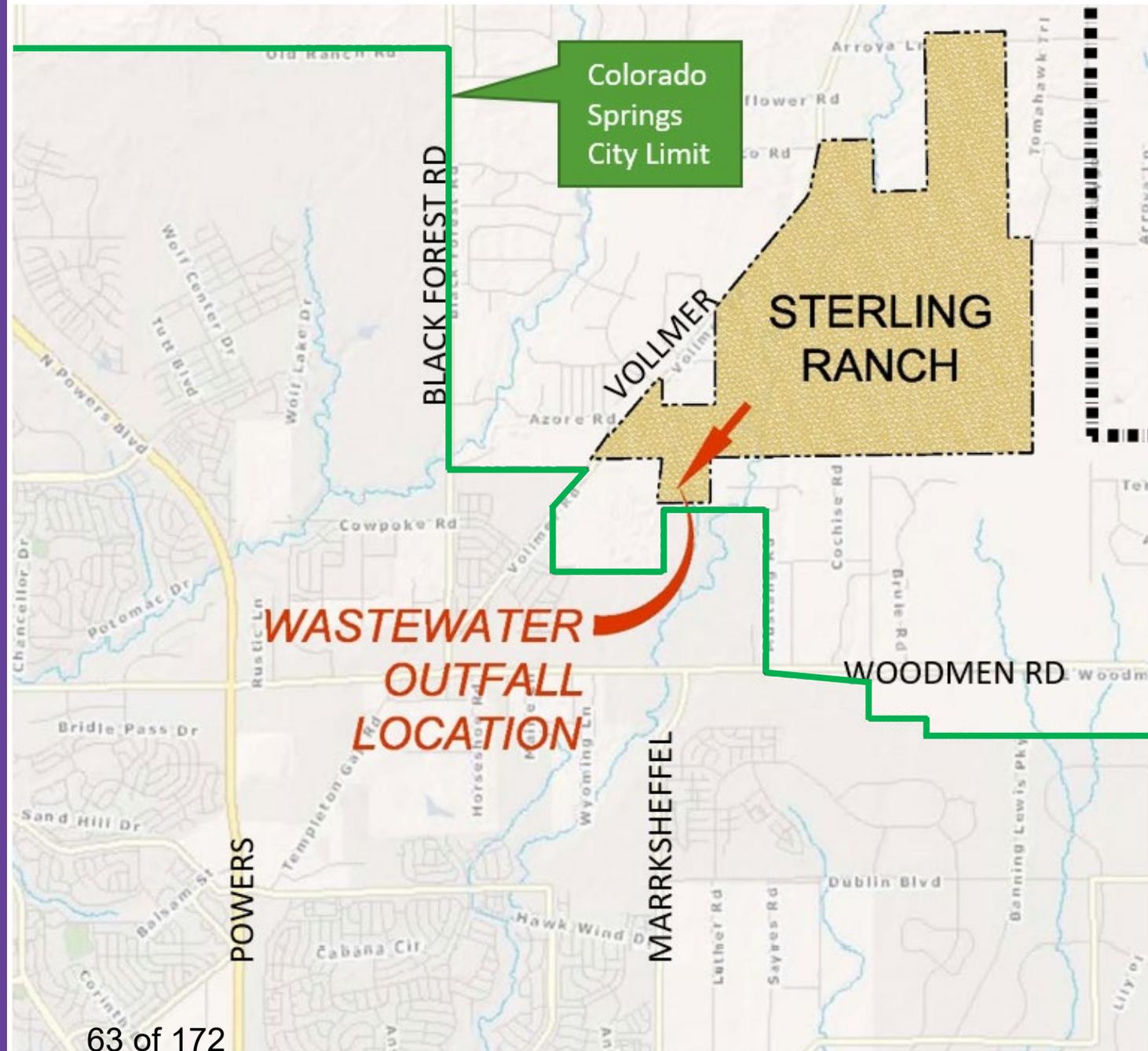
Outside City Wastewater Service Agreement

February 21, 2024

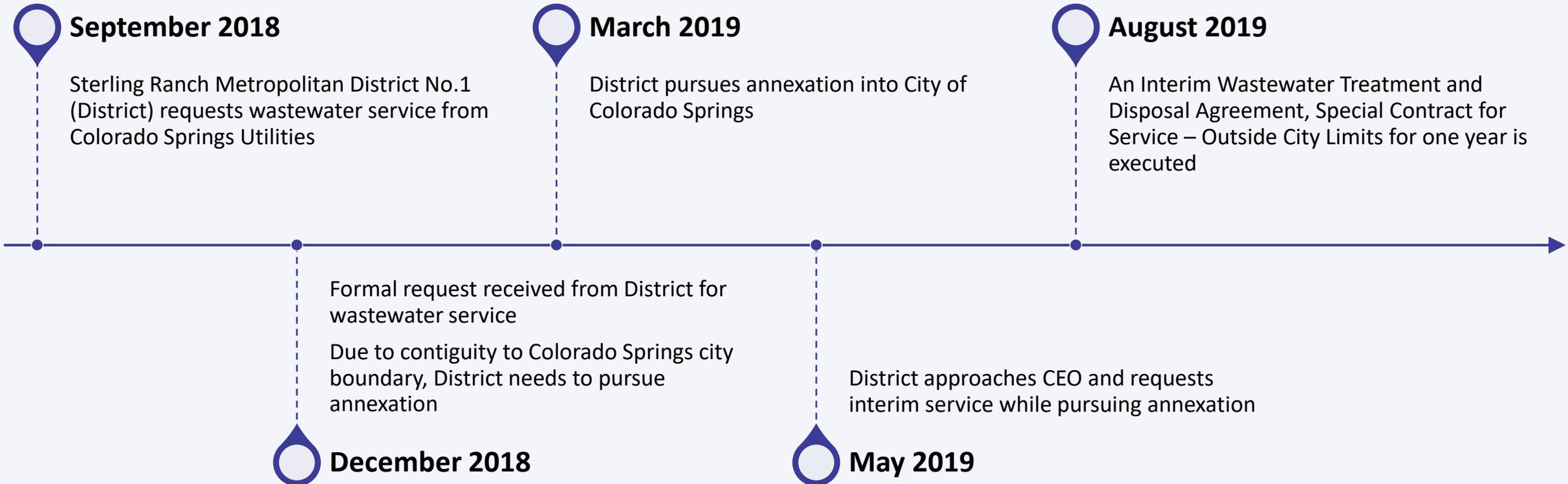
Todd Sturtevant, Customer Utilities Connections Manager
Customer Utilities Connections

Service Request

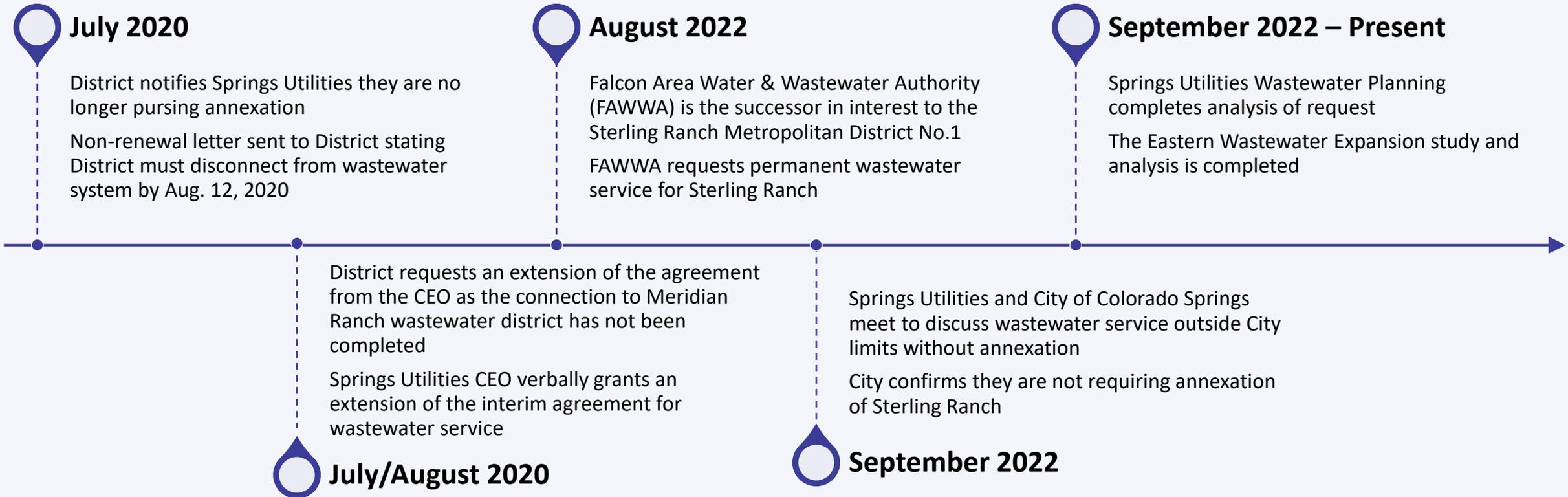
- Falcon Area Water & Wastewater Authority (FAWWA) has requested continued wastewater service for Sterling Ranch
- Wastewater is currently serviced by Springs Utilities, Meridian Service Metropolitan District and Cherokee Metropolitan District
- Sterling Ranch is approximately 2,560 acres located north of Colorado Springs boundaries
- Water is provided by Denver Basin groundwater
- Primary developers consist of Elite Properties of America, Inc and Classic SRJ, LLC which are related entities and are part of Classic Companies



History Overview



History Overview



Agreement Terms and Conditions

- 25-year term to accept and treat wastewater
- Allowable Flows
 - 0.115 MGD initial allowable flow with current wastewater infrastructure
 - 0.29 MGD maximum allowable flow with upgraded wastewater infrastructure
- Pay applicable wastewater cost recoveries
 - \$1.6 M for initial allowable flow of 0.115 MGD
- Pay applicable Wastewater Regional System Availability Fee (WRSAF)
- Developer to construct upgraded wastewater infrastructure prior to exceeding the initial allowable flow at developer's cost and approved by Springs Utilities
- Springs Utilities may terminate agreement if:
 - Flows exceed allowable limits in agreement
 - Breach of the Agreement

Rate and Revenue

- Consistent with Regional Tariffs and URRs
- Contract Service – Regional (S9C) Rate
 - \$0.0336 per cubic foot
 - Changes consistent with Tariffs

Approximately \$189 thousand in revenue each year at 0.115 MGD

Approximately \$283 thousand additional revenue each year at 0.29 MGD

Next Steps

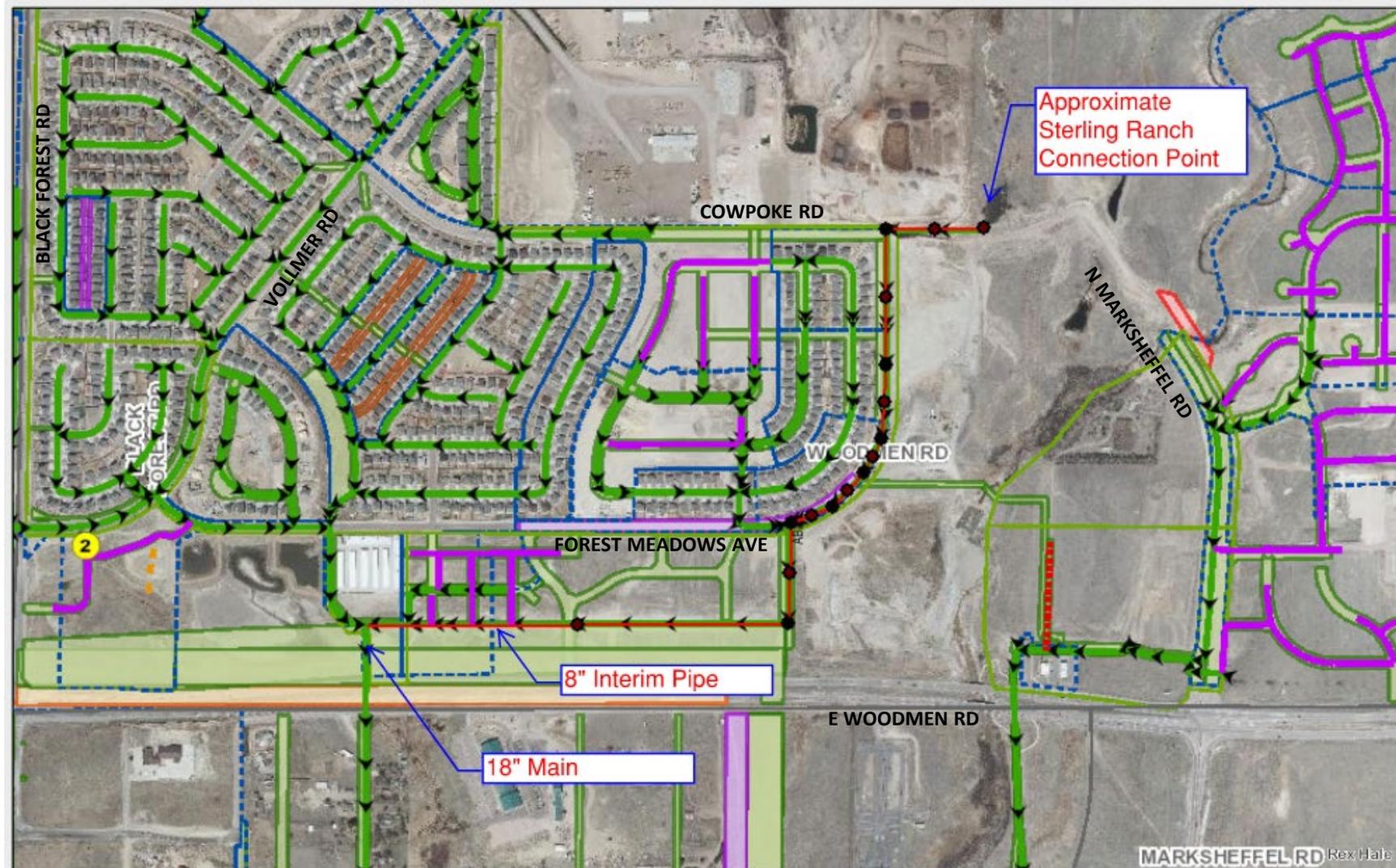
- Submit agreement for consideration to City Council
 - Recommend that agreement be placed on the consent calendar for the March 12, 2024 City Council meeting



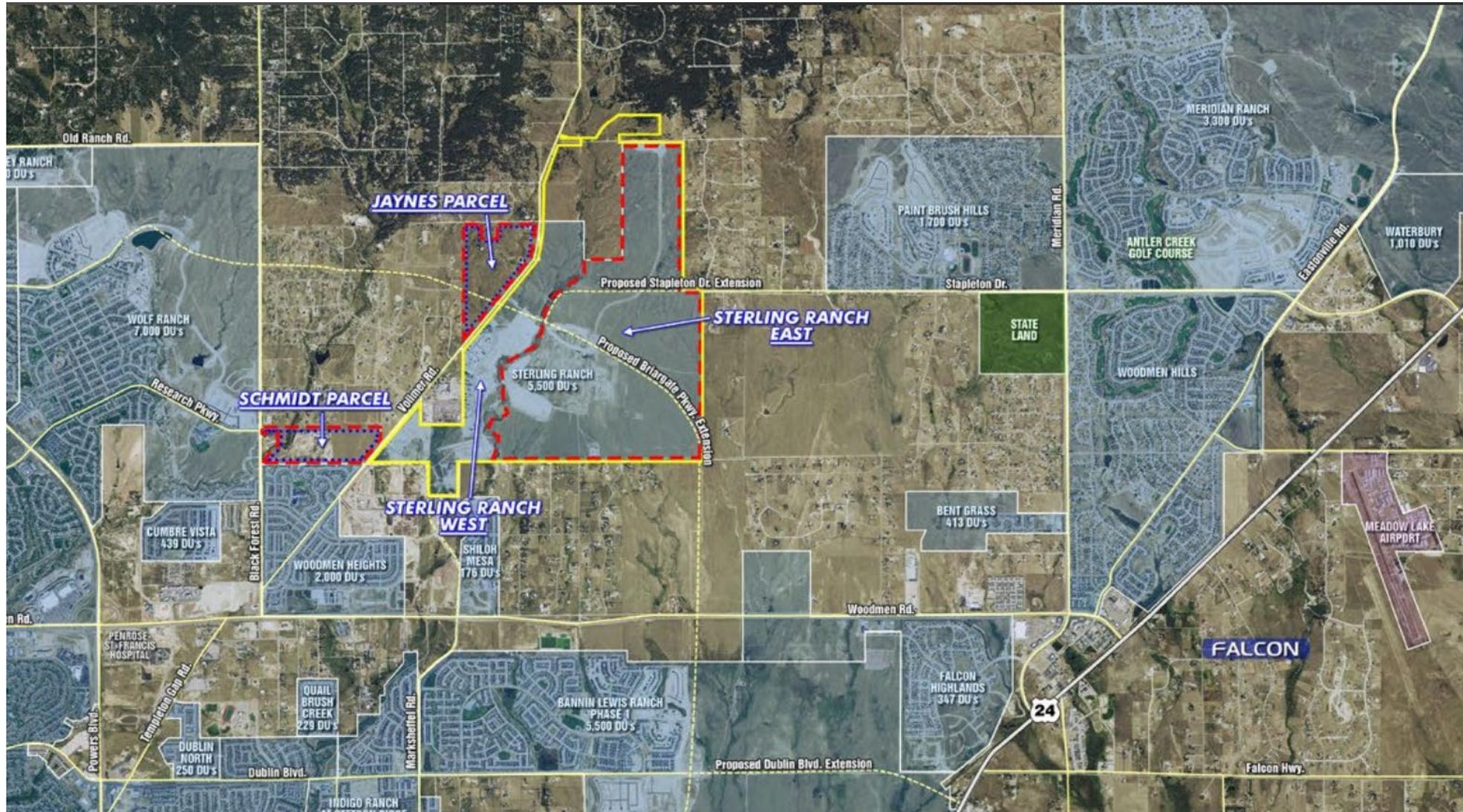
Colorado Springs Utilities[®]

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Wastewater Connection Point



Aerial Map





Colorado Springs Utilities[®]

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A RESOLUTION AUTHORIZING AND DIRECTING THE CHIEF EXECUTIVE OFFICER OF COLORADO SPRINGS UTILITIES TO ENTER INTO AN AGREEMENT FOR REGIONAL WASTEWATER SERVICE BETWEEN COLORADO SPRINGS UTILITIES AND FALCON AREA WATER AND WASTEWATER AUTHORITY

WHEREAS, City Code § 12.5.304 allows Colorado Springs Utilities (“Utilities”) to provide by contract for the use of or connection to its wastewater system by institutions, plants, districts, governments, municipal corporations, or other similar users; and

WHEREAS, The Falcon Area Water and Wastewater Authority (“FAWWA”) is a Colorado statutory water and wastewater authority that was formed in 2017 with a planned service area of approximately 2,560 acres located 20 miles northeast of downtown Colorado Springs in unincorporated El Paso County with close proximity to Woodmen Road and Powers Boulevard, outside the City limits; and

WHEREAS, FAWWA desires to obtain wastewater treatment service from Utilities to provide wastewater treatment service to certain properties within FAWWA’s service area which are anticipated to contribute Maximum Allowable Flow of up to 0.29 Million Gallons Per Day to Utilities’ wastewater treatment system; and

WHEREAS, Utilities currently has sufficient infrastructure capacity in its wastewater system to provide regional wastewater service to FAWWA; and

WHEREAS, in exchange for regional wastewater service, FAWWA has agreed to pay the rates and fees set forth in Utilities’ Tariffs for such service; and

WHEREAS, Utilities requests that City Council approve Utilities’ provision of regional wastewater service to FAWWA and authorize and direct the Chief Executive Officer of Colorado Springs Utilities to enter into an agreement for regional wastewater service with FAWWA; and

WHEREAS, City Council recognizes that approving the provision of wastewater service to FAWWA does not set precedent for future requests for regional wastewater service.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF COLORADO SPRINGS:

Section 1. City Council finds and determines that Utilities’ provision of regional wastewater service to FAWWA will benefit the public health, safety and welfare of the

surrounding community and is in the best interest of Utilities and the City of Colorado Springs.

Section 2. City Council hereby approves Utilities' provision of regional wastewater service to FAWWA in accordance with the Wastewater Service Agreement attached hereto.

Section 3. The Chief Executive Officer of Colorado Springs Utilities is authorized and directed to enter into the Wastewater Service Agreement with FAWWA in a form substantially similar to that attached hereto.

Section 4. This Resolution shall be in full force and effect immediately upon its adoption.

Dated at Colorado Springs, Colorado this __ day of _____, 2024.

Council President

ATTEST:

Sarah B. Johnson, City Clerk

WASTEWATER SERVICE AGREEMENT
Contract Service – Regional (S9C)
Falcon Area Water and Wastewater Authority

THIS AGREEMENT ("Agreement") is made and entered into as of the date of the last signature below ('Effective Date") by and between Colorado Springs Utilities ("UTILITIES"), an enterprise of the City of Colorado Springs ("City"), a home rule City and Colorado municipal corporation, and Falcon Area Water and Wastewater Authority ("FAWWA"), a quasi-municipal entity and political subdivision of the State of Colorado. In this document, UTILITIES and FAWWA can be referred to individually as "Party" or collectively as "Parties."

Recitals

- A. FAWWA is a Colorado statutory water and wastewater authority that was formed in 2017 with a planned service area of approximately 2,560 acres located 20 miles northeast of downtown Colorado Springs in unincorporated El Paso County with close proximity to Woodmen Road and Powers Boulevard, outside the City limits.
- B. FAWWA intends to provide wastewater collection service to a development within FAWWA's Service Area that is outside of the City limits (as defined in Article 1 below).
- C. FAWWA desires to obtain wastewater treatment service from UTILITIES to provide wastewater treatment service to certain properties within FAWWA's Service Area which are anticipated to contribute Maximum Allowable Flow of up to 0.29 Million Gallons per Day (MGD) to UTILITIES' Wastewater Treatment System.
- D. FAWWA may in the future seek to obtain wastewater treatment service from UTILITIES to provide wastewater treatment service to properties within FAWWA's Service Area that are not served under this Agreement.
- E. UTILITIES will have sufficient wastewater infrastructure and treatment capacity available in its Wastewater Treatment System to provide wastewater collection and treatment services for the anticipated Maximum Annual Flow from FAWWA subject to the terms and conditions set forth herein.
- F. FAWWA is the successor in interest to the Sterling Ranch Metropolitan District No.1 ("Sterling Ranch") which was the previous wastewater collection service provider for portions of FAWWA's Service Area. Sterling Ranch and UTILITIES entered into an Interim Wastewater Treatment and Disposal Agreement dated August 12, 2019 under which UTILITIES agreed to provide wastewater treatment service for up to 302 single family equivalents ("SFEs") located in FAWWA's Service Area that will be served under this Agreement ("Interim Wastewater Agreement").
- G. UTILITIES and FAWWA intend for this Agreement to supersede and replace the Interim Wastewater Agreement in its entirety.
- H. The Parties have entered into this Agreement pursuant to Section 12.5.304 (Service; Special Contract) of Article 5 (Wastewater Treatment Code) of Chapter 12 (Utilities) of the Code of

the City of Colorado Springs 2001, as amended ("City Code").

