

**AGENDA**

**Wednesday, August 20, 2025**

**1:00 p.m. – 5:00 p.m.**

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**Dial-in by phone**

[+1 719-733-3651,,781425798#](#)

<b>1:00 p.m.</b>	<b>1. Call to Order</b>	Chair Donelson
<b>1:05 p.m.</b>	<b>2. Invocation and Pledge of Allegiance</b>	Chair Donelson
<b>1:10 p.m.</b>	<b>3. Consent Agenda</b> 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.) <ul style="list-style-type: none"> <li>• <b>Approval of July 16, 2025, Utilities Board Meeting Minutes</b></li> <li>• <b>Reappointment of Chris Meyer as a Regular Member of Utilities Policy Advisory Committee (UPAC)</b></li> <li>• <b>Approval of an Intergovernmental Agreement with Arkansas River Power Authority (ARPA)</b></li> </ul>	Chair Donelson
<b>1:15 p.m.</b>	<b>4. Customer Comments</b> <ul style="list-style-type: none"> <li>• During the customer comment period, comments are accepted for any topic not on the agenda.</li> <li>• Comments for specific agenda items will be taken following the presentation of the item and the Board's discussion.</li> <li>• Comments will be limited to three minutes per speaker, per item.</li> <li>• Following the comments from customers who have signed up to speak, an announcement will be made seeking additional comments and the Board will accept all those wishing to comment.</li> </ul>	Chair Donelson
<b>1:20 p.m.</b>	<b>5. Recognition</b> <ul style="list-style-type: none"> <li>• National Preparedness Month</li> <li>• Champion of Well-Being Emerging Leader Award</li> </ul>	Erin Duran, Emergency Management Program Manager  Renee Adams, Chief Human Resource Officer

		<ul style="list-style-type: none"> <li>Resolution of Appreciation for Lisa Barbato, Chief System Planning and Projects Officer</li> </ul>	Travas Deal, Chief Executive Officer
1:35 p.m.	6.	<b>Compliance Reports:</b> <ul style="list-style-type: none"> <li>I-2 Financial Condition and Activities (to include Contracts Over \$500K**) G-7 (Quarterly April-June)</li> <li>I-4 Risk Management (Semi-annual)</li> <li>I-8 Asset Protection (Semi-annual)</li> <li>I-9 Treatment of Customers and Customer Information (Annual)</li> <li>ER:1-3 Utilities Board Expected Results – Mid-year Scorecard</li> </ul> <ul style="list-style-type: none"> <li>E-2 CEO/Board Partnership Responsibilities <ul style="list-style-type: none"> <li>Electric Cost Adjustment / Gas Cost Adjustment Update</li> <li>Water Outlook</li> </ul> </li> </ul>	Travas Deal, Chief Executive Officer  Natalie Watts, Strategic Planning and Governance Manager
1:40 p.m.	7.	<b>Items Called Off Consent Agenda</b>	Chair Donelson
1:45 p.m.	8.	<b>A Resolution Amending the Portions of the Utilities Board Bylaws and Excellence in Governance Policy Manual Rules Regarding Standing Committees and Rescinding Resolution 25-11</b>	Renee Congdon, Utilities Division Chief, Office of the City Attorney
2:00 p.m.	9.	<b>2026 Budget and Rate Case</b> <u>Vote</u> to move this item forward to City Council.	John Hunter, Financial Planning and Risk Manager  Scott Shirola, Pricing and Rates Manager
2:40 p.m.	10.	<b>Board Member Updates</b>	Board of Directors
2:55 p.m.	11.	<b>Summary of Board Actions</b>	Natalie Watts, Strategic Planning and Governance Manager
3:00 p.m.	12.	<b>Executive Session - 2025 CEO Mid-Year Performance Review</b> In accordance with City Charter art. III, § 3-60(d) and its incorporated Colorado Open Meetings Law, C.R.S. § 24-6-402(4)(f) and Utilities Board Bylaws Rule 10(c)(6), the Utilities Board, in Open Session, is to determine whether it will hold a Closed Executive Session on one issue.	Renee Congdon, Utilities Division Chief, City Attorney's Office

The issue to be discussed is the 2025 mid-year performance review of the Chief Executive Officer.

The City Attorney's Office, on behalf of the Chair of the Utilities Board, shall poll the Utilities Board members, and, upon consent of two-thirds of the members present, may conduct a Closed Executive Session. In the event any Utilities Board member is participating electronically or telephonically in the Closed Executive Session, each Utilities Board member participating electronically or telephonically in the Closed Executive Session shall affirmatively state for the record that no other member of the public not authorized to participate in the electronic Closed Executive Session is present or able to hear the matters discussed as part of the Closed Executive Session. If consent to the Closed Executive Session is not given, the item may be discussed in Open Session or withdrawn from consideration.

**4:15 p.m.**

**13. Adjournment**

Chair Donelson

**MINUTES**  
**Colorado Springs Utilities Board Meeting**  
**Wednesday, July 16, 2025**

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

Chair Dave Donelson, Tom Bailey, Lynette Crow-Iverson, Kimberly Gold, Nancy Henjum, David Leinweber, Roland Rainey, Brian Risley and Vice Chair Brandy Williams

**Utilities Board members excused:**

None

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

Travas Deal, Renee Adams, Lisa Barbato, Mike Francolino, Tristan Gearhart, Somer Mese, Sara Akins, Jay Anderson, Joe Awad, Bryan Babcock, Kerry Baugh, Pattie Benger, Jenny Bishop, Nathan Bloomfield, Melissa Brown, Andrew Colosimo, Crystal Cooley, Marcela Espinoza, Brian Fergen, Jennifer Franceschelli, Katie Garrett, Kim Gortz, Diana Harmon, Nick Harris, Adam Hegstrom, Ken Hughlett, Jennifer Jordan, Rebecca Kerrigan, Brenda Kosky, Sarah LaBarre, Scott Lorenz, Patrick Malone, Nicole Means, Danielle Nieves, Jacqueline Nunez, Christopher Olney, Abigail Ortega, Lisa Pace, David Padgett, Gail Pecoraro, Jessica Ramirez, Brittanie Schneider, Bethany Schoemer, Kim Schwartz, Leslie Smith, Stuart Smith, Bill Sunderland, Alex Trefry, Amy Trinidad, Jennifer Valdois, Corey Walker, Al Wells and Natalie Watts

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

David Beckett, Chris Bidlack, Renee Congdon, Nathan Endersbee, Hannah Gerardy, Natalie Lovell, Alexander Ryden, Ryan Trujillo and Jariah Walker

**Residents present via Microsoft Teams or Blue River Conference Room:**

Albert Badeau, Harold Franson, Ross Frisbie, Rachel Garrett, Chris Meyer, Scott Smith and Lisa Tormoen-Hickey

**1. Call to Order**

Chair Donelson called the Utilities Board meeting to order at 1:04 p.m., and Ms. Gail Pecoraro, Utilities Board Administrator, called the roll.

**2. Invocation and Pledge of Allegiance**

Pastor Ross Frisbie with Pikes Peak Christian Church delivered the invocation, and Board Member Bailey led the Pledge of Allegiance.



### **3. Executive Session**

Ms. Renee Congdon, City Attorney Utilities Division Chief, read the notice to go into Executive Session. The Utilities Board voted to go into Executive Session unanimously at 1:09 p.m.

The Utilities Board returned from the Executive Session at 1:45 p.m.

### **4. Consent Agenda**

- **Approval of June 18, 2025, Utilities Board Meeting Minutes**

Board Member Gold made a motion to approve the Consent Agenda and Board Member Risley seconded the motion. The motion carried unanimously.

### **5. Customer Comments**

Mr. Harold Franson, a Colorado Springs Utilities customer, addressed the Utilities Board regarding property damage he believes resulted from fiber installation activities. He stated that his complaint and subsequent request for video footage were both denied. Chair Donelson asked Mr. Franson to provide his contact information to facilitate follow-up by staff.

### **6. Recognition**

#### **WaterNow Alliance 2025 Emerging Leader Award**

Ms. Lisa Barbato, Chief System Planning and Projects Officer, introduced Ms. Julia Gallucci, Water Conservation Supervisor, and Ms. Lisa Pace, Lead Water Conservation Specialist. Ms. Pace was recently honored by the WaterNow Alliance as a recipient of the 2025 Emerging Leader Award.

Ms. Pace was praised for her leadership in water conservation, including developing customer programs, managing the Water Wise Demonstration Garden, and leading a statewide education initiative.

Board Member Henjum expressed appreciation for Ms. Pace's enthusiasm and dedication, noting that her work is essential to planning for a sustainable future.

#### **American Public Gas Association's System Operational Achievement (SOAR) Award**

Ms. Crystal Cooley, Gas Distribution and Management Manager, and Mr. Bill Sunderland, Electric and Gas System Operations Manager, announced that the natural gas team at Springs Utilities received the SOAR Bronze Award from the American Public Gas Association. This recognition honors excellence in system integrity, continuous improvement, employee safety, and workforce development. Springs Utilities was one of only 16 recipients selected from 750 member organizations.

Board Chair Donelson expressed gratitude to the team for their dedication and contributions that led to this achievement.

## **7. Compliance Reports**

- E-2 CEO / Board Partnership Responsibilities
  - Electric Cost Adjustment / Gas Cost Adjustment Update
  - Water Outlook

A copy of the Electric Cost Adjustment and Gas Cost Adjustment Update was included in the Utilities Board meeting packet; no formal presentation was provided.

Mr. Nick Harris, Water Resource Planning Engineer, provided an update on the Water Outlook. He reported that year-to-date local precipitation is 117% of normal, with temperatures 0.8 degrees below average. These conditions have resulted in lower-than-projected water usage. Despite increasing drought conditions across the western United States, including severe impacts in the Colorado River basin, system storage remains strong at 89% of capacity.

Chair Donelson requested that future presentations include a statewide map and inquired about Colorado River inflows and Lake Powell levels in 2023.

Vice Chair Williams recommended a more detailed water presentation be scheduled for the August Working Committee meeting.

Chair Donelson affirmed his interest in reviewing water data in depth, with further discussion on presentation content at the August Working Committee meeting.

## **8. Items Called Off Consent Agenda**

No items were called off the Consent Agenda.

## **9. Restoration of Yield (ROY) Establishing Agreement**

Mr. Scott Lorenz, Water Resources Management Planning Supervisor, and Mr. Nathan Endersbee, Senior Attorney with the Office of the City Attorney, provided an overview of the ROY program, a collaborative initiative involving multiple partners: the Board of Water Works of Pueblo, the City of Aurora, the City of Fountain, the Pueblo West Metropolitan District, and the Southeastern Colorado Water Activity Enterprise.

The proposed Water Authority would be a separate governmental entity created via an intergovernmental agreement. Its responsibilities would include acquiring property, constructing and operating water diversion, conveyance, and storage facilities, and managing the Haynes Creek Property and other assets related to ROY program projects.

Mr. Endersbee stated that the Utilities Board is being asked to approve the ROY Establishing Agreement, with a presentation scheduled for the August 12, 2025, City Council meeting under the consent agenda.

Board Member Crow-Iverson moved to advance the ROY Establishing Agreement to the August 12, 2025, City Council meeting consent agenda. The motion was seconded by Board Member Bailey and passed unanimously.

#### **10. Overlook Mutual Worker Company Settlement and Augmentation Agreement**

Ms. Jenny Bishop, Water Resource Planning Engineer, and Ms. Congdon provided an overview of the Overlook Mutual Water Company settlement and augmentation agreement. The Overlook Mutual Water Company (Overlook) serves 28 homes on Cheyenne Mountain in Colorado Springs. Overlook has used junior water rights from the McKay Tunnel, originally owned by the Broadmoor Hotel Water and Power Company under a 1957 agreement granting perpetual use of the water rights to Overlook. In 1973, the City purchased Broadmoor's assets and took over service for Broadmoor's certificated area.

In 2022, the Colorado Division of Water Resources informed Overlook that it would have to obtain an augmentation plan to continue using the water. Overlook asserted that Colorado Springs Utilities was required to obtain the augmentation plan on behalf of Overlook under the 1957 and 1973 Agreements and Springs Utilities disagreed. The parties have negotiated a Settlement Agreement under which Springs Utilities would convey the McKay Water Rights to Overlook, and the parties would then enter into an Augmentation Service Agreement with Overlook adjudicating the augmentation plan. This would be a 25-year agreement.

Next steps include seeking approval from City Council at the July 22, 2025, City Council meeting on the consent calendar.

Board Member Gold made a motion to move this forward to the July 22, 2025, City Council Meeting on the consent agenda. Board Member Rainey seconded the motion. The motion carried unanimously.

#### **11. Utilities Policy Advisory Committee (UPAC) Assignment Approval of Scope**

Board Chair Donelson reported that the Utilities Board approved geothermal energy as the next Utilities Policy Advisory Committee (UPAC) assignment at its June 18, 2025, meeting. Feedback from Board Members was collected through July 1, and additional input was gathered during the July 2 UPAC meeting regarding the draft scope.

The approved scope focuses on evaluating the feasibility of industrial-scale geothermal electric generation for Colorado Springs Utilities. Key areas of inquiry include technological readiness, cost considerations, environmental impacts, water constraints, regulatory and permitting environments, funding opportunities, domestic and international benchmarks, and potential partnerships.

No additional feedback or questions were raised by Board Members. UPAC will now establish a timeline, engage subject matter experts, and begin research. Updates will be provided to the Utilities Board, and a final recommendation will be presented upon completion of the assignment.

Board Member Rainey moved to approve the geothermal assignment scope; the motion was seconded by Board Member Crow-Iverson and passed unanimously.

## **12. Board Member Updates**

Board Member Leinweber requested a presentation on the water exchange process at a future Utilities Board meeting.

Board Member Rainey expressed appreciation to Mr. Deal and the trading floor staff following an afternoon spent observing energy trading operations. He noted the experience significantly enhanced his understanding of this critical function.

Board Member Crow-Iverson shared that the City Council recently participated in an eight-hour team-building exercise and shared that it was a very productive session.

Vice Chair Williams extended her gratitude to fellow Board Members for their cards and well-wishes during her recent hospitalization.

Board Chair Donelson attended a change-of-command ceremony at the U.S. Air Force Academy and a retirement ceremony for a Colorado Springs Police Department member with over 30 years of service. He thanked Springs Utilities staff for their continued excellence in communications with the Utilities Board.

Mr. Deal distributed a hard-copy version of the U.S. Environmental Protection Agency's recent decision regarding reliable, low-cost power. He invited Board Members to reach out with any questions.

## **13. Summary of Board Actions**

- Approved June 18, 2025, Utilities Board meeting minutes.
- Approved moving the Return of Yield establishing agreement to the August 12, 2025 City Council meeting on the consent agenda.
- Approved moving the Overlook Mutual Water Company Settlement and Augmentation Agreement to the July 22, 2025 City Council meeting on the consent agenda.
- Approved the scope of the UPAC Assignment on geothermal energy.

## **14. Adjournment**

The meeting adjourned at 3:17 p.m.

# Board Memo Agenda Item

## Staff Report

<b>Date:</b> (Date of Utilities Board Meeting)	August 20, 2025		
<b>To:</b>	Utilities Board		
<b>From:</b>	Travas Deal, Chief Executive Officer		
<b>Subject:</b>	Re-Appointment of Chris Meyer as a Regular Member of Utilities Policy Advisory Committee (UPAC)		
<b>NARRATIVE:</b>			
<b>Desired Action:</b> Choose only one	<input checked="" type="checkbox"/> Approval <input type="checkbox"/> Discussion <input type="checkbox"/> Information		
<b>Executive Summary:</b>	<p>Chris Meyer was appointed as an alternate member to the Utilities Policy Advisory Committee (UPAC) by the Utilities Board on Sept. 27, 2023. Mr. Meyer was appointed as a regular member of UPAC on August 1, 2024, to fill the remainder of Ms. Hilary Dussing's term, which expires Sep. 30, 2025. Mr. Meyer is eligible and willing to serve his first full three-year term on UPAC, expiring September 30, 2028.</p> <p>Except when filling a vacancy, all regular members begin with one, three-year term. A member may be reappointed by the Utilities Board for up to two additional three-year terms, plus additional service if the original appointment filled a vacancy for less than 50% of an unexpired term. No member may consecutively serve more than three, three-year terms. The Utilities Board may fill any vacancy with either an alternate member or another selected candidate.</p>		
<b>Benefits:</b>	N/A		
<b>Board Policy:</b> If this impacts one of the board policies, indicate that here.	UBA-2: Appoint Utilities Policy Advisory Committee members and Customer Advisory Group members.		
<b>Cost / Budget:</b> Include the projected cost or budget here.	N/A		
<b>Affected Parties:</b> This could include community groups, specific City Council Districts, other utilities, nonprofit organizations, certain neighborhoods, Colorado Springs Utilities employees, etc.	Utilities Board members, Utilities Policy Advisory Committee members and Colorado Springs Utilities staff who support these two bodies.		
<b>Alternatives:</b>	The Utilities Board may fill the vacancy with another eligible candidate.		
<b>Submitter:</b>	Bethany Schoemer	<b>Email Address:</b>	bschoemer@csu.org
<b>Division:</b>	Administrative and Human Resources	<b>Phone Number:</b>	719-668-3811
<b>Department:</b>	Public Affairs	<b>Date Submitted:</b>	July 29, 2025
<b>SPG Staff Use Only:</b>	Consent Calendar <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		Item Number 3

ITEMS SUBMITTED AFTER THE DEADLINE WILL BE POSTPONED UNTIL THE NEXT UTILITIES BOARD MEETING.

**RESOLUTION NO. 25-14**

**A RESOLUTION OF THE COLORADO SPRINGS  
UTILITIES BOARD RE-APPOINTING CHRIS MEYER  
AS A REGULAR COMMITTEE MEMBER OF THE  
UTILITIES POLICY ADVISORY COMMITTEE (UPAC)  
EXPIRING SEPTEMBER 30, 2028**

- WHEREAS, the Utilities Policy Advisory Committee (UPAC) is composed of citizens appointed by the Utilities Board; and
- WHEREAS, UPAC is a fact-finding body whose mission is to review, analyze and, when appropriate, provide recommendations to the Utilities Board regarding the various overall strategic operating and financial policies for Colorado Springs Utilities; and
- WHEREAS, the Bylaws of UPAC contain rules regarding terms of committee membership eligibility; and
- WHEREAS, Chris Meyer has been a regular committee member of the UPAC since August 1, 2024, when he was appointed to fill the remainder of a previous member's term; and
- WHEREAS, Chris Meyer is eligible and willing to accept re-appointment for an initial full three-year term, which will commence on October 1, 2025.

NOW, THEREFORE, BE IT RESOLVED BY THE COLORADO SPRINGS UTILITIES BOARD:

Chris Meyer is hereby re-appointed as a regular committee member of the Utilities Policy Advisory Committee with his term expiring September 30, 2028.

Dated at Colorado Springs, Colorado this 20<sup>th</sup> day of August, 2025.

BY \_\_\_\_\_  
Dave Donelson, Chair of the Utilities Board

ATTEST:

\_\_\_\_\_ Travas Deal, Secretary

# Board Memo Agenda Item

## Staff Report

<b>Date:</b> (Date of Utilities Board Meeting)	August 20, 2025		
<b>To:</b>	Utilities Board		
<b>From:</b>	Travas Deal, Chief Executive Officer		
<b>Subject:</b>	Intergovernmental Agreement with Arkansas River Power Authority (ARPA)		
<b>NARRATIVE:</b>			
<b>Desired Action:</b> Choose only one	<input checked="" type="checkbox"/> Approval <input type="checkbox"/> Discussion <input type="checkbox"/> Information		
<b>Executive Summary:</b>	<p>As part of our ongoing commitment to the Arkansas Valley, we are establishing a regional partnership through an intergovernmental agreement between Colorado Springs Utilities and Arkansas River Power Authority (ARPA), representing its members.</p> <p>This partnership is designed to leverage Springs Utilities' purchasing power to achieve meaningful cost savings in the range of 10% to 15% on materials and supplies, while streamlining procurement processes to enhance operational efficiency and better serve our communities.</p>		
<b>Benefits:</b>	Improved pricing and lead times to support operations		
<b>Board Policy:</b> If this impacts one of the board policies, indicate that here.	N/A		
<b>Cost / Budget:</b> Include the projected cost or budget here.	No budget impact		
<b>Affected Parties:</b> This could include community groups, specific City Council Districts, other utilities, nonprofit organizations, certain neighborhoods, Colorado Springs Utilities employees, etc.	N/A		
<b>Alternatives:</b>	Do not approve the ARPA IGA		
<b>Submitter:</b>	Richard Norton	<b>Email Address:</b>	rnorton@csu.org
<b>Division:</b>	Customer & Enterprise Services	<b>Phone Number:</b>	719-985-1651
<b>Department:</b>	Supply Chain Management	<b>Date Submitted:</b>	July 22, 2025
<b>SPG Staff Use Only:</b>	Consent Calendar <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		Item Number   3
ITEMS SUBMITTED AFTER THE DEADLINE WILL BE POSTPONED UNTIL THE NEXT UTILITIES BOARD MEETING.			





# **Intergovernmental Agreement (IGA) with Arkansas River Power Authority**

Rich Norton, General Manager of Supply Chain

August 18, 2025



# Intergovernmental Agreement (IGA)

As part of our ongoing commitment to the Arkansas Valley, we are establishing a regional partnership through an intergovernmental agreement between Colorado Springs Utilities and Arkansas River Power Authority (ARPA), representing its members.