NOW, THEREFORE, FOR GOOD AND VALUABLE CONSIDERATION, INCLUDING THE FOREGOING REPRESENTATIONS, IT IS AGREED AS FOLLOWS:

Article I

General Provisions

1. Term. This Agreement shall become effective on the Effective Date and shall be in effect for a period of twenty five (25) years.
 - a. No later than twenty four (24) months prior to the expiration of the Term, the Parties shall begin good faith negotiations on a new agreement for UTILITIES to treat FAWWA's wastewater, with the expectation that such new agreement shall be substantially similar to this Agreement.
 - b. If the Parties are unable to execute a new agreement by the date that is six (6) months prior to the end of the Term:
 - i. UTILITIES may notify FAWWA in writing that FAWWA shall be disconnected from UTILITIES' Wastewater Treatment System as of the expiration of the Term; or
 - ii. If the Parties mutually agree to continue good faith negotiations for a new wastewater treatment service agreement beyond the Term, the term may be extended for an additional 1 year term at UTILITIES' sole discretion.
 - c. FAWWA and UTILITIES agree that upon its Effective Date, this Agreement supersedes the expired Interim Wastewater Agreement and any amendments or addendums thereto and that this Agreement shall govern UTILITIES' wastewater collection and treatment obligations with regard to FAWWA.
2. Definitions. Terms not otherwise defined herein shall have the meaning adopted in the latest amendment to the City Code as amended. Defined terms are capitalized.
 - a. FAWWA's Customers: The persons and entities located within FAWWA's Service Area, that receive the benefit of the wastewater treatment service provided hereunder.
 - b. FAWWA's Service Area: The properties located outside of the Colorado Springs City Limits, as depicted on Exhibit A and identified thereon as Sterling Ranch West, Sterling Ranch East, Retreat at TimberRidge, Jaynes Parcel, the easterly portion of the property known as the Schmidt Parcel as described in Exhibit "D" attached hereto ("Easterly Schmidt Parcel"), along with property known as Raygor and The Ranch, all as defined and set forth in the FAWWA organizing Intergovernmental Agreement. This Agreement shall only apply to wastewater treatment service for properties located within Sterling Ranch West, Jaynes Parcel, the Easterly Schmidt Parcel, Retreat at TimberRidge and that portion of Sterling Ranch East that is within the applicable sewer basin, all as further

set forth and depicted on Exhibit A attached hereto ("Eligible Service Area"), with Maximum Allowable Flows not to exceed 0.29 MGD.

- c. FAWWA's Wastewater Collection System: Any devices, facilities, structures, equipment or works owned and/or operated by FAWWA for the purpose of collection and transmission of wastewater generated within FAWWA's Service Area to UTILITIES' Wastewater Treatment System.
- d. Industrial User: A source of discharge which introduces pollutants into FAWWA's Wastewater Collection System and UTILITIES' Wastewater Treatment System from any nondomestic source regulated under Section 307(B), (C), or (D) of 33 USC Section 1251, et seq.
- e. Initial Allowable Flow: The Initial Allowable Flow shall be calculated based on a ninety (90) day rolling average of discharge as measured at the points of connection described in Article II Section 1.
- f. Maximum Allowable Flow: The Maximum Allowable Flow shall be calculated based on a ninety (90) day rolling average of discharge as measured at the points of connection described in Article II Section 1.
- g. Recovery Agreement Charges: A Recovery Agreement Charge may be assessed for each connection to a collection line or use of a pumping station and force mains, where such line or facility is planned or constructed by UTILITIES or is the subject of a Recovery Agreement between UTILITIES and the property owner or developer who constructed such line or facility. Consistent with such agreements, the charge will be in an amount which represents a pro rata share of the cost of construction of the line or facility.
- h. UTILITIES' Wastewater Treatment System: Any devices, facilities, structures, equipment or works owned and/or operated by UTILITIES for the purpose of collecting and treating wastewater.
- i. Wastewater Regional System Availability Fee (WWRSAF): A fee assessed for each new connection to UTILITIES' Wastewater Collection and Treatment System by contract outside the corporate limits of the City in areas where UTILITIES' Wastewater Treatment System is available for use by UTILITIES to serve institutions, plants, organized wastewater districts, municipal corporations, or other similar organizations and only with prior approval by the Colorado Springs City Council.
 - i. The WWRSAF reflects the amount of capacity needed within UTILITIES' Wastewater Treatment System to meet the obligations of regional wastewater contracts.
 - ii. The WWRSAF is determined based on the meter size needed to treat the FAWWA's Maximum Allowable Flow.
 - iii. Any entity that paid a WWRSAF or an analogous charge through a contract in place prior to the implementation of the WWRSAF will be credited for the amount paid for the

analogous charge. If the entity met its full contractual WWRSF or equivalent, it is deemed to have met its WWRSF and will not be charged an additional WWRSF.

- j. WWLESS: UTILITIES' Wastewater Line Extension and Service Standards, as may be amended or replaced.

3. Jurisdiction and Compliance.

- a. This Agreement is for wastewater treatment service as defined in UTILITIES' Wastewater Rate Schedule "Contract Service – Regional (S9C)," together with UTILITIES' Rules and Regulations ("URRs") as such may be amended or replaced from time to time by the Colorado Springs City Council ("Tariffs"). The wastewater treatment service provided to FAWWA under this Agreement shall be governed, implemented and enforced with regard to FAWWA and FAWWA's Customers in accordance with the Colorado Springs City Charter, the City Code, the Tariffs, UTILITIES' WWLESS, and all other applicable City or UTILITIES' ordinances, resolutions regulations, policies and rules concerning use of UTILITIES' Wastewater Treatment System as may be amended or replaced, except as otherwise provided in this Agreement.
- b. FAWWA is a User of Colorado Springs' publicly owned wastewater treatment works for the purposes of City Code §12.5.102. In accordance with City Code § 12.5.304, FAWWA submits to the jurisdiction of the City for the purposes of implementation and enforcement of City Code Chapter 12, Article 5 with regard to FAWWA and FAWWA's Customers. FAWWA shall by ordinances, resolutions, provide for FAWWA and FAWWA's Customers to submit to the jurisdiction of the City for the purposes of the UTILITIES implementing and enforcing City Code Chapter 12, Article 5 with regard to FAWWA and its Customers and require FAWWA and its Customers to comply with all applicable laws, regulations, rules or policies concerning use of UTILITIES' Wastewater Treatment System as they exist now or may be amended or replaced in the future (collectively, "FAWWA's Sewer Use Regulations"). FAWWA's Sewer Use Regulations must include provisions that mirror or are more stringent than City Code Chapter 12, Article 5. FAWWA shall provide UTILITIES with a draft of FAWWA's proposed Sewer Use Regulations to the contacts set forth in Article III.13 of this agreement within ninety (90) days after the effective date of this Agreement. UTILITIES will have sixty (60) days from its receipt of the draft to provide FAWWA with notice of whether it approves FAWWA's proposed Sewer Use Regulations or if revisions are necessary. If UTILITIES determines that revisions to FAWWA's Sewer Use Regulations are necessary, FAWWA shall provide UTILITIES with revised proposed Sewer Use Regulations that include the revisions. UTILITIES will have sixty (60) days from its receipt of the revised proposed Sewer Use Regulations to provide FAWWA with notice of whether it approves FAWWA's revised proposed Sewer Use Regulations or if revisions are necessary. If UTILITIES provides FAWWA with notice that revisions to the proposed Sewer Use Regulations are necessary, FAWWA shall have ninety (90) days to make such revisions and provide UTILITIES with a revised proposed Sewer Use Regulations that includes UTILITIES' requested revisions. UTILITIES will have sixty (60) days from its receipt of the revised proposed Sewer Use Regulations to provide FAWWA with notice of whether it approves FAWWA's revised proposed Sewer Use Regulations or

if revisions thereto are necessary. FAWWA shall adopt the approved Sewer Use Regulations within sixty (60) days of receiving notice of UTILITIES' approval of the regulations.

- c. UTILITIES shall provide FAWWA with notice of any revisions made to City Code Chapter 12, Article 5 in the future. FAWWA shall revise and provide the contacts set forth in Article III.13 its revised Sewer Use Regulations that are at least as stringent as the revised version of City Code Chapter 12, Article 5 within sixty (60) days of its receipt of notice from UTILITIES. UTILITIES will have sixty (60) days from its receipt of the draft to provide FAWWA with notice of whether it approves FAWWA's proposed Sewer Use Regulations or if revisions are necessary. If UTILITIES determines that revisions to FAWWA's Sewer Use Regulations are necessary, FAWWA shall provide UTILITIES with revised proposed Sewer Use Regulations that include the revisions. UTILITIES will have sixty (60) days from its receipt of the revised proposed Sewer Use Regulations to provide FAWWA with notice of whether it approves FAWWA's revised proposed Sewer Use Regulations or if revisions are necessary. If UTILITIES provides FAWWA with notice that revisions to the proposed Sewer Use Regulations are necessary, FAWWA shall have ninety (90) days to make such revisions and provide UTILITIES with a revised proposed Sewer Use Ordinance that includes UTILITIES' requested revisions. UTILITIES will have sixty (60) days from its receipt of the revised proposed Sewer Use Regulations to provide FAWWA with notice of whether it approves FAWWA's revised proposed Sewer Use Regulations or if revisions thereto are necessary.
- d. FAWWA shall provide UTILITIES with notice and a copy of the most recent version of FAWWA's Sewer Use Regulations to the contacts set forth in Article III.13 by **February 15** of each calendar year, and any amendments to said regulations within thirty (30) days of adoption.

4. Wastewater Treatment Service.

- a. During the term of this Agreement, UTILITIES will accept and treat through its Wastewater Treatment System wastewater that originates from inside the portions of FAWWA's Service Area located within the Eligible Service Area from FAWWA's Customers, including the 302 SFEs previously served under the Interim Agreement, subject to the terms and conditions contained herein.
- b. It is anticipated that at full build out the Maximum Allowable Flow from the Eligible Service Area served hereunder will be 0.29 MGD. UTILITIES shall have no obligation to accept and treat wastewater from FAWWA's Wastewater Collection System that exceeds the Maximum Allowable Flow of 0.29 MGD.
- c. UTILITIES shall not be obligated to accept and treat wastewater from FAWWA's Wastewater Collection System that exceeds the Initial Allowable Flow of 0.115 MGD until FAWWA has constructed and UTILITIES has approved the relief systems described in Article I.8 of this Agreement.

- d. The Parties shall meet annually, no later than **February 15** or within thirty (30) days after UTILITIES provides FAWWA with notice that its Initial Allowable Flow has exceeded 0.092 MGD, to discuss FAWWA's plans for development of its Service Area and whether FAWWA intends to expand the wastewater treatment service provided by UTILITIES to Maximum Allowable Flow in excess of 0.115 MGD and the anticipated timeline for such expansion of service. If FAWWA intends to expand the wastewater treatment service provided by UTILITIES hereunder to Maximum Allowable Flow in excess of 0.115 MGD, FAWWA shall provide UTILITIES with notice of that intent and UTILITIES shall have no obligation to treat wastewater and FAWWA shall not introduce wastewater at Maximum Allowable Flow in excess of 0.115 MGD until FAWWA has constructed and UTILITIES has approved the relief systems described in Article I.8 of this Agreement. If FAWWA does not intend to expand the wastewater treatment service provided by UTILITIES hereunder to Maximum Allowable Flow in excess of 0.115 MGD, FAWWA shall provide UTILITIES with notice of that intent and UTILITIES shall have no obligation to treat wastewater and FAWWA shall not introduce wastewater at a flow in excess of 0.115 MGD into UTILITIES' Wastewater Treatment System after such notice is provided.
 - e. UTILITIES may terminate this Agreement if FAWWA introduces wastewater into UTILITIES' Wastewater Treatment System at Maximum Allowable Flow in excess of 0.115 MGD prior to when the relief systems required by Article I.8 are constructed and approved by UTILITIES or after FAWWA provides UTILITIES with notice of its intent not to expand the service provided beyond Maximum Allowable Flow of 0.115 MGD. If UTILITIES does not terminate the Agreement for such reasons, FAWWA shall take whatever steps are necessary to ensure that it does not introduce Maximum Allowable Flow in excess of 0.115 MGD into UTILITIES' Wastewater Treatment System and shall pay UTILITIES \$1,000.00 per day that the Maximum Allowable Flow introduced into UTILITIES' Wastewater Treatment System are above 0.115 MGD.
 - f. UTILITIES shall have no obligation to accept and treat additional wastewater under this Agreement that originates outside of the Eligible Service Area, except as provided in Article I, Paragraph 5 below.
 - g. FAWWA shall provide to UTILITIES an updated copy of the map of FAWWA 's Wastewater Collection System to the contacts set forth in Article III.13 by **February 15** of each year or notice to the same contacts that no changes to FAWWA 's Wastewater Collection System have occurred in the preceding year.
5. Expansion of Wastewater Treatment Obligations.
- a. If FAWWA desires to obtain additional wastewater treatment service from UTILITIES (1) for properties located outside of the Eligible Service Area; or (2) that results in FAWWA's discharges to UTILITIES' Wastewater Treatment System to exceed Maximum Allowable Flow of 0.29 MGD then:
 - i. UTILITIES and FAWWA must negotiate an amendment to this Agreement or a new

agreement that provides for such an expansion. FAWWA acknowledges that any such amendment of this Agreement or a new agreement may require approval by the UTILITIES' Board of Directors and/or the Colorado Springs City Council.

- ii. FAWWA shall provide notice to UTILITIES of its intent to request expanded wastewater treatment service for other properties prior to FAWWA seeking approval of the proposed changes from El Paso County. The notice must include the number, types of connections, and flow estimates to FAWWA's Wastewater Collection System that will be included in the expanded Service Area.
- iii. UTILITIES shall provide notice to FAWWA of whether it supports the requested changes in wastewater treatment service provided by UTILITIES, whether such expanded service will need to be provided under an amendment to this Agreement or a new agreement, and whether such amendment or new agreement will require approval by the UTILITIES' Board of Directors and/or the Colorado Springs City Council within one hundred and eighty (180) days of UTILITIES' receipt of notice of the requested proposed changes to the extent of wastewater treatment service by UTILITIES. FAWWA acknowledges the expansion of wastewater treatment service is limited to properties within FAWWA's Service Area or within areas that may be included in FAWWA's Service Area in the future.
- iv. The Parties shall meet annually, no later than February 15, or within thirty (30) days after UTILITIES provides FAWWA with notice that its Initial Allowable Flow over the past ninety (90) days have exceeded 0.092 MGD, to discuss FAWWA's plans for development of its Service Area and whether FAWWA intends to expand the wastewater treatment service provided by UTILITIES and the anticipated timeline for such expansion of service.
- v. If FAWWA intends for the wastewater treatment service provided by UTILITIES to be expanded beyond the Maximum Allowable Flow of 0.29 MGD, the Parties shall meet annually, no later than **February 15**, or within thirty (30) days after UTILITIES provides FAWWA with notice that its average daily wastewater flow over the past ninety (90) days has exceeded 0.232 MGD, to discuss FAWWA's plans for development of its Service Area and whether FAWWA intends to pursue expansion of the wastewater treatment service provided by UTILITIES to Maximum Allowable Flow in excess of 0.29 MGD and the anticipated timeline for such expansion of service. If FAWWA intends to expand the wastewater treatment service provided by UTILITIES hereunder to Maximum Allowable Flow in excess of 0.29 MGD, FAWWA shall provide UTILITIES with notice of its intent to pursue an amendment to this Agreement or a new agreement to allow for such service and UTILITIES shall have no obligation to treat wastewater and FAWWA shall not introduce wastewater at Maximum Allowable Flow in excess of 0.29 MGD into UTILITIES' Wastewater Treatment System until the parties have entered into such an amendment or new agreement.

6. Rates, Charges, Surcharges and Fees Payable by FAWWA.

- a. For the services provided hereunder, FAWWA shall pay to UTILITIES the applicable rates, charges, surcharges, and fees as specified in the Tariffs as such may be amended or replaced from time to time by the Colorado Springs City Council. Such charges and fees include, but are not limited to, Treatment Charges and Extra Strength Surcharges, as provided in UTILITIES' rate schedule "Contract Service - Regional", WWRSF and Recovery Agreement Charges as provided in the Tariffs. Surcharges will apply to FAWWA's wastewater that exceeds normal domestic strength for biochemical oxygen demand and total suspended solids and will be based on twenty-four (24) hour composite samples. FAWWA agrees that UTILITIES' rate making process, as embodied in the Tariffs, is fair and reasonable.
- b. FAWWA will continue to pay the rates and charges established in the Tariffs even if UTILITIES changes its Tariffs so long as UTILITIES' process to change the tariffs is conducted in compliance with the laws of the State of Colorado, City Code, and any other applicable law. UTILITIES will notify FAWWA thirty (30) days in advance of City Council's consideration of the change in tariffs applicable to this Agreement.
- c. FAWWA agrees to pay the then prevailing Treatment Charges and Extra Strength Surcharges or replacements, for every cubic foot of wastewater delivered to UTILITIES' Wastewater Treatment System. UTILITIES will bill FAWWA monthly in arrears for such Treatment Charges and Extra Strength Surcharges with payment due within thirty (30) days of the date of billing.
- d. The WWRSF reflects the amount of capacity needed within UTILITIES' Wastewater Treatment System to meet the obligations of regional water contracts. The WWRSF is determined based on the average flow demand in million gallons per day. At buildout of the Eligible Service Area, FAWWA will deliver wastewater to UTILITIES' Wastewater Treatment System at a Maximum Allowable Flow of 0.29 MGD. The WWRSF for average flows of 0.10 to 0.29 is \$28,216.00. Under the Interim Agreement, FAWWA's predecessor in interest paid a development charge of \$39,060.00. The Parties agree, that consistent with UTILITIES' Tariffs, FAWWA is not required to pay an additional WWRSF under this Agreement due to FAWWA's predecessor in interest's payment of the development charge.
- e. FAWWA shall pay Recovery Agreement charges for previously constructed and planned wastewater infrastructure that will be utilized by UTILITIES in accordance with the Tariffs, as amended or replaced. FAWWA Agrees to pay initial Recovery Agreement charges of \$1,645,928.01 based on UTILITIES' acceptance of wastewater at Initial Allowable Flow of up to 0.115 MGD. Such Recovery Agreement charges must be paid by FAWWA within thirty (30) days after the Effective Date. FAWWA agrees to pay additional Recovery Agreement charges in an amount determined by UTILITIES prior to UTILITIES accepting and treating wastewater at Maximum Allowable Flow in excess of 0.115 MGD. UTILITIES shall provide FAWWA notice of the amount of the additional Recovery Agreement charges and such charges must be paid by FAWWA within thirty (30) days after such notice. The infrastructure that will be used by UTILITIES to provide wastewater treatment service under this Agreement that is subject to the payment of Recovery Agreement Charges by FAWWA are depicted in Exhibit B.
- f. FAWWA shall pay a Water Quality Impact Fee that will be calculated and billed annually. The annual fee will be based on FAWWA's pro rata share of UTILITIES' combined yearly wastewater treatment flows, times the cost of UTILITIES' water quality monitoring and

studies and Fountain Creek watershed improvements.

- g. Payments under this Paragraph by FAWWA shall be due at UTILITIES, Customer Services Department, 111 S. Cascade Ave., Colorado Springs, Colorado 80903. If a bill is not paid within thirty (30) days of when it is due, a deposit will be assessed as outlined in the Tariffs as modified or replaced.

7. FAWWA's Responsibilities. In addition to other responsibilities and duties provided in this Agreement, FAWWA shall solely have the following responsibilities:

- a. FAWWA shall be solely responsible for the permitting, construction, operation, maintenance, integrity of, and reporting associated with, FAWWA's Wastewater Collection System including, but not limited to, air emissions from FAWWA's Wastewater Collection System, and spills, leaks, and sanitary sewer overflows (as defined by the United States Environmental Protection Agency ("EPA") from FAWWA's Wastewater Collection System.
- b. Have in place and make best efforts to enforce its Sewer Use Regulations. In the event that FAWWA fails to provide resources or otherwise fails to implement and enforce its Sewer Use Regulations within FAWWA's Service Area in a timely manner, UTILITIES is authorized to take all such actions on behalf of and as an agent for FAWWA after providing FAWWA with notice of same.
- c. At all times, FAWWA shall cause all wastewater, which is discharged directly or indirectly into FAWWA 's Wastewater Collection System or into UTILITIES' Wastewater Treatment System by FAWWA or FAWWA's Customers, or on their behalf, to comply with FAWWA's Sewer Use Regulations and any requirements of UTILITIES, as permitted by law.
- d. FAWWA shall at all times operate FAWWA's Wastewater Collection System so as not to interfere with service to third parties who rely on UTILITIES' Wastewater Treatment System.
- e. FAWWA'S Wastewater Collection System shall collect only from separate sanitary sewer systems and there shall be no combined sanitary and stormwater systems or stormwater systems connected to FAWWA's Wastewater Collection System.
- f. If FAWWA has a slug discharge as defined in §12.5.201 of the City Code, or a discharge that could cause problems to the UTILITIES' Wastewater Treatment System, UTILITIES shall be immediately notified. Additionally, a written report shall be submitted within five (5) days of the event detailing the date, time and cause of the slug discharge, the quantity and characteristics of the discharge, and corrective action taken to prevent future slug discharges.
- g. FAWWA shall report, in the manner required by applicable laws and regulations provided below, any illicit discharge, spill, leak, or sanitary overflow from FAWWA's Wastewater Collection System, which may endanger human health, the environment or otherwise enter State Waters (as defined in C.R.S. § 25-8-103(19)) directly or indirectly ("Incident") to UTILITIES and the Colorado Department of Public Health and Environment – Water Quality Control Division ("CDPHE"), as soon as FAWWA becomes aware of the Incident.

- h. FAWWA shall maintain an approved EPA User Charge System (40 CFR §§ 35.2140. UTILITIES will notify FAWWA by February 15 of each calendar year of UTILITIES' classifications, classes and surcharges per class and any other information on revenues, costs, and allocation of costs between BOD, TSS and flow so as to assure proportional allocation of costs to Users. FAWWA shall provide within sixty (60) days of implementation or upon request by UTILITIES, a report on FAWWA's classes, rates, and implementation provisions. FAWWA will comply with EPA regulations 40 CFR § 35.2140(c) by advising FAWWA's Wastewater Collection System Users in conjunction with a regular bill (or other means acceptable to the EPA Regional Administrator) of their wastewater rate and that portion of the rate attributable to wastewater treatment services. A copy of the notification shall be forwarded to UTILITIES within sixty (60) days of when FAWWA provides such notification to its wastewater Customers.
- i. FAWWA is prohibited from contributing excess flows that cause or contribute to overflows, flooding, or non-compliance with UTILITIES' Colorado Discharge Permit System ("CDPS") Permit No. CO-0046850

8. Relief Systems.

- a. Before UTILITIES is obligated to provide wastewater treatment service and FAWWA is entitled to introduce wastewater into UTILITIES' Wastewater Treatment System at Maximum Allowable Flow in excess of 0.115 MGD, FAWWA must, at no cost to UTILITIES, construct relief systems and necessary appurtenances as determined by UTILITIES, at its sole discretion in accordance with the City Code and the WWLESS, as each may be amended or replaced. Relief systems shall be approved by UTILITIES, and operational before sustained Maximum Allowable Flow from FAWWA's Service Area in excess of 0.115 MGD can be accepted. The relief facilities may be constructed on property owned by FAWWA, within the boundaries of FAWWA, or at other locations within UTILITIES' Wastewater Treatment System that are mutually agreed upon by the Parties. At the discretion of UTILITIES, UTILITIES may, but is not obligated to, enter into a cost sharing agreement with FAWWA to pay a *pro rata* share of the construction cost of relief systems based upon UTILITIES sole determination of benefit to UTILITIES. Benefit to UTILITIES may be derived from, but not limited to, the following:
 - i. Relief of pipelines operating in excess of design capacity.
 - ii. Replacement of structurally deficient pipelines.
 - iii. Replacement of pipelines subject to flooding or other hazards.
 - iv. Replacement of pipelines with inadequate operations and maintenance access.
 - v. Replacement of pipelines subject to excessive inflow/infiltration.

vi. Pipelines that provide for the elimination of pump stations and force mains.

b. UTILITIES shall provide FAWWA with notice of the required relief systems within 90 days of when FAWWA provides UTILITIES with the notice required under Article I.4.d that it intends to expand the wastewater treatment service provided by UTILITIES hereunder to Maximum Allowable Flow in excess of 0.115 MGD. FAWWA shall provide UTILITIES with its designs for the required relief systems in accordance with the current version of the WWLESS. The WWLESS process for design review, construction acceptance, bill of sale, and warranties will apply to the proposed construction of the relief system.

9. Approvals and Permits. The Parties expressly acknowledge that the service contemplated and/or the construction of any Improvements under this Agreement is dependent upon the receipt of any necessary approvals and/or permits by Federal, State, and local governmental and/or regulatory entities. FAWWA shall be responsible for obtaining all approvals and/or permits necessary for the implementation of this Agreement. UTILITIES will cooperate with FAWWA to obtain any necessary approvals and/or permits. If any required approval and/or permit is not obtained by FAWWA, either Party may terminate this Agreement. A copy of such approval or permit shall be provided to UTILITIES by FAWWA.

10. Interpretation of Requirements. In all cases where the application or the enforcement of the City Code, Tariffs or WWLESS, as may be amended, involve technical or scientific analyses or determinations, UTILITIES shall have final authority as to methods, standards, criteria, significance, evaluation, and interpretation of such analyses and determinations.

11. Reusable Return Flows. Unless separately agreed to by the Parties, UTILITIES will retain dominion, and control over treated reusable water effluent resulting from wastewater introduced by FAWWA into UTILITIES' Wastewater Treatment System for treatment until such time as such reusable water effluent is discharged from UTILITIES' wastewater treatment facilities. Upon such discharge, FAWWA shall have the legal ownership of and right to use, reuse, successively use, and dispose of all return flows resulting from wastewater introduced by FAWWA into UTILITIES' Wastewater Treatment System.

Article II

Improvements/Connection to UTILITIES' Wastewater Treatment System

1. Point(s) of Connection of FAWWA to UTILITIES' Wastewater Treatment System. FAWWA shall deliver its wastewater to UTILITIES' Wastewater Treatment System at the points of connection located within the wastewater metering vaults depicted on Exhibit C as approved by UTILITIES and any other location agreed to by the Parties in writing. These connection points, and all other approved new, modified or abandoned connections to UTILITIES' Wastewater Treatment System, shall be made and/or disconnected at the expense of FAWWA.

2. FAWWA's Wastewater Collection System Improvements. FAWWA shall be solely responsible, financially and otherwise, for designing, installing, constructing, and operating

FAWWA's Wastewater Collection System including, but not limited to, wastewater mains, and all infrastructure improvements necessary to connect UTILITIES' Wastewater Treatment System to FAWWA's Wastewater Collection System at the agreed upon points of connection, and all other related facilities necessary for use in connection with this Agreement ("Improvements"). The Improvements shall be agreed upon by the Parties in advance and shall be designed, installed, constructed, inspected, operated and maintained in accordance with the City Code and the WWLESS as each may be amended or replaced. The Improvements shall be located on property owned by FAWWA or in rights-of-way or easements dedicated for public utilities or conveyed to FAWWA. FAWWA shall, at its own cost and subject to UTILITIES' approval, locate, design, and construct the Improvements in such a manner and of such material that the Improvements will not at any time be a source of danger to or interference with any of UTILITIES' structures, facilities, or operations. UTILITIES shall have the right to perform its own inspection of all completed Improvements to ensure compliance with the City Code and the WWLESS.

3. Ownership and Maintenance of Improvements. Unless earlier dedicated by plat, upon completion of design, installation and construction of the Improvements, FAWWA shall convey and dedicate to UTILITIES or shall cause the conveyance and dedication to UTILITIES, on forms acceptable to UTILITIES, ownership of all the Improvements located on the UTILITIES' side of the metering vault(s), as depicted on Exhibit C, and the right to locate the Improvements dedicated and conveyed to UTILITIES on property owned by FAWWA or in rights-of-way or easements conveyed to FAWWA as necessary. UTILITIES shall be responsible for the operation, maintenance and repair of all Improvements dedicated to it and after they are conveyed to it pursuant to this Paragraph. FAWWA shall continue to own all of the other Improvements. FAWWA hereby agrees to grant UTILITIES ingress and egress over and through FAWWA's property to the UTILITIES' owned Improvements and all FAWWA-owned Improvements so that UTILITIES may operate, maintain, repair, and inspect the Improvements that UTILITIES is responsible for as well as perform its other duties under this Agreement. Prior to installation of Improvements, FAWWA shall provide UTILITIES with an easement or plat requirement providing for such ingress and egress in a form approved by UTILITIES. FAWWA shall be responsible for the operation, maintenance and repair of all Improvements not conveyed and dedicated to UTILITIES hereunder, including any repair or maintenance that is requested by UTILITIES. The Parties shall keep the Improvements and every part thereof for which they are responsible pursuant to this Paragraph maintained and in good repair so that they continue to properly serve the purposes for which they were originally intended. All repair or maintenance of the Improvements shall be completed in a timely manner and in accordance with the City Code and the WWLESS, as each may be amended or replaced. Any facilities that are part of FAWWA's Wastewater Collection System which are in existence upon execution of this Agreement, or which are subsequently constructed or acquired by FAWWA, and which do not comply with WWLESS, shall be brought into compliance at the time of replacement or repair. FAWWA agrees to provide UTILITIES with a continuously complete record of all Improvements.
4. Customer Connections. FAWWA shall require any construction, installation, and connection of customer service lines to FAWWA's Wastewater Collection System that flows into

UTILITIES' Wastewater Treatment System to be in accordance with the City Code, the Tariffs, and WWLESS, to minimize the possibility of damage to UTILITIES' Wastewater Treatment System. FAWWA shall perform inspection of all such installations and connections to ensure compliance with the Colorado Springs City Code, the Tariffs, and the WWLESS and provide UTILITIES with the results of such inspections. UTILITIES reserves the right to perform its own inspection of all service line installations and connections to ensure compliance with City Code and the WWLESS.

5. Wastewater Discharge Meters/Vaults.

- a. Within three hundred sixty-five (365) days of the Effective Date FAWWA must design and install all required facilities related to wastewater discharge meters that will record the amount of wastewater delivered to UTILITIES' Wastewater Treatment System by FAWWA, including, but not limited to, the wastewater metering vault and appurtenances depicted in the WWLESS detail C3-8, the electrical supply to the operating equipment inside the metering vault, and for providing adequate maintenance access to the vault. FAWWA's obligations with regard to the meter vault and appurtenances extends to and includes providing a suitable housing/protection and electric supply for any required instrumentation and Remote Terminal Units used to collect and transmit level and flow data to UTILITIES. FAWWA must obtain UTILITIES' approval of the design and installation of all such facilities. FAWWA shall not connect more than 560 SFEs, including the 302 SFEs connected pursuant to the Interim Agreement, until the facilities required by this paragraph have been installed and approved by UTILITIES. FAWWA shall be responsible for costs of future modifications of the metering flume required to measure increased flows when phased installations, such as nested flumes, are required to accurately measure multiple ranges of flows considered under this Agreement.
- b. UTILITIES shall read, operate, maintain, and replace the discharge meter(s) at UTILITIES' cost.
- c. It is understood by the Parties that the point of demarcation between FAWWA's Wastewater Collection System and UTILITIES' Wastewater Treatment System will be located at the metering vault. All infrastructure upstream of the metering vault is understood to be owned and maintained by FAWWA and all infrastructure downstream of the metering vault is understood to be owned and maintained by UTILITIES.
- d. The accuracy of the meter shall be verified by UTILITIES upon installation and on an annual basis thereafter, with results provided to UTILITIES and FAWWA. FAWWA has the right to request meter verification tests more often than once annually; however, if the accuracy of the meter tests ARE within +/-2% of the results of the most recent past annual test, FAWWA shall be responsible for the cost of the test. If the meter does not test within the +/-2% accuracy imitation specified herein, then UTILITIES shall be responsible for the cost of meter calibration. In the event that the meter is found to be in error, no adjustments to previous invoices will be permitted.

Article III

FAWWA Industrial Pretreatment Program Responsibilities Delegated to UTILITIES

1. Industrial Users. At the present time, FAWWA does not anticipate that there will be any Industrial Users connected to its Wastewater Collection System. However, the Parties acknowledge that connection of Industrial Users to FAWWA's Wastewater Collection System in the future is possible. The provisions of this Article III will apply in the event commercial and/or industrial customers are connected to FAWWA's Wastewater Collection System in the future.
2. Delegation of Industrial Pretreatment Program Responsibilities. FAWWA designates UTILITIES as the agent of FAWWA for the purposes of implementation and enforcement of FAWWA's Sewer Use Regulations promulgated pursuant to Article I.3.b against Industrial Users located in FAWWA's Service Area ("FAWWA's Industrial Pretreatment Responsibilities"). As such, UTILITIES shall have direct authority to develop, implement, and enforce all pretreatment standards and requirements as necessary to regulate Industrial Users located in FAWWA's Service Area. This includes, but is not limited to, those responsibilities and obligations set forth in the United States Code of Federal Regulations and Colorado Code of Regulations and implementing regulations. FAWWA agrees that UTILITIES will implement FAWWA's Industrial Pretreatment Responsibilities in accordance with City Code Chapter 12, Article 5, as well as *UTILITIES' Enforcement Response Plan, Silver Source Control Policies & Procedures Manual, Mercury Source Control Policies & Procedures Manual, Fats, Oil and Grease Policies & Procedures Manual, Liquid Waste Hauler Program Policies and Procedures Manual*, and other related sector control program requirements ("UTILITIES' Industrial Pretreatment Program Standards").
3. Compliance with Discharge Limitations. FAWWA hereby agrees to comply and require its Customers whose discharged flow enters into UTILITIES' Wastewater Treatment System to comply, with the discharge prohibitions, discharge limitations, and points of discharge limitations set forth in FAWWA'S Sewer Use Regulations and City Code Chapter 12, Article 5.
4. Technical and Administrative Duties. UTILITIES, on behalf of and as agent for FAWWA, will perform technical and administrative duties necessary to implement and enforce FAWWA's Sewer Use Regulations including, but not limited to: (1) updating its industrial waste inventory to include users within FAWWA's Service Area; (2) issuing or co-issuing permits to all Industrial Users that are required to obtain a permit (see Article III.8); (3) conducting inspections, sampling and analysis related to Industrial Users; (4) taking all appropriate enforcement action as outlined in City Code Chapter 12, Article 5 as well as UTILITIES' enforcement response plan and provided for in FAWWA's Sewer Use Regulations; (5) providing FAWWA with notice of enforcement actions UTILITIES takes against any Industrial User in FAWWA's Service Area; and (6) performing any other technical or administrative duties UTILITIES deems appropriate.
5. UTILITIES Emergency Actions. In addition, UTILITIES, may, as agent of FAWWA, take emergency action to stop or prevent any discharge to UTILITIES' Wastewater Treatment

System originating within FAWWA's Service Area which presents or may present an imminent danger to the health or welfare of humans, which reasonably appears to threaten the environment, or which threatens to cause interference, pass through, or sludge contamination.

6. UTILITIES' Duties. UTILITIES, on behalf of and as agent of FAWWA, agrees to perform the following actions and duties as necessary to implement and enforce FAWWA's Sewer Use Regulations and City Code Chapter 12, Article 5 consistent with 40 CFR 403.8(f):
 - a. Review and authorize the connection of an industrial user to FAWWA's Wastewater Collection System;
 - b. Control through permit or other means, the contribution of wastewater to UTILITIES' Wastewater Treatment System by Industrial Users within FAWWA's Service Area. Without limitation, UTILITIES shall have the right to prohibit any connection to, or discharges into, FAWWA's Wastewater Collection System of an Industrial User in accordance with City Code;
 - c. Require FAWWA's Customers to comply with all standards and requirements of UTILITIES' Industrial Pretreatment Standards;
 - d. Deny or condition new or increased contributions of pollutants or changes in the nature of pollutants by an Industrial User;
 - e. Require the development of compliance schedules by Industrial Users for installation of technology required to meet UTILITIES' Industrial Pretreatment Program Standards;
 - f. Require submission of all notices and self-monitoring reports from Industrial Users as are necessary to assess and assure compliance with UTILITIES' Industrial Pretreatment Program Standards as well as FAWWA's Sewer Use Regulations;
 - g. Carry out all inspection, surveillance and monitoring procedures necessary to determine whether an Industrial User is complying with UTILITIES' Industrial Pretreatment Program Standards as well as FAWWA's Sewer Use Regulations;
 - h. Carry out all inspections, surveillance and monitoring necessary to ensure compliance with UTILITIES' Industrial Pretreatment Program Standards as well as FAWWA's Sewer Use Regulations;
 - i. Enter the property/premises of an Industrial User in which a discharge source or pretreatment infrastructure is located, or in which required records are kept, to ensure compliance with UTILITIES' Industrial Pretreatment Program Standards as well as FAWWA's Sewer Use Regulations;
 - j. Evaluate and enforce compliance with Industrial Pretreatment Program Standards and

requirements utilizing remedies including, but not limited to, injunctive relief and assessment of civil or criminal penalties for violations; and

k. Meet the confidentiality requirements set forth in 40 CFR Part 403.14.

7. FAWWA's Duties. FAWWA is responsible for, and hereby accepts the following duties and agrees to perform the following actions in relation to all Industrial Users within FAWWA's Service Area:

- a. Prior to allowing an Industrial User to connect to FAWWA's Wastewater Collection System, FAWWA shall provide UTILITIES with notice of its intent to permit connection of an Industrial User to FAWWA's Wastewater Collection System that includes such customer's name, address, Standard Industrial Classification code, and average daily water usage;
- b. Submit to UTILITIES' Industrial Pretreatment Program, quarterly by January 31, April 30, July 31, and October 31 each year during the term of this Agreement, an updated inventory of all Industrial Users and commercial customers connected to FAWWA's Wastewater Collection System. Such inventory shall include such customer's name, address, Standard Industrial Classification code and/or NAICS code, and average daily water usage for the previous quarter;
- c. FAWWA shall provide the resources and commit to implementation and enforcement of its Sewer Use Regulations with UTILITIES' oversight;
- d. FAWWA agrees to be responsible for any violations of applicable law for failure of UTILITIES' Industrial Pretreatment Program meeting applicable law resulting from FAWWA's neglect, failure to report any known violations, or failure to comply with the terms and conditions of this Agreement.
- e. FAWWA shall inform UTILITIES at least two (2) weeks prior to any planned significant change in operations which will affect wastewater characteristics or at least ninety (90) days prior to discharge of any wastewater from a new Industrial User as defined in City Code. Unplanned changes in wastewater characteristics must be reported within seven (7) days after the change becomes known.

8. Co-Issue Permits. FAWWA may co-issue all permits if FAWWA notifies UTILITIES' Industrial Pretreatment Program Director in writing requesting to do so. UTILITIES will take the lead in preparing draft control mechanisms.

9. Enforcement Discretion. FAWWA and UTILITIES shall each retain their enforcement discretion. Regarding Industrial Users served by FAWWA, each Party shall be copied on all notices of violation and administrative orders issued by the other Party. Notwithstanding the above, UTILITIES has full authority to take enforcement action directly against any FAWWA

Customer discharging flows to the UTILITIES' Wastewater Treatment System as provided in the City Code. UTILITIES shall notify FAWWA when assessing penalties, terminating wastewater treatment service, or seeking criminal sanctions against any of FAWWA's Customers. UTILITIES shall provide FAWWA with a status report regarding the compliance of Significant Industrial Users within FAWWA's boundaries on or before **April 1** of each year.

10. Challenges to UTILITIES' Authority. FAWWA agrees that if UTILITIES' authority to act as agent for FAWWA under this Agreement is questioned or challenged by an Industrial User within FAWWA's Service Area, administrative agency, court of law, or otherwise, FAWWA will take all actions necessary to ensure that implementation and enforcement of its Sewer Use Regulations against any Industrial User within its Service Area discharging flows into UTILITIES' Wastewater Treatment System, including implementing its Sewer Use Regulations on its own behalf.
11. Admission to Property. FAWWA acknowledges that UTILITIES has the power to carry out all inspection, surveillance, and monitoring procedures necessary in accordance with City Code § 12.5.805. FAWWA's Sewer Use Regulations shall provide that UTILITIES is authorized to enter any premises of any industrial user located within FAWWA's Service Area to determine compliance with applicable pretreatment standards and requirements, or access FAWWA's wastewater collection system at any time in order to obtain samples.
12. Charges and Fees Related to Industrial Pretreatment Program.
 - a. To FAWWA. UTILITIES may bill FAWWA under this Agreement for any costs associated with performing the responsibilities delegated to UTILITIES in this Article III.
 - b. Prior to allowing an industrial user to connect to FAWWA's Wastewater Collection System, FAWWA shall collect all fees related to wastewater treatment for industrial users as set forth in the Tariffs and pay those fees to UTILITIES.
 - c. To Industrial Users. All general and special sewer service charges, and other charges levied against Industrial Users by FAWWA, shall be retained by FAWWA, except as otherwise provided by this Agreement or applicable law. Permit fees shall be retained by UTILITIES.
 - d. Enforcement. All penalties or other enforcement receipts arising from enforcement actions taken by UTILITIES against FAWWA or FAWWA's Customers under this Article III shall be collected and retained by UTILITIES.
13. Submittals. Any submittal required by this Article III, shall be made in accordance with Article V, Paragraph 4 of this Agreement, and provided at the following address:

Colorado Springs Utilities
Attn: Industrial Pretreatment Program
701 E. Las Vegas St.

Article IV
Remedies

1. Liquidated Damages. Damages to UTILITIES resulting from FAWWA's breach of this Agreement are difficult to ascertain. To the extent permitted by law, in addition to any and all costs and charges provided herein, and in accordance with City Code § 12.5.304:B.2, FAWWA is subject to liquidated damages for violation of provisions of City Code Chapter 12, Article 5, in an amount equal to the penalties imposed pursuant to said Article. Such liquidated damages are a reasonable estimate of damages to UTILITIES and are not a penalty.
2. Consequential Damages. FAWWA acknowledges and agrees that any illicit discharge of industrial wastewater by FAWWA, or a FAWWA Customer, may subject FAWWA to consequential damages for breach of contract including, but not limited to, any amounts the City or UTILITIES may be required to pay for violation of the conditions of UTILITIES' CDPS permit where the discharge of FAWWA or its Customer(s) caused or contributed to the violation.
3. Disconnection Damages. It is agreed that the damage to UTILITIES, if FAWWA disconnects from UTILITIES' Wastewater Treatment System, will not be less than the reproduction costs of any of UTILITIES' facilities, including UTILITIES' owned Improvements which are rendered useless by such disconnection, and which must be replaced in order for UTILITIES to provide wastewater treatment service to UTILITIES' other customers.
4. Breach of Agreement. Upon any breach of this Agreement, which does not also constitute a breach of City Code Chapter 12, Article 5, UTILITIES shall have the immediate right to: (a) seek specific performance; (b) be reimbursed for costs; and (c) be entitled to money damages for the time period between the breach and the order for specific performance. Said rights also apply if liquidated damages, as provided in City Code § 12.5.304: B.2, are unavailable.
5. Termination by UTILITIES. FAWWA acknowledges and consents to UTILITIES' right to terminate this Agreement without liability or obligation to FAWWA, FAWWA's Customers or any other person or entity: (1) due to FAWWA's breach of a material term or condition of this Agreement, if FAWWA has not taken substantial steps to cure the breach within a reasonable period of time from delivery of notice of its breach from UTILITIES; or (2) as otherwise authorized by the City Code or City Council. UTILITIES shall promptly notify FAWWA of circumstances that could result in a breach or changes in City Code, or City Council action that could result in termination of the Agreement. In the alternative, if UTILITIES determines that the breach(s) may result in an immediate health hazard or harm to person or property, UTILITIES, may take control of any portion of FAWWA's Wastewater Collection System and other FAWWA facilities which UTILITIES find to be necessary for provision of wastewater treatment service within FAWWA's Service Area for the purpose of remedying the breach(s). While in control of any portion of FAWWA's Wastewater Collection System, UTILITIES may immediately take all actions it deems necessary to correct the noticed breach(s) and put in place corrective measures to prevent further breaches. FAWWA agrees to reimburse

UTILITIES for all expenses incurred by UTILITIES in correcting the breach or breaches and putting in place corrective measures to prevent further breaches. Upon such payment, control of the applicable portions of FAWWA's Wastewater Collection System shall be returned to FAWWA. The notice provision of this subparagraph shall not apply when UTILITIES determines that the breach(s) may result in an immediate health hazard or harm to person or property, in which case UTILITIES may take immediate control of any portion of FAWWA's Wastewater Collection System and take the same actions regarding a noticed breach(s), upon hand delivery of written notice of the breach and description of the harm likely to result. The term breach of a material term or condition by FAWWA shall include, but not be limited to, failure to continue to exist as a municipal, quasi-municipal or corporate entity; failure to maintain FAWWA's Wastewater Collection System; failure to perform functions necessary to the operation of FAWWA's Wastewater Collection System or UTILITIES' Wastewater Treatment System; failure to adopt measures or take actions required to enable UTILITIES to obtain any required permits; unauthorized extension of wastewater treatment service or expansion of FAWWA's Service Area; unauthorized connection of a FAWWA extraterritorial customer to FAWWA's Wastewater Collection System; failure to make payments required under the Agreement; or other actions or inactions which could reasonably cause a health hazard or harm to persons or property.