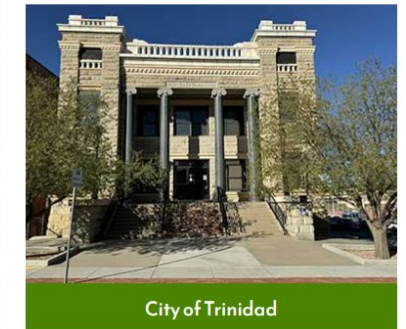
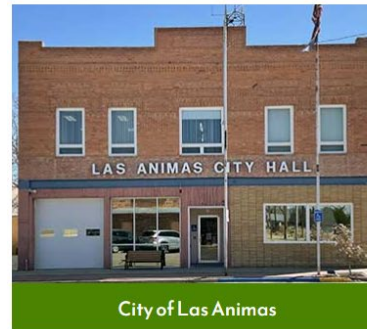
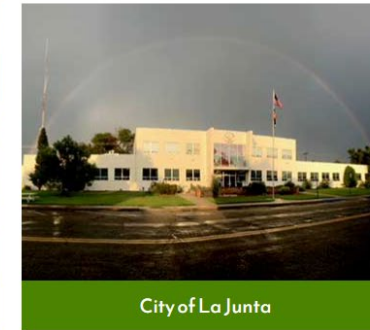


# Intergovernmental Agreement

The ARPA members are the six municipal communities of Holly, La Junta, Lamar, Las Animas, Springfield, and Trinidad, all located in southeastern Colorado.

ARPA provides these communities with a dependable and competitively-priced supply of wholesale electric power, which they then distribute to their local residents.

The Arkansas River Power Authority Proudly Serves



# Intergovernmental Agreement

This partnership is designed to leverage Utilities' purchasing power to achieve meaningful cost savings in the range of 10% to 15% on materials and supplies and improve overall lead times.



# Next steps

- Will be on the consent agenda at the Aug. 20 Utilities Board meeting.
- Will be on the Sept. 9 City Council agenda.
  - Ask for this item to be placed on consent at City Council.





Colorado Springs Utilities

*It's how we're all connected*

**Intergovernmental Agreement Between**  
**City of Colorado Springs, Colorado,**  
**Acting by and through its enterprise, Colorado Springs Utilities,**  
**And**  
**Arkansas River Power Authority**  
**for Material and Supply Purchasing and Emergency Sales**  
**Effective July 1, 2025**

This Intergovernmental Agreement (“Agreement”) for Material and Supply Purchasing and Emergency Sales is effective upon signing by all parties (“Effective Date”), and is between the City of Colorado Springs, Colorado, a Colorado home rule city and municipal corporation, acting by and through its enterprise, Colorado Springs Utilities (“Utilities”), and the Arkansas River Power Authority, a nonprofit public power utility of the State of Colorado (“ARPA”). Utilities and ARPA may be referred to individually as a “Party” and collectively as the “Parties.”

**Purpose**

The purpose of this Agreement is to establish a regional partnership through which Utilities and ARPA, on behalf of its Members, will jointly purchase materials and supplies to increase their bargaining power and obtain better pricing on such materials and supplies.

**Recitals**

- A. Utilities is a four-service municipally owned utility with a mission to provide safe, reliable, competitively priced electric, natural gas, water, and wastewater services to its citizen owners and customers.
- B. ARPA is a nonprofit public power utility and political subdivision of the State of Colorado that supplies wholesale electric power to, and is owned by, its member communities of Holly, La Junta, Lamar, Las Animas, Springfield, and Trinidad, Colorado (“Members”).
- C. Utilities and ARPA Members both require, and regularly purchase, similar materials and supplies to operate, maintain, and repair their utility facilities.
- D. By forming a regional partnership to jointly purchase such materials and supplies, the Parties can increase their bargaining power and obtain better pricing on such goods and supplies.
- E. Through such a regional partnership, the Parties may also cooperate in the event of an Emergency by allowing ARPA or its Members to purchase necessary Goods from Utilities’ then-current inventory.
- F. This Agreement provides for the joint exercise of powers lawfully authorized to each of the Parties, specifically for the sharing of costs associated with purchasing goods and materials the Parties need to provide utility services and maintain and repair their facilities, as authorized by the provisions of Sections 18(2)(a) and (2)(b) of Article XIV of the Colorado Constitution and Sections 29-1-201 *et seq.*, C.R.S., regarding intergovernmental relationships.

G. Each Party's governing body has authorized the execution and delivery of this Agreement.

### **Agreement**

NOW, THEREFORE, in consideration of the mutual undertakings herein contained and the mutual benefits to the Parties, the receipt and sufficiency of which is acknowledged, the Parties agree as follows:

#### **Section 1. Definitions**

For the purposes of this Agreement, these terms shall mean as follows:

- (a) Administrative Fee means the fee ARPA pays Utilities for Utilities' services related to the Goods, including ordering, calculating and collecting tax on, receiving delivery of, sorting, and storing the Goods until ARPA takes control of, and title to, the Goods.
- (b) Goods means those materials and supplies necessary for the operation, maintenance, and repair of utility services and facilities. For the purpose of this Agreement, Goods shall not include any hazardous materials, defined as any substances or materials identified now or in the future as hazardous under any federal, state, or local law or regulation, or any other substances or materials which may be considered hazardous or otherwise subject to statutory or regulatory requirement governing handling disposal, and/or cleanup.
- (c) Emergency means an unforeseeable event beyond ARPA or its Member's reasonable control, and without ARPA or its Member's fault or negligence, that prevents ARPA from purchasing and receiving Goods necessary to repair its or its Members facilities within a reasonable timeframe. Emergencies include, but are not limited to, strikes, riots, wars, floods, fires, explosions, acts of nature, or supply chain breakdowns.
- (d) Vendor means a supplier of Goods with whom Utilities has a contract for the purchase of Goods.

#### **Section 2. Term**

This Agreement will be in effect from the Effective Date until December 31, 2026 ("Term"), with four (4) one-year renewal options exercisable at the sole discretion of Utilities.

#### **Section 3. Procurement and Sale of Goods**

- (a) ARPA will have no right to participate in, provide any input into, or influence Utilities' procurement process for Goods or Utilities' contractual relationships with Vendors.
- (b) ARPA agrees not resell or trade any Goods received pursuant to this Agreement.

#### **Section 4. Joint Purchasing of Goods**

- (a) On or before December 31 each year, ARPA will send Utilities, via email to the Utilities Representative set forth in Section 26, a list of Goods ARPA wants to purchase over the following one-year period. Such list must include a description of the Goods, the quantity of each type of Good ARPA requires, any applicable manufacturer names and part numbers for the Goods, and any other required specifications regarding the Goods.
- (b) Upon receipt of ARPA's list of Goods, Utilities will:
  - i. Review Vendor contracts for the Goods to ensure such contracts do not prohibit joint purchases of Goods by Utilities and ARPA;
  - ii. Calculate the total quantity of each type of Good required by Utilities and ARPA for the year;

- iii. Obtain quotes from each applicable Vendor for the total purchase price for each type of Good;
  - iv. Send ARPA an invoice, via email to the ARPA Representative set forth in Section 26 below, for its proportion of the total purchase price for each type of Good, plus an administrative fee of 10%, and plus any applicable state and local taxes due on ARPA's purchase; and
  - v. Submit orders for the joint purchases of Goods to applicable Vendors.
- (c) ARPA will pre-pay Utilities for the Goods, with ARPA's payment of the invoice due and payable Net thirty (30) Days from the date of Utilities' invoice. ARPA's payment must include the state and local taxes specified in subpart (b)(iv). ARPA's payment is to be remitted to Utilities as follows:

Colorado Springs Utilities  
Attention:  
121 S. Tejon Street, 5<sup>th</sup> Floor  
Colorado Springs, CO 80903

- (d) To the extent taxes are not collected by the Vendor on the purchase, each Party is responsible for the calculation and remittance of any tax due on its purchases under this Agreement.

#### **Section 5. Delivery of Goods and Risk of Loss**

- (a) Utilities will notify ARPA, by email to ARPA's Representative, within 5 days of Utilities' receipt of Goods jointly purchased with ARPA.
- (b) Utilities will hold ARPA's portion of the Goods at one of its warehouses for a period of 15 days. During this 15-day period, Utilities will provide insurance to warehouse ARPA's portion of the Goods to the extent it already does so. However, Utilities will not provide any additional insurance for ARPA's portion of the Goods.
- (c) ARPA must email Utilities' Representative and arrange a date and time for ARPA to pick up its portion of the Goods at Utilities' warehouse, and must pick up the Goods, before the expiration of this 15-day period. ARPA may take control over, and title to, its portion of the Goods only after paying Utilities' invoice in full, as set forth in Section 4(c).
- (d) Risk of loss for the Goods will pass to ARPA when ARPA takes control over, and title to, the Goods at Utilities' warehouse.
- (e) If ARPA fails to arrange a date and time for pickup of its portion of the Goods within the 15-day period, Utilities will consider the Goods abandoned and take ownership of, and title to, the Goods, unless the Parties agree otherwise.

#### **Section 6. Emergency Purchasing by ARPA**

- (a) In the event of an Emergency, ARPA may ask to purchase Goods from Utilities' then-current inventory. ARPA will send such a request to Utilities' Representative via email. The request must include a description of the Goods, the nature of the Emergency, the quantity of each type of Good ARPA requires, any applicable manufacturer names and part numbers for the Goods, and any other required specifications regarding the Goods.
- (b) Utilities may sell the Goods to ARPA if, and only if:



1. Utilities' then-current inventory includes the Goods specified in ARPA's request, or similar goods that would meet ARPA's needs;
  2. Utilities has no immediate need for the Goods; and
  3. Utilities may resell the Goods under the applicable Vendor contracts.
- (c) Utilities will send ARPA an invoice for the Goods via email to ARPA's Representative. ARPA's cost for any Goods from Utilities' then-current inventory will equal the then-current replacement cost of the Goods, plus an administrative fee of 10%, and plus any applicable state and local taxes due on ARPA's purchase.
- (d) ARPA will pre-pay Utilities for the Goods, with ARPA's payment of the invoice due and payable thirty (30) days from the date of Utilities' invoice, as set forth in Section 4(c) above.
- (e) ARPA must email Utilities' Representative and arrange a date and time for ARPA to pick up the Goods from Utilities' warehouse. ARPA may take control over, and title to, the Goods only after payment of Utilities' invoice.
- (f) Risk of loss for the Goods will pass to ARPA when ARPA takes control over, and title to, the Goods at Utilities' warehouse.
- (g) If ARPA fails to pay Utilities' invoice within thirty (30) days of the date of the invoice, and fails to arrange a date and time for its pickup of its Goods within fifteen (15) days of the date of the invoice, Utilities will consider ARPA's request void.

#### **Section 7. Warranties**

To the extent permitted under applicable contracts, Utilities agrees to assign to ARPA any manufacturer warranties that Utilities receives for the Goods ARPA purchases with or from Utilities. However, Utilities will not provide any other warranties for the Goods to ARPA.

**ARPA ACKNOWLEDGES AND AGREES THAT, OTHER THAN ANY MANUFACTURER WARRANTIES FOR THE GOODS THAT UTILITIES ASSIGNS TO ARPA, THE GOODS ARE SOLD TO THEM AS IS, WHERE IS, WITH ALL FAULTS. UTILITIES HEREBY DISCLAIMS ANY AND ALL REPRESENTATIONS AND WARRANTIES OF ANY KIND, EITHER EXPRESS OR IMPLIED, INCLUDING BUT NOT LIMITED TO, NON-INFRINGEMENT, FITNESS FOR A PARTICULAR PURPOSE, MERCHANTABILITY, DESIGN, CONDITION, CAPACITY, PERFORMANCE OR ANY OTHER ASPECT OF SAID GOODS. ARPA SHALL HAVE NO RECOURSE AGAINST COLORADO SPRINGS UTILITIES, THE CITY OF COLORADO SPRINGS, ANY OF THEIR ENTERPRISES, DIRECTORS, OFFICERS, EMPLOYEES, REPRESENTATIVES, OR AGENTS.**

#### **Section 8. No Indemnification**

Each Party is prohibited from indemnifying the other Party pursuant to Article XI, §§ 1 and 2 of the Colorado Constitution. Thus, each Party agrees to be responsible for its own negligent acts and omissions and those of its directors, officers, employees and representatives.

#### **Section 9. Confidential Information**

- (a) Both Parties are public entities subject to the provisions of the Colorado Open Records Act, C.R.S. § 24-72-201, et seq. Any confidential and/or proprietary information that either Party discloses to the other Party with respect to this Agreement shall be designated as

confidential and proprietary by the disclosing Party at the time of disclosure and shall herein be referenced as “Confidential Information.”

- (b) The recipient of Confidential Information shall not use or disclose Confidential Information unless expressly authorized in this Agreement or by the disclosing Party in writing except for the purpose of (a) evaluating the information disclosed by the disclosing Party or (b) performing duties or exercising rights pursuant to this Agreement. Notwithstanding anything provided herein to the contrary, disclosure to the officers, appointees, employees, agents, or attorneys of Utilities who need to know the Confidential Information will not be deemed to be a disclosure of Confidential Information in violation of this Section. In the event either Party receives a request for such Confidential Information from a third party, notice thereof shall promptly be given to the other Party. The recipient shall take all reasonable steps to prevent any unauthorized possession, use, transfer or disclosure of such Confidential Information. Should the recipient learn of any such unauthorized possession, use, transfer or disclosure, it shall promptly notify the other Party. If requested, the recipient shall deliver to the other Party, all Confidential Information (including all copies) disclosed to it with respect to this Agreement.
- (c) The disclosure provisions of this Section shall not apply to information that a) the Parties had in their possession prior to disclosure by the other Party; b) becomes public knowledge through no fault of the recipient; c) the recipient lawfully acquires from a third party not under an obligation of confidentiality to the disclosing party; or d) is required to be disclosed by law or court order.

#### **Section 10. Appropriation of Funds**

The Parties acknowledge that, in accordance with the Colorado Constitution, Article X, Section 20, and Section 7-60 of the Charter of the City of Colorado Springs, performance of the Parties’ obligations under this Agreement is expressly subject to annual appropriation and availability of funds for that purpose. Nothing herein shall constitute, nor be deemed to constitute, the creation of a debt or multi-year fiscal obligation or an obligation of future appropriations by the City Council of Colorado Springs, Utilities, or ARPA, or any other constitutional, statutory, or charter debt limitation.

#### **Section 11. Expenditures and Fees of Each Party Deemed Expenditures of that Party**

The Parties to this Agreement agree that the purpose of this Agreement is to jointly accomplish pursuant to C.R.S. Section 29-1-203 activities which could be performed separately by each Party. Accordingly, it is agreed and understood for purposes of Article X, Section 20 of the Colorado Constitution, and for the Charter of the City of Colorado Springs, that any fees contributed or paid, or otherwise provided by ARPA to Utilities are and remain an expenditure of ARPA and are not revenue or expenditures of the Utilities.

#### **Section 12. Utilities’ Limitation of Liability**

In no event shall Utilities be liable to ARPA or any third party for any incidental, indirect, special, or consequential damages arising out of, in connection with, or resulting from this Agreement, whether or not Utilities was advised of the possibility of such damage. Utilities’ liability on any claim of any kind for any loss or damage arising out of, in connection with, or resulting from this Agreement or from the performance or breach thereof shall in no case exceed the price allocable to the Goods which give rise to the claim. Utilities shall not be liable

for penalties of any kind. Any action resulting from any breach on the part of Utilities as to Goods hereunder must be commenced within one (1) year after the cause of action has accrued.

### **Section 13. Immunity**

Nothing in this Agreement shall be construed or interpreted as a waiver, either express or implied, of any of the immunities, rights, benefits or protections provided to the City and Utilities under governmental immunity laws applicable to the City and Utilities, including, the Colorado Governmental Immunity Act (CRS § 24-10-101, et seq.).

### **Section 14. Minimum Insurance Requirements**

ARPA will provide to UTILITIES a certificate of insurance (COI) to ensure that the insurance coverages meet UTILITIES's insurance requirements. The COI is required for when ARPA will be responsible for the pick-up and transportation of any goods from a UTILITIES facility.

### **Section 15. Records and Accounts.**

Both Parties shall maintain an accurate and complete file of all records, documents, communications, and other written materials which pertain to the performance of the Agreement, including requests for and deliveries of Goods, and shall maintain such records for a period of three years after the date of payment of the last invoice related to this Agreement. Each Party shall have the right to audit records at reasonable times and upon reasonable notice.

### **Section 16. Force Majeure**

Neither Party shall be liable for delays in performing its obligations to the extent the delay is caused by an unforeseeable condition beyond its reasonable control without fault or negligence including strikes, riots, wars, floods, fires, explosions, acts of nature, acts of government, or labor disturbances.

### **Section 17. Dispute Resolution**

(a) If a dispute arises between the Parties relating to this Agreement, the following procedure shall be followed:

1. The Parties shall hold a meeting promptly, but in no event later than thirty (30) calendar days from the initial written notice of the dispute, attended by persons with decision-making authority regarding the dispute, to attempt in good faith to negotiate a resolution of the dispute; provided, however, that no such meeting shall be deemed to vitiate or reduce the obligations and liabilities of the Parties or be deemed a waiver by a Party of any remedies to which such Party would otherwise be entitled unless otherwise agreed to by the Parties in writing.
2. If, within thirty (30) calendar days after such meeting, the Parties have not succeeded in negotiating a resolution of the dispute, they agree to submit the dispute to non-binding mediation and to bear equally the costs of the mediation.
3. The Parties will jointly appoint a mutually acceptable mediator. If they fail to do so within twenty (20) calendar days from the conclusion of the negotiation period, they shall each select a mediator. The two mediators will then appoint a third mediator who shall, as the sole mediator, conduct mediation for the Parties.
4. The Parties agree to participate in good faith in the mediation and negotiations for a period of thirty (30) calendar days. The substantive and procedural law of the

State of Colorado shall apply to the proceedings. If the Parties are not successful in resolving the dispute through mediation, then the Parties shall be free to litigate the matter.

**Section 18. Termination**

Either Party may terminate this Agreement or any part hereof for its sole convenience. In the event of such termination, ARPA shall have no rights to any Goods for which it has not pre-paid Utilities. If ARPA has pre-paid for any Goods, and Utilities has not ordered the Goods at the time of Termination, ARPA shall have a right to a refund of its payment(s) for the Goods. If ARPA has pre-paid for any Goods, and Utilities has ordered the Goods at the time of Termination, ARPA shall have the right to obtain such Goods on receipt by Utilities in accordance with Section 5 above.

**Section 19. Governing Law; Jurisdiction and Venue.**

This Agreement will be subject to, and shall be interpreted and performed under, the laws of the State of Colorado, and the Charter, City Code, Ordinances, Rules and Regulations of the City of Colorado Springs. Each Party hereby expressly and irrevocably agrees and consents that any suit, action or proceeding arising out of or relating to this Agreement and the transactions contemplated hereby shall be instituted by any Party exclusively in any State court sitting in El Paso County, Colorado or, if federal jurisdiction exists, exclusively in the Federal court sitting in the City and County of Denver, State of Colorado and, by the execution and delivery of this Agreement, expressly waives any objection which it may have now or hereafter to the laying of the venue of any such suit, action, or proceedings.

**Section 20. Severability**

If a court of competent jurisdiction holds any provision of this Agreement invalid under the laws of the State of Colorado or of the United States, such invalidity will not invalidate the whole Agreement. Instead, the Agreement will be construed as though not containing that particular provision, and the rights and obligations of the Parties will be construed and in force accordingly, provided that the purposes of this Agreement are accomplished as originally intended by the Parties.

**Section 21. Assignment**

Neither Party may assign or transfer any part of this Agreement without the prior written consent of the other Party.

**Section 22. No Third-Party Beneficiary.**

It is expressly understood and agreed that the enforcement of the terms and conditions of this Agreement, and all rights of action relating to enforcement, shall be strictly reserved to the Parties, and nothing contained in this Agreement shall give or allow any claims or right of action by any other party. It is the express intention of the Parties that any person or entity, other than the Parties to this Agreement, receiving services or benefits under this Agreement shall be deemed to be incidental beneficiaries only.

**Section 23. Non-Exclusive Agreement**

This is not an exclusive Agreement. Utilities is free to enter into other partnership agreements with other entities for the joint purchase of Goods.

**Section 24. No Publicity**

ARPA shall not advertise or promote using the name or description of Utilities, without prior written consent of Utilities.

**Section 25. Waiver**

Utilities' failure to insist on performance of any of the terms or conditions or to exercise any right or privilege, or Utilities' waiver of any breach hereunder, shall not waive any other terms, conditions, or privileges, whether of the same or similar type.

**Section 26. Representatives and Notice**

The Parties appoint the following Representatives to act as liaisons with each other to coordinate Utilities' provisions of Goods under this Agreement. Either Party may change its designated Representative with written notice via email to the other Party.

All notices necessary or required under this Agreement shall be in writing and shall be sent via email to the Representatives listed below.

Utilities  
Rich Norton  
General Manager of Supply Chain  
[rnorton@scu.org](mailto:rnorton@scu.org)  
719-985-1651

ARPA  
Rick Rigel  
General Manager  
[rrigel@arpapower.org](mailto:rrigel@arpapower.org)  
719-336-3496

**Section 27. Entire Agreement**

This Agreement constitutes the entire agreement between the Parties pertaining to the subject of this Agreement, and supersedes all previous written or oral communications, understandings, and agreements between the Parties unless specifically stated herein. The terms and conditions of this Agreement shall prevail notwithstanding any variance with the terms and conditions of any acknowledgement or other document submitted by either Party.

**Section 28. Amendments**

This Agreement may be amended only by a written amendment authorized by the governing bodies of both Parties.

**Section 29. Counterpart; Copies of Signatures**

This Agreement may be executed in several counterparts, each of which will be an original, but all of which together will constitute one and the same instrument.