6. Financial Assurances. If FAWWA does not complete installation of the facilities required under Article II.5.a within the time period set forth therein, UTILITIES may, at its discretion, install the facilities itself with reimbursement from FAWWA of all costs incurred in completing the installation. To ensure funds are available to reimburse UTILITIES for any costs it incurred to install such facilities if FAWWA does not, FAWWA agrees to provide UTILITIES with either an irrevocable letter of credit or a surety bond (in a form approved by UTILITIES) in the amount of \$100,000.00 ("Reimbursement Fund") within thirty (30) days from the Effective Date. UTILITIES shall have the right to make a claim against the Reimbursement Fund for reimbursement of any costs incurred by UTILITIES for the installation of the facilities required under Article II.5.a. After completion of any such installation, UTILITIES shall issue an itemized invoice to FAWWA for payment of the costs UTILITIES incurred. In the event FAWWA fails to make full payment on an invoice by the date set forth in the invoice, which shall not be less than thirty (30) days, UTILITIES may file a claim against the Reimbursement Fund. If FAWWA completes the installation and obtains UTILITIES's approval thereof, UTILITIES shall release the reimbursement fund within thirty (30) days of the date it approves the facilities in accordance with Article II.5.a.
7. Termination by FAWWA. FAWWA may terminate this Agreement due to a material breach on the part of UTILITIES if UTILITIES has not taken substantial steps to cure the breach within a reasonably sufficient time frame that allows UTILITIES to cure the material breach after receiving written notice of such breach from FAWWA.
8. Effect of Termination. Upon termination by either Party, UTILITIES shall have no further obligation to provide wastewater treatment service to FAWWA or FAWWA's Customers and FAWWA's Wastewater Collection System shall be disconnected from UTILITIES' Wastewater Treatment System. Upon termination, UTILITIES shall determine the connection facilities between FAWWA's Wastewater Collection System and UTILITIES' Wastewater Treatment System that must be removed at FAWWA's sole expense in accordance with the WWLESS. UTILITIES shall determine the way the connection facilities are to be removed and wastewater treatment service discontinued in accordance with the Tariffs and WWLESS. All outstanding

charges owed by FAWWA to UTILITIES are due and payable prior to the disconnection of service. If all outstanding charges owed by FAWWA to UTILITIES are not paid prior to disconnection, FAWWA's obligation to make full payment shall survive termination of this Agreement.

9. Time for Cure. The time frame for a Party to cure a material breach shall be set forth in the notice of breach and shall in no event be less than ninety (90) days except in the case of an emergency.
10. Enforcement of Rights. Nothing herein shall prevent either Party from enforcing its rights under this Agreement by an appropriate legal or equitable action.
11. Remedies Cumulative. Remedies herein are cumulative and may be used individually, sequentially, concurrently, or in any order.

Article V Miscellaneous

1. Parties' Enforcement Powers. Both Parties to this Agreement recognize in the other Party the power to enforce its laws, rules and regulations and the terms of this Agreement by turning off or disconnecting wastewater treatment service to a property within FAWWA's Service Area for violations of such laws, rules, regulations and this Agreement. Neither Party shall turn back on or reconnect wastewater treatment service for a property after the same has been turned off or disconnected by the other Party in the course of enforcing its laws, rules, or the terms of this Agreement, except upon written consent of the Party originally causing the turn off or disconnection. Each Party agrees to provide notice to the other Party prior to turning off or disconnecting wastewater treatment service to property for violations of its laws, rules, regulations and this Agreement.
2. Annual Reviews of Agreement. FAWWA understands that UTILITIES is a publicly owned treatment works, and is required by the Clean Water Act, 33 USC § 1251, *et seq.*, to control wastewaters introduced by all Users into UTILITIES' Wastewater Treatment System. FAWWA also understands that UTILITIES is subject to present and continuing Federal and State statutory and regulatory controls and other factors which may, subsequent to the date of this Agreement, be added to or amended. The Parties will review and determine if revisions to this Agreement are necessary to ensure compliance with all applicable Federal, State and local laws, rules and regulations issued thereunder and other added or amended controls or factors, as necessary, but at least once every year on or before **February 15**. FAWWA agrees to cooperate with UTILITIES in preparing, executing and implementing any revisions to this Agreement deemed necessary by UTILITIES as part of the annual review.
3. FAWWA Rules and Regulations. FAWWA retains the full right to make and enforce rules and regulations not inconsistent with or less stringent than the Colorado Springs City Charter, the City Code, the Tariffs, and WWLESS to govern water use within FAWWA's Service Area. FAWWA agrees to exercise its rulemaking, rate/fee-setting and other powers to assist UTILITIES in enforcing the Tariffs and WWLESS
4. FAWWA Dissolution. In the event that FAWWA seeks to dissolve pursuant to relevant laws,

rules and regulations, FAWWA shall provide a copy of its dissolution petition to UTILITIES at the time of its filing. The dissolution petition shall provide for assignment of FAWWA's rights and obligations under the Agreement to a party acceptable to UTILITIES. If no provision is made for such an assignment or other arrangement reasonably acceptable to UTILITIES, upon FAWWA's dissolution, this Agreement shall be null, void and of no further force or effect, and UTILITIES shall have no further obligation to provide wastewater treatment service pursuant to the terms of this Agreement.

5. Representatives and Notice. All notices, reports and submittals required by this Agreement shall be in writing, signed by an authorized representative of the Party providing the notice, report or submittal and shall be personally delivered, sent by overnight delivery service, or mailed by certified mail, postage prepaid, return receipt requested, as follows:

- a. For UTILITIES:

Chief System Planning and Projects Officer
Courier Service Address:
Colorado Springs Utilities
ATTN: Customer Utilities Connections Manager
1521 S. Hancock Expressway.
Colorado Springs, CO 80903

United States Postal Service Address:
Colorado Springs Utilities
Customer Utilities Connections Manager
1521 S. Hancock Expressway.
Colorado Springs, CO 80903

With copy to:

City Attorney's Office - Utilities Division
Courier Service Address:
City Attorney's Office
ATTN: Utilities Division
30 S. Nevada Ave.
Colorado Springs, CO 80903

United States Postal Service Address:
City Attorney's Office
ATTN: Utilities Division
P.O. Box 1575, Mail Code 510
Colorado Springs, CO 80901-1575

- b. For FAWWA:

Falcon Area Water and Wastewater Authority

ATTN: Authority Manager
2138 Flying Horse Club Drive
Colorado Springs, CO 80921
Phone: 719 592 9333

With Copy to:

Spencer Fane, LLP
1700 Lincoln St., Ste 2000
Denver, CO 80203

Classic Homes
ATTN: Nate Lenz, Esq.
2138 Flying Horse Club Drive
Colorado Springs, CO 80921

6. Force Majeure. Neither Party hereto shall be liable to the other for any failure, delay, or interruption in performing its obligation hereunder due to causes or conditions beyond its reasonable control, including strikes, riots, wars, floods, fires, explosions, global pandemics, epidemics, acts of nature, acts of government, labor disturbances, or if such performance would be prohibited or limited by any federal, state, or local law, rule, regulation, order or directive.
7. Waiver. No waiver by either Party of any terms or condition of this Agreement shall be deemed or construed as a waiver of any other term or condition, nor shall a waiver of any breach be deemed to constitute a waiver of any subsequent breach, whether of the same or of a different provision of this Agreement.
8. Limitations upon Consent. Whenever, under the terms of this Agreement, UTILITIES is authorized to give its written consent, UTILITIES, in its discretion, may give or may refuse such written consent and if given, may restrict, limit, or condition such consent in such manner as it shall deem advisable. Acceptance by UTILITIES into UTILITIES' Wastewater Treatment System from FAWWA of wastewater in a volume or with characteristics exceeding or violating any limit or restriction provided for, by or pursuant to this Agreement, in one or more instances or under one or more circumstances, shall not constitute a waiver of such limit or restriction or of any of the provisions of the Agreement and shall not in any way obligate UTILITIES thereafter to accept or to make provision for wastewater delivered and discharged into UTILITIES' Wastewater Treatment System in a volume or with characteristics exceeding or violating any such limit or restriction in any other instance or under any other circumstances.
9. Audits. UTILITIES shall have the right to audit at any time all of FAWWA's records relating to any of FAWWA's Customers or relating to compliance with this Agreement. FAWWA shall have the right to audit all UTILITIES' records relating to compliance with this Agreement.

10. Liability.

- a. Party Responsible for Own Negligence. Each Party shall be responsible for its own negligence. Neither Party waives the benefits or obligations afforded it by the Colorado Governmental Immunity Act, C.R.S. 24-10-101, *et seq.*
- b. UTILITIES' Limitation of Liability. In addition to force majeure events described in this Agreement, UTILITIES shall not be liable to FAWWA for failure to accept or treat FAWWA's wastewater when such failure is the result of upset or mechanical or power failure. In emergency circumstances, UTILITIES shall have the right to interrupt wastewater service and require FAWWA to temporarily store and contain wastewater flows to the extent of FAWWA's storage capabilities in the event of malfunction or upset of UTILITIES' facilities. In the event of planned maintenance which makes UTILITIES' Wastewater Treatment System unavailable to accept FAWWA's wastewater, UTILITIES shall give FAWWA ten (10) days prior notice of the planned maintenance shall be given to FAWWA, after which FAWWA will temporarily store and contain wastewater to the extent of its storage capabilities.

11. No Third-Party Beneficiaries. Nothing herein shall be construed to give any rights or benefits hereunder to anyone other than UTILITIES and FAWWA. Enforcement of the terms and conditions of this Agreement, and all rights of action relating to such enforcement, shall be strictly reserved to FAWWA and UTILITIES, and nothing contained in this Agreement shall give or allow any such claim or right of action by any other or third person under such Agreement. It is the express intention of FAWWA and UTILITIES that any person other than FAWWA or UTILITIES receiving services or benefits under this Agreement shall be deemed to be an incidental beneficiary only.

12. Appropriation of Funds. In accord with the Colorado Springs City Charter, performance of UTILITIES' obligations under this Agreement is expressly subject to appropriation of funds by City Council. In the event funds are not appropriated in whole or in part sufficient for performance of UTILITIES' obligations under this Agreement, or appropriated funds may not be expended due to City Charter spending limitations, then this Agreement will thereafter become null and void by operation of law, and UTILITIES will thereafter have no liability for compensation or damages to FAWWA for future performance and obligations thereafter in excess of UTILITIES' authorized appropriation for this Agreement or the applicable spending limit, whichever is less. UTILITIES will notify FAWWA as soon as reasonably practicable in the event of non-appropriation or in the event a spending limit becomes applicable.

FAWWA's obligations under this Agreement are expressly subject to appropriation of funds by FAWWA's Board of Directors. In the event funds are not appropriated in whole or in part sufficient for performance of FAWWA's obligations under this Agreement, then this Agreement will thereafter become null and void by operation of law, and FAWWA will thereafter have no liability for compensation or damages to UTILITIES for future performance and obligations thereafter in excess of FAWWA's authorized appropriation for this Agreement, whichever is less. FAWWA will notify UTILITIES as soon as reasonably practicable in the event of non-

appropriation or in the event a spending limit becomes applicable. Nothing in this Agreement shall be interpreted or construed as a multiple-fiscal year obligation of FAWWA pursuant to Article X, Section 20 of the Colorado Constitution (TABOR). Notwithstanding the forgoing, FAWWA's obligation to pay the applicable rates, charges, surcharges, and fees owed to UTILITIES for provision of wastewater treatment service under this Agreement through FAWWA's water and sanitary sewer enterprise fund are not subject to appropriations by FAWWA's Board of Directors.

13. No Precedent; Severability. The Parties agree that neither of them intends that this Agreement shall in any way constitute a precedent or standard for any future agreement, nor vest any rights in either Party or any third party for novation, renewal, modification, or addition of any other rights or services on account of this Agreement's existence, as it is based solely on unique conditions currently existing at the time of execution. Any provision or part of this Agreement held to be void or unenforceable under any laws or regulations shall be deemed stricken, and all remaining Agreement provisions shall continue to be binding upon the Parties who agree that this Agreement shall be reformed to replace such stricken provision with a new provision that comes as close as possible to expressing the intention of the stricken provision.
14. No Assignment Without Consent. There shall be no assignment of the rights or obligations contained in this Agreement by either Party without the prior written consent by the other Party, and any such assignment shall be null and void. Notwithstanding anything herein to the contrary, upon written notice to FAWWA, UTILITIES may assign this Agreement without consent to the City of Colorado Springs.
15. Compliance with Laws and Regulations. This Agreement and the rights and obligations of the Parties hereunder shall be subject to all applicable laws, orders, court decisions, directives, rules, and regulations of any duly constituted governmental body or official having jurisdiction. Nothing contained in the Agreement, however, shall require either Party hereto to comply with any law, the validity of applicability of which shall be contested in good faith and, if necessary or desirable, by appropriate legal proceedings.
16. Governing Law, Jurisdiction and Venue. This Agreement shall be construed in accordance with the laws of the State of Colorado without reference to conflicts of laws, the Colorado Springs City Charter, the City Code, and the Tariffs. In the event of litigation, this Agreement shall be enforceable by or against the City on behalf of UTILITIES as provided in City Code § 12.1.109. In the event of any dispute over the Agreement's terms and conditions, the exclusive venue and jurisdiction for any litigation arising hereunder shall be in the District Court of El Paso County, Colorado and, if necessary, for exclusive federal questions, the United States Court for the District of Colorado.
17. Entire Agreement; Modifications to be in Writing. This Agreement with attachments constitutes the entire agreement between the Parties and supersedes all previous written or oral communications, understandings, and agreements between the Parties unless specifically stated herein. This Agreement may only be amended by a written agreement signed by both

Parties. E-mail and all other electronic (including voice) communications from UTILITIES in connection with this Agreement are for informational purposes only. No such communication is intended by UTILITIES to constitute either an electronic record or an electronic signature, or to constitute any agreement by UTILITIES to conduct a transaction by electronic means. Any such intention or agreement is hereby expressly disclaimed.

Intentionally Left Blank

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement as of the date of the last signature below.

COLORADO SPRINGS UTILITIES

FALCON AREA WATER AND
WASTEWATER AUTHORITY

By: _____

By: _____

Name: _____

Name: _____

Title: Chief Executive Officer

Title: _____

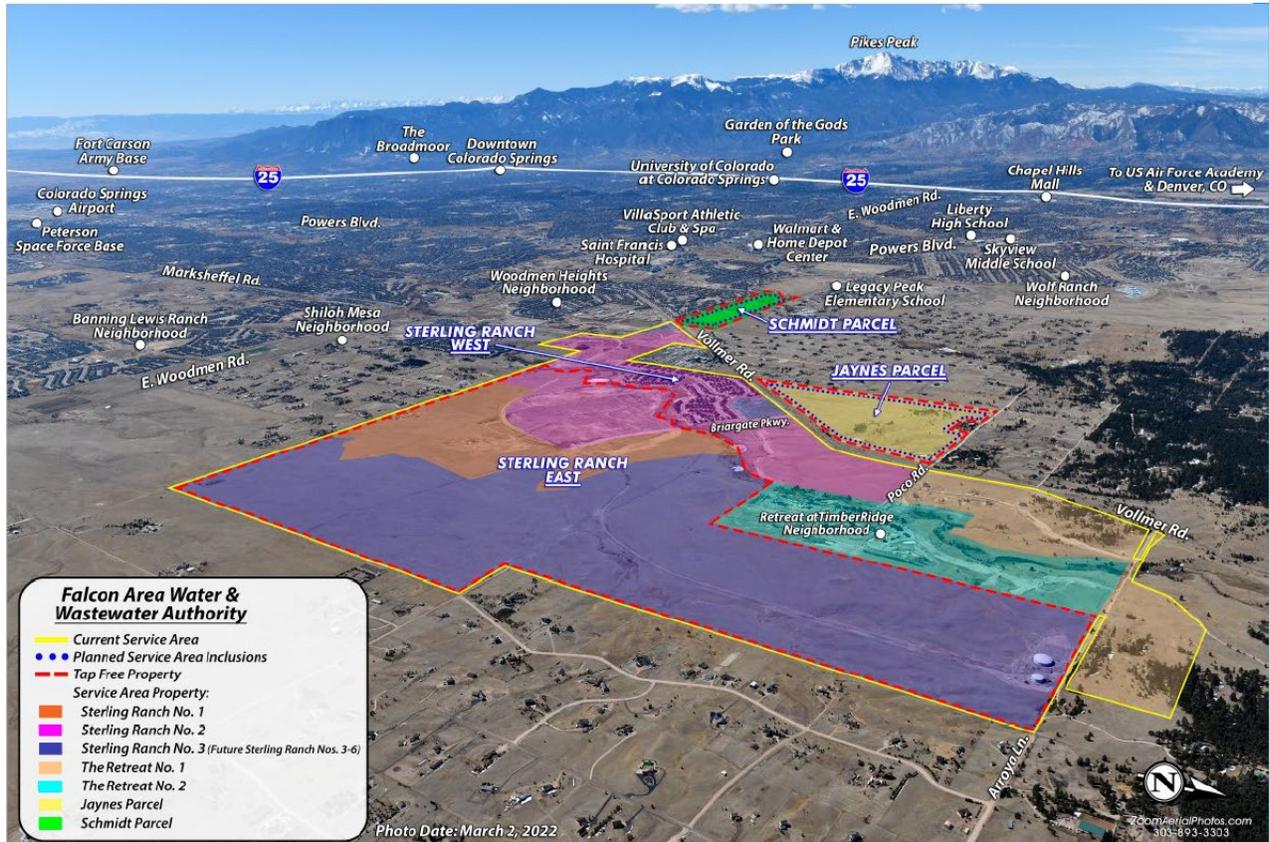
Date: _____

Date: _____

Approved as to form:

Attest: _____

Exhibit A
to the
WASTEWATER SERVICE AGREEMENT
Special Contract for Service - Outside City Limits
Falcon Area Water and Wastewater Authority





STERLING RANCH

-  Well/Septic
-  Colorado Springs Utilities Eligible
-  Forced Main Sewer
-  Basin Boundary

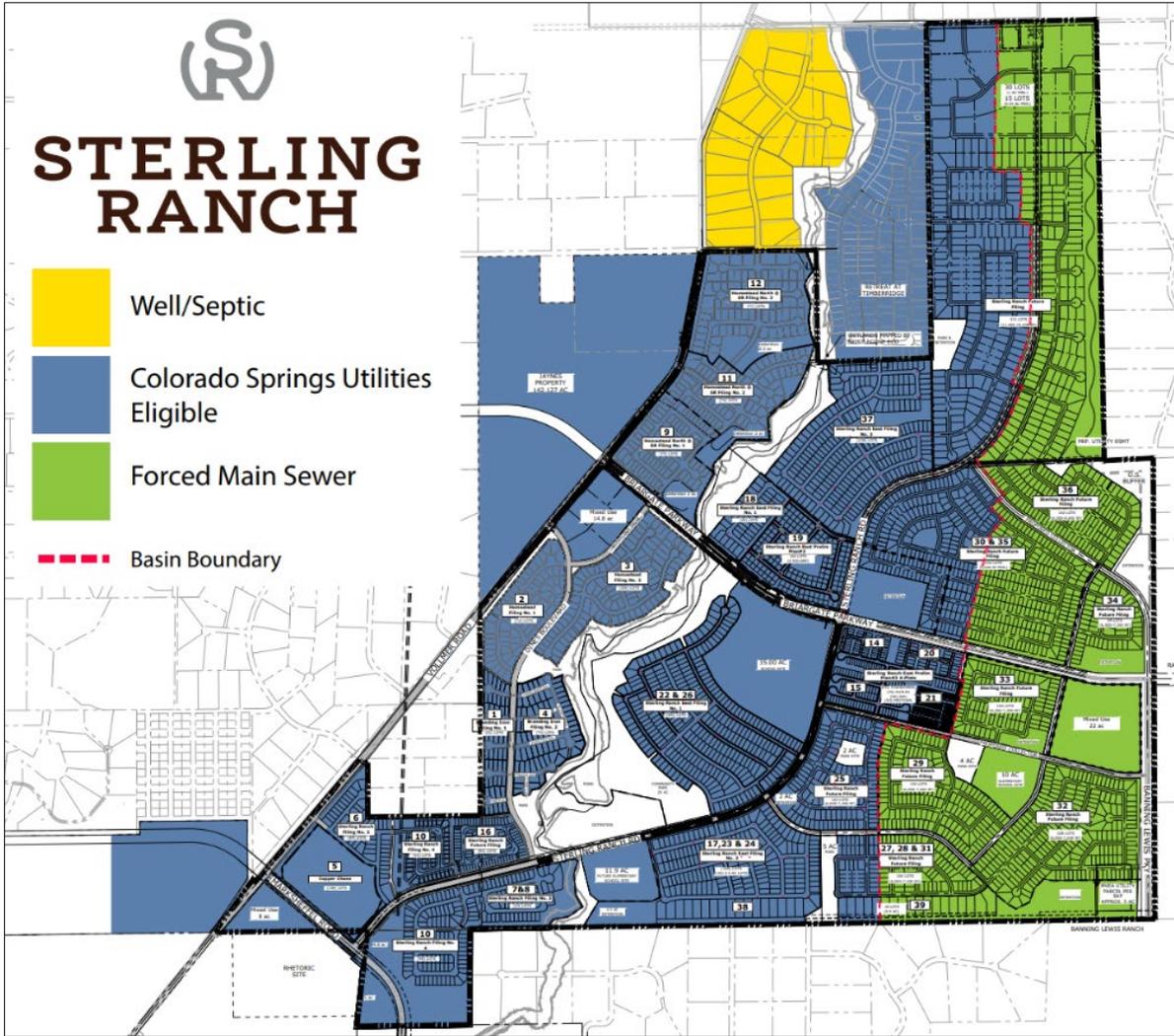
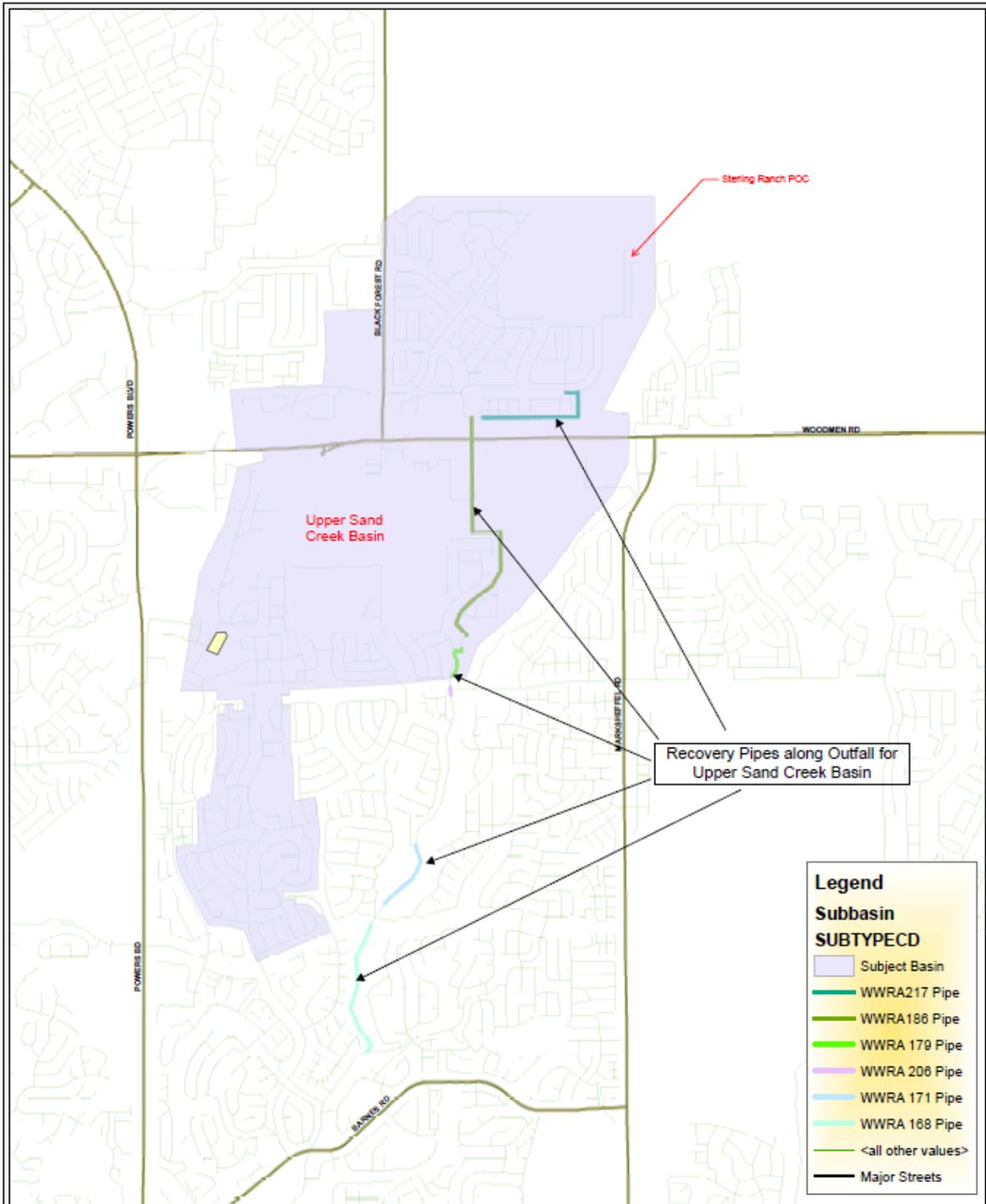
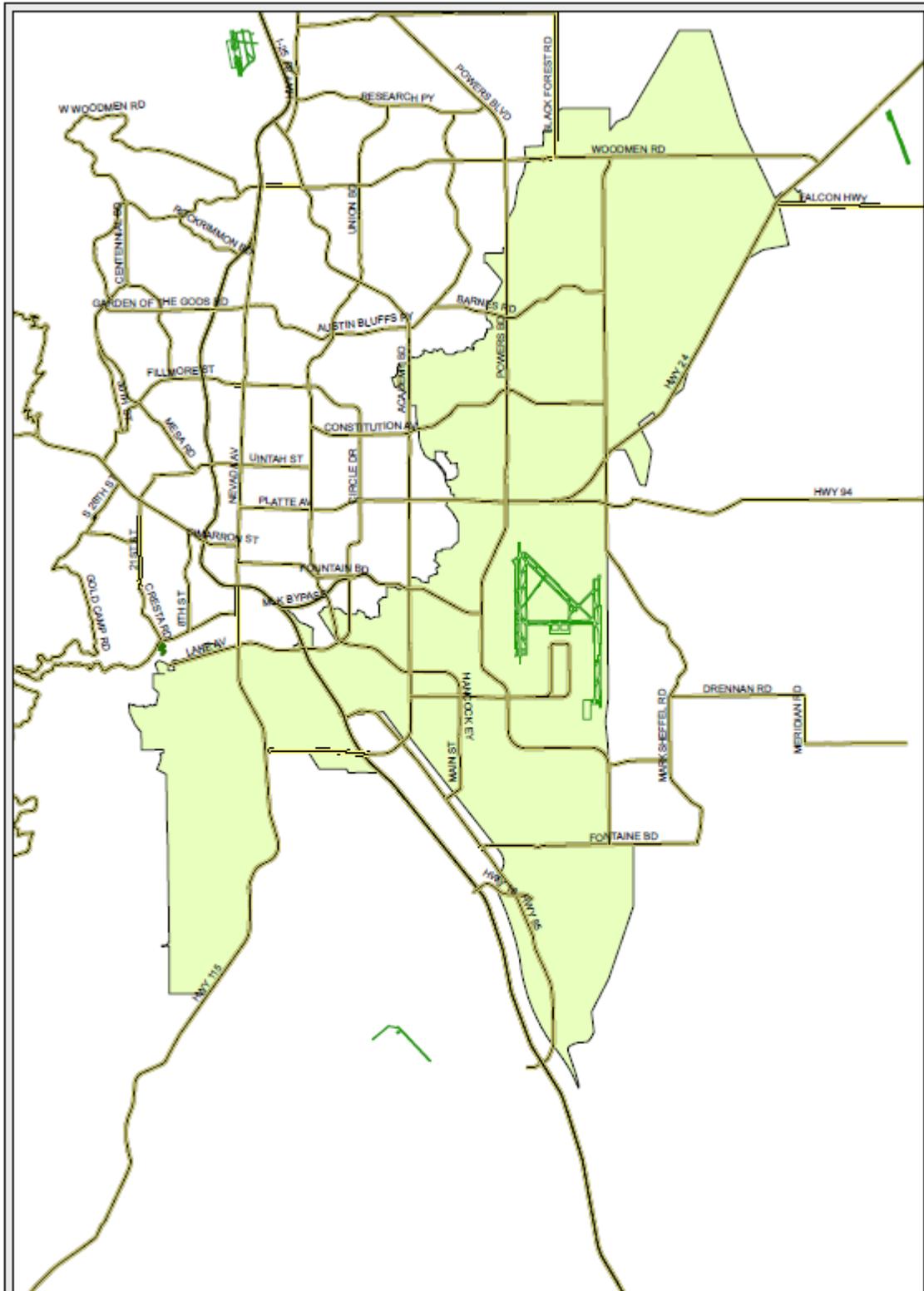


Exhibit B
to the
WASTEWATER SERVICE AGREEMENT
Recovery Agreement Maps





ADVANCE WwRA 2041 Exhibit "A"
Sand Creek Basin Improvements
Deep Pipe Diversion Project
**** FLOW BASED ASSESSMENT ****
(CSU Project # TBD)

Plot File Created: 07/02/2018

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Legend

— Major Streets

— Airport

— AWWRA 2041

Effective Date: 06/08/2018

Expired Date: 06/08/2099

Exhibit C
to the
WASTEWATER SERVICE AGREEMENT
District Points of Connection

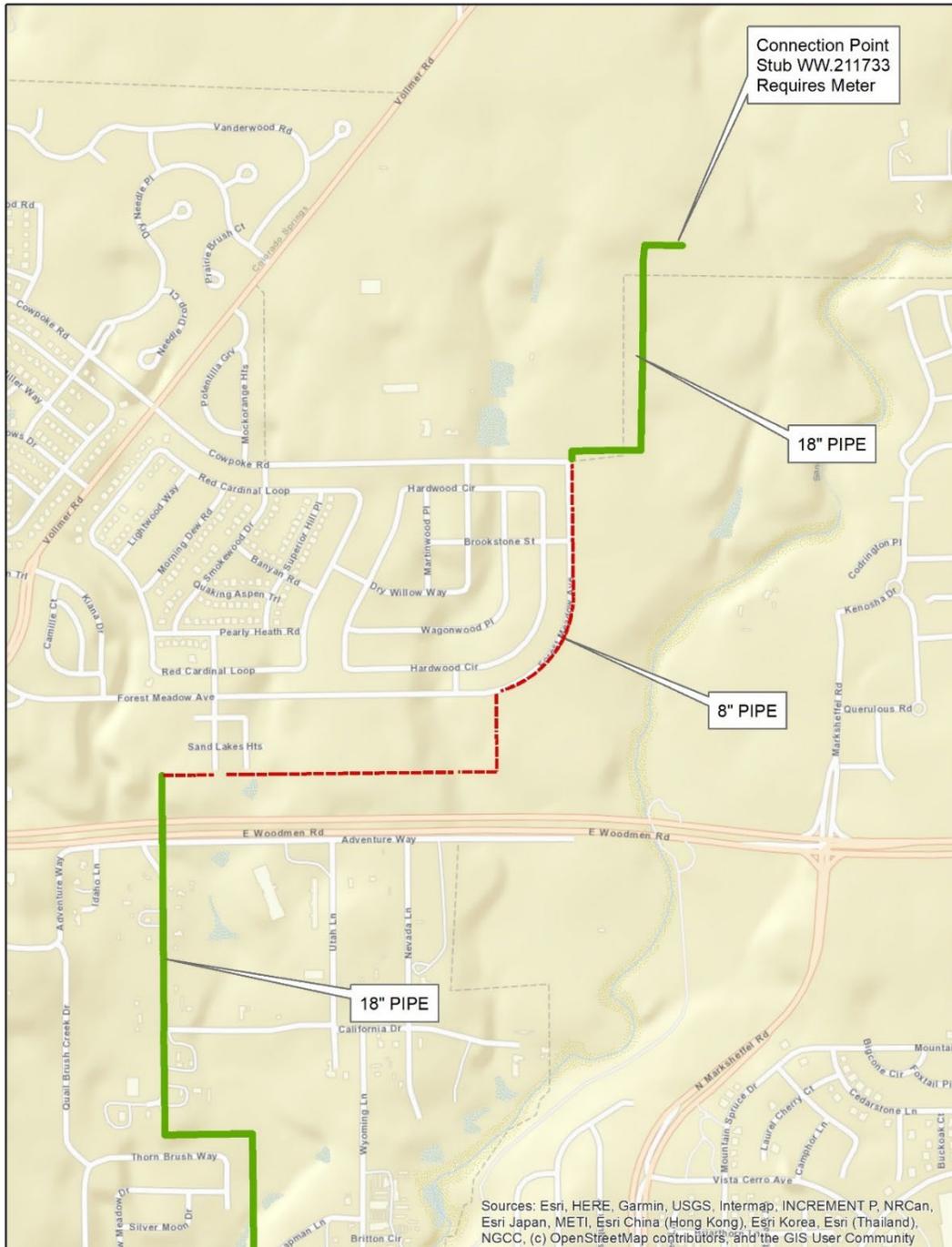


Exhibit C
to the
WASTEWATER SERVICE AGREEMENT
Easterly Schmidt Parcel Legal Description

EL PASO COUNTY - COLORADO

5200000575
VOLLMER RD

Total Market Value
\$158,099

OVERVIEW

Owner:	SSRW RESIDENTIAL PARTNERS LP LTD
Mailing Address:	5915 SILVER SPRINGS DR BLDG 3 EL PASO TX, 79912-4126
Location:	VOLLMER RD
Tax Status:	Taxable
Zoning:	RM-30
Plat No:	-
Legal Description:	TR IN THE SW4 & SW4SE4 SEC 32-12-65 DESC AS FOLS: COM AT THE S4 COR OF SD SEC 32, TH ALG THE NLY ROW LN N34-04-17E 259.29 FT TO THE POB; TH N55-55-43W 490.63 FT, TH N87-41-24W 228.83 FT, TH N75-30-36W 307.08 FT, TH N28-05-30E 35.79 FT TO A PT OF A CUR, TH ALG THE ARC OF A CUR TO THE L HAVING A RAD OF 605.00 FT, A C/A OF 28-45-54, ARC DIST OF 303.91 FT, TH N00-41-24W 198.54 FT, TH N89-18-36E 333.21 FT TO A PT OF A CUR, TH ALG THE ARC OF A CUR TO THE R, HAVING A RAD OF 1146.50 FT, A C/A OF 41-02-55, ARC DIST OF 821.39 FT, TH S49-38-29E 51.96 FT, TH S00-09-11E 162.66 FT TO A PT ON THE NLY ROW LN OF VOLLMER RD, TH ALG THE NLY ROW LN S34-04-17W 504.77 FT TO THE POB

EL PASO COUNTY - COLORADO

5200000576
VOLLMER RD

Total Market Value
\$79,063

OVERVIEW

Owner:	SRW RESIDENTIAL PARTNERS LP LTD
Mailing Address:	5915 SILVER SPRINGS DR BLDG 2 EL PASO TX, 79912-4126
Location:	VOLLMER RD
Tax Status:	Taxable
Zoning:	RM-30
Plat No:	-
Legal Description:	TR IN THE SW4 & SW4SE4 SEC 32-12-65 DESC AS FOLS: COM AT THE S4 COR OF SD SEC 32, TH ALG THE S LN OF SD SEC 32 S89-14-45W 143.15 FT, TH N00-45-04W 61.34 FT, TH ALG THE ARC OF A CUR TO THE R, HAVING A RAD OF 770.00 FT, A C/A OF 13-07-51, ARC DIST OF 176.46 FT TO THE POB; TH CONT ON THE ARC OF SD CUR TO THE R, HAVING A RAD OF 770.00 FT, A C/A OF 15-42-43, ARC DIST OF 211.15 FT, TH N28-05-30E 175.07 FT, TH S75-30-36E 307.08 FT, TH S87-41-24E 228.83 FT, TH S55-55-43E 490.63 FT TO A PT ON THE NLY ROW LN OF VOLLMER RD, TH ALG THE NLY ROW LN S34-04-17W 259.29 FT TO A PT ON THE S LN OF THE SW4SE4 SEC 32, TH ALG THE S LN S89-14-13W 155.44 FT, TH N77-53-11W 507.94 FT, TH N81-15-09W 242.78 FT TO THE POB

Board Memo Agenda Item

Staff Report

Date: Feb. 21, 2024
To: Utilities Board
From: Travas Deal, Chief Executive Officer
Subject: Excellence in Governance Policy Manual Revisions

NARRATIVE:

Desired Action: Approval

Executive Summary: The current Excellence in Governance Manual was adopted by the Utilities Board in 2018 after an extensive governance structure and process review. It outlines how the Utilities Board will conduct business, make decisions and direct the Colorado Springs Utilities Chief Executive Officer.

Since 2018, there have been modifications made to various Board Instructions and Guidelines. Staff is proposing revisions to the entire Excellence in Governance Policy Manual to provide greater clarity and consistency throughout the document. Modifications are minor and are all outlined in the Summary Change Notice.

This item went to the Jan. 11, 2024, Strategic Planning Committee meeting. The committee recommended the changes be brought to the full Utilities Board for consideration. Committee Members offered a few minor changes which have been incorporated into the final document.

Benefits: These revisions will add greater clarity and efficiencies to guide the Utilities Board in decision making and conducting oversight of the Chief Executive Officer.

Board Policy: The attached summary provides an overview of all policies impacted.

Cost/Budget: N/A

Affected Parties: Colorado Springs Utilities Board.

Alternatives: The Utilities Board can modify changes outlined for approval at their discretion or deny this request.

Submitter: Bethany Schoemer	Email address: bschoemer@csu.org
Division/ Department: Strategic Planning and Governance	Phone number: 719-668-3811
	Date submitted: Feb. 1, 2024

SPG Staff Use Only: Consent Calendar	<input type="checkbox"/>	Yes	<input type="checkbox"/>	No	<input checked="" type="checkbox"/>	ITEM NO. 9
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Colorado Springs Utilities
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Excellence in Governance Policy Manual Revisions

Bethany Schoemer

Strategic Planning and Governance Specialist

Background

- The current Excellence in Governance Manual was adopted by the Utilities Board in 2018.
- After an extensive governance structure and process review.
- The Excellence in Governance Manual outlines how the Utilities Board will conduct business, make decisions and direct the Colorado Springs Utilities Chief Executive Officer.



Summary of Changes

- Language and format changes to provide greater consistency throughout the entire document
- Added relevant City Code references
- Added greater clarity to Utilities Board guidelines
- Removed obsolete references
- Modified reporting frequencies
- Changed requirements of the C-2 Utilities Board Evaluation

Next Steps

- Recommend approval of the revisions as outlined
- Alternative: modify revisions or deny request



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Document Change Notice

Language and Format Changes: The following items do not change current policy and are made to provide clarity and consistency.

Section/Policy Number	Summary of Change
Throughout document	<ul style="list-style-type: none"> ○ Changed “Utilities” references to “Springs Utilities”.
Throughout document	<ul style="list-style-type: none"> ○ Changed “Board” to “Utilities Board”.
Throughout document	<ul style="list-style-type: none"> ○ Eliminated oxford commas for consistency.
Throughout document	<ul style="list-style-type: none"> ○ Miscellaneous grammar and capitalization inconsistencies.
Throughout document	<ul style="list-style-type: none"> ○ Numbering convention: Used figures for numbers 11 and higher.
Table of Contents	<ul style="list-style-type: none"> ○ Added page numbers.
Executive Summary	<ul style="list-style-type: none"> ○ Clarified the Excellence in Governance policies are outlined in City Code Section 12.1.105. ○ Added Colorado Springs Utilities vision. ○ Clarified the “Order of Precedence” language. ○ Updated the Colorado Springs Utilities Governance graphic to reflect new strategic plan.

Policy Changes

Section/Policy Number	Summary of Change	Page Number
City Council Authorities	<ul style="list-style-type: none"> ○ Added bullet: “Take any action expressly required of the Council in its legislative capacity by the Colorado Constitution, the City Charter or other controlling law.” 	12
C-2, Utilities Board Evaluation	<ul style="list-style-type: none"> ○ Removes the requirement for the evaluation to be conducted annually and allows the Utilities Board to informally evaluate themselves. 	14, 36
P-1, Utilities Board Practices for Excellence in Governance, Utilities Board Meetings	<ul style="list-style-type: none"> ○ Added language to indicate that public meetings are in compliance with Colorado Open Meetings Law and Board Bylaws. 	14
P-5, Utilities Board Practices for Excellence in Governance, Committees	<ul style="list-style-type: none"> ○ Clarified each Utilities Board Committee will be comprised of a minimum of three Board Members. 	15



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E-3, Utilities Board/Chief Executive Officer Partnership Expectations	<ul style="list-style-type: none"> ○ Clarified the Utilities Board’s role to adopt written governance policies and guidelines for the Chief Executive Officer and not direct management and operation of Utilities. ○ Added clarifying language around CEO authorities, powers and duties tied to City Code. 	17
I-2, Financial Condition and Activities	<ul style="list-style-type: none"> ○ Changed “procurement code” to “policies”. 	20
I-4, Risk Management	<ul style="list-style-type: none"> ○ Added clarifying language. 	22
I-6, Infrastructure	<ul style="list-style-type: none"> ○ Changed reporting frequency from semi-annual to annual. ○ Added “and maintained” for clarity. 	24
I-7, Water Supply Management	<ul style="list-style-type: none"> ○ Modified policy title from Water Supply Management to Water Supply Management/Regional Water and Wastewater Service. ○ Added clarifying language to item one, “With the assistance of the City Attorney’s Office”. ○ Added City Code reference to item three. ○ Added to 9a that City Council must also approve all regional service contracts. 	25
I-8, Asset Protection	<ul style="list-style-type: none"> ○ Added clarifying language to item one to include “real property interest”. ○ Added reference to item two to Procedure Manual for the Acquisition and Disposition of Real Property Interests. 	27
I-10, Treatment of Staff	<ul style="list-style-type: none"> ○ Added a bullet: “Foster an environment within the workforce that promotes and rewards creativity, efficiency and empowerment.” This was originally in the I-14, Enterprise Innovation. 	29
I-13, Community Investment	<ul style="list-style-type: none"> ○ Removed “plan” in item one to match current practice. ○ Added a bullet: “Advance services and programs that achieve customer interest, community goals and enterprise objectives.” This was originally in the I-14, Enterprise Innovation. 	32
I-14, Innovation	<ul style="list-style-type: none"> ○ Eliminated I-14, Enterprise Innovation and added policy requirements into other policy reports. 	34
G-2, Committee Purpose, Structure and Operation	<ul style="list-style-type: none"> ○ Added clarifying language about participation to structure and operating guideline number seven. ○ Added reference to City’s Code of Ethics. ○ Removed language allowing committees to enter into Executive Session. 	37



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G-3, Compliance Report Frequency and Method	<ul style="list-style-type: none"> ○ Changed I-6, Infrastructure, to an annual report given the long-term nature of the information in the report (long term planning updates). 	41
G-4, Evaluation of the Chief Executive Officer's Performance	<ul style="list-style-type: none"> ○ Modified language to match personnel title changes. ○ Clarified language around when feedback needs to be received. ○ Specified the Board Expected Results will be reviewed annually. 	42
G-5, Rate Design	<ul style="list-style-type: none"> ○ Added language to the Cost of Service study to clarify it is done in accordance with pricing standards. ○ Added clarifying language around economic development. 	43
G-6, Electric and Gas Cost Adjustments	<ul style="list-style-type: none"> ○ Added City Code reference 12.1.108 (D)(2)(b). 	44
G-8, Water Reserve	<ul style="list-style-type: none"> ○ Added clarifying language to item five, water reserve account language. 	46
G-9, At-Will Senior Management Severance	<ul style="list-style-type: none"> ○ Added first bullet to clarify when severance is allowed. ○ Added language in item three for what severance may include and the meaning of Medical Premium Benefit Continuation. ○ Added clarifying language in severance amounts section. 	47
G-10, Affordable Housing	<ul style="list-style-type: none"> ○ Clarified and consolidated language in this section. 	48
G-12, Urban Planning Area Utility Infrastructure Master Plan	<ul style="list-style-type: none"> ○ This guideline was created to support four service infrastructure upgrades and redevelopment. The Utilities Reliability Program (URP) was created as the primary program of work to support the master plan. The URP has since been absorbed into other areas and is now part of normal business operations, so this guideline is no longer needed. 	50
ER:1-3, Utilities Board Expected Results	<ul style="list-style-type: none"> ○ Changed "Skilled Workforce" to "Workforce Index" for consistency with what the Utilities Board approved November 2023. 	52



Colorado Springs Utilities

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**EXCELLENCE IN GOVERNANCE
POLICY MANUAL**

Revised: November 15, 2023

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Commented [NM1]: Page numbers reflect the current version of the document and will adjust once the revisions are approved.