IN WITNESS WHEREOF, this Agreement has been duly authorized and executed by the officers authorized thereunto, on the dates shown below for each Participant.

**Colorado Springs Utilities,**  
an enterprise of the City of Colorado Springs, a  
Colorado home rule city and municipal corporation

By: \_\_\_\_\_  
Travas Deal  
Chief Executive Officer

Date: \_\_\_\_\_

Approved as to form:

\_\_\_\_\_

**Arkansas River Power Authority**

By: \_\_\_\_\_  
Richard Rigel  
General Manager

Date: \_\_\_\_\_

Attest:

\_\_\_\_\_

# Board Memo Agenda Item

## Staff Report

<b>Date:</b> (Date of Utilities Board Meeting)	August 20, 2025		
<b>To:</b>	Utilities Board		
<b>From:</b>	Travas Deal, Chief Executive Officer		
<b>Subject:</b>	Recognition of September as National Preparedness Month		
<b>NARRATIVE:</b>			
<b>Desired Action:</b> Choose only one	<input type="checkbox"/> Approval <input type="checkbox"/> Discussion <input checked="" type="checkbox"/> Information		
<b>Executive Summary:</b>	<p>The Federal Emergency Management Agency (FEMA) Ready Campaign's National Preparedness Month is observed each September to raise awareness about the importance of preparing for disasters and emergencies that can occur at any time.</p> <p>Throughout the month of September, Colorado Springs Utilities will promote preparedness through participation in the Ready Campaign's media campaign, providing employees and the community with information and resources.</p> <p>In advance of National Preparedness Month, Colorado Springs Utilities will hold Emergency Preparedness Week, the final week in September each year. The week will focus on employee training, exercises, and other related preparedness efforts. The fourth annual Colorado Springs Utilities' Emergency Preparedness Week will take place from Sept. 22 to Sept. 26, 2025.</p>		
<b>Benefits:</b>	Raising awareness among employees, the community, and our customers about the importance of preparing for disasters and emergencies that could happen at any time.		
<b>Board Policy:</b> If this impacts one of the board policies, indicate that here.	N/A		
<b>Cost / Budget:</b> Include the projected cost or budget here.	N/A		
<b>Affected Parties:</b> This could include community groups, specific City Council Districts, other utilities, nonprofit organizations, certain neighborhoods, Colorado Springs Utilities employees, etc.	N/A		
<b>Alternatives:</b>	N/A		
<b>Submitter:</b>	Erin Duran	<b>Email Address:</b>	eduran@csu.org
<b>Division:</b>	Operations	<b>Phone Number:</b>	719-668-621
<b>Department:</b>	System and Field Operations	<b>Date Submitted:</b>	July 18, 2025
<b>SPG Staff Use Only:</b>	Consent Calendar <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		Item Number 5
ITEMS SUBMITTED AFTER THE DEADLINE WILL BE POSTPONED UNTIL THE NEXT UTILITIES BOARD MEETING.			

# Board Memo Agenda Item

## Staff Report

<b>Date:</b> (Date of Utilities Board Meeting)		August 20, 2025	
<b>To:</b>		Utilities Board	
<b>From:</b>		Travas Deal, Chief Executive Officer	
<b>Subject:</b>		Total Worker Health - Champion of Well-Being Emerging Leader Award	
<b>NARRATIVE:</b>			
<b>Desired Action:</b> Choose only one		<input type="checkbox"/> Approval <input type="checkbox"/> Discussion <input checked="" type="checkbox"/> Information	
<b>Executive Summary:</b>		<p>Each year, the University of Colorado Anschutz School of Public Health's Health Links™ program honors organizations that exemplify the principles of Total Worker Health®. This integrated approach prioritizes both employee safety and overall well-being, recognizing their interconnected and mutually reinforcing nature.</p> <p>In 2025, Colorado Springs Utilities was honored with the <b>Champion of Well-Being Emerging Leader Award</b>. Health Links commended the exceptional work of our Total Worker Health Committee, highlighting our strong performance in the annual Healthy Workplace Assessment® and the thoughtful, strategic goals developed during advising sessions. This recognition affirms our leadership and commitment to fostering a culture of health, safety, and empowerment across the organization.</p>	
<b>Benefits:</b>		<p>In alignment with our strategic objective to <i>Enable Employee Empowerment</i>, Colorado Springs Utilities is actively fostering a culture where safety, health, and well-being are integral to everything we do. Our commitment to Total Worker Health not only enhances the employee experience but also positions Colorado Springs Utilities as a recognized leader in promoting workplace well-being. This recognition reflects our dedication to creating a supportive, thriving environment for all employees and supports our strategic objective of Enable Employee Empowerment.</p>	
<b>Board Policy:</b> If this impacts one of the board policies, indicate that here.		N/A	
<b>Cost / Budget:</b> Include the projected cost or budget here.		N/A	
<b>Affected Parties:</b> This could include community groups, specific City Council Districts, other utilities, nonprofit organizations, certain neighborhoods, Colorado Springs Utilities employees, etc.		All Colorado Springs Utilities employees	
<b>Alternatives:</b>		N/A	
<b>Submitter:</b>	Renee Adams, CHRO	<b>Email:</b>	radams@csu.org
<b>Division:</b>	Administrative Human Resources (AHRD)	<b>Phone Number:</b>	719-668-7325
<b>Department:</b>	Safety and Health / Human Resources	<b>Date Submitted:</b>	July 25, 2025
<b>SPG Staff Use Only:</b>	Consent Calendar <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		Item Number 5

ITEMS SUBMITTED AFTER THE DEADLINE WILL BE POSTPONED UNTIL THE NEXT UTILITIES BOARD MEETING



# Board Memo Agenda Item

## Staff Report

<b>Date:</b> <small>(Date of Utilities Board Meeting)</small>	August 20, 2025		
<b>To:</b>	Utilities Board		
<b>From:</b>	Travas Deal, Chief Executive Officer		
<b>Subject:</b>	Resolution of Appreciation for Lisa Barbato		
<b>NARRATIVE:</b>			
<b>Desired Action:</b> Choose only one	<input checked="" type="checkbox"/> Approval <input type="checkbox"/> Discussion <input type="checkbox"/> Information		
<b>Executive Summary:</b>	<p>Lisa Barbato has served as a valuable staff member and leader within Colorado Springs Utilities since August 31, 1998, serving as Chief System Planning and Projects Officer.</p> <p>That Colorado Springs Utilities Board members and Utilities employees express their deepest gratitude and heartfelt appreciation to Lisa for her outstanding service, steadfast leadership, and enduring contributions.</p>		
<b>Benefits:</b>	N/A		
<b>Board Policy:</b> <small>If this impacts one of the board policies, indicate that here.</small>	N/A		
<b>Cost / Budget:</b> <small>Include the projected cost or budget here.</small>	N/A		
<b>Affected Parties:</b> <small>This could include community groups, specific City Council Districts, other utilities, nonprofit organizations, certain neighborhoods, Colorado Springs Utilities employees, etc.</small>	N/A		
<b>Alternatives:</b>			
<b>Submitter:</b>	Abigail Ortega	<b>Email Address:</b>	ajortega@csu.org
<b>Division:</b>	System Planning and Projects	<b>Phone Number:</b>	719-668-8748
<b>Department:</b>	Infrastructure and Resource Planning	<b>Date Submitted:</b>	Aug. 12, 2025
<b>SPG Staff Use Only:</b>	Consent Calendar <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		Item Number 5
ITEMS SUBMITTED AFTER THE DEADLINE WILL BE POSTPONED UNTIL THE NEXT UTILITIES BOARD MEETING			

RESOLUTION 25-15

A RESOLUTION RECOGNIZING LISA BARBATO FOR HER  
SERVICE TO COLORADO SPRINGS UTILITIES

**WHEREAS**, Lisa Barbato has served as a valuable staff member and leader within Colorado Springs Utilities since August 31, 1998, serving as Chief System Planning and Projects Officer; and

**WHEREAS**, Lisa Barbato has served Colorado Springs Utilities and the community with unwavering dedication and exemplary leadership for 27 years, contributing significantly to the progress, sustainability, and reliability of essential services in our community;

**WHEREAS**, throughout her tenure as part of the executive leadership team of Colorado Springs Utilities, Lisa consistently demonstrated visionary guidance, professional integrity, and a profound commitment to public service, earning the respect and admiration of colleagues, industry partners, trade associations, employees and the public;

**WHEREAS**, Lisa championed initiatives that enhanced operational efficiency, strengthened infrastructure, promoted environmental stewardship, and elevated customer satisfaction, leaving a lasting and positive legacy on the organization and the communities it serves;

**WHEREAS**, Lisa mentored future leaders in the industry and fostered a vision of creating tomorrow's utility through a culture of innovation, quality, integrity, and stewardship, inspiring countless individuals through her example;

**NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF COLORADO SPRINGS UTILITIES:**

That Colorado Springs Utilities Board Members and Utilities employees express their deepest gratitude and heartfelt appreciation to Lisa for her outstanding service, steadfast leadership, and enduring contributions;

Be it further resolved that we extend our warmest wishes to Lisa for a fulfilling and joyful retirement, filled with well-earned rest, new adventures, and the continued admiration of those whose lives have been impacted by her work.

DATED at Colorado Springs, Colorado, this 20<sup>th</sup> day of August 2025.

By: \_\_\_\_\_  
Dave Donelson, Chair of the Utilities Board

Attest: \_\_\_\_\_  
Travas Deal, CEO



**Date:** August 20, 2025

**To:** Utilities Board

**From:** Travas Deal, Chief Executive Officer

**Subject:** **Excellence in Governance Monitoring Report  
Financial Condition and Activities (I-2)**

**Desired Action:** Monitoring

**Compliance:** The CEO reports compliance with the instructions.

INSTRUCTIONS			
Category:	<b>Utilities Board Instructions to the Chief Executive Officer</b>	Reporting Timeframe:	<b>April 1, 2025 – June 30, 2025</b>
Policy Title (Number):	<b>Financial Condition and Activities (I-2)</b>	Reviewing Committees:	<b>Working Committee</b>
Monitoring Type:	<b>Internal; City Auditor</b>	Monitoring Frequency:	<b>Quarterly, Annually</b>
Guidelines:	<b>Local Vendor (G-7)</b>		

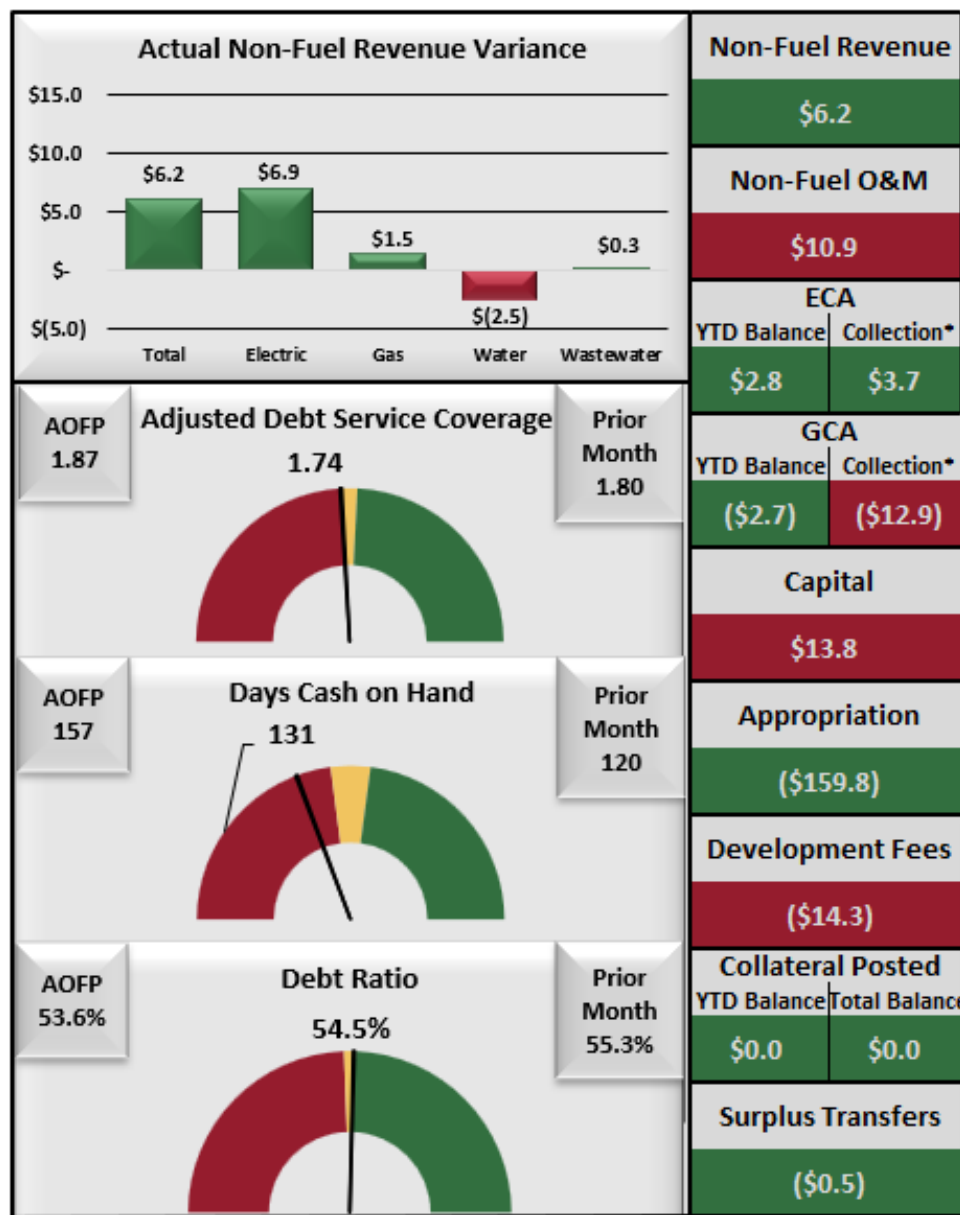
**The Chief Executive Officer shall direct that financial condition and activities and actual expenditures are consistent with Board Expected Results. Accordingly, the CEO shall:**

1. *Operate within total appropriations for the fiscal year and inform the Utilities Board of:*
  - a. *Significant financial variances*
    - 2025 projected Total Use of Funds to be \$1.67 billion, a decrease of \$(159.8) million or (8.8)% from the 2025 Approved Budget of \$1.83 billion.
    - Fuel expenses are projected to be \$(179.7) million or (36)% under the approved budget primarily due to lower actual 2025 natural gas prices than those projected at the time of the 2025 budget appropriation.
    - Operating revenues are currently \$94.8 million or 15% under the approved budget due to a decrease in fuel costs that are being reflected in lower Electric Cost Adjustment (ECA) / Gas Cost Adjustment (GCA) revenue.
    - Capital expenses are projected to be \$13.8 million or 2% over the approved budget primarily related to the Operational Fiber Network.
    - Non-fuel operating expenses are projected to be \$10.9 million or 2% over the approved budget primarily influenced by labor and benefits.
    - Debt Service, Surplus Transfers, and Franchise Fees are projected to be \$(4.9) million or (1.8)% under the approved budget, primarily due to lower debt service.

- b. *Expenditures that exceed the Federal Energy Regulatory Commission capital and operating and maintenance budget classifications in electric, natural gas, water, wastewater and common.*

As of the end of the second quarter of 2025:

- Operating and maintenance expenses are projected to exceed the approved budget by \$1.0 million or 1% in Water, \$0.9 million or 3% in Wastewater, and \$2.2 million or 1% in Administrative and General.
- Capital expenditures are projected to exceed the approved budget by \$40.1 million or 12% in Electric and \$4.1 million or 10% in Gas.



2. Budget transfers, canceled major capital projects, or new major capital projects not funded in the Approved Budget over \$1,000,000

Project Over/Under Runs							
Activity #	Project Name	Service Line	Investment Type	Variance Type	2025 AOFB	Change	New Budget
193952	Operational Fiber Network	Electric	Regulatory	Type 19	\$63,045,000	\$19,410,371	\$82,455,368
495436	EWSE Phase 1 - New Lift Stations a Wastewater		Growth	Type 24	\$18,871,906	(\$13,665,830)	\$5,206,076
193884	APIP - Claremont Substation - Add Electric		Regulatory	Type 7	\$260,000	\$8,627,567	\$8,887,567
394749	Highline Pressure Zone Extension Water		Growth	Type 8	\$13,699,398	(\$7,699,397)	\$6,000,001
193898	Front Range CT1 & CT2 Rotor Repl Electric		Reliability	Type 19	\$6,750,000	(\$6,524,005)	\$225,995
194037	APIP - Horizon Substation - Add N Electric		Growth	Type 3	\$9,600,000	(\$5,464,608)	\$4,135,392
193975	Tesla TIV Replacement & Stanley (Electric		Reliability	Type 8	\$2,920,500	\$5,063,489	\$7,983,989
394744	Finished Water Linear Asset Progr Water		Reliability	Type 8	\$11,312,000	\$5,000,000	\$16,312,000
394652	WOLF and UBG Pressure Zone Int Water		Regulatory	Type 7	\$5,589,000	(\$4,848,387)	\$740,613
495307	LVSRRF Aeration System Modifi Wastewater		Reliability	Type 7	\$10,960,000	(\$4,251,492)	\$6,708,508
180283	Public Improvements-Electric	Electric	Reliability	Type 3	\$253,003	\$4,026,938	\$4,279,941
394696	N. Slope - South Catamount Dam F Water		Reliability	Type 13	\$6,000,000	\$4,000,000	\$10,000,000
293170	Marksheffel Connector GPAP exp Natural Gas		Growth	Type 13	\$2,000,000	\$3,346,683	\$5,346,683
193970	Manitou Units 1&2 Turbines & Ger Electric		Reliability	Type 7	\$3,500,000	(\$3,248,845)	\$251,155
394587	Potable Pumping Station Replacer Water		Reliability	Type 3	\$6,000,000	\$2,999,998	\$8,999,998
293179	DIMP - Gas 150P System Renewals Natural Gas		Regulatory	Type 8	\$7,433,144	(\$2,802,818)	\$4,630,326
394476	Rosemont Pipeline Replacement Water		Reliability	Type 3	\$4,854,879	(\$2,661,286)	\$2,193,593
495435	EWSE Phase 1 - Upper and Lower C Wastewater		Growth	Type 3	\$2,689,052	\$2,647,176	\$5,336,228
193642	Central Bluffs Substation	Electric	Growth	Type 15	\$16,000,000	(\$2,574,234)	\$13,425,766
596710	Computer Maintenance Managem Common		Reliability	Type 3	\$4,935,000	(\$2,457,557)	\$2,477,443
394669	AMI Project - Water	Water	Reliability	Type 3	\$3,700,000	(\$2,284,780)	\$1,415,220
596712	Data Analytics and Strategy - Store Common		Regulatory	Type 3	\$4,500,000	(\$2,205,121)	\$2,294,879
293182	DIMP - Gas Risk Based Projects Natural Gas		Regulatory	Type 8	\$220,000	\$2,156,218	\$2,376,218
193407	Front Range General Electric Hot C Electric		Reliability	Type 3	\$6,201,347	\$2,125,614	\$8,326,961
194103	Airport & Powers - Electric Relocat Electric		Reliability	Type 3	\$300,000	\$2,028,955	\$2,328,955
495437	EWSE Phase 1 - Milton Proby Inter Wastewater		Growth	Type 24	\$481,584	\$1,991,301	\$2,472,885
293180	DIMP - Gas Coated Steel Renewals Natural Gas		Regulatory	Type 8	\$2,000,000	(\$1,578,949)	\$421,051
193874	SEP Kelker Substation Rebuild-Exp Electric		Regulatory	Type 19	\$31,485,002	\$1,505,313	\$32,990,315
193880	SEP MW-KE Transmission Line	Electric	Growth	Type 19	\$19,242,704	(\$1,504,153)	\$17,738,551
193877	SEP Kelker-South Plant New 115k Electric		Regulatory	Type 5	\$8,604,232	(\$1,496,881)	\$7,107,351
193974	System Additions for New Develo Electric		Growth	Type 3	\$2,400,000	\$1,438,599	\$3,838,599
495363	LVSRRF Influent Junction Box Re Wastewater		Reliability	Type 7	\$4,000,000	(\$1,387,039)	\$2,612,961
596758	BRDS02 Data Center PDU/UPS Upg Common		Reliability	Type 2	\$1,500,000	(\$1,300,000)	\$200,000
495356	Northern Monument Creek Interc Wastewater		Growth	Type 7	\$4,000,000	(\$1,197,057)	\$2,802,943
192296	Underground 12.5kV Distribution t Electric		Growth	Type 3	\$4,900,359	\$1,099,103	\$5,999,462
596544	Network Enterprise Services Progr Common		Reliability	Type 5	\$2,000,000	(\$1,070,618)	\$929,382
495343	CSRRRF Electrical Upgrades Projec Wastewater		Reliability	Type 4	\$2,300,000	\$1,049,393	\$3,349,393
394575	Potable Water Tank Refurbishmer Water		Reliability	Type 8	\$1,054,236	\$1,038,102	\$2,092,338
193745	Atmel Substation - Add New Trans Electric		Growth	Type 8	\$458,543	(\$1,026,306)	(\$567,763)
596759	Network TIL Redesign	Common	Growth	Type 5	\$1,500,000	(\$1,000,000)	\$500,000
394651	Specialty Valves Rehabilitation an Water		Reliability	Type 14	\$10,500,000	\$1,000,000	\$11,500,000
Total					\$308,020,889	(\$1,694,543)	\$306,326,343