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- D-1 Fiduciary Duties [pg. 10](#)
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- CCA-6 Adopt or Change Rates and Tariffs for Regulated Products and Services [pg. 13](#)
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City Council Authorities (continued)

City Council Legislative Authorities Regarding Colorado Springs Utilities – City Code/City Charter

CCA-8 Approve the Sale, Conveyance or Lease of a Substantial Part of Utilities Systems and Water Rights with an Affirmative Vote of a Supermajority of Sixty Percent (60%) of the Electors of the City Voting Upon that Question in Accordance with the City Charter [pg. 13](#)
CCA-9 Take any action expressly required of the Council in its legislative capacity by the Colorado Constitution, the City Charter or other controlling law [pg. 13](#)

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Related Governance Information
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**COLORADO SPRINGS UTILITIES BOARD
EXCELLENCE IN GOVERNANCE POLICY MANUAL**

EXECUTIVE SUMMARY EXCELLENCE IN GOVERNANCE

The Colorado Springs Utilities (“Springs Utilities”) Board of Directors (“Utilities Board”) must excel in the primary obligations of governance for the community-owned enterprise to fulfill its mission and customer-focused performance expectations. The Excellence in Governance Policy Manual provides formal, written policies that describe governance requirements and establish a clear distinction between the City Council’s, the Utilities Board’s and the Chief Executive Officer’s responsibilities and authorities. The Excellence in Governance policies are outlined in City Code Section 12.1.105.

COLORADO SPRINGS UTILITIES MISSION

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

COLORADO SPRINGS UTILITIES VISION

Ready for today, prepared for a sustainable future.

UTILITIES BOARD STRATEGIC FOCUS

The Utilities Board is primarily and ultimately accountable to ensure the benefits of local ownership and control to the citizens of Colorado Springs. The Utilities Board also has a responsibility to its current and future customers by balancing rates, reliability and relationships, with the primary focus on rates.

ORDER OF PRECEDENCE

In the event of a conflict between the terms of this Excellence in Governance Policy Manual and other applicable governance controls, the following order of precedence establishes the hierarchy of control: (1) applicable law, including by not limited to the Colorado Springs Charter and City Code, (2) Springs Utilities’ Tariffs and Utilities Rules and Regulations, (3) Utilities Board By-Laws, and (4) the Excellence in Governance Policy Manual.

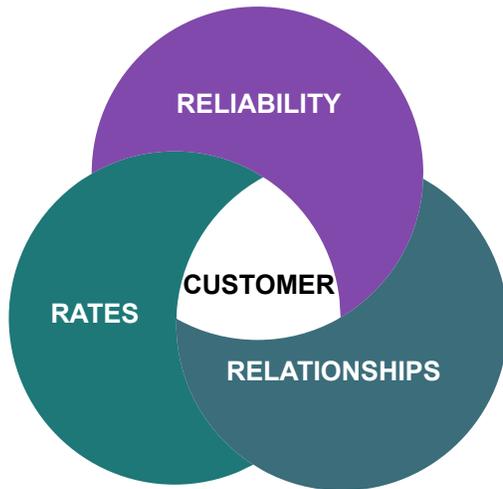
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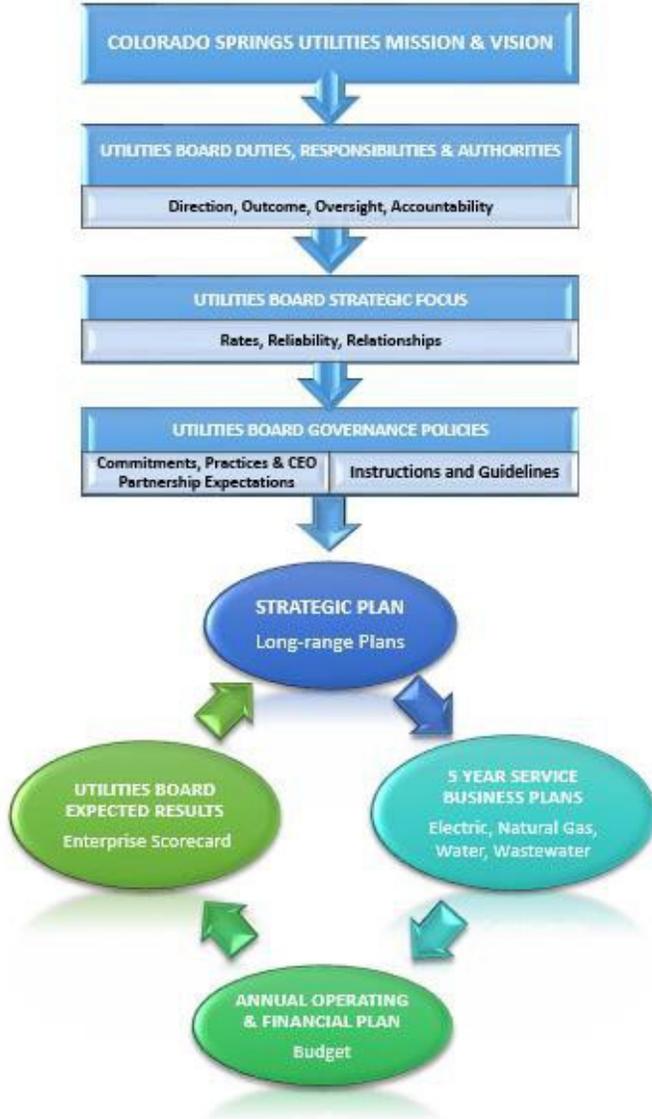
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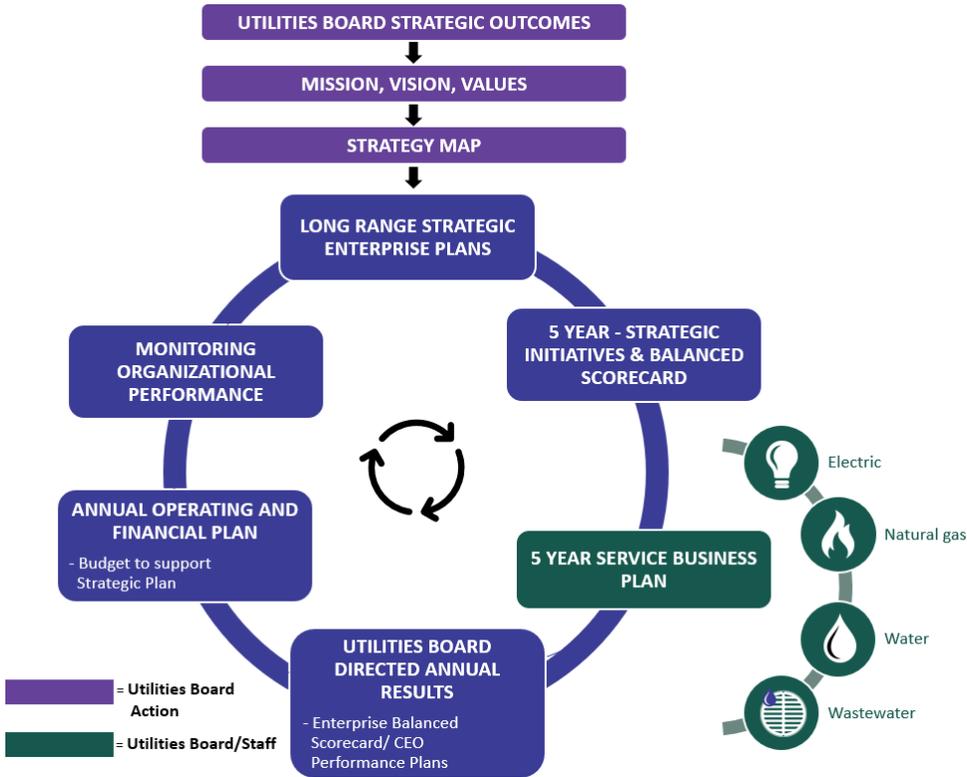
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COLORADO SPRINGS UTILITIES GOVERNANCE

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UTILITIES BOARD DUTIES, RESPONSIBILITIES, AND ADMINISTRATIVE AUTHORITIES

Category:	Utilities Board Duties	Date of Adoption:	May 16, 2018
Policy Number:	D: 1-2	Revision Date:	
		Revision Number:	

The Utilities Board must fulfill fiduciary duties by acting in the best interest of the organization and owners and comply with statutory and regulatory duties.

D-1 Fiduciary: The Utilities Board governs ~~Colorado~~ Springs Utilities in accord with sound business principles, in a manner that supports long-term sustainability of the enterprise and maximizes value to the citizens.

D-2 Statutory and Regulatory: The Utilities Board conducts all business in full compliance with applicable legal, statutory, and regulatory requirements.

UTILITIES BOARD DUTIES, RESPONSIBILITIES AND ADMINISTRATIVE AUTHORITIES

Category:	Utilities Board Responsibilities	Date of Adoption:	May 16, 2018
Policy Number:	R: 1-4	Revision Date:	
		Revision Number:	

The Utilities Board is responsible for ~~Colorado~~ Springs Utilities' future vision, long-term organizational sustainability and assuring the highest level of performance by providing:

R-1 Direction: The Utilities Board develops the Strategic Plan and vision for the enterprise jointly with the Chief Executive Officer.

R-2 Outcomes: The Utilities Board establishes and communicates strategic Board Expected Results that citizens and customers value.

R-3 Oversight: The Utilities Board monitors compliance with Instructions to the Chief Executive Officer, achievement of Board Expected Results and the Chief Executive Officer's performance to provide responsible oversight.

R-4 Accountability: The Utilities Board is ultimately accountable to the citizens; ensuring the benefits of local ownership and control.

UTILITIES BOARD DUTIES, RESPONSIBILITIES AND ADMINISTRATIVE AUTHORITIES

Category:	Utilities Board Administrative Authorities – City Code	Date of Adoption:	May 16, 2018
Policy Number:	UBA: 1-4	Revision Date:	
		Revision Number:	

Pursuant to City Code 12.1.104, the Utilities Board has the following administrative authorities.

UBA-1: Hire, set the salary, evaluate, and terminate the Chief Executive Officer.

UBA-2: Appoint Utilities Policy Advisory Committee members and ~~c~~Customer ~~a~~Advisory ~~g~~Group members.

UBA-3: Approve the sale, conveyance or lease of ~~Colorado~~ Springs Utilities property and water rights that are not a substantial part of a Utilities system.

UBA-4: Appoint directors and representatives to water authorities, partnerships, joint ventures, and similar entities in which ~~Spring~~s Utilities participates.

CITY COUNCIL AUTHORITIES

Category:	City Council Legislative Authorities Regarding Colorado Springs Utilities - City Code	Date of Adoption:	May 16, 2018
Policy Number:	CCA: 1-98	Revision Date:	
		Revision Number:	

~~Including~~ **In addition to** other powers provided in the City Code and the City Charter, the ~~City Council~~ **City Council** Code section 12.1.104 ~~reserves~~ **lists** the following ~~City Council~~ legislative authorities regarding ~~Spring~~ **Utilities to City Council**.

CCA-1: Pass Ordinances.

CCA-2: Issue Revenue Bonds.

CCA-3: Institute Eminent Domain Proceedings.

CCA-4: Appropriate Funds and Adopt Annual Budgets.

CCA-5: Approve Intergovernmental Agreements.

CCA-6: Adopt or Change Rates and Tariffs for Regulated Products and Services.

CCA-7: Create Advisory Boards in Accordance with the City Charter.

CCA-8: Approve the Sale, Conveyance or Lease of a Substantial Part of Utilities Systems and Water Rights with an affirmative vote of a supermajority of sixty percent (60%) of the electors of the City voting upon that question in accordance with the City Charter.

CCA-9: Take any action expressly required of the Council in its legislative capacity by the Colorado Constitution, the City Charter or other controlling law.

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UTILITIES BOARD COMMITMENTS AND PRACTICES

Category:	Utilities Board Commitments to Excellence in Governance	Date of Adoption: May 16, 2018
Policy Number:	C: 1-6	Revision Date:
		Revision Number:

Utilities Board actions that promote excellence in governance.

C-1 Utilities Board Ethics and Norms

1. Utilities Board ~~M~~members comply with the City Code of Ethics.
2. Utilities Board ~~M~~members should fully engage in Utilities Board activities including preparing for Utilities Board deliberations, supporting Utilities Board policy decisions, clarifying misinformation and communicating honestly and directly.

C-2 Utilities Board ~~Annual~~Evaluation

1. The Utilities Board ~~will complete a self evaluation establishes governance performance metrics to evaluate the Board's performance and~~ to initiate improvement opportunities ~~annually~~.

C-3 Limits of Individual Authority

1. Utilities Board ~~M~~members do not have individual authority over ~~Colorado~~ Springs Utilities, the Chief Executive Officer or ~~Spring~~s Utilities staff.
2. Utilities Board ~~M~~members only act or speak on behalf of the Utilities Board when authorized by the Utilities Board.

C-4 Utilities Board Development

1. Utilities Board ~~M~~members are encouraged to participate in a structured orientation and ongoing industry and governance education.

C-5 Utilities Board Decisions

1. The Utilities Board uses the expertise and diversity of viewpoints of Utilities Board ~~M~~members, Utilities Policy Advisory Committee and ~~c~~Customer ~~a~~Advisory ~~g~~Group recommendations, staff recommendations, external expert opinions and public input to make effective decisions.

C-6 Utilities Board Policies

1. The Utilities Board develops, reviews and approves written governance policies and guidelines that reflect their strategic vision, direction and focus.

UTILITIES BOARD COMMITMENTS AND PRACTICES

Category:	Utilities Board Practices for Excellence in Governance	Date of Adoption:	May 16, 2018
Policy Number:	P: 1-5	Revision Date:	
Guidelines	Committee Purpose, Structure and Operation (G-2)	Revision Number:	

Utilities Board practices that promote excellence in governance.

P-1 Utilities Board Meetings

1. Utilities Board meetings are open to the public, conducted in an orderly, efficient and productive manner and adhere to [the Colorado Open Meetings Law, the Utilities Board Bylaws and](#) Parliamentary Law and Practice for Nonprofit Organizations and Utilities Board Bylaws.
2. Utilities Board meetings follow agendas that are developed using an approved Utilities Board Annual Agenda Planning Calendar, include public comment and focus discussions on Utilities Board responsibilities.

P-2 Chief Executive Officer Excellence

1. The Utilities Board establishes leadership excellence by hiring an effective Chief Executive Officer.
2. The Utilities Board supports the Chief Executive Officer and provides strategic counsel and leadership development opportunities.
3. The Chief Executive Officer is under the authority of and accountable to the Utilities Board; all other staff are under the authority of and accountable to the Chief Executive Officer.

P-3 Unified Utilities Board Direction to the Chief Executive Officer

1. Only the full Utilities Board, operating during open publicly-noticed meetings, has the authority to direct the Chief Executive Officer.
2. Only the Utilities Board acting as a majority through formal motions can set strategic direction, make administrative and policy decisions, establish Board Expectations, evaluate the Chief Executive Officer's performance or assign resource-intensive tasks.

P-4 Role of the Chair

1. The Utilities Board Chair is responsible for upholding Utilities Board Commitments and Practices.
2. The Utilities Board Chair sets the meeting agendas, runs meetings, [and](#) appoints

Utilities Board Committee Chairs and Committee Members. The Utilities Board Chair represents and speaks for the Utilities Board unless the Utilities Board or Board Chair specifically delegate this authority to another Utilities Board Member.

3. The Utilities Board Chair recognizes multiple positions of Utilities Board Members on issues which have not yet been decided or voted upon.

P-5 Committees

1. Utilities Board Committees and Sub-Committees are established and disbanded by Utilities Board vote, do not make decisions, do not have authority over operations or staff, and may not act or speak for the Utilities Board.
2. Utilities Board Committees review, analyze and provide recommendations and policy alternatives for consideration by the entire Utilities Board. A dissenting recommendation may be provided.
3. Utilities Board Sub-Committees review, analyze and provide recommendations and policy alternatives to Utilities Board Committees. A dissenting recommendation may be provided.
4. Utilities Board Committees and Sub-Committees follow Board-Approved Work Plans and Committee Purpose, Structure and Operation Guidelines.
5. Standing Utilities Board Committees include the Strategic Planning Committee, Personnel Committee, Finance Committee and the Program Management Review Committee. Each Utilities Board Committee will be comprised of a minimum of three Board Members.
6. Utilities Board Committees are comprised of Utilities Board Members appointed by the Chair.
7. Utilities Board Sub-Committees may include citizens and customers appointed by the Utilities Board.
8. The Utilities Board Utilities Policy Advisory Committee is established and disbanded by Utilities Board vote and is comprised of citizens and customers appointed by the Utilities Board.
9. Utilities Board ad-hoc cCustomer aAdvisory Groups are established and disbanded by Utilities Board vote and are comprised of Utilities Board Members appointed by the Chair and citizens and customers appointed by the Utilities Board. Unless otherwise stated, an ad-hoc cCustomer aAdvisory Group ceases to exist upon completion of its task.

EXPECTATIONS

Category: **Utilities Board/Chief Executive Officer Partnership Expectations** Date of Adoption: **May 16, 2018**

Policy Number: **E: 1-3**

Revision Date:

Revision Number:

The Utilities Board and the Chief Executive Officer work in partnership to achieve excellence in governance and operations to attain long-term organizational success and sustainability.

E-1 Utilities Board/Chief Executive Officer Strategic Collaboration

1. The Utilities Board and Chief Executive Officer work jointly to set the vision and strategic direction for the enterprise.
2. The Utilities Board and Chief Executive Officer work jointly to establish approved Board Expected Results and Leadership Competencies for the [Utilities](#) Board's annual evaluation of the Chief Executive Officer's performance.

E-2 Chief Executive Officer Responsibilities

1. The Chief Executive Officer shall direct that all business practices, activities and decisions are in accord with sound business principles and the City Code of Ethics.
2. The Chief Executive Officer assists the Utilities Board in obtaining sufficient knowledge to meet their joint responsibilities through continuous education and development opportunities.
3. The Chief Executive Officer supports the Utilities Board responsibility of organizational oversight by providing policy compliance reports in Utilities Board meeting materials following a schedule and procedure approved annually by the Utilities Board.
4. The Chief Executive Officer provides sufficient resources for the Utilities Board including assigned staff support for: Utilities Board Committees and Sub-Committees, Utilities Policy Advisory Committee ([UPAC](#)), research requests, customer inquiry responses, [Customer Advisory Groups](#), stakeholder engagement and consultant management.
5. The Chief Executive Officer informs the Utilities Board about Economic Development incentives that have been offered and about material changes that affect operations or policy compliance or Board Expected Results through communication that is timely, accurate and clear.
6. The Chief Executive Officer presents staff and Utilities Board Committee recommendations on an equally informative basis and if applicable, includes alternatives with pros and cons for Utilities Board decision making.

7. The Chief Executive Officer communicates Utilities Board direction and decisions to citizens and customers.
8. The Chief Executive Officer protects the Utilities Board from a sudden loss of the Chief Executive Officer's services by having at least two Officer emergency successors familiar with current issues and business procedures; by traveling with only one of the designated emergency successors and by allowing no more than three Officers to travel together.
9. The Chief Executive Officer complies with Utilities Board Policies, Instructions and Guidelines to the Chief Executive Officer.
10. The Chief Executive Officer advises the Utilities Board if in his/her opinion, the Utilities Board is not in compliance with its Commitments, Practices and Partnership Expectations for Excellence in Governance policies, particularly in the case of Utilities Board behavior which is detrimental to the work relationship between the Utilities Board and the Chief Executive Officer.

E-3 Chief Executive Officer Authorities, Powers and Duties – City Code

1. The Utilities Board, in its discretion, is empowered to adopt written governance policies and guidelines for the ~~management and operation of Utilities as an enterprise by the~~ Chief Executive Officer.
2. The Utilities Board and the Chief Executive Officer work in partnership to achieve excellence in governance to attain long-term organizational sustainability. They work jointly to set the strategic direction and vision for the enterprise.
3. The Utilities Board establishes a clear distinction between its duties, responsibilities and authorities and the Chief Executive Officer's responsibilities and authorities through formal, written governance policies.
4. The Utilities Board respects and supports the exclusive authority of the Chief Executive Officer to lead the enterprise.
5. To the maximum extent legally possible and guided by the Utilities Board governance policies, the Chief Executive Officer is authorized to make decisions, take actions, establish processes and procedures, implement plans, and work on behalf of the enterprise with customers, elected officials, government agencies, stakeholders and the public to meet the Utilities Board's strategic focus and Board Expected Results. In addition to any other powers or duties conferred by the City Charter, City Code, other statutes, the Board policies, ordinances, rules or regulations, the Chief Executive Officer has the authority to:
 - A. Execute all business contracts entered into by Springs Utilities and all other contracts and agreements.

- B. Delegate signature authority to staff reporting to the Chief Executive Officer by Utilities Enterprise Policy and may provide for further delegation of this signatory authority as appropriate.
- C. Adopt and promulgate written Utilities Enterprise Policies and service standards and specifications consistent with the provisions of the City Charter or City Code concerning matters that are applicable to all operations and finances of Colorado Springs Utilities, including all operational units.
- D. Delegate authority to direct reports to the Chief Executive Officer by written Utilities Enterprise Policies, to adopt service standards and specifications for each respective division.
- E. Make and enforce rules and regulations as may be necessary for the regulation, collection, rebating and refunding of user charges for utility services.
- F. Identify and certify that an imminent hazard condition exists and abate the hazard.
- G. Interrupt or curtail utility services or to provide for the interruption or curtailment of utility services whenever emergency circumstances, including, without limitation, supply limitations or restrictions, treatment restrictions or limitations, transmission or distribution system restrictions or failures, or operational problems, require immediate interruption or curtailment of utility services for operational or safety reasons.
- H. Issue revocable permits or licenses for the use of public property primarily used by Colorado Springs Utilities, including watershed areas, for any purpose not inconsistent with the City Code, regulations established by the Chief Executive Officer, or other laws and ordinances regulating the use and occupancy of public property.
- I. Establish regulations governing the issuance or denial of ~~a~~ revocable permits and licenses and setting insurance requirements, fees and ~~permit~~ terms and conditions necessary to protect the public health, safety and welfare and the safety and welfare of Colorado Springs Utilities operations, equipment and facilities.

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INSTRUCTIONS

Category:	Utilities Board Instructions to the Chief Executive Officer	Date of Adoption:	May 16, 2018
Policy Title (Number):	Pricing of Services (I-1)	Revision Date:	
Monitoring Type:	Internal	Revision Number:	
Monitoring Frequency:	Annual		
Guidelines:	Rate Design (G-5) Electric and Gas Cost Adjustments (G-6)		

The Chief Executive Officer shall direct that pricing practices result in rates that are just, reasonable and not unduly discriminatory. Accordingly, the CEO shall:

1. Establish pricing practices that result in revenues that are sufficient to provide safe, reliable utility services to ~~Colorado~~ Springs Utilities citizens and customers.
2. Establish pricing practices that maintain financial viability of each separate regulated service.

INSTRUCTIONS

Category:	Utilities Board Instructions to the Chief Executive Officer	Date of Adoption:	May 16, 2018
Policy Title (Number):	Financial Condition and Activities (I-2)	Revision Date:	February 20, 2018
Monitoring Type:	Internal; City Auditor	Revision Number:	2
Monitoring Frequency:	Quarterly, Annual		
Guidelines:	Local Vendor (G-7)		

The Chief Executive Officer shall direct that financial condition and activities and actual expenditures are consistent with Board Expected Results. Accordingly, the CEO shall:

1. Operate within total appropriations for the fiscal year and inform the Utilities Board of:
 - A. Significant financial variances.
 - B. Expenditures that exceed the Federal Energy Regulatory Commission capital and operating and maintenance budget classifications in electric, natural gas, water, wastewater and common.
 - C. Budget transfers and canceled major capital projects over \$500,000 in the approved budget or new major capital projects not funded in the approved budget.
2. Inform the Utilities Board of contracts that have been issued over \$500,000, not to include blanket contracts.
3. Invest funds in accordance with Bond Ordinance requirements and [Springs Utilities Investment Plan](#).
4. Ensure controls are in place for receiving, processing, or disbursing funds and allow only bonded or insured personnel access to material amounts of funds.
5. Ensure receivables are resolved within a reasonable grace period.
6. Settle payroll and debts in a timely manner.
7. Ensure tax payments or other government ordered payments are timely and materially accurate.
8. Operate within [the applicable sections of the Colorado State Procurement Code](#) ~~and, Colorado Springs Utilities Procurement Code and Procurement policies and~~ procedures assuring legal and fiscal compliance with competitive acquisition practices, conflict of interest, favoritism and procurement from local vendors.
9. Inform the Utilities Board of significant financial impacts on the Municipal Government.

INSTRUCTIONS

Category:	Utilities Board Instructions to the Chief Executive Officer	Date of Adoption:	May 16, 2018
Policy Title (Number):	Financial Planning and Budgeting (I-3)	Revision Date:	July 20, 2022
Monitoring Type:	Internal	Revision Number:	1
Monitoring Frequency:	Annual		
Guidelines:	Water Reserve Account (G-8) Water Acquisition Account (G-13)		

The Chief Executive Officer shall direct that financial planning and budgeting is multi-year and includes planning assumptions, capital and operations expenses and projections of revenues and cash flow. Accordingly, the CEO shall:

1. Maintain financial stability by meeting Utilities Board approved financial metrics that support a **AA** long-term credit rating.
2. Financially position the enterprise to meet long-range infrastructure funding requirements while moderating customers' average base bill adjustments.
3. Use planning assumptions that accurately forecast revenues and expenses.
4. Direct that a water reserve account is established and maintained to manage **water** sales volatility.
5. Direct that a water acquisition account is established and maintained to fund expenditures that enable timely acquisitions and participation in supply projects that increase raw water system yield.
6. Use financial methods that share the cost of utility infrastructure between current and future customers.
7. Use risk-based modeling and a defined enterprise procedure to prioritize operations and maintenance infrastructure.

INSTRUCTIONS

Category:	Utilities Board Instructions to the Chief Executive Officer	Date of Adoption: May 16, 2018
Policy Title (Number):	Risk Management (I-4)	Revision Date:
Monitoring Type:	Internal; City Auditor; External	Revision Number:
Monitoring Frequency:	Semi-Annual, Annual, Years ending in 0 and 5	

The Chief Executive Officer shall direct that the enterprise maintain enterprise risk management activities that identify, assess and prudently manage a variety of risks including strategic, financial, operational, legal and hazard. Accordingly, the CEO shall:

1. Maintain a Risk Management Committee to identify, measure, monitor, manage and report risk on an enterprise-wide basis.
2. Operate under and maintain a written Enterprise Risk Management (ERM) Plan ~~and~~ ~~which includes the~~ required plans listed below that each include management level approval, detailed procedures, internal controls and reporting requirements, and external audits.
 - A. Energy Risk Management Plan - establishes procedures for limiting organizational exposure to price volatility and supports the acquisition or sale of energy that does not unreasonably jeopardize the ability to meet customer needs.
 - B. Investment Plan - establishes investment scope, objectives, delegation of authority, standards of prudence, eligible investments and transactions, risk tolerance and safekeeping and custodial procedures for the investment of all funds.
 - C. Financial Risk Management Plan - establishes objectives and procedures for minimizing risk to support responsible compliance.

INSTRUCTIONS

Category:	Utilities Board Instructions to the Chief Executive Officer	Date of Adoption: May 16, 2018
Policy Title (Number):	Economic Development (I-5)	Revision Date:
Monitoring Type:	Internal	Revision Number:
Monitoring Frequency:	Annual	

The Chief Executive Officer shall direct that the enterprise's obligation to serve responsibilities are the primary method to support economic development but may also use other approved methods of support. Accordingly, the CEO shall:

1. Offer economic development incentives, special rates or terms and conditions for utility services and alternative development solutions when they are defined within [Springs](#) Utilities Rules and Regulations, Tariffs and City Code and approved by the City Auditor.
2. Consider economic development support that:
 - A. Optimizes existing utility infrastructure.
 - B. Grows the customer base.
 - C. Assures a neutral or positive impact to citizens.
 - D. Partners with local entities.
3. Create a business-friendly culture by eliminating operational policies and standards that no longer provide value and by proactively communicating the rationale behind current operational policies.
4. Provide access to existing utilities infrastructure and capacity information while minimizing security risks.

INSTRUCTIONS			
Category:	Utilities Board Instructions to the Chief Executive Officer	Date of Adoption:	May 16, 2018
Policy Title (Number):	Infrastructure (I-6)	Revision Date:	March 20, 2019
Monitoring Type:	Internal	Revision Number:	1
Monitoring Frequency:	Semi-Annual		
Guidelines:	Urban Planning Area Utility Infrastructure Master Plan (G-12)		

The Chief Executive Officer shall direct that annual, five-year and ~~twenty~~20-year infrastructure plans are developed and maintained for each utility service. Accordingly, the CEO shall:

1. Use a reasonable planning period to meet obligation to serve requirements for current and future customers.
2. Base plans on operational and regulatory requirements to provide safety, system reliability and security.
3. Maintain an organization-wide long-range infrastructure plan that considers the annual impact to the typical customer bill, maintains strong financial metrics, and sequences infrastructure projects to the extent operationally and financially practical.
4. Plan for replacement of aging infrastructure, information and operational technology upgrades, utility relocations for public works and road projects, life extension of existing systems and services to approved contract customers.
5. Coordinate infrastructure planning with the Municipal Government's Strategic Plan, Comprehensive Plan and Annexation Policy and other governmental agency plans.

INSTRUCTIONS

Category:	Utilities Board Instructions to the Chief Executive Officer	Date of Adoption: May 16, 2018
Policy Title (Number):	Water Supply Management/Regional Water and Wastewater Service (I-7)	Revision Date: Nov. 15, 2023
Monitoring Type:	Internal	Revision Number: 4
Monitoring Frequency:	Annual	

The Chief Executive Officer shall direct that new and existing water resources and systems are aggressively developed, protected and optimized to maintain and enhance water system sustainability in a manner that responsibly balances costs and risks to reliably meet the needs of current and future customers. Accordingly, the CEO shall:

1. Defend ~~Colorado~~ Springs Utilities' water rights against claims and filings by others if these would in any way injure, hinder, or decrease Colorado Springs' current or future yield or use.
2. Conduct periodic evaluations of ~~Colorado~~ Springs Utilities' existing decreed water rights and take legal and administrative actions necessary to optimize the water system.
3. Provide a reliable water supply to existing and future customers, including requests for regional service contracts and annexations, by planning for, developing, and managing water resources and infrastructure in accordance with City Code section 12.4.305 and the following criteria:
 - A. At all times maintain a minimum of one year of customer demand in water system storage.
 - B. Meet or exceed 90 percent (90%) reliability for maintaining a minimum of one 1-5 years and six months of customer demand in water system storage.
 - C. Conduct an evaluation of the need for water shortage response measures when water system storage is forecast to fall below one 1-5 years and six months of customer demand on or after April 1 of any year.
4. Utilize ~~Colorado~~ Springs Utilities' dedicated water acquisition account to fund expenditures that enable timely acquisitions and participation in supply projects that increase raw water system yield.
5. Plan for and implement water use efficiency and demand management measures to support and enhance water system reliability.
6. Use Denver Basin groundwater in ~~Colorado~~ Springs Utilities' exclusive water service territory

only for emergency supplemental supply, limited non-potable uses, aquifer storage and recovery, or periodic exercising of groundwater infrastructure for operation and maintenance purposes.

7. Not develop or allow development of controlled ground water in the Dawson Aquifer in ~~Colorado~~-Springs Utilities' exclusive water service territory.
8. Not reserve ~~Colorado~~-Springs Utilities' water supplies, infrastructure, or capacity for any person, organization, property or development regardless of whether that entity is inside or outside the city limits or ~~Colorado~~-Springs Utilities' exclusive water service territory, except that the Utilities Board may evaluate and approve such a reservation to ensure that ~~Colorado~~ Springs Utilities can meet the reasonably anticipated water and wastewater demands of the Pikes Peak Region's military installations on a case by case basis.
9. Only provide water and wastewater-related services including, but not limited to, water leases, storage, conveyance, or treatment (collectively referred to as "water-related services"), outside ~~Colorado~~-Springs Utilities' exclusive water service territory pursuant to regional service contracts that comply with City Code, the guidelines set forth in the Regional Water and Wastewater Service Management Plan (Plan), and other applicable Utilities Board approved policies or directives. Regional service contracts are also subject to the following requirements:
 - a. All regional service contracts must be approved by the Utilities Board and City Council. ~~Colorado~~-Springs Utilities may deny any service request, modify the type of service to be provided, request mitigation to offset water system impacts and risks, or impose terms and conditions on the provision of service necessary to offset impacts and risks.
 - b. Regional service contracts shall provide a net benefit to ~~Colorado~~-Springs Utilities and the City of Colorado Springs' ratepayers, appropriately balancing costs and risks, and recognizing historic and planned investments.
 - c. For each contract requested, ~~Springs~~ Utilities will perform an evaluation of impacts to water system reliability, level of service, and water resources for new water and wastewater regional service per the Plan based on a ten 10-year planning horizon.
 - d. Regional service contracts for water-related services shall include a premium on rates that will benefit the City of Colorado Springs' ratepayers.
 - e. In accordance with the City Charter and City Code, regional service contracts shall not exceed a 25-year term limit.

INSTRUCTIONS

Category:	Utilities Board Instructions to the Chief Executive Officer	Date of Adoption: May 16, 2018
Policy Title (Number):	Asset Protection (I-8)	Revision Date:
Monitoring Type:	Internal; City Auditor	Revision Number:
Monitoring Frequency:	Semi-Annual; Annual	

The Chief Executive Officer shall direct that enterprise assets are protected, adequately maintained, and not unnecessarily risked. Accordingly, the CEO shall:

1. Protect enterprise assets including, but not limited to, water rights, real property interests~~rights-of-way~~, physical assets, cyber assets, intellectual property, records and information from loss or significant damage.
2. Allow real estate transactions that comply with the City of Colorado Springs Procedure Manual for the Acquisition and Disposition of Real Property Interests, Revised 2021.- Estate Manual.
3. Only sell, dispose of or allow use of assets at fair market value, except for *de minimis* contributions to community-oriented organizations.
4. Protect the enterprise's public image and reputation.

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INSTRUCTIONS

Category:	Utilities Board Instructions to the Chief Executive Officer	Date of Adoption: May 16, 2018
Policy Title (Number):	Treatment of Customers and Customer Information (I-9)	Revision Date:
Monitoring Type:	Internal	Revision Number:
Monitoring Frequency:	Annual	

The Chief Executive Officer shall direct that customer interactions are safe, dignified and provide appropriate confidentiality or privacy for customers or those applying to be customers. Accordingly, the CEO shall:

1. Use application forms that elicit information for which there is clear necessity.
2. Use methods of collecting, reviewing, transmitting, or storing customer information that strive to protect against improper cyber or physical access to the material elicited.
3. Comply with ~~Colorado~~ Springs Utilities Tariffs regarding treatment of customers.
4. Maintain a procedure for accessible, fair, efficient and unbiased treatment of customer complaints regarding utility service or proposed utility service that provides for resolution at the lowest level through use of staff procedures, informal review through either ~~Colorado~~ Springs Utilities or a mediator, or formal appeal to a hearing officer.
5. Inform customers of this policy and provide a grievance procedure to customers who believe they have not been accorded a reasonable interpretation of their rights.
6. Operate under written and maintained claims procedures that address fair treatment of claimants, legal liability, customer costs and sound business practices.
7. Maintain facilities that provide a reasonable level of security and privacy, both visual and aural.
8. Inform customers about services offered.

INSTRUCTIONS

Category:	Utilities Board Instructions to the Chief Executive Officer	Date of Adoption:	May 16, 2018
Policy Title (Number):	Treatment of Staff (I-10)	Revision Date:	
Monitoring Type:	Internal	Revision Number:	
Monitoring Frequency:	Annual		

The Chief Executive Officer shall direct that working conditions for paid and volunteer staff are fair, dignified, and respectful. Accordingly, the CEO shall:

1. Adhere to all discrimination, harassment and retaliation laws, policies and procedures.
2. Operate with a written personnel policy manual that clarifies personnel rules for employees and promulgate the personnel policy manual with an employee notification and comment procedure before any changes are made unless proposed changes are required immediately based on Federal, State or local laws or other exigent circumstances.
3. Provide employees access to all organizational policies and procedures.
4. Operate with a written affirmative action plan, as required by law.
5. Periodically, not to exceed five ~~(5)~~ years, assess the organizational climate issues using statistical sampling and a sound, validated procedure; and develop and implement an action plan.

5-6. Foster an environment within the workforce that promotes and rewards creativity, efficiency and empowerment.

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INSTRUCTIONS

Category:	Utilities Board Instructions to the Chief Executive Officer	Date of Adoption:	May 16, 2018
Policy Title (Number):	Compensation and Benefits (I-11)	Revision Date:	
Monitoring Type:	Internal	Revision Number:	
Monitoring Frequency:	Annual		
Guidelines:	At-Will Senior Management Severance (G-9)		

The Chief Executive Officer shall direct that employee compensation plans address individual accountability, reward for job performance, encourage organizational flexibility and responsiveness and are consistent with the geographic and professional markets for the job duties performed. Accordingly, the CEO shall:

1. Communicate an administrative procedure to employees which allows them to appeal the methodologies followed that result in the annual salary and benefits proposed for the upcoming year.
2. Develop executive compensation plans that are consistent with professional markets and include:
 - A. Data sources from similar local, regional and national, comparably sized utilities that typically fall within the range of one-half to two times ~~Colorado~~-Springs Utilities' employee population and annual revenue.
 - B. Multi-service utilities.
 - C. An appropriate balance of public and private organizations.
 - D. A mix of custom market survey data and published survey sources.
3. Provide severance to Officers and General Managers in the event of involuntary separation without cause in accordance with approved Utilities Board guidelines and at the discretion of the Chief Executive Officer in accordance with the At-Will Senior Management Severance Guideline.
4. Provide severance to any other employees only with Utilities Board aApproval.

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INSTRUCTIONS

Category:	Utilities Board Instructions to the Chief Executive Officer	Date of Adoption: May 16, 2018
Policy Title (Number):	Environmental Stewardship (I-12)	Revision Date:
Monitoring Type:	Internal	Revision Number:
Monitoring Frequency:	Annual	

The Chief Executive Officer shall direct that ~~Colorado~~ Springs Utilities is a leader in environmental stewardship. Accordingly, the CEO shall:

1. Provide customers with educational materials and solutions to promote energy and water conservation and renewable energy technologies.
2. Promote efficient energy and water consumption in new buildings and landscapes.
3. Ensure emissions from operations meet or surpass air quality regulations.
4. Ensure local ground and surface water discharges from operations meet or surpass surface water and groundwater quality standards.
5. Maintain or enhance the visual appeal of utility operations where cost effective.
6. Ensure the community receives a portion of its electric needs from renewable sources.
7. Strive to preserve and protect wildlife, wildlife habitat, and wetlands during construction and operation of facilities and infrastructure.
8. Strive to preserve and protect cultural and historic sites during construction and operation of facilities and infrastructure.
9. Engage the community in Utilities Board decisions on ~~Colorado~~ Springs Utilities' operations that affect the environment.
10. Strive to minimize or reuse waste generated by ~~Colorado~~ Springs Utilities to reduce impact on the environment.

INSTRUCTIONS

Category:	Utilities Board Instructions to the Chief Executive Officer	Date of Adoption:	May 16, 2018
Policy Title (Number):	Community Investment (I-13)	Revision Date:	
Monitoring Type:	Internal	Revision Number:	
Monitoring Frequency:	Annual		
Guidelines:	Affordable Housing (G-10) Community Support (G-11)		

The Chief Executive Officer shall direct that ~~Colorado~~-Springs Utilities is responsive to community needs and values by maintaining and communicating a strong community presence that significantly contributes to the citizens' quality of life. Accordingly, the CEO shall:

1. Maintain a community involvement ~~plan~~ that is in alignment with ~~Colorado~~-Springs Utilities' strategic objectives and that provides a benefit to the citizens and customers.
2. Encourage and support employee volunteerism within the communities served by ~~Colorado~~-Springs Utilities.
3. Communicate to customers and provide student and adult education programs on the safe and efficient use of utility services.
4. Allow philanthropic support of community-oriented organizations only in the service territories or localities impacted by ~~Colorado~~-Springs Utilities' operations.
5. Only allow funding of community-oriented organizations that complete an application describing how the funds will be used in alignment with ~~Colorado~~-Springs Utilities' strategic objectives.
6. Allow funding of community-oriented organizations with Political Action Committees (PACs) only if they demonstrate independent PAC revenue and decision-making.
7. Consider partnerships with other funding entities to leverage resources and maximize impact.
8. Inform the community of the enterprise's corporate citizenship and employee volunteerism.
9. Develop programs intended to support affordable housing within the City.

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[9-10](#). Advance services and programs that achieve customer interests, community goals and enterprise objectives.

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INSTRUCTIONS

Category:	Utilities Board Instructions to the Chief Executive Officer	Date of Adoption:	July 21, 2021
Policy Title (Number):	Enterprise Innovation (I-14)	Revision Date:	
Monitoring Type:	Internal	Revision Number:	
Monitoring Frequency:	Annual		

~~The Chief Executive Officer shall encourage Colorado Springs Utilities to use best practices in innovation to achieve long term needs of the community and enterprise strategic objectives. Accordingly, the CEO shall:~~

- ~~1. Foster an environment within the workforce that promotes and rewards creativity, efficiency and empowerment.~~
- ~~2. Advance services and programs that achieve customer interests, community goals and enterprise objectives.~~
- ~~3. Take reasonable risks, measure results and learn quickly from successes and failures.~~
- ~~4. Engage the municipal government and community stakeholders to evaluate emerging utility services and technologies to ensure constructive collaboration.~~

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GUIDELINES

Guideline:	Utilities Board Annual Evaluation (G-1)	Date of Adoption:	January 18, 2017
Applicable Policy Title (Number):	Utilities Board Evaluation (C-2)	Revision Date:	
		Revision Number:	

Utilities Board Evaluation

1. ~~Annually~~, Utilities Board ~~Mm~~embers evaluate the work of the Utilities Board and provide feedback to the Utilities Board Chair in an informal setting.
2. The ~~approved evaluation~~ feedback ~~should form~~ includes accomplishments, plans for improvement and comments on what to start, what to stop, what should continue, and lessons learned.

GUIDELINES

Guideline:	Committee Purpose, Structure and Operation (G-2)	Date of Adoption: January 18, 2017
Applicable Policy Title (Number):	Operational Resources (P-5)	Revision Date:
		Revision Number:

Committee Purpose, Structure and Operation

Purpose:

1. The Strategic Planning Committee reviews performance and compliance with Utilities Board policies and guidelines and recommends the Strategic Plan and vision and Board Expected Results, developed jointly with the Chief Executive Officer, to the Utilities Board.
2. The Finance Committee reviews performance and compliance with Utilities Board policies and guidelines and recommends the Annual Operating and Financial Plan and the Five-Year Service Business Plans, developed jointly with the Chief Executive Officer, to the Utilities Board.
3. The Personnel Committee reviews performance and compliance with Utilities Board policies and guidelines and recommends the Chief Executive Officer's performance plan, developed jointly with the Chief Executive Officer, and the Chief Executive Officer's compensation to the Utilities Board.
- ~~4.~~ The Program Management Review Committee reviews performance and compliance with Utilities Board policies and guidelines and reviews Utilities Board monitored and Committee selected programs/projects.
- ~~4.~~
5. The Utilities Policy Advisory Committee (UPAC) is a Utilities Board directed advisory committee that reviews, analyzes and provides recommendations to the Utilities Board on specific issues or policies.

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Structure and Operating Guidelines:

1. Utilities Board Committee Members are appointed from among members of the Utilities Board by the Utilities Board Chair, have a minimum of three Board Members and serve two-year terms concurrent with the municipal election cycle. Committee Members may be removed by the Utilities Board Chair.
2. The Committee Chair is appointed from among members of the Committee by the

Utilities Board Chair and serves a two-year term concurrent with the municipal election cycle. In the absence of the Committee Chair during any Committee meeting, the Committee may designate a Chair.