Cancelled / Delayed Projects							
Activity #	Project Name	Service Line	Investment Type	Variance Type	2025 AOFB	Change	New Budget
193784	SEP EIRP Implementation	Electric	Growth	Type 8	\$42,120,000	(\$42,120,000)	\$0
394683	Water Acquisition	Water	Growth	Type 14	\$33,000,000	(\$33,000,000)	\$0
194133	SEP EIRP Implementation - Transr Electric		Reliability	Type 17	\$25,000,000	(\$25,000,000)	\$0
394790	Ruxton 24" and 30" Raw Water Ma Water		Reliability	Type 19	\$3,500,000	(\$3,500,000)	\$0
300905	Water Manager Reserve	Water			\$2,872,469	(\$2,872,469)	\$0
194028	Fuller Substation - Add Two New f Electric		Growth	Type 7	\$2,385,000	(\$2,385,000)	\$0
394722	Pine Valley & McCullough DOVE D Water		Reliability	Type 24	\$2,250,000	(\$2,250,000)	\$0
400905	WWater Manager Reserve	Wastewater			\$1,544,144	(\$1,544,144)	\$0
394771	Reduced Briargate Tank (2021 FW Water		Reliability	Type 8	\$1,186,086	(\$1,186,086)	\$0
586280	BRDS02 Halon Replacement	Common	Reliability	Type 8	\$1,050,446	(\$1,050,446)	\$0
Total					\$114,908,145	(\$114,908,145)	\$0

New or Advanced Projects							
Activity #	Project Name	Service Line	Investment Type	Variance Type	2025 AOFB	Change	New Budget
194144	SEP - Horizon Power Plant	Electric	Reliability	Type 14	\$0	\$68,419,295	\$68,419,295
394846	Las Animas Consolidated Company	Water	Reliability	Type 8	\$0	\$30,000,000	\$30,000,000
194147	Front Range High Energy Piping In	Electric	Regulatory	Type 21	\$0	\$8,755,807	\$8,755,807
394802	South Suburban Reservoir Emerge	Water	Regulatory	Type 3	\$0	\$5,114,916	\$5,114,916
394787	Penrose Water Supply	Water	Reliability	Type 1	\$0	\$3,000,000	\$3,000,000
193889	Kettle Creek 12.5kV Feeder Additi	Electric	Regulatory	Type 1	\$0	\$2,026,413	\$2,026,413
394755	Arkansas Basin Storage - Clear Cre	Water	Reliability	Type 8	\$0	\$1,900,000	\$1,900,000
394793	SDS I&C Pump Station Upgrades	Water	Reliability	Type 1	\$0	\$1,820,985	\$1,820,985
394807	FLCC Shares Acquisition	Water	Growth	Type 3	\$0	\$1,807,000	\$1,807,000
194136	USAFA - 34kV OH to UG - Oak Valle	Electric	Reliability	Type 14	\$0	\$1,722,286	\$1,722,286
495475	LVTP06 Complete Interior Renova	Wastewater	Growth	Type 8	\$0	\$1,491,554	\$1,491,554
194154	Substations Power Transformer Pl	Electric	Reliability	Type 8	\$0	\$1,074,297	\$1,074,297
596774	BRDS02 Halon Replacement	Common	Reliability	Type 8	\$0	\$1,050,446	\$1,050,446
596763	Multi-Facility Asphalt and Concret	Common	Reliability	Type 8	\$0	\$1,000,000	\$1,000,000
Total					\$0	\$129,182,999	\$129,182,999

Summary			
Category	2025 AOFB	Change	New Budget
Total I-2 Reportable Changes	\$422,929,034	\$12,580,311	\$435,509,342
Total Other Changes	\$205,823,144	\$1,191,365	\$207,014,512
Grand Total	\$628,752,178	\$13,771,676	\$642,523,854

\*Refer to appendix for variance type code descriptions

5-year Capital Outlook (in thousands)					
Category	2025	2026	2027	2028	2029
AOFB Budget	\$628,752	\$697,046	\$997,463	\$985,384	\$602,274
I-2 Forecast	\$642,524	\$948,201	\$860,019	\$812,512	\$758,300
Variance	\$13,772	\$251,155	(\$137,443)	(\$172,872)	\$156,027
5-year Total Variance					\$110,638

3. *Invest funds in accordance with Bond Ordinance requirements and Utilities Investment Plan.*

All cash and investments are in U.S. Treasury Notes, U.S. Agency securities, repurchase agreements, Local Government Investment Pools, and secured bank accounts that comply with Bond Ordinance investment requirements and the Colorado Springs Utilities Investment Plan.

4. *Ensure controls are in place for receiving, processing, or disbursing funds and allow only bonded personnel access to material amounts of funds.*

Colorado Springs Utilities maintains adequate controls that are reviewed annually by an external auditor. Appropriate personnel have access to material amounts of funds. In addition, the City of Colorado Springs' Risk Management team has expanded insurance coverage of high-risk employees through a shared Crime Insurance Policy, which affords a financial backstop for employee theft, forgery, money order tampering, counterfeit money, and other elements of potential fraud and misappropriation.

5. *Ensure receivables are resolved within a reasonable grace period.*

Days Sales Outstanding (DSO) is the average number of days receivables remain outstanding before being collected. At the end of the second quarter of 2025, there is 26.56 of DSO.

6. *Settle payroll and debts in a timely manner.*

These conditions have been achieved as of this monitoring report.

7. *Ensure tax payments or other government ordered payments are timely and materially accurate.*

These conditions have been achieved as of this monitoring report.

8. *Operate within the applicable sections of the Colorado State Procurement Code and Springs Utilities procurement policies and procedures assuring legal and fiscal compliance with competitive acquisition practices, conflict of interest, favoritism and procurement from local vendors.*

Colorado Springs Utilities maintains written purchasing regulations that assure legal and fiscal compliance with competitive acquisition practices, avoid conflicts of interest, avoid favoritism, and promote procurement from local vendors. Total spending associated with purchase orders and contracts with local area addresses at 27.1% for the second quarter, with a target of 30%.

9. *Inform the Utilities Board of significant financial impacts on the Municipal Government.*

During the second quarter of 2025, there were no significant financial impacts on the Municipal Government.

I-2 Appendix		
Control	Variance Reason	Definition
Yes	Type 1 - Unplanned Work	Not included in 5 year plan
Yes	Type 2 - Scope Gap	Scope was not well defined in the planning phase
Yes	Type 3 - Cost Estimating Gap	Gap between planning cost estimate and delivery cost estimate
Yes	Type 4 - Scope definition error or or	Scope was not well defined in the delivery phase
Yes	Type 5 - Cost estimating error or or	Forecast did not accurately represent actual annual spend
Yes	Type 6 - Regulatory Law change	A regulatory or legal change that was not included in the 5 year
Yes	Type 7 - Schedule estimating error	Forecasted schedule/resource requirements did not represent actual schedule/resource rec
Yes	Type 8 - Reallocation reprioritizati	Project reprioritized
Yes	Type 9 - Contract Sourcing Delay	Forecasted procurement schedule did not accurately represent the actual procurement sche
No	Type 10 - Supply Chain Delay	Materials receipt
No	Type 11 - Legal Dispute	Lawsuit, claim
No	Type 12 - Force Majeure	Act of God (War, weather, accident)
No	Type 13 - Discovery	Work that is discovered during delivery
Yes	Type 14 - Strategic	Work that is directed by executive leadership that was not originally included budget
Yes	Type 15 - External Contract perform	Contractor/consultant is not appropriately controlling scope, cost or schedule
Yes	Type 16 - Internal Construction Per	Internal construction delay
No	Type 17 - System Constraints	The ability of the system to absorb the project at a specific time
No	Type 18 - Authority Having Jurisdic	Beyond what could be reasonably planned
Yes	Type 19 - Change in delivery strateg	Entity that performs the work changes after design start
No	Type 20 - Customer/Developer-Initi	CSU providing cost participation but is not managing project
No	Type 21 - Emergency	Public Health and Safety, Loss of Life, Regulatory, significant loss of level of service
No	Type 22 - Vendor Invoice Timing/Er	Invoice Paid in next year
Yes	Type 23 - Project Cancellation	Project cancelled
Yes	Type 24 - Schedule Gap	Gap between planning schedule and delivery schedule



**Date:** August 20, 2025

**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:	<b>Utilities Board Instructions to the Chief Executive Officer</b>	Reporting Timeframe:	<b>January 1, 2025 – June 30, 2025</b>
Policy Title (Number):	<b>Risk Management (I-4)</b>	Reviewing Committee:	<b>Working Committee</b>
Monitoring Type:	<b>Internal, External, City Auditor</b>	Monitoring Frequency:	<b>Semi-Annual, Annual, Years ending in 0 and 5</b>

**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. This plan will be revised over the next 12 months to incorporate appropriate policies and procedures in alignment with joining the Southwest Power Pool.

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 remains 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 remains 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 first half of 2025, Colorado Springs Utilities did not enter into any financial derivative transactions which are governed by the plan.



**Date:** August 20, 2025

**To:** Utilities Board

**From:** Travas Deal, Chief Executive Officer

**Subject:** **Excellence in Governance Compliance Report  
Asset Protection (I-8)**

**Desired Action:** Monitoring

**Compliance:** The CEO reports compliance with the instructions

INSTRUCTIONS			
Category:	<b>Utilities Board Instructions to the Chief Executive Officer</b>	Reporting Timeframe:	<b>January 1, 2025- June 30, 2025</b>
Policy Title (Number):	<b>Asset Protection (I-8)</b>	Reviewing Committee:	<b>Working Committee</b>
Monitoring Type:	<b>Internal; City Auditor</b>	Monitoring Frequency:	<b>Semi-Annual; Annual</b>

**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, physical assets, cyber assets, intellectual property, records and information from loss or significant damage.*

Plans and programs are in place that address and comply with the expectations of this policy to include, but are not limited to:

	<b>Frequency of Update</b>	<b>Last Updated</b>	<b>Planning Horizon</b>	<b>Responsible Division</b>
Cyber Security:				Customer and Enterprise Services
Cyber Security Incident Response Plan	Every 5 years	2024	5 years	No updates needed
Cyber Security Vulnerability Management Program	Every 3 years	2024	Ongoing	Will be updated in 2025
Cyber Security (Risk Management) Framework	Every 3 years	2023	Ongoing	No updates needed
Security Operations:				Operations
Physical Security Program	5 years	2024	10 years	
Physical Security for Rampart Dam and Reservoir and Tesla Hydro Plant	1 year	2025	Ongoing	
Emergency Management:				Operations
Emergency Operations Plan	3 years	2024	Ongoing	
Dam Emergency Action Plans	1 year	2023	Ongoing	
Water Resource Recovery Facility Flood Emergency Evacuation Plans	1 year	2025	Ongoing	
Facilities Management:				System Planning and Projects
Facilities Master Plan	5 years	2021	10 years	
Facilities Maintenance Program	Annual	2024	10 years	
Records and Information Management:				Human Resources and Administration
Records Retention Program provides ongoing records compliance and disposition review and support	Ongoing	2023	3 years	
Water Resources Management:				System Planning and Projects
Reporting of water use in accordance with decrees, permits and agreements	Ongoing	Ongoing	Ongoing; updated as needed	
Watershed Management Plans	Ongoing; updated as needed	Ongoing	Ongoing; updated as needed	

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.*

Colorado Springs Utilities collaborates with the Real Estate Services Office to ensure compliance with all requirements of:

- City of Colorado Springs Procedure Manual for the Acquisition and Disposition of Real Property Interests, Revised 2021 which was approved by City Council by Resolution 39-21 on March 23, 2021.

3. *Only sell, dispose of or allow use of assets at fair market value, except for de minimis contributions to community-oriented organizations.*

Colorado Springs Utilities is in compliance with Colorado Springs City Code §1.5.205, which states that all sales of personal property which are obsolete and unusable shall, except as otherwise specifically provided in this part, be based whenever possible on competitive bids.

4. *Protect the enterprise's public image and reputation.*

Colorado Springs Utilities strives to build and enhance the enterprise's public image through proactive communications, media relations, marketing communications and community relations. In 2025, the Public Affairs department has invested more resources into producing educational campaigns. The department used a variety of multimedia formats to reach customers to explain growth, rate comparisons and the importance of building our systems to continue supporting our community.



**Date:** August 20, 2025

**To:** Utilities Board

**From:** Travas Deal, Chief Executive Officer

**Subject:** **Excellence in Governance Monitoring Report  
Treatment of Customers and Customer Information (I-9)**

**Desired Action:** Monitoring

**Compliance:** The CEO reports compliance with the instructions.

INSTRUCTIONS			
Category:	<b>Utilities Board Instructions to the Chief Executive Officer</b>	Reporting Timeframe:	<b>August 1, 2025 – July 31, 2025</b>
Policy Title (Number):	<b>Treatment of Customers and Customer Information (I-9)</b>	Reviewing Committee:	<b>Working Committee</b>
Monitoring Type:	<b>Internal</b>		
Monitoring Frequency:	<b>Annual</b>		

**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.*

Colorado Springs Utilities only collects information needed to perform our business functions. The information we collect is used to manage customers' accounts and the billing process for energy and water services we provide. We also use it to communicate with customers, respond to their questions, provide customer support, improve our services and product offerings, protect against fraud and comply with legal requirements.

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.*

Customer information is safeguarded with a defense in depth strategy to protect the

privacy and security of sensitive information, which includes customer data. Defenses are implemented and configured through software, hardware, policy, contractual agreements, and physical access mechanisms and restricted to Colorado Springs Utilities employees and support staff who have an authorized business purpose.

3. *Comply with Colorado Springs Utilities Tariffs regarding treatment of customers.*

One of Colorado Springs Utilities' values is People; this is demonstrated by treating customers with dignity, respect and fairness. Consistent compliance with our Tariffs, including the Utilities Rules and Regulations, is one way we ensure we are treating our customers fairly.

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.*

Complaints may arise from any issue involving utility services, and when complaints are received they are resolved in a timely and fair manner. In these situations, customers have the option to escalate the dispute through internal staff or further escalate the dispute through an informal review via Colorado Springs Utilities or the Better Business Bureau. Efforts are continually made to resolve customer issues through staff to minimize escalations.

If the complaint is not resolved through an informal review and a customer feels Colorado Springs Utilities violated their rights or is in violation of our Tariffs, he/she may participate in our Dispute Resolution Procedure as outlined in the Utilities Rules and Regulations on the Colorado Springs Utilities website.

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.*

The Dispute Resolution Procedure is included in the Utilities Rules and Regulations and is published on Colorado Springs Utilities' website. In addition, staff notifies customers of the Dispute Resolution Procedure when working through escalated issues.

6. *Operate under written and maintained claims procedures that address fair treatment of claimants, legal liability, customer costs and sound business practices.*

The Municipal Government Risk Management Division adheres to its Functional Claim Handling and Processing Procedures Manual and a risk management service-level agreement with Colorado Springs Utilities.

7. *Maintain facilities that provide a reasonable level of security and privacy, both visual and aural.*

Colorado Springs Utilities recognizes the importance of providing facilities to meet the needs of customers. If customers wish to conduct Utilities business in person, they may visit the Utilities Customer Service Center (UCSC) at 111 S. Cascade Avenue. The UCSC is staffed with security personnel and is designed with individual stations to support customer privacy. For remote work, employees are expected to follow established information protection protocols.

8. *Inform customers about services offered.*

Our customers expect to receive from us timely, helpful information about their utility services. We provide them information about utility safety, energy and water efficiency, customer service and payment assistance programs and operations updates (e.g. major projects, construction advisories, service interruptions, emergency response).

We use a mix of media channels preferred by our customers. Channels include print and digital/social media, monthly bill inserts, direct mail, electronic publications, public meetings, community events and personal interaction with staff. We also work with local news outlets on a regular basis to inform our customers about services we offer.





**Date:** August 20, 2025

**To:** Utilities Board

**From:** Travas Deal, Chief Executive Officer

**Subject:** **Excellence in Governance - Utilities Board Expected Results (ER: 1-3) Mid-year 2025**

**Desired Action:** Monitoring

**Compliance:** 3.55 = Meets Expectations

EXPECTATIONS			
Category:	<b>Utilities Board/Chief Executive Officer Partnership Expectations</b>	Reporting Timeframe:	<b>As of June 30, 2025</b>
Policy Title (Number):	<b>Utilities Board Expected Results Balanced Scorecard (ER: 1-3)</b>	Reviewing Committee:	<b>Working Committee</b>
Monitoring Type:	<b>Internal</b>		
Monitoring Frequency:	<b>Semi-annually</b>		

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

The overall rating for mid-year 2025 is 3.55 = Meets Expectations

The overall rating is based on the scale below.

Rating Scale				
<b>1</b> <b>Does Not Meet</b> <b>Expectations</b>	<b>2</b> <b>Partially Meets</b> <b>Expectations</b>	<b>3</b> <b>Meets</b> <b>Expectations</b>	<b>4</b> <b>Exceeds</b> <b>Expectations</b>	<b>5</b> <b>Far Exceeds</b> <b>Expectations</b>
<b>&lt;2.00</b>	<b>2.00 - 2.99</b>	<b>3.00 - 3.74</b>	<b>3.75 - 4.49</b>	<b>&gt;4.49</b>

The mid-year 2025 Board Expected Results rating is derived from evaluation of performance measures in the enterprise scorecard as outlined below.

MEASURE DESCRIPTION

**Strategic Objective Supported:** Deliver Quality Utilities

**Reported as:** 12 month rolling average

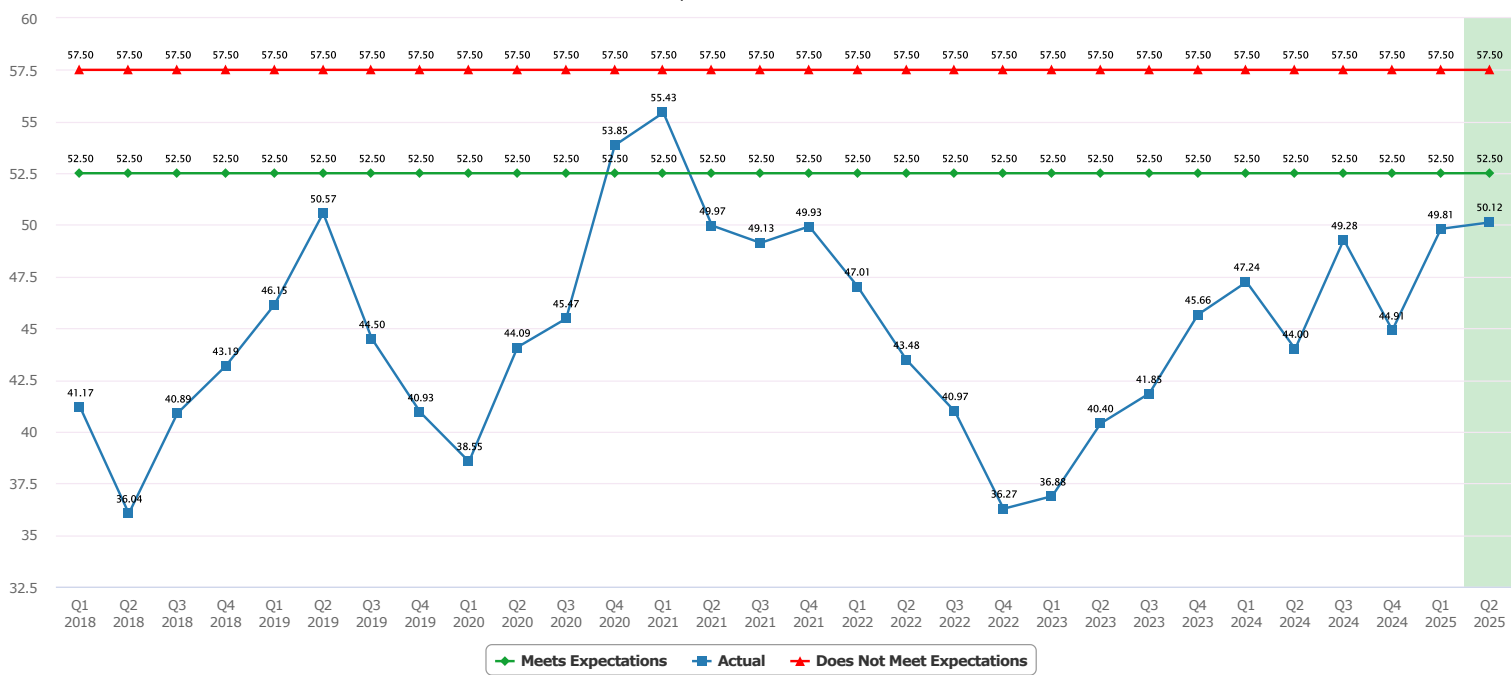
**Target range:** 52.50 – 47.51 (minutes interruption per customer per year)

MEASURE PERFORMANCE

The mid-year 2025 result is 50.12 minutes.

TREND CHART

Electric System Average Interruption Duration Index (SAIDI)  
In Minutes per Customer - Lower is Better



PERFORMANCE ANALYSIS

- There were 287 sustained outages in the second quarter of 2025.
- There were 1,018 sustained outages from July 2024 through June 2025.
- There were no Major Event Days (MED) during this period.
- According to the 2024 Institute of Electrical and Electronics Engineers (IEEE) Reliability Benchmark Survey (2023 data), Colorado Springs Utilities ranked fifth out of 73 survey participants for Electric SAIDI performance.

3

C1b Failures per 100 Miles of Natural Gas Pipe

Performance Measure Status: Meets Expectations

MEASURE DESCRIPTION

**Strategic Objective Supported:** Deliver Quality Utilities

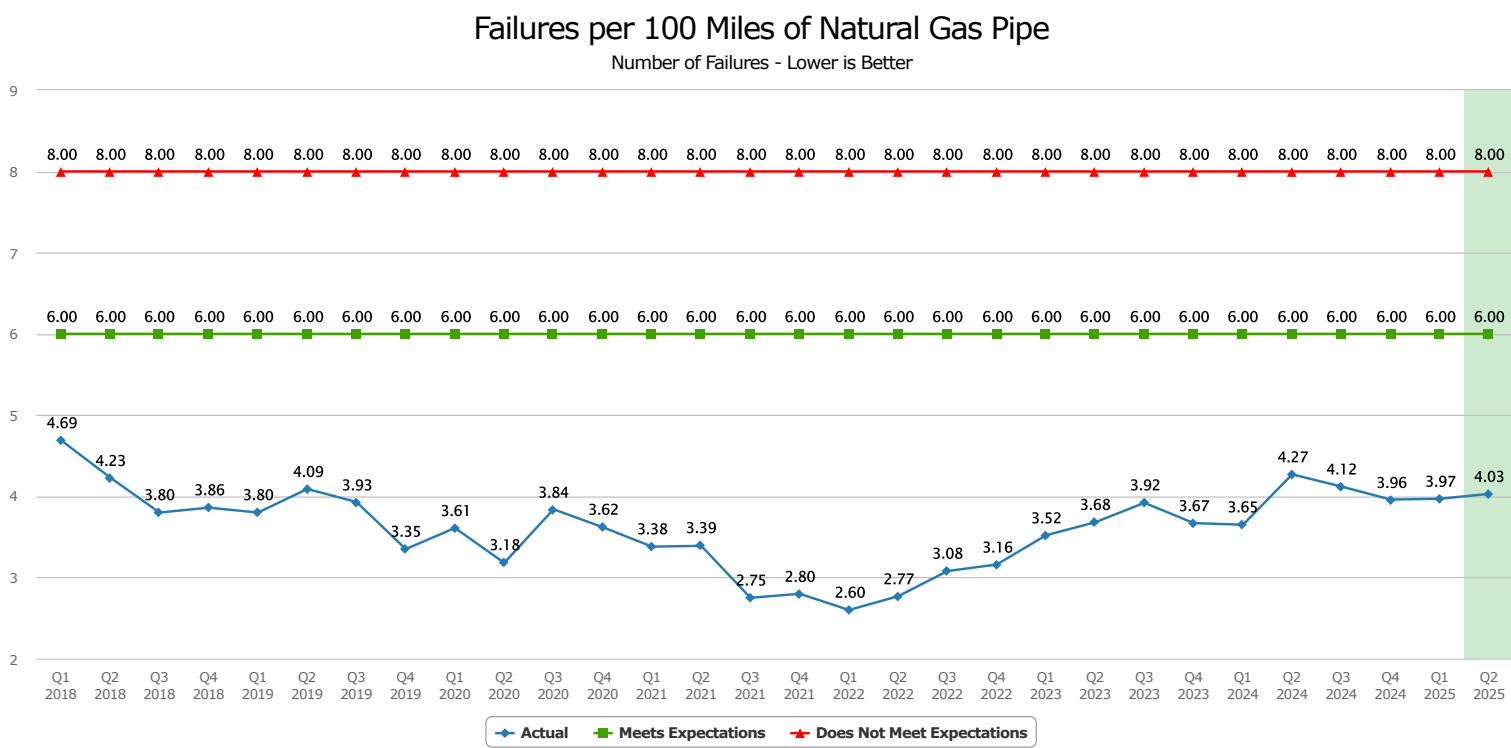
**Reported as:** 12 month rolling average

**Target range:** 6.00 – 4.00 (failure per 100 miles of pipe)

MEASURE PERFORMANCE

The mid-year 2025 result is 4.03 failures per 100 miles of pipe.

TREND CHART



PERFORMANCE ANALYSIS

- There were 232 failures on the 5,755 miles of gas pipe from July 2024 through June 2025.
- $232/57.55 = 4.03 = \text{Meets Expectations}$

## 4 → C1c Failures per 100 Miles of Water Pipe

Performance Measure Status: Exceeds Expectations

### MEASURE DESCRIPTION

**Strategic Objective Supported:** Deliver Quality Utilities

**Reported as:** 12 month rolling average

**Target Range:** 12.00 – 10.00 (failures per 100 miles of pipe)

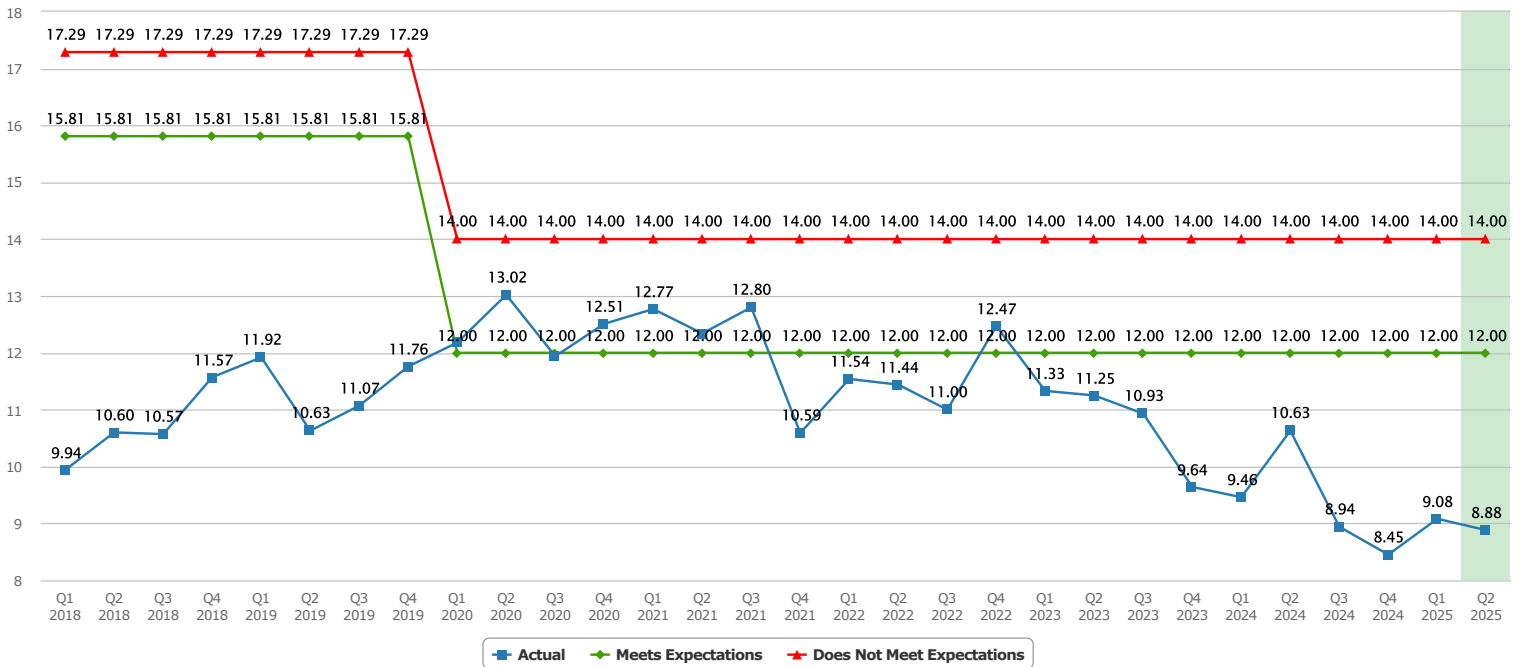
### MEASURE PERFORMANCE

The mid-year 2025 rolling 12 month result is 8.88 failures per 100 miles of pipe.

### TREND CHART

#### Failures per 100 Miles of Water Pipe

Number of Failures - Lower is Better



### PERFORMANCE ANALYSIS

- There were a total of 32 failures on 2,308 miles of pipe in Q2 2025. 11 of the failures were main breaks, 16 were main leaks, 5 were valve leaks.
- There were a total of 93 failures on 2,308 miles of pipe YTD 2025. 53 of the failures were main breaks, 27 were main leaks, 2 were hydrant leaks and 11 were valve leaks.
- There were a total of 194 failures on 2,297 miles of pipe in all of 2024. 124 of the failures were main breaks, 54 were main leaks, 1 was a hydrant leak and 15 were valve leaks.
- A detailed analysis by System Planning and Projects Division shows that, at current funding levels for the capital program that addresses water main replacement, cathodic protection, and lining of water mains, a minimal increase in water main failures is expected over the next 5 years.
- The capital program prioritizes addressing high risk water mains, minimizing leaks under new pavement, and aligning with the City's paving initiative.

4

C1d Failures per 100 Miles of Wastewater Pipe

Performance Measure Status: Exceeds Expectations

MEASURE DESCRIPTION

**Strategic Objective Supported:** Deliver Quality Utilities

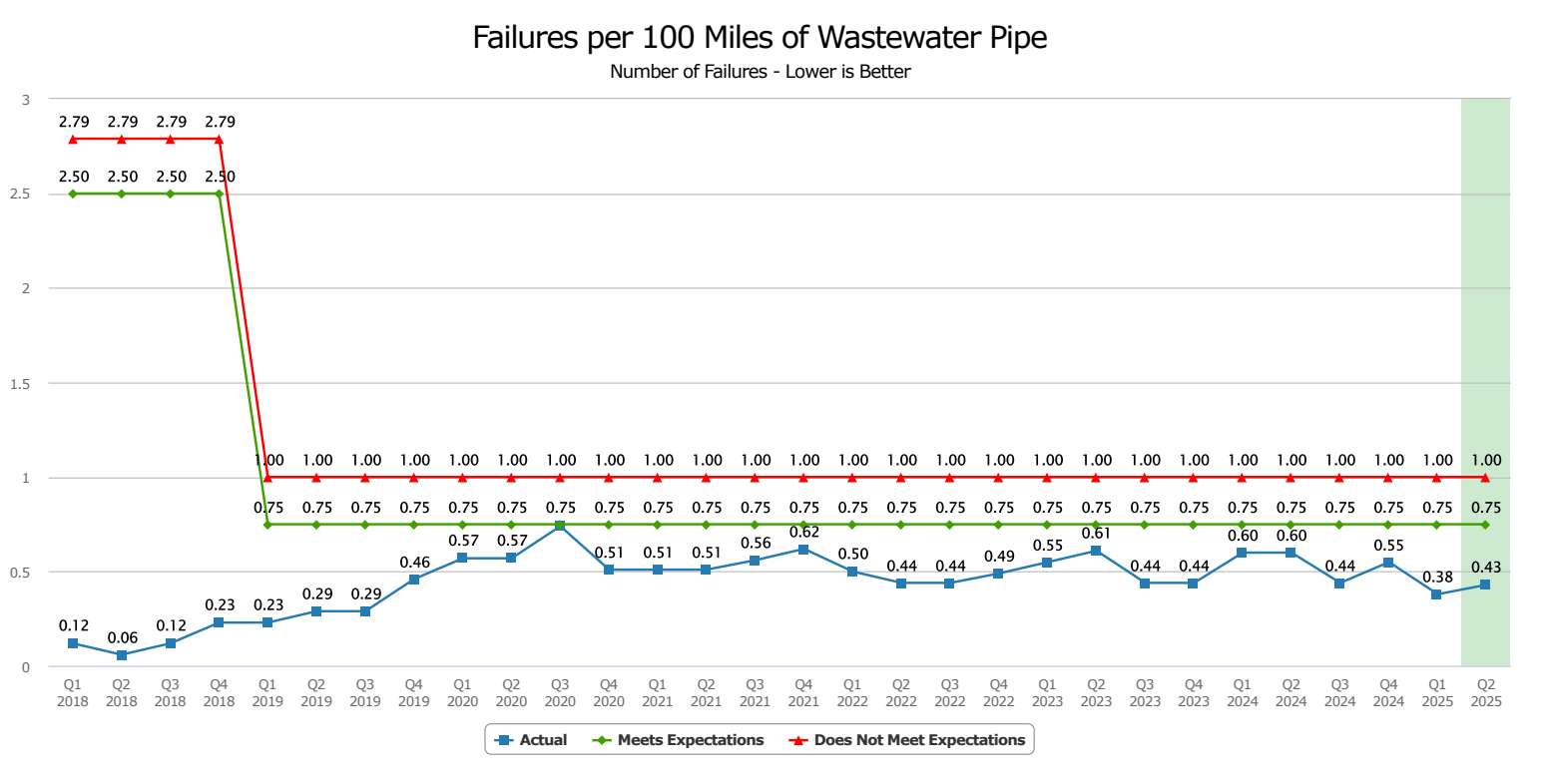
**Reported as:** 12 month rolling average

**Target Range:** 0.75 – 0.51 (failures per 100 miles of pipe)

MEASURE PERFORMANCE

The mid-year 2025 result is 0.43 failures per 100 miles of pipe.

TREND CHART



PERFORMANCE ANALYSIS

- In the second quarter, there were 3 failure events, all of which were caused by system performance issues due to roots resulting in damage to residences.
- By comparison, the 2024 mid-year result was 0.60 failures per 100 miles of pipe, and the 2024 year-end result was 0.55 failures per 100 miles of pipe.

MEASURE DESCRIPTION

**Strategic Objective Supported:** Financial Accountability

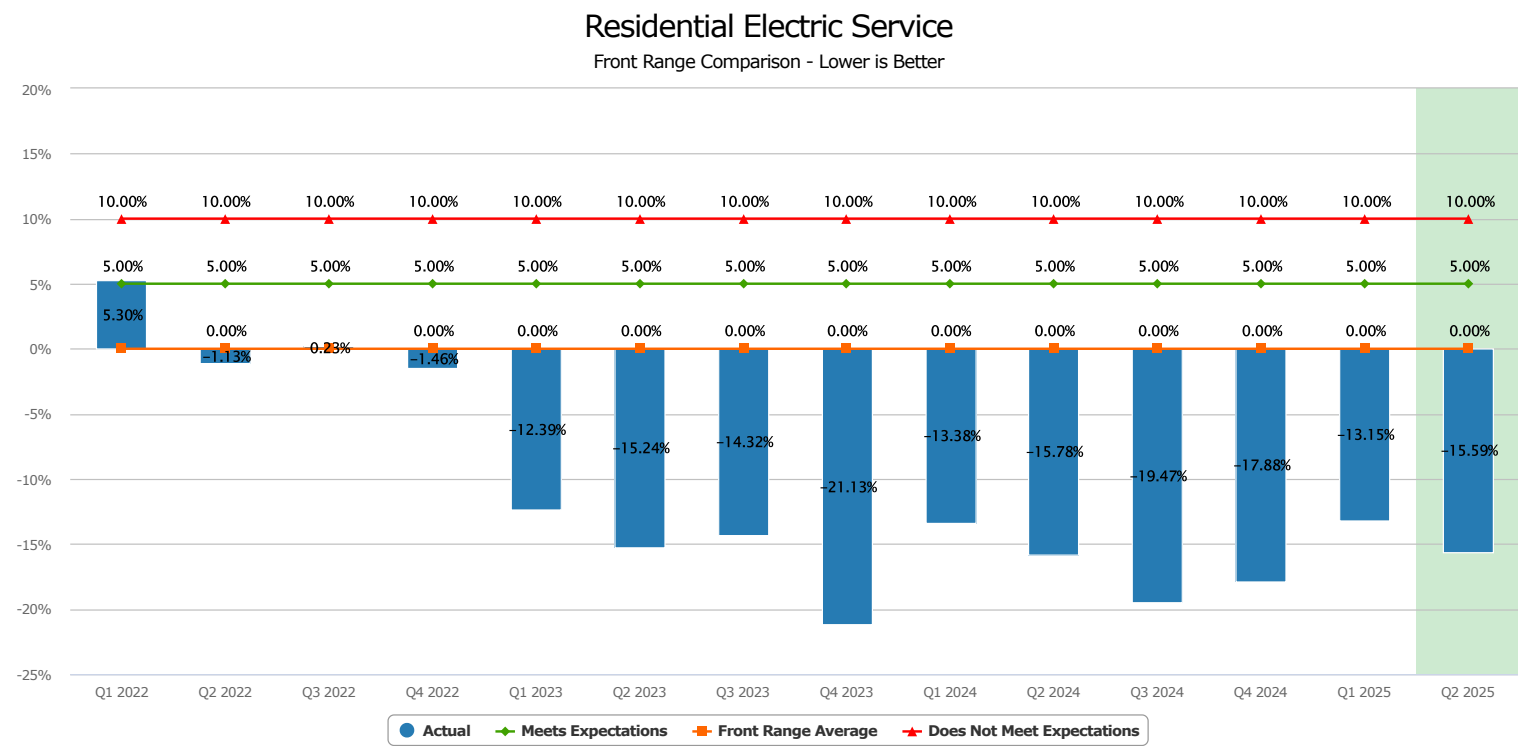
**Reported as:** Average natural gas bill

**Target Range:** +/- 5% of Colorado Front Range average

MEASURE PERFORMANCE

The mid-year 2025 result is 15.59% lower than front range average.

TREND CHART



PERFORMANCE ANALYSIS

Rate computations have been estimated using tariffs rates publicly available on websites as of April 1, 2025 and assumed billing determinations.

MEASURE DESCRIPTION

**Strategic Objective Supported:** Financial Accountability

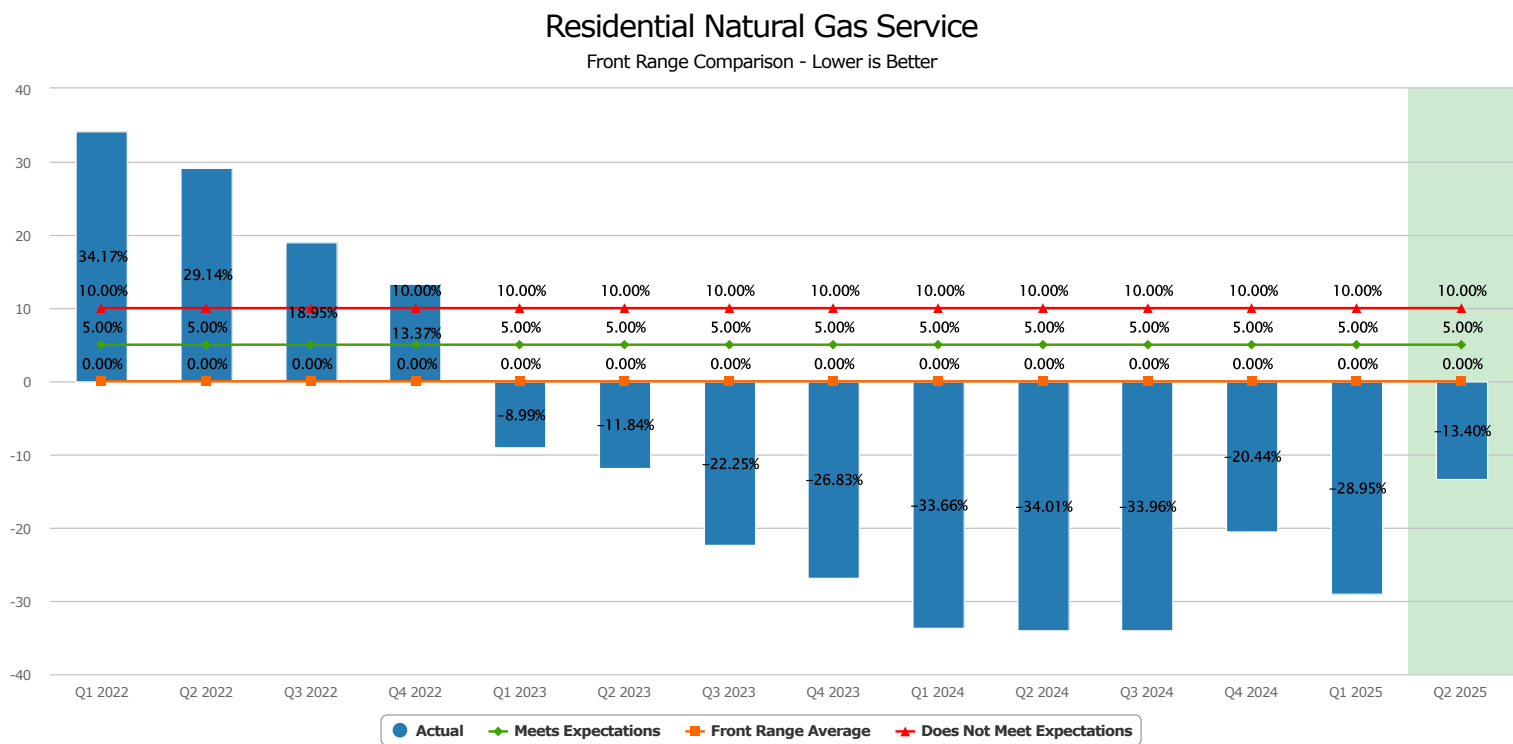
**Reported as:** Average bill

**Target Range:** +/- 5.0% of Colorado Front Range average

MEASURE PERFORMANCE

The mid-year 2025 result is 13.40% below Front Range average.

TREND CHART



PERFORMANCE ANALYSIS

The most recent rate computations have been estimated using tariff rates publicly available on websites as of April 1, 2025 and assumed billing determinants.