3. Board Sub-Committee ~~M~~members are appointed from among members of the Utilities Board, may include citizens and customers appointed by the Utilities Board, have a minimum of two Board ~~M~~members and serve two-year terms concurrent with the municipal election cycle. Sub-Committee Board ~~M~~members may be removed by the Utilities Board Chair. Citizen and customer Sub-Committee ~~M~~members may be removed by the Utilities Board.
4. The Sub-Committee Chair is selected by the Board Members on the Sub-Committee and serves a two-year term concurrent with the municipal election cycle. In the absence of the Sub-Committee Chair during any Sub-Committee meeting, the Sub-Committee may designate a Chair.
5. The Chief Executive Officer provides ~~Springs~~ Utilities staff support for Committees and Sub-Committees. The Chief Executive Officer or designee is responsible for preparing draft agendas for review and approval by the Committee Chair or Sub-Committee Chair and for keeping minutes of all Committee and Sub-Committee meetings. Copies of the Committee and Sub-Committee minutes shall be provided to the Utilities Board and to relevant committees.
6. Board Committees and Sub-Committees will meet as often as may be deemed necessary or appropriate. Public notice of all Committee and Sub-Committee meetings shall meet governing legal requirements. All Board Committees and Sub-Committees, Utilities Policy Advisory Committee and ~~c~~Customer ~~a~~Advisory ~~g~~Group meetings are open to the public.
7. At the discretion of the Chair, or the majority of Committee or Sub-Committee ~~M~~members present, public comment will be taken at meetings. Individual comments are limited to three minutes each unless time is extended by the Committee Chair or majority of the Committee or Sub-Committee ~~M~~members present. Notwithstanding the foregoing, Board Members not appointed to a Committee or Sub-Committee but present at such Committee or Sub-Committee meetings may participate at such meetings even if public comment is not allowed. Additionally, Springs Utilities staff, City staff, including staff of the City Auditor's Office, members of the Utilities Policy Advisory Committee (UPAC) and invited guests may participate in such Committee and Sub-Committee meetings.
8. The Utilities Board establishes and maintains written bylaws fully describing the operation of the Utilities Policy Advisory Committee.
9. ~~Board Committees and Sub-Committees may hold Executive Sessions using the following procedures:~~
 - A. ~~The Chief Executive Officer or their designee and the Division Chief - Utilities, Office of~~

~~the City Attorney shall prepare the agenda for the Executive Session of the Committee or Sub-Committee meeting. The agenda shall include those items that may be discussed in closed session.~~

~~B. In compliance with the Colorado Open Meetings Act, prior to convening an Executive Session, the Chair shall announce the general topics of the Closed Executive Session as set forth below. If two thirds of the Committee or Sub-Committee members present agree to an Executive Session, the item may be discussed in Executive Session. If less than two thirds of Committee or Sub-Committee members agree to an Executive Session, the items may be discussed in open session or the Chief Executive Officer or their designee may withdraw the item from consideration.~~

~~C. No adoption of any Committee or Sub-Committee recommendation or policy advice to the Committee or Sub-Committee shall occur in Executive Session which is not open to the public. However, Committee or Sub-Committee members may receive information for consideration as provided by law in the following areas as they affect the responsibilities of the Committee or the Sub-Committee:~~

- ~~i. Purchase, acquisition, lease, transfer, or sale of any real, personal or other property interests.~~
- ~~ii. Conferences with the Division Chief – Utilities, Office of the City Attorney, the City Attorney, or other attorneys for Utilities, for the purposes of receiving legal advice on specific legal questions, issues or matters.~~
- ~~iii. Matters required to be confidential by federal or state law or rules and regulations.~~
- ~~iv. Specialized details of security arrangements or investigations.~~
- ~~v. Determining positions relative to matters that may be subject to negotiations, developing strategy for negotiations, and instructing negotiators.~~
- ~~vi. Consideration of any documents protected by mandatory nondisclosure provisions of the Colorado Open Records Act or other information which is considered confidential or proprietary and, thus, would not be subject to disclosure requirements of the Colorado Open Records Act.~~

~~D.A. All discussions and documents provided in Executive Session are confidential and proprietary information, and Committee and Sub-Committee members shall not use such confidential information for purposes other than their responsibilities as a Committee or Sub-Committee member. Further, Committee and Sub-Committee members shall not release any confidential or proprietary information to any third party without the express consent of the Chief Executive Officer.~~

10.9 Citizen and customer Board Sub-Committee Mmembers:

- A. Are subject to provisions of the City of Colorado Springs Code of Ethics.
- B. Serve without compensation for their services but may be reimbursed for actual expenses in accordance with ~~Colorado~~ Springs Utilities policies and procedures.
- C. Are expected to attend Sub-Committee meetings regularly in order for the Sub-Committee to function effectively. Upon recommendation by the Sub-Committee, the Utilities Board may remove any members of the Sub-Committee who fail to attend three or more regular meetings ~~in any year~~ year.
- D. Shall notify the Chief Executive Officer and the Utilities Board if they choose to seek employment with Springs Utilities. The Sub-Committee ~~M~~member applying for employment shall be excused from attending Sub-Committee meetings and participating in recommendations while the employment application is pending. If the Sub-Committee ~~M~~member is not selected for employment with Springs Utilities, that member shall be reinstated to full Sub-Committee participation. If the Sub-Committee ~~M~~member accepts employment with Springs Utilities, that member shall promptly resign ~~or be removed by the Utilities Board~~ from the Sub-Committee.
- E. Committee ~~M~~members are not precluded from offering or providing products and services to Springs Utilities under Springs Utilities' applicable procurement procedures or from offering or supplying products or services to contractors providing products or services to Springs Utilities. Sub-Committee members should not offer or contract to supply products or services to Springs Utilities or Springs Utilities' contractors that conflict with the Sub-Committee ~~M~~member's work on the Sub-Committee. Sub-Committee ~~M~~members shall not use their position on a Sub-Committee to influence Springs Utilities or Springs Utilities' contractor's procurement decisions. In the event any Sub-Committee ~~M~~member desires to provide products or services to Springs Utilities or a contractor for Springs Utilities, that Sub-Committee ~~M~~member shall notify the Chief Executive Officer of the proposed offering. The Chief Executive Officer shall consult with the Chair of the Utilities Board concerning the proposed offering. Provided that the Chief Executive Officer, after consultation with the Chair of the Utilities Board, determines that the proposed products or services offering does not conflict with the Sub-Committee ~~M~~member's work on the Sub-Committee ~~or the City's Code of Ethics~~, the Sub-Committee ~~M~~member may proceed with offering the products or services and may contract to provide such products or services to Springs Utilities if selected under Springs Utilities' applicable procurement procedures or to a contractor for Springs Utilities. If the Chief Executive Officer, after consultation with the Chair of the Utilities Board, determines that the proposed products or services offering does conflict with the Sub-Committee ~~M~~member's work on the Sub-Committee ~~or the City's Code of Ethics~~, the Sub-Committee ~~M~~member may choose to resign from the Sub-Committee and to continue to pursue the offering of the Sub-Committee ~~M~~member may choose to refrain from pursuing the offering, in which case the Sub-Committee ~~M~~member may continue participation on the Sub-Committee. This

restriction shall apply to Sub-Committee ~~M~~members and any company or organization employing the Sub-Committee ~~M~~member.

GUIDELINES

Guideline:	Compliance Report Frequency and Method (G-3)	Date of Adoption:	December 19, 2016
Applicable Policy Title (Number):	Organizational Oversight (E-2.3)	Revision Date:	
		Revision Number:	

Compliance Report Frequency and Method

<u>Policy</u>	<u>Compliance Report</u>	<u>Method</u>	<u>Frequency</u>
I - 1	Pricing of Services	Internal	Annual
I - 2	Financial Condition and Activities	Internal City Auditor	Quarterly Annual
I - 3	Financial Planning and Budgeting	Internal	Annual
I - 4	Risk Management	Internal City Auditor External	Semi-Annual Annual Years ending in 0 or 5
I - 5	Economic Development	Internal	Annual
I - 6	Infrastructure	Internal	Semi -Annual
I - 7	Water Supply Management	Internal	Annual
I - 8	Asset Protection	Internal City Auditor	Semi-Annual Annual
I - 9	Treatment of Customers and Customer Information	Internal	Annual
I - 10	Treatment of Staff	Internal	Annual
I - 11	Compensation and Benefits	Internal	Annual
I - 12	Environmental Stewardship	Internal	Annual
I - 13	Community Investment	Internal	Annual
I - 14	Enterprise Innovation	Internal	Annual

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GUIDELINES

Guideline:	Evaluation of the Chief Executive Officer's Performance (G-4)	Date of Adoption: May 16, 2018
Applicable Policy Title (Number):	Evaluating Chief Executive Officer Performance (E-1.2)	Revision Date:
		Revision Number:

Evaluating the Chief Executive Officer's performance:

1. Annually, the Chief Executive Officer and Personnel Committee, with input from other Utilities Board ~~C~~committees, partner to review and to recommend performance indicators, targets, leadership competencies and weightings to the Utilities Board in the fourth quarter of the current year for adoption by the Utilities Board for the following year.
2. Performance indicators and targets are in alignment with the Strategic Plan and the Annual Operating and Financial Plan.
3. The Utilities Board establishes weightings annually for each indicator and competency for both the performance indicator and leadership competency sections of the performance plan.
4. The Utilities Board provides mid-year (September) and annual (March) feedback to the Chief Executive Officer in executive personnel sessions to facilitate discussion of: achievement of organizational results; Utilities Board/Chief Executive Officer partnership expectations; the Chief Executive Officer's follow-through with Utilities Board policy instructions; and Chief Executive Officer Leadership competencies using an approved feedback form.
5. Chief Executive Officer performance indicator results and a performance evaluation feedback form are provided to Utilities Board ~~M~~members at least three weeks prior to the executive personnel sessions with Utilities Board ~~M~~members returning completed forms to the ~~Human Resources General Manager/Chief Human Resources Officer~~ within one week of receiving the forms.
6. The Utilities Board ~~approves~~ reviews the Board Expected Results in open session at the March Utilities Board meeting annually.
7. ~~Subsequent to After~~ the annual Chief Executive Officer evaluation in March, the Utilities Board may approve any compensation and benefits adjustments for the Chief Executive Officer.

GUIDELINES			
Guideline:	Rate Design (G-5)	Date of Adoption:	September 19, 2014
Applicable Policy Title (Number):	Pricing of Services (I-1)	Revision Date:	February 17, 2021
		Revision Number:	2

Rate Design

1. Rates should be designed applying the principles of economic efficiency and revenue stability.
 - A. Economic efficiency supports efficient use of resources, promotes innovative response to changing demand and supply patterns and leads to optimal consumer and utility decision-making in new technologies and resources, such as those that recognize time varying costs and benefits of demand response (i.e., rate design that recover costs that vary with time or demand and/or encourage efficient use of resources).

A proposed rate may be designed based on the ability of a customer class to influence system efficiency and maintain high load factor usage that result in deferring capital costs for added capacity.
 - B. Rates support revenue stability through sufficient and predictable recovery of the approved revenue requirement.–
2. ~~Applying~~ The remaining supporting pricing principles of equitable for all customers, customer satisfaction and customer bill stability will be considered holistically in rate design.
 - A. A rate is considered equitable for all customers if it is within plus or minus five percent (5%) of the customer class costs established by a Cost of Service study which is done in accordance with pricing standards.
 - B. Economic development ~~supports attracting and/or retaining customers in the Colorado Springs area~~ is an appropriate consideration in the design of rates for certain rate classes because it supports attracting and/or retaining customers in the Colorado Springs area.
3. Prior to rate design, a Cost of Service study should be used, where appropriate, to establish costs assigned to each customer class and may vary substantially from study to study.
 - A. Deviation from a Cost of Service study should be described in the rate filing.

GUIDELINES

Guideline:	Electric and Gas Cost Adjustments (G-6)	Date of Adoption:	January 20, 2016
Applicable Policy Title (Number):	Pricing of Services (I-1)	Revision Date:	September 28, 2022
		Revision Number:	2

Electric and Gas Cost Adjustments

1. [Springs](#) Utilities produces and purchases electricity and recovers fuel related costs through the Electric Cost Adjustment (ECA). [Springs](#) Utilities purchases natural gas and recovers fuel related costs through the Gas Cost Adjustment (GCA).
2. [In accordance with City Code 12.1.108\(D\)\(2\)\(b\), Springs](#) Utilities Electric and Natural Gas Rate Schedules allow cost adjustment rates to be changed as often as monthly to pass-through cost in a timely manner in order to:
 - A. Respond to fluctuations in fuel markets.
 - B. Provide a price signal to customers based on the true cost of electricity and natural gas.
 - C. Accurately reflect customer energy consumption and associated costs.
3. Rate adjustments are filed with City Council on a quarterly basis (effective January, April, July and October) to pass-through forecasted fuel related costs.
 - A. When collected balances are within plus \$10,000,000 or minus \$5,000,000, quarterly refunding/recovery of balances will be based on the proportionate share of forecast sales and target a zero-dollar collected balance at the end of a 24-month period.
 - B. When collected balances exceed plus \$10,000,000 or minus \$5,000,000, quarterly refunding/recovery of balances will be based on the proportionate share of forecast sales and target a zero-dollar collected balance at the end of a 12-month period.
4. Based on relevant or unexpected circumstances, [Springs](#) Utilities may propose rate adjustments using alternative balance refunding/recovery periods.

GUIDELINES

Guideline:	Local Vendor (G-7)	Date of Adoption:	May 16, 2018
Applicable Policy Title (Number):	Financial Condition and Activities (I-2)	Revision Date:	
		Revision Number:	

Local Vendor

1. The Utilities Board strives to achieve a local spending goal of thirty percent (30%) of total non-fuel expenditures, using the definition and formula below to calculate the local spending percentage.
 - A. Total spend is defined as all expenditures made through Procurement and Contract Services and through P-card purchases.
 - B. Local companies are defined as having a business presence within El Paso County; with information collected on a semi-annual basis.
 - C. The local spending percentage formula is total expenditures with local companies divided by total spend.
 - D. The local spending percentage is reported in the Financial Condition and Activity compliance report.

GUIDELINES

Guideline:	Water Reserve (G-8)	Date of Adoption:	May 16, 2018
Applicable Policy Title (Number):	Financial Planning and Budgeting (I-3)	Revision Date:	July 20, 2022
		Revision Number:	1

Water Reserve

1. A water reserve account is established and maintained to mitigate water revenue volatility.
2. The water reserve account is used to supplement current year water revenues only.
3. One hundred percent (100%) of actual revenue greater than budget will be allocated annually to the water reserve account.
4. The water reserve account will only be used when the reserve account balance is greater than \$5 million and water revenues are \$10 million below budget in the current fiscal year.
5. Up to fifty percent (50%) of the water reserve account, as of January 1 of the current fiscal year, ~~will~~may be used to supplement current year budgeted expenditures.
6. Funds in excess of \$10 million in the water reserve account may be transferred to the water acquisition account.

GUIDELINES

Guideline:	At-Will Senior Management Severance (G-9)	Date of Adoption:	May 16, 2018
Applicable Policy Title (Number):	Compensation and Benefits (I-11)	Revision Date:	
		Revision Number:	

At-Will Senior Management Severance

1. At the discretion of the Chief Executive Officer, senior managers may be offered severance, in accordance with this guideline, upon the termination of such individual's at will employment with Springs Utilities.

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1-2. Employees on probation or having less than one (1) year of service are not eligible for severance.

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2-3. Severance may include base pay compensation and/or Medical Premium Benefit Continuation. For purposes of this guideline, Medical Premium Benefit Continuation means a lump sum amount that equals Springs Utilities' then-current monthly percentage share of the health plan premiums using the Consolidated Omnibus Budget Reconciliation Act of 1985 ("COBRA") premium for the group health plan option in which the employee participates at the time of separation or, if the employee does not participate in a group health plan in which Springs Utilities is a participating employer at the time of separation, a lump sum amount that equals Springs Utilities' then-current monthly percentage share of health plan premiums based on the COBRA premium for the group health plan option in which the majority of the Springs Utilities' employees participate. Eligibility is determined by anniversary date. Severance includes medical premium benefit continuation and base pay compensation. Eligibility is determined by anniversary date.

3-4. Severance amounts are:

- A. One to five years of continuous service. No less than 1 year of service is - may be offered up to 11 weeks base pay severance and/or three months Medical Premium Benefit Continuation.
- B. Five to ten years of continuous service - may be offered up to No less than 5 years of service is 13 weeks base pay and/or three months Medical Premium Benefit Continuation. severance
- C. Ten to 15 years of continuous service - may be offered No less than 10 years of service is 17 weeks base pay and/or four months Medical Premium Benefit Continuation. severance
- D. No less than 15-20 years of continuous service - may be offered up to is 22 weeks base pay and/or five months Medical Premium Benefit Continuation. severance
- E. No less than 20 or more years of continuous service - may be offered up to is 26 weeks severance base pay and/or six months Medical Premium Benefit Continuation.

GUIDELINES

Guideline:	Affordable Housing (G-10)	Date of Adoption:	May 16, 2018
Applicable Policy Title (Number):	Community Investment (I-13)	Revision Date:	September 19, 2018
		Revision Number:	1

Affordable Housing

1. ~~Springs Utilities will promote affordable housing through multiple methods, such as coordination with the City, providing funding, rebates and credits, recommending changes to the tariff~~ Recommend tariffs and implementing procedures that incentivize to allow deferral of the immediate impact of development charges on affordable housing. All affordable projects receiving funding, credits, rebates or deferrals from Springs Utilities must meet that meets specified energy and water conservation criteria. The programs shall include recovery of the carrying cost of any deferrals to not create an adverse financial impact on other customers. Any current year fee deferrals shall not, in aggregate, exceed five percent (5%) of the previous year's total development charges.
2. Springs Utilities will develop and promote energy and water savings audit and installation programs for low-income households. Allocate a minimum of ten percent (10%) of the total Energy Demand Side Management budget to support the Home Efficiency Assistance Program (HEAP).

GUIDELINES

Guideline:	Community Support (G-11)	Date of Adoption:	May 16, 2018
Applicable Policy Title (Number):	Community Investment (I-13)	Revision Date:	May 18, 2022
		Revision Number:	4

Community Support

1. Springs Utilities will aAllow the expenditure of no more than 0.1 percent (0.1%) of budgeted operating revenues on direct monetary support of community-oriented economic development and charitable organizations. The 0.1 percent (0.1%) limitation set forth in this guideline shall not include the matching dollars provided by ~~Colorado~~-Springs Utilities to the Project COPE utilities bill assistance program. Operating revenues are revenues from charges to customers for sales and services for Electric, Streetlight, Gas, Water, Wastewater and products and services. All other revenue sources not meeting this definition are reported as nonoperating revenues.
2. Springs Utilities will Aallocate 100 percent (100%) of Community Focus Fund grant dollars to nonprofit organizations in support of programs addressing issues that have been identified as important to our customers:
 - Affordable Housing
 - Community
 - Education
 - Environment
 - Safety and Health
 - Seniors
 - Youth
3. Springs Utilities will fully match customer donations to the Project COPE (Citizens Option to Provide Energy) utilities bill assistance program up to \$500,000 annually.

GUIDELINES			
Guideline:	Urban Planning Area Utility Infrastructure Master Plan (G-12)	Date of Adoption:	March 20, 2019
Applicable Policy Title (Number):	Infrastructure (I-6)	Revision Date:	
		Revision Number:	

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~~Urban Planning Area Utility Infrastructure Master Plan~~

~~1. Develop and maintain an Urban Planning Area Utility Infrastructure Master Plan which identifies objectives, strategies and principles for urban planning area redevelopment.~~

~~2. The Master Plan will align with Colorado Springs Utilities' Strategic Plan, Integrated Resource Plans, PlanCOS and other City master plans.~~

GUIDELINES

Guideline:	Water Acquisition Account (G-13)	Date of Adoption:	July 20, 2022
Applicable Policy Title (Number):	Financial Planning and Budgeting (I-3)	Revision Date:	
		Revision Number:	

Water Acquisition Account

1. A water acquisition account is established and maintained to fund expenditures that enable timely acquisitions and participation in supply projects that increase raw water system yield.
2. The water acquisition account will be used to partially or completely fund acquisitions and projects that fulfill long range water supply and resiliency goals and levels of service.
3. The water acquisition account will be funded by the Water Resource Fee and potential transfers from the water reserve account. -The water acquisition account may also be supported by other sources of water revenue and/or sources of debt in accordance with the Annual Operating and Financial Plan or as directed by Utilities Board.
4. An account balance of at least \$40 million will be targeted through a combination of cash and access to other sources of liquidity.
5. Colorado Springs Utilities will periodically evaluate, in light of approved enterprise financial metrics:
(a) whether the sources of funding of the water acquisition account are sufficient to maintain the water acquisition account balance target and (b) whether the water acquisition account balance target is sufficient to fulfill long range water supply and resiliency goals and levels of service.

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RESULTS

Category:	Utilities Board/Chief Executive Officer Partnership Expectations	Date of Adoption:	December 18, 2017
Policy Title (Number):	Utilities Board Expected Results (ER: 1-3)	Revision Date:	November 16, 2022
		Revision Number:	1

The Utilities Board monitors achievement of organizational results through Utilities Board Expected Results. Measures and targets were approved in November for the following year.

2023 Board Expected Results

1. Rates:

- A. Residential Electric Service - Front Range Comparison will be in the target range of +/- 5.0% of average
- B. Residential Natural Gas Service – Front Range Comparison will be in the target range of +/-5.0% of average
- C. Residential Water Service – Front Range Comparison will be in the target range of 10.1 – 20.0% higher than average
- D. Residential Wastewater Service – Front Range Comparison will be in the target range of +/-5.0% of average
- E. Small Commercial 4-Service Bill – Front Range Comparison will be in the target range of +/- 5.0% of average
- F. Industrial Electric-intensive Customer Bill – Front Range Comparison will be in the target range of 1+/- 5.0% of average
- G. Industrial Electric – Nationwide Comparison will be in the target range of +/-5.0% of average
- H. Days Cash on Hand – Current Year will be in the target range of 151–160 days
- I. Days Cash on Hand – 3 Year Average will be in the target range of 151–160 days
- J. Adjusted Debt Service Coverage Current Year will be in the target range of 1.80 – 1.90 times
- K. Adjusted Debt Service Coverage 3 Year Average will be in the target range of 1.80 – 1.90 times
- L. Debt Ratio – Current Year will be in the target range of 54.2 – 50.2%
- M. Debt Ratio – 3 Year Average will be in the target range of 54.2 – 50.2%
- N. Bond Rating will be in the target range of Standard & Poors AA, Moody's Investors Service: Aa2, Fitch Ratings: AA

2. Reliability:

- A. Electric – SAIDI – Interruptions in minutes per year will be in the target range of 52.50 – 47.51 minutes
- B. Natural Gas – Failures per 100 miles of pipe will be in the target range of 6.00 – 4.00 failures
- C. Water – Failures per 100 miles of mainline will be in the target range of 12.00 – 10.00 failures

D. Wastewater – Failures per 100 miles of mainline will be in the target range of 0.75 – 0.51 failures

3. Relationships:

A. Customer Satisfaction – Residential will be in the target range of 2.50 – 3.49

B. Customer Satisfaction – Business will be in the target range of 2.50 – 3.49

C. Environmental Index will be in the target range of 75.00 – 85.99

D. Safety: Occupational Injuries and Illnesses Rate will be in the target range of +/- 10% of Benchmark

E. Workforce Index~~Skilled Workforce~~ – Workforce Index will be in the target range of 2.70 – 3.49

Appendix

APPENDIX

Document Title:	City Charter Related to Colorado Springs Utilities Governance (Charter, Article 6)
	City Code Related to Colorado Springs Utilities Governance (Chapter 12)
	City Code of Ethics
	Utilities Board Bylaws
	Utilities Policy Advisory Committee Bylaws