MEASURE DESCRIPTION

**Strategic Objective Supported:** Financial Accountability

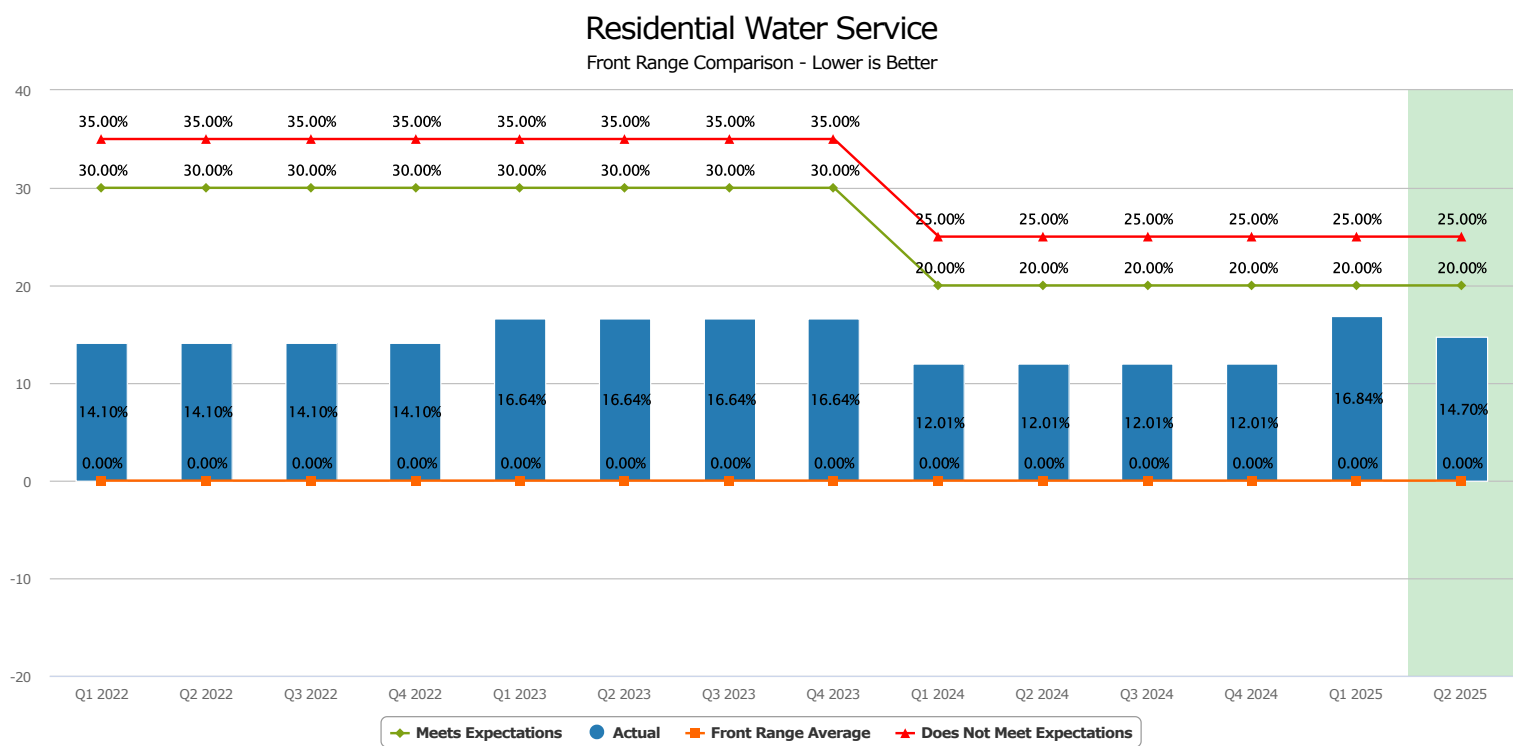
**Reported as:** Average bill

**Target Range:** 10.1 – 20.0% higher than Colorado Front Range average

MEASURE PERFORMANCE

The mid-year 2025 result is 14.70% above Front Range average.

TREND CHART



PERFORMANCE ANALYSIS

The most recent rate computations have been estimated using tariff rates publicly available on websites as of April 1, 2025 and assumed billing determinants.

MEASURE DESCRIPTION

**Strategic Objective Supported:** Financial Accountability

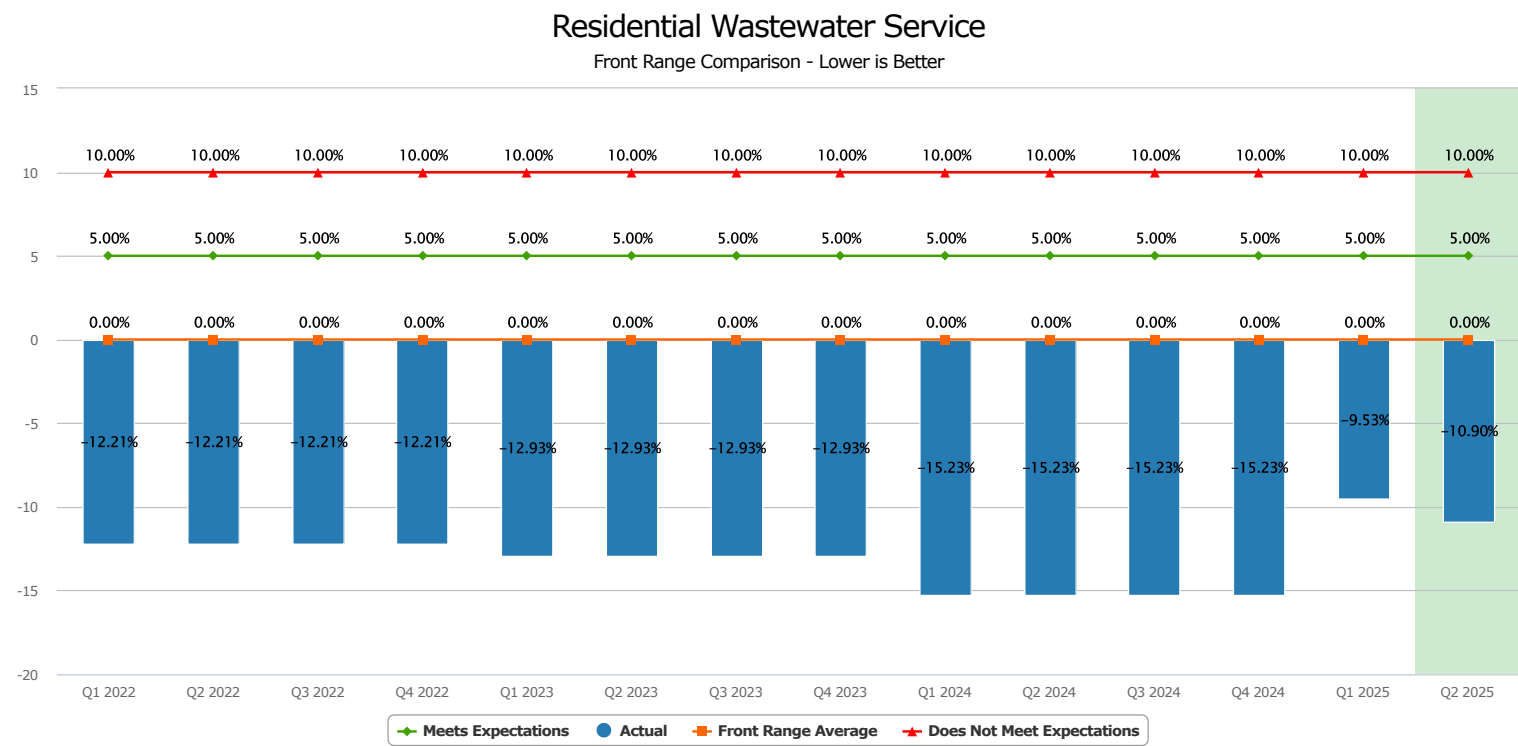
**Reported as:** Average bill

**Target Range:** +/- 5.0% of Colorado Front Range average

MEASURE PERFORMANCE

The mid-year 2025 result is 10.90% below Front Range average.

TREND CHART



PERFORMANCE ANALYSIS

The most recent rate computations have been estimated using tariff rates publicly available on websites as of April 1, 2025 and assumed billing determinants.

MEASURE DESCRIPTION

**Strategic Objective Supported:** Financial Accountability

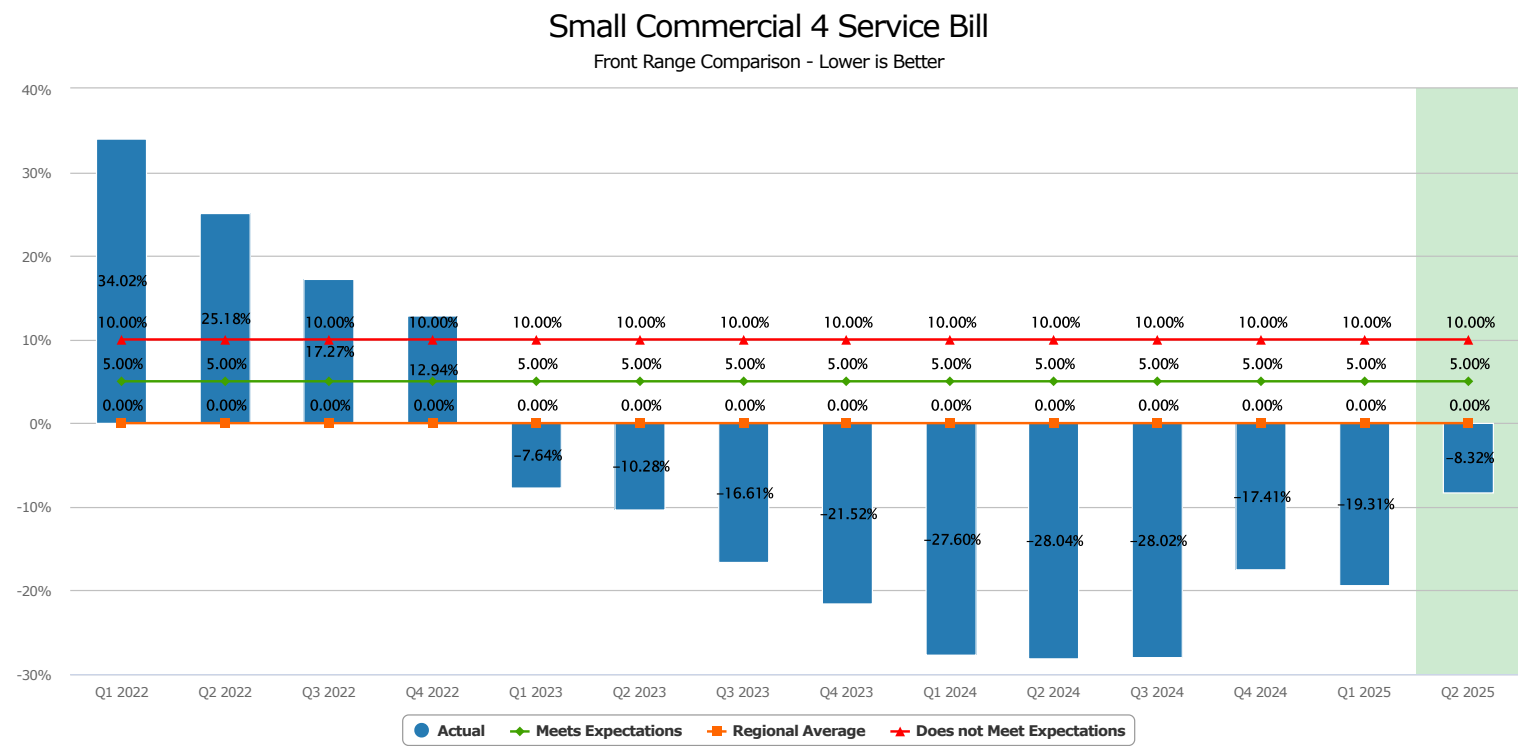
**Reported as:** Average combined bill

**Target Range:** +/- 5.0% of Colorado Front Range average

MEASURE PERFORMANCE

The mid-year 2025 result is 8.32% below Front Range average.

TREND CHART



PERFORMANCE ANALYSIS

The most recent rate computations have been estimated using tariff rates publicly available on websites as of April 1, 2025 and assumed billing determinants.

MEASURE DESCRIPTION

**Strategic Objective Supported:** Financial Accountability

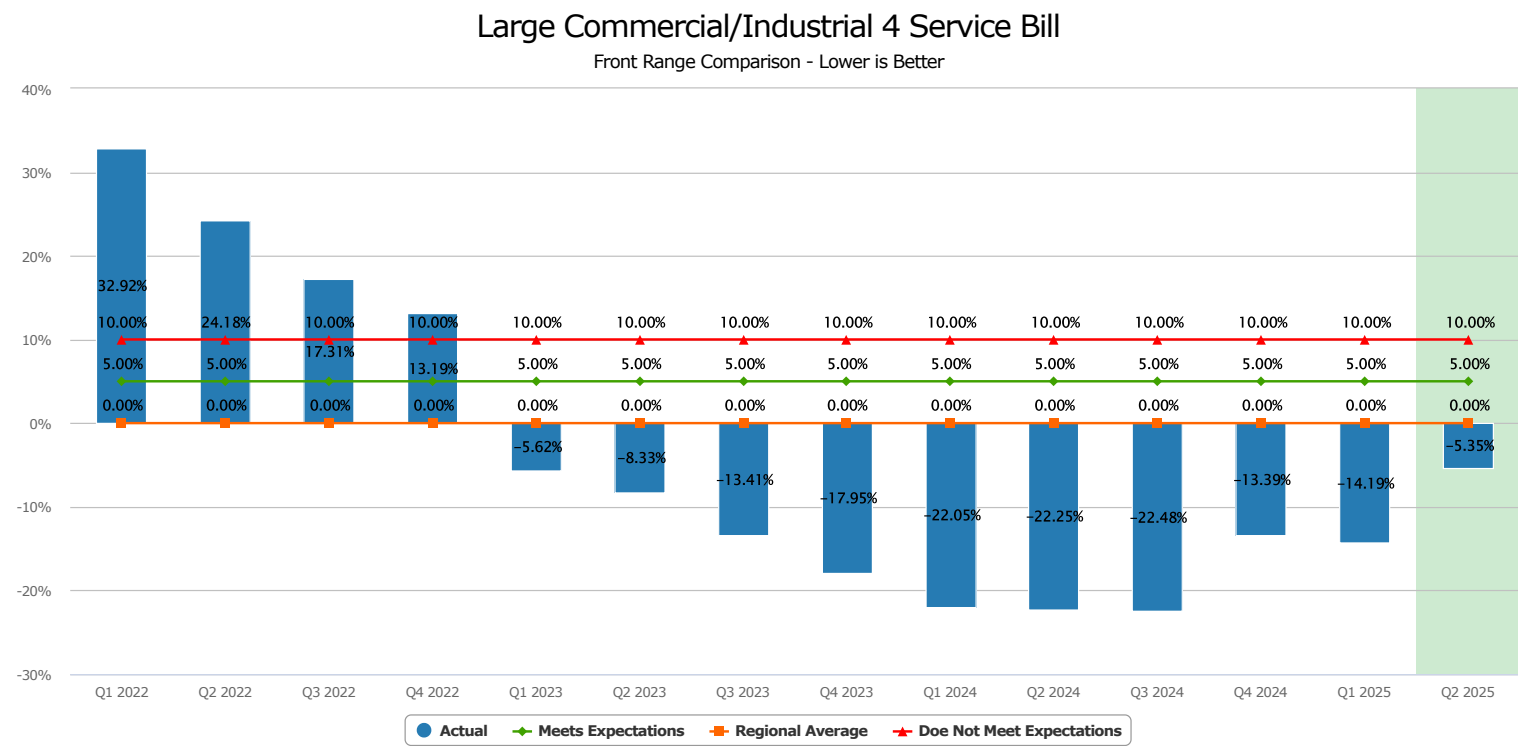
**Reported as:** Average combined bill

**Target Range:** +/- 5.0% of Colorado Front Range average

MEASURE PERFORMANCE

The mid-year 2025 result is 5.35% below Front Range average.

TREND CHART



PERFORMANCE ANALYSIS

The most recent rate computations have been estimated using tariff rates publicly available on websites as of April 1, 2025 and assumed billing determinants.

MEASURE DESCRIPTION

**Strategic Objective Supported:** Financial Accountability

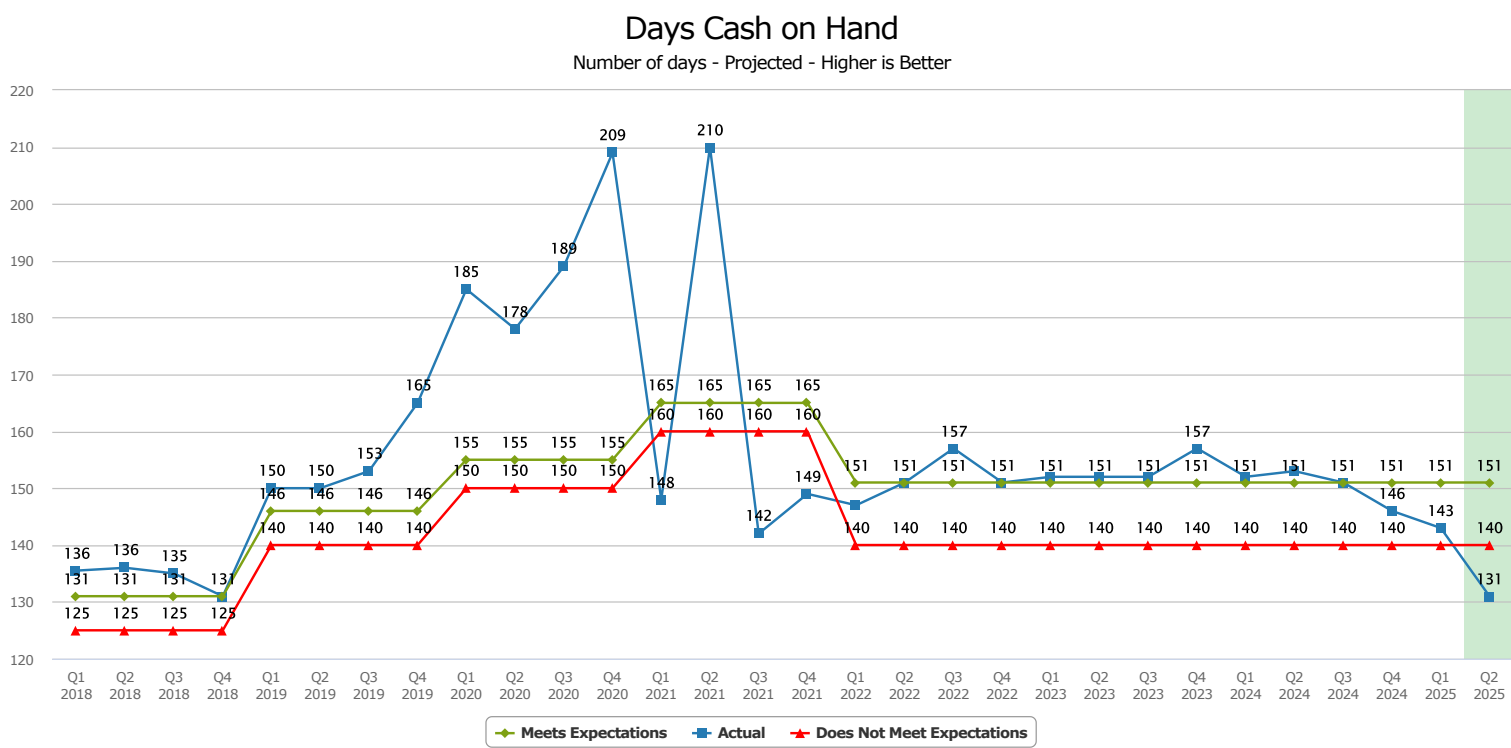
**Reported as:** year-end projection of actual result plus forecast

**Target Range:** 151 – 160 (days cash on hand)

MEASURE PERFORMANCE

The mid-year 2025 result is 131 days.

TREND CHART



PERFORMANCE ANALYSIS

- The mid-year 2025 result is driven by the projected Fiber Project over spend of \$19.4 million, Contributions in Aid of Construction (CIAC)/Developer Fees under collection of \$17.3 million, Non-Fuel Operations and Maintenance (O&M) overage of \$10.5 million and Interest Earnings under on the unrestricted Cash Balances of \$5.7 million. These drivers pushed the Days Cash on Hand (DCH) metric from the Annual Operating and Financial Plan (AOFP) projection of 157 to the mid-year result of 131.

MEASURE DESCRIPTION

**Strategic Objective Supported:** Financial Accountability

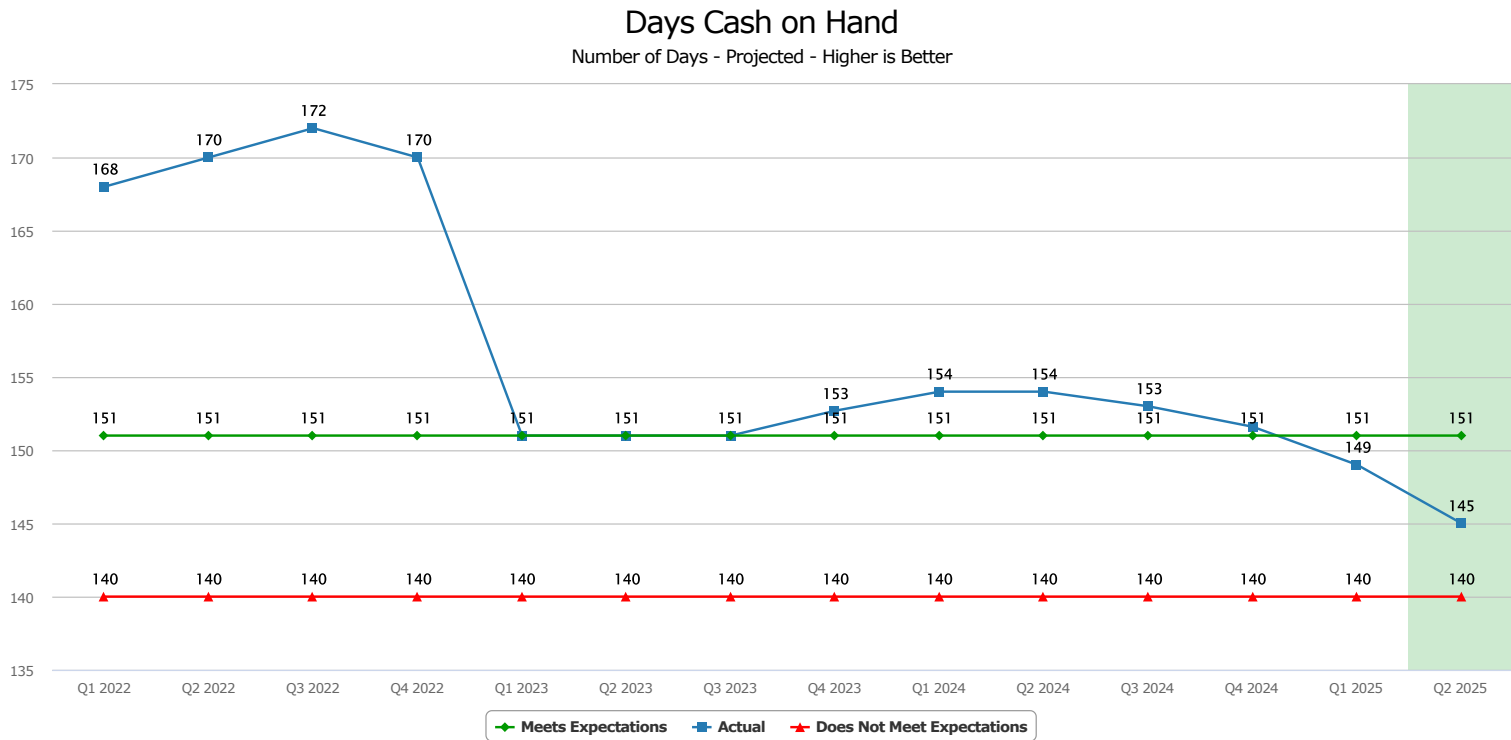
**Reported as:** Current year projection and the previous two years of history

**Target Range:** 151 – 160 (days cash on hand)

MEASURE PERFORMANCE

The mid-year 2025 3 year average result is 145 days.

TREND CHART



PERFORMANCE ANALYSIS

The days cash on hand (DCH) results for 2023 and 2024 were 157 and 146, respectively. The mid-year 2025 result of 131 allowed the three-year average to fall below the 'meets expectation' score of 151. The mid-year 2025 result is driven by the projected fiber project over spend of \$19.4 million, (CIAC)/Developer Fees under collection of \$17.3 million, Non-Fuel O&M overage of \$10.5 million and Interest Earnings under on the unrestricted cash balances of \$5.7 million. These drivers pushed DCH from the AOFPP projection of 157 to the mid-year result of 131.

MEASURE DESCRIPTION

**Strategic Objective Supported:** Financial Accountability

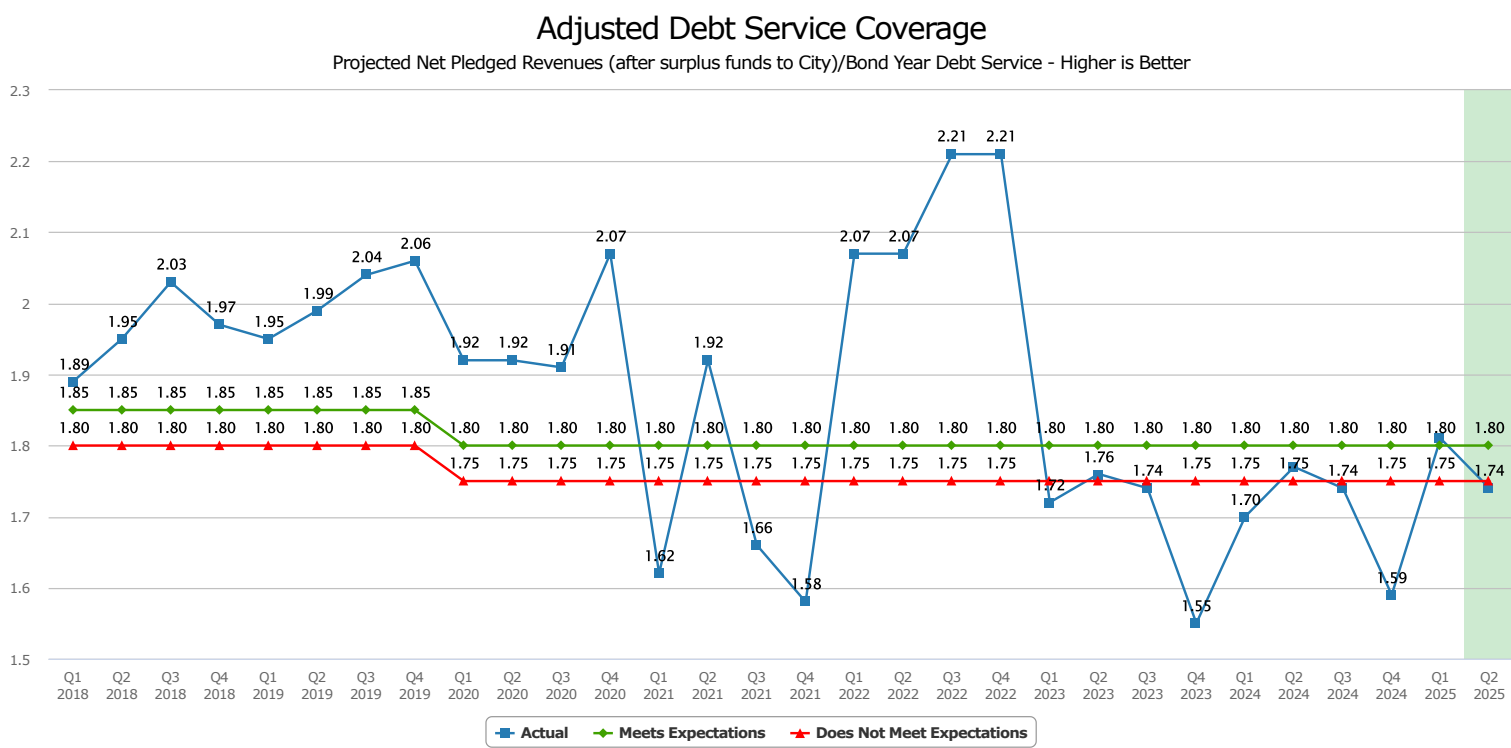
**Reported as:** Year-end projection of actual results plus forecast

**Target Range:** 1.80 – 1.90

MEASURE PERFORMANCE

The mid-year 2025 result is 1.74 times.

TREND CHART



PERFORMANCE ANALYSIS

The result for mid-year Adjusted Debt Service Coverage (ADSC) vs AOFB was driven by 2025 forecast for CIAC/Developer Fees to be below budget by \$17.3 million, Non-Fuel O&M over budget by \$10.5 million and Interest Earnings on the Unrestricted Cash balances under budget by \$5.7 million

MEASURE DESCRIPTION

**Strategic Objective Supported:** Financial Accountability

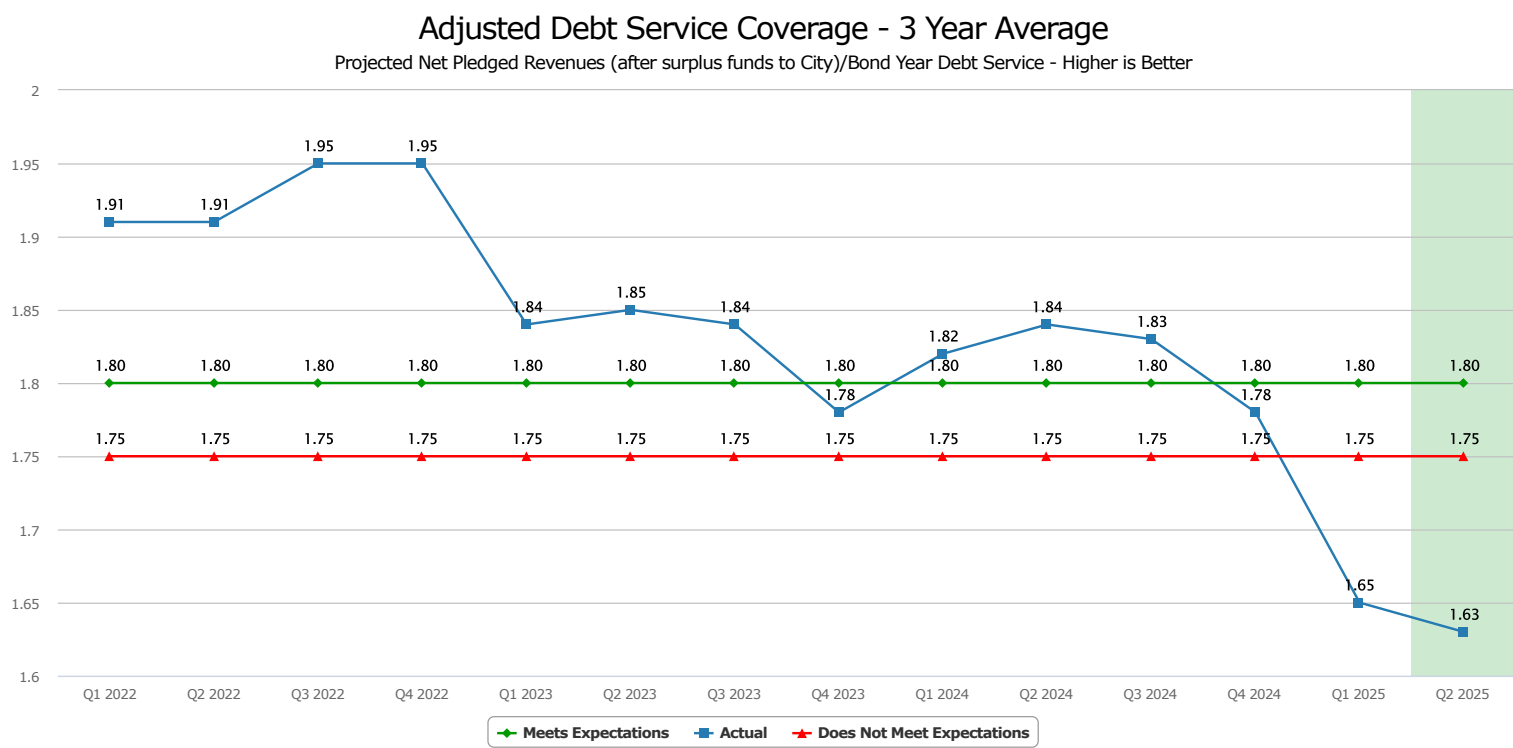
**Reported as:** Year-end projection of actual results plus forecast

**Target Range:** 1.80 – 1.90

MEASURE PERFORMANCE

The mid-year 2025 3 year average result is 1.63 times.

TREND CHART



PERFORMANCE ANALYSIS

The "does not meet expectations" score is driven by ADSC scores of 1.55 and 1.59 in 2023 and 2024. Based on our five-year rate plan, we anticipate that this three-year average will remain below expectations until 2027.



MEASURE DESCRIPTION

Strategic Objective Supported: Financial Accountability

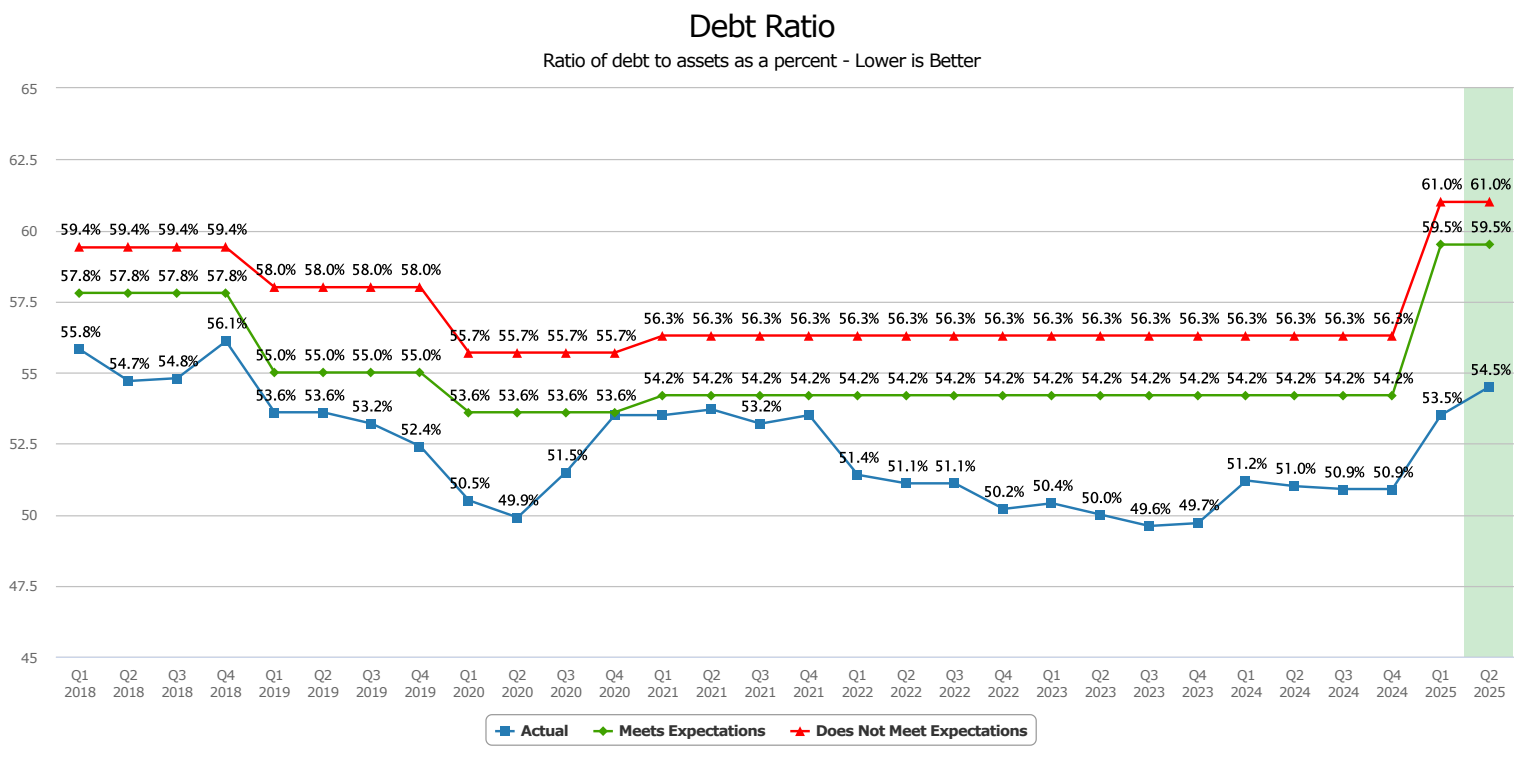
Reported as: year-to-date actual result

Target Range: 59.5 – 55.0%

MEASURE PERFORMANCE

The mid-year 2025 Debt Ratio result was 54.5%

TREND CHART



PERFORMANCE ANALYSIS

The mid-year 2025 debt ratio result of 54.5% exceeds expectations.

MEASURE DESCRIPTION

**Strategic Objective Supported:** Financial Accountability

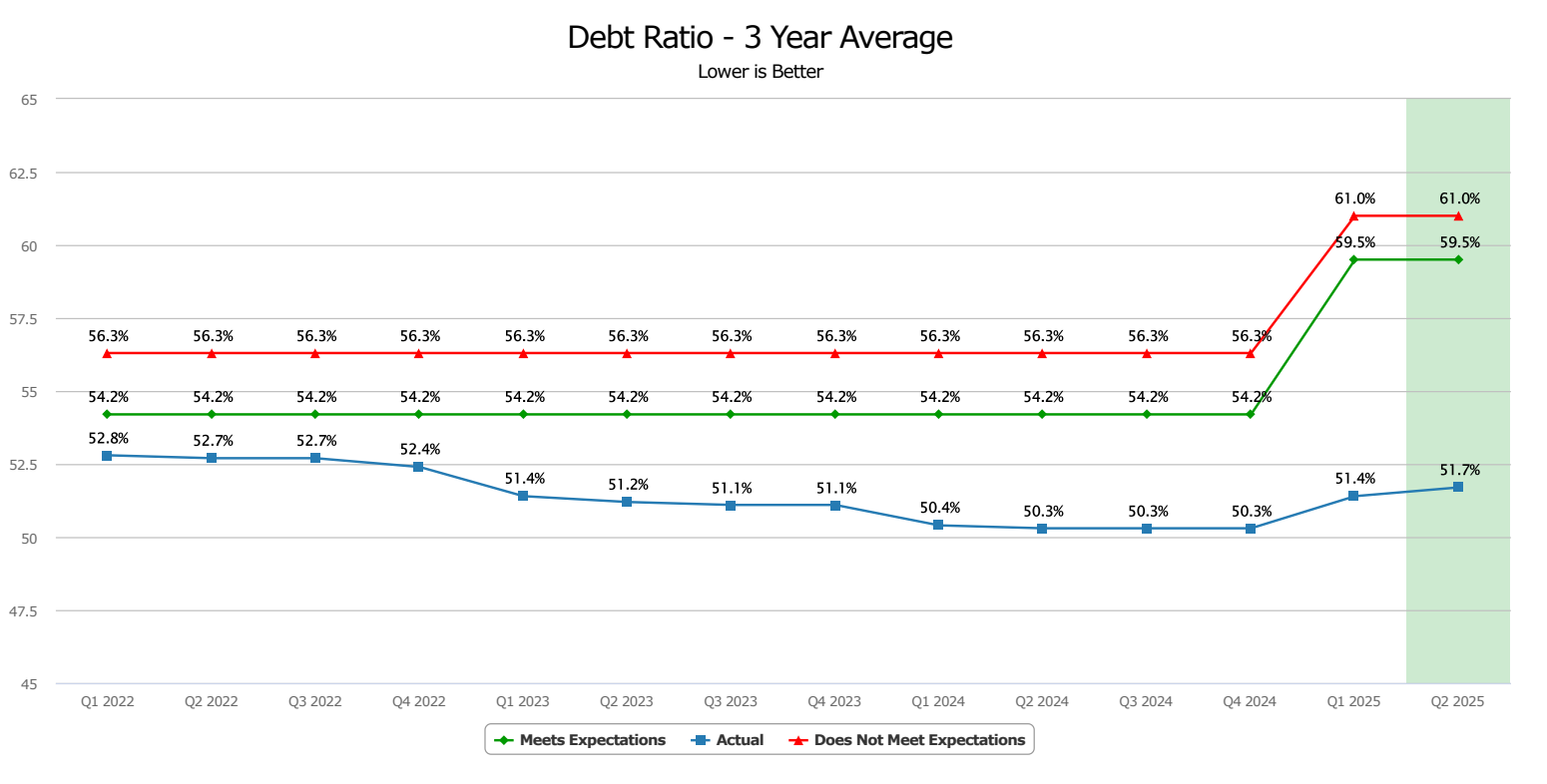
**Reported as:** Current year to date and the previous 2 years of history

**Target Range:** 59.5 – 55.0%

MEASURE PERFORMANCE

The mid-year 2025 3 year average result is 51.7%.

TREND CHART



PERFORMANCE ANALYSIS

- The year-end debt ratio results were 49.7% for 2023, 50.9% for 2024 and 54.5% for mid-year 2025.

MEASURE DESCRIPTION

**Strategic Objective Supported:** Financial Accountability

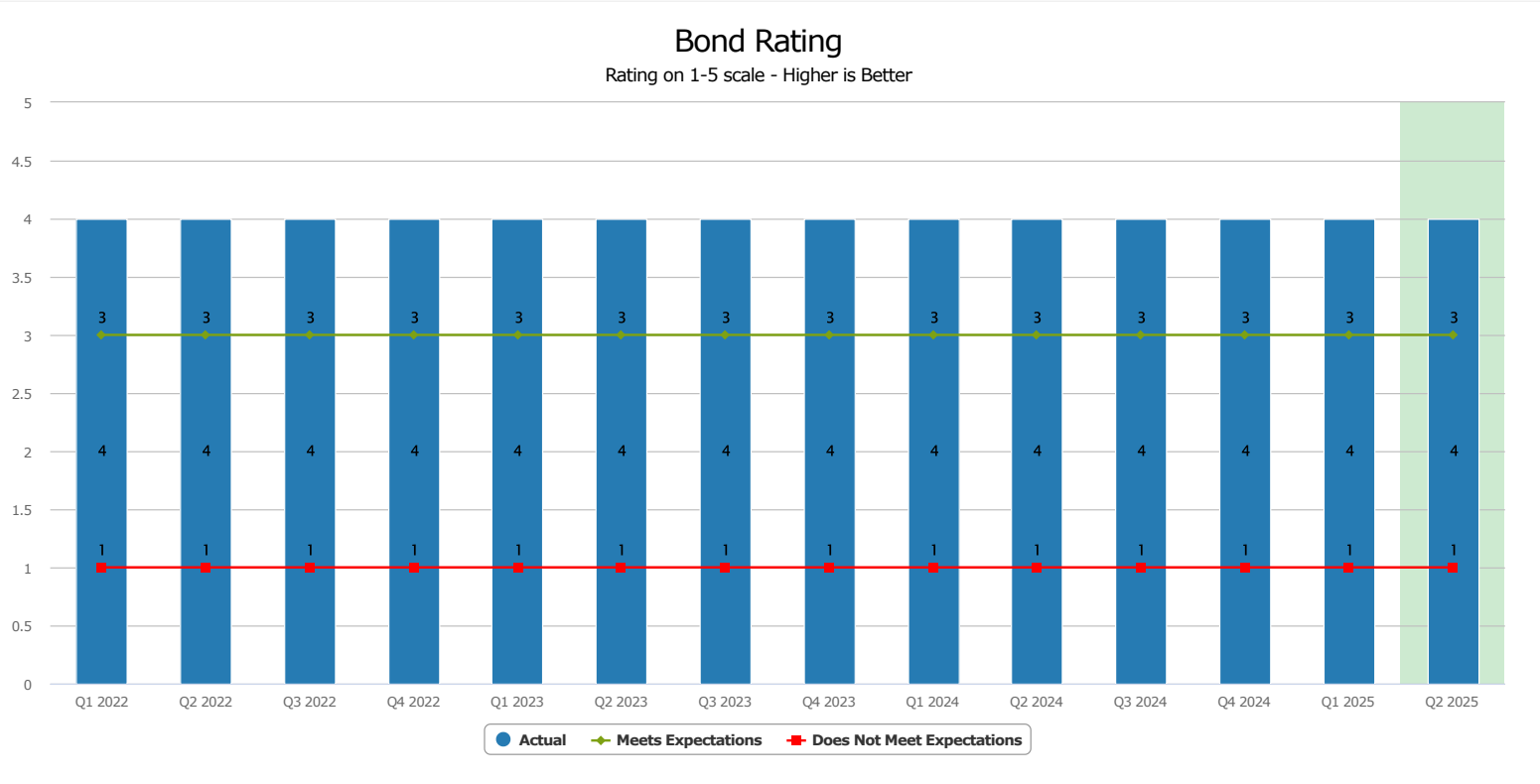
**Reported as:** Standard & Poor's, Moody's Investors Service, and Fitch Ratings

**Target Range:** Standard & Poor's AA, Moody's Investors Service: Aa2, Fitch Ratings: AA

MEASURE PERFORMANCE

The mid-year 2025 result is Standard & Poor's (AA+), Moody's (Aa2), and Fitch Ratings (AA), respectively.

TREND CHART



PERFORMANCE ANALYSIS

- The long-term credit rating remains unchanged from the previous quarter for Standard and Poor's and Moody's.
- In recent years, Colorado Springs Utilities made the business decision to no longer seek ratings coverage from Fitch Ratings. However, Fitch Ratings has reaffirmed AA stand-alone credit ratings on all previously issued, still outstanding Springs Utilities issuances; thereby remaining unchanged from the previous quarter.

MEASURE DESCRIPTION

**Strategic Objective Supported:** Focus on the Customer

**Reported as:** Numerical rating to two decimals

**Target range:** 2.50 – 3.49 on a 5–point scale (composite score)

MEASURE PERFORMANCE

The mid-year 2025 result is 1.97 out of a possible 5.00 points for the overall index.

TREND CHART



## Performance Analysis:

- The J.D. Power and Associates Residential Customer Satisfaction result for mid-year 2025 declined in rank to 81st in overall customer satisfaction among the 152 qualifying, participating utilities nationally. This is an industry rank of 53% compared to 28% at the same point in 2024 resulting in an index score of 1.0 on five-point scale and 20% of the overall index.
- The J.D. Power and Associates Overall Customer Satisfaction Index score decreased nine points, from 524 (on a 1,000-point scale) to 515 for an index score of 1.0 on a five-point scale and 20% of the overall index.
- The Escalent's Cogent Study Customer Effort Index results for mid-year 2025 improved two points from 708 (on a 1,000-point scale) to 710 for an index score of 1.8 on a five-point scale and 40% of the overall index.
- The in-house survey index is 8.86 (on a 1 to 10 scale) for transactional surveys captured January through June on transactions completed in Service Center phone interactions and Field Service appointments for an index score of 4.3 on a five-point scale and 20% of the overall index.

## Customer Trends:

- As of mid-2025, customer financial stress is the main driver affecting our metrics. Scores for Fairness of Pricing and Total Monthly Cost have declined. Awareness of rate increases has grown, with 45% of customers feeling financially worse off and more falling behind on their bills.
- Phone satisfaction measures are declining due to increased hold times (51% vs 40% prior year) and decreased care measures. Specifically, fewer reps are offering assistance with other issues (down 9%), addressing customers by name (down 5%), and more customers are receiving the same information multiple times (up to 45% from 35%).
- Digital satisfaction remains steady with 78% of customers reporting no issues using our website or app, and 65% finding it easy to locate outage information. However, proactive communication about outages is still crucial, as evidenced by a decline in our score for "keeps you informed about an outage."
- Communication recall remains strong. However, media message recall increased in the latter half of 2024, with a negative skew dominated by rate-related messages.
- Billing and payment scores are lagging, driven by customer frustration with a variety of payment methods and length of billing cycle.

## Action Plans:

- Continue to develop and implement a communication plan to assist residential customers with the migration to the new Energy Wise rate. This plan should include both internal and customer-facing strategies to support change management opportunities.
- Develop digital tools such as Interactive Voice Response (IVR) improvements to support ease of use and self-service containment, rebate submission process improvement, and Energy Wise tool development. These initiatives aim to support customers in digital channels and a 24/7 service model.
- Implement an outage management initiative to deploy text messaging to customers impacted by electric outages. The first phase is targeted for deployment at the end of 2025.

MEASURE DESCRIPTION

**Strategic Objective Supported:** Focus on the Customer

**Reported as:** Numerical rating to two decimals

**Target range:** 2.50 – 3.49 on a 5–point scale (composite score)

MEASURE PERFORMANCE

The mid-year of 2025 result is 2.48 out of a possible 5.00 points for the overall index.

TREND CHART



## Performance Analysis:

- The Escalent's Cogent Business Customer Satisfaction result for the mid-year of 2025 declined in rank to 46th in overall customer satisfaction among the 80 qualifying, participating utilities nationally. This is an industry rank of 58% compared to 56% at the same point in 2024 resulting in an index score of 1.0 on five-point scale and 20% of the overall index.
- The Escalent's Cogent Engaged Customer Relationship Index score increased 14 points, from 713 (on a 1,000-point scale) to 727 for an index score of 2.5 on a five-point scale and 20% of the overall index.
- The Escalent's Cogent Study Customer Effort Index result for mid-year 2025 increased four points from 741 (on a 1,000-point scale) to 745 for an index score of 2.4 on a five-point scale and 40% of the overall index.
- The in-house survey index is 8.58 (on a 1 to 10 scale) for transactional surveys captured January through June on transactions completed in Service Center phone interactions for an index score of 4.1 on a five-point scale and 20% of the overall index.

## Customer Trends:

- Communication recall among business customers remains strong, with most finding the amount of communication to be "just right." Awareness of how rates are set is below 25% but is improving. However, business media recall is high and has skewed towards negative messages.
- Business customers have noticed our branding efforts and believe we present a consistent image.
- Program scores are improving, with customers finding enrollment easier and programs helpful in lowering their bills. Satisfaction with billing programs is high, though rate option satisfaction has declined.
- Service interactions are a pain point, with customers reporting increased effort to resolve issues across channels, except for field interactions and IVR.
- Awareness of rate increases has risen, but trust in our ability to set fair and reasonable rates remains high.

## Action Plans:

- A small business communication strategy is in development to support the Energy Wise rate launch in October of 2025 to include communications, marketing and customer tools to support customers with change management and understanding of the rate.
- Customer Services is launching an initiative in 2025 for third party and property management customers. This initiative includes:
  - Development of a Small Business Team
  - Tool and application evaluations
  - Define success metrics
  - Establish a presence in the small business community
- IVR improvements are coming at a quarterly cadence and early 2025's efforts will be focused on electric outage IVR functions.

MEASURE DESCRIPTION

**Strategic Objective Supported:** Support Our Community

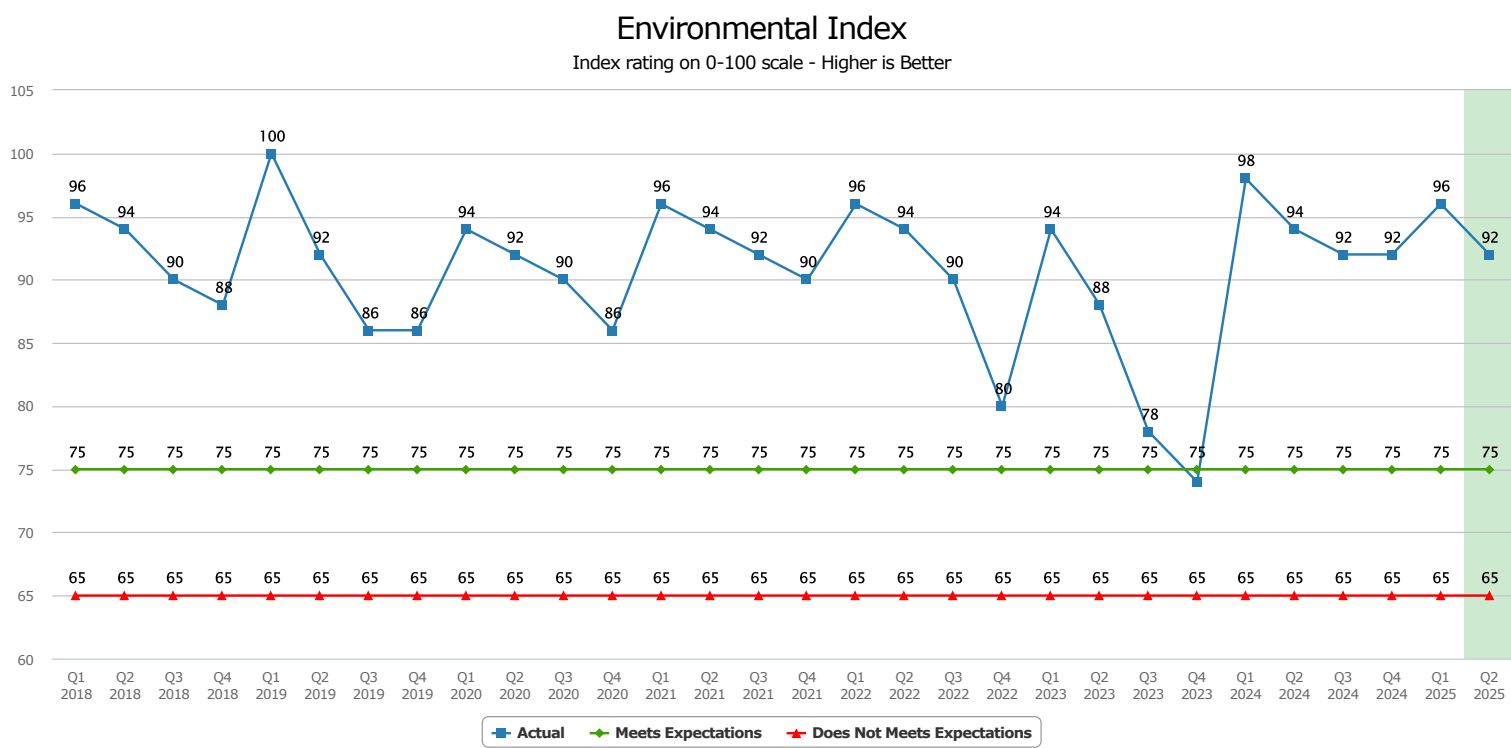
**Reported as:** year-to-date score

**Target range:** 75.00 – 85.99 (environmental rating scale 0 to 100)

MEASURE PERFORMANCE

The mid-year 2025 result is 92 on a scale of 1 to 100.

TREND CHART





Summary: In Q2 2025, there were two deductions to the index in the Minor Violation category due to an oil leak in Crystal Reservoir and a Total Inorganic Nitrogen exceedance at J.D. Phillips WRRF.

#### Regulatory Inspections

- May 28th – Clear Spring Ranch SHDF – CDPHE Air Pollution Control Division (APCD), Title V Inspection
- May 29th – Front Range Power Plant Unit 1 – CDPHE APCD onsite partial compliance inspection (CEMS related)
- June 4th – Nixon Power Plant – CDPHE APCD onsite stack testing inspection, Unit 1 RATA testing
- June 12th – Front Range Power Plant – CDPHE APCD onsite stack testing inspection, Unit 1 RATA testing
- June 25th – Birdsall Power Plant – CDPHE APCD, Title V Inspection
- June 25th – Drake Power Plant – CDPHE APCD, Title V/CP Inspection

#### Minor Violation Category

- April 23rd – Crystal Reservoir oil leak
- June 2025 – J.D. Phillips WRRF – Total Inorganic Nitrogen annual median exceedance

#### Major Violation Category

- None

#### Air Emission Exceedances

- None

#### Reportable SSOs

- None

MEASURE DESCRIPTION

**Strategic Objective Supported:** Enable Employee Empowerment

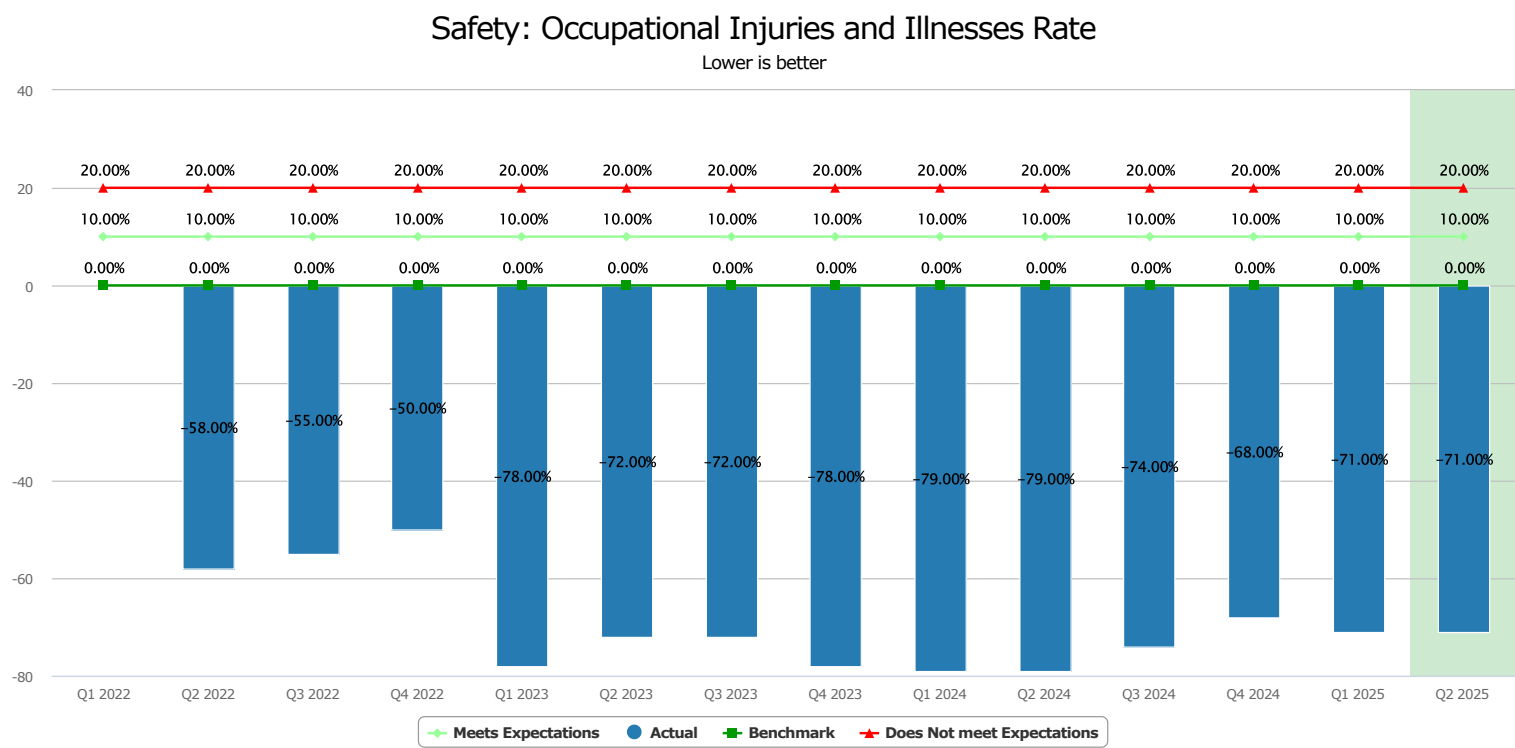
**Reported as:** Percentage above or below benchmark

**Target Range:** +/-10% of Benchmark

MEASURE PERFORMANCE

The mid-year 2025 result is 71% below benchmark.

TREND CHART



PERFORMANCE ANALYSIS

- This measure is based on the number of injuries or illnesses with days away from work beyond the date of injury or onset of illness.
- The measure is benchmarked to the North American Industry Classification System (NAICS) Code 22 for utility incidents. The NAICS is the standard used by the Bureau of Labor Statistics to classify data on Occupational Injuries and Illnesses by industries.
- The score for this measure is based on Springs Utilities 6-month Lost Time Incident Rate compared to the previous years' NAICS rate.
- There were 5 Lost Time incidents and 101 Lost Days through mid-year 2025.



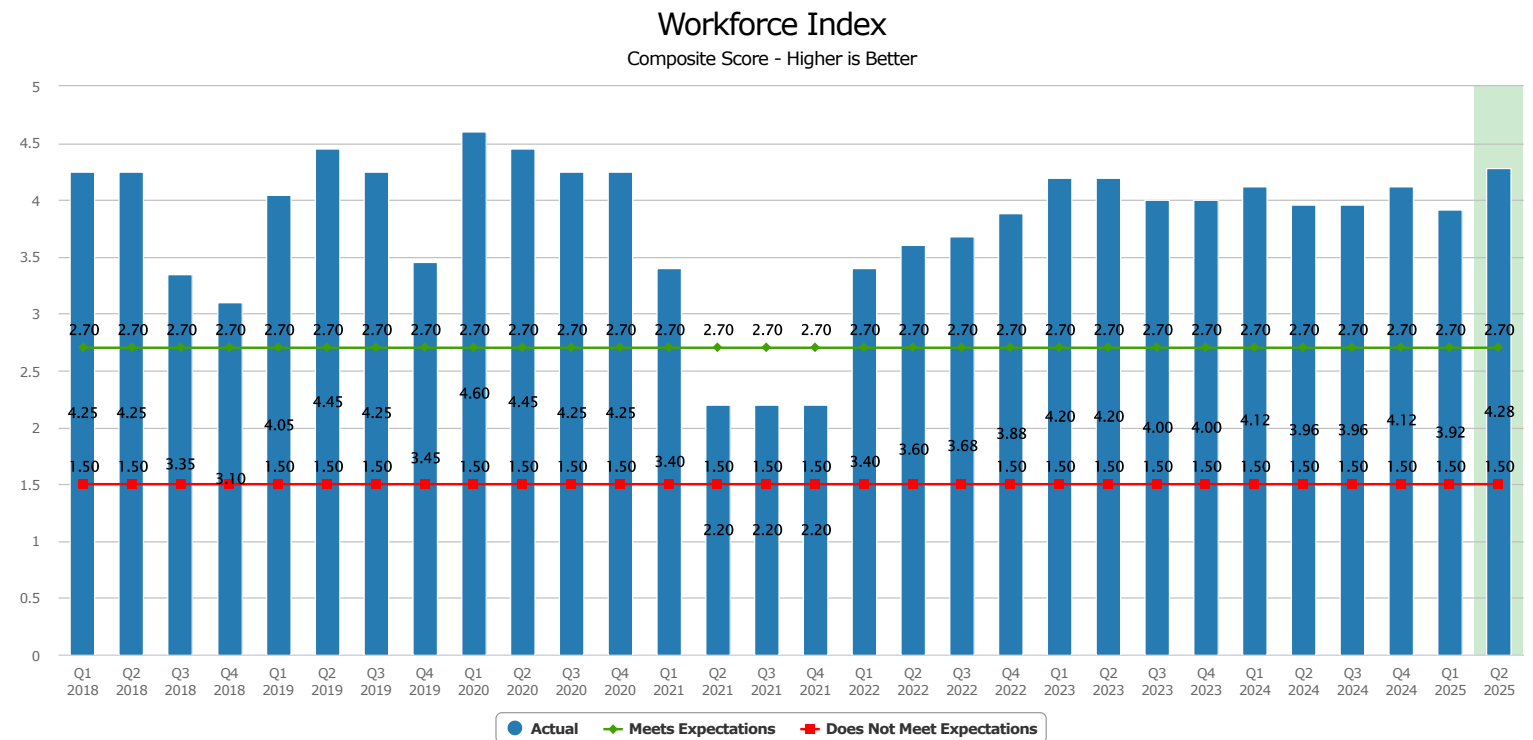
## MEASURE DESCRIPTION

**Strategic Objective Supported:** Enable Employee Empowerment**Reported as:** Year-to-date**Target range:** 2.70 – 3.49 (composite score)

## MEASURE PERFORMANCE

The mid-year 2025 Q2 result is 4.28.

## TREND CHART



## PERFORMANCE ANALYSIS

The overall Workforce Index is comprised of three components:

Quality of Hire for New Hires 20%

Total Turnover 40%

Compliance with Mandatory and Required Training 40%

- Quality of hire for new hires received a score of 3.0, which meets expectations.
- Total turnover received a score of 5.0, which far exceeds expectations.
- Compliance with mandatory and required training received a score of 4.2, which exceeds expectations.

Total Score:  $(3.0 \times .2) + (5.0 \times .4) + (4.2 \times .4) = 4.28 = \text{Exceeds Expectations}$



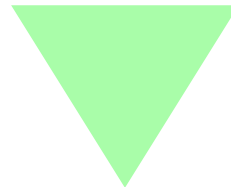
# 2025 Mid-Year Scorecard Results

Natalie Watts

Manager – Strategic Planning and Governance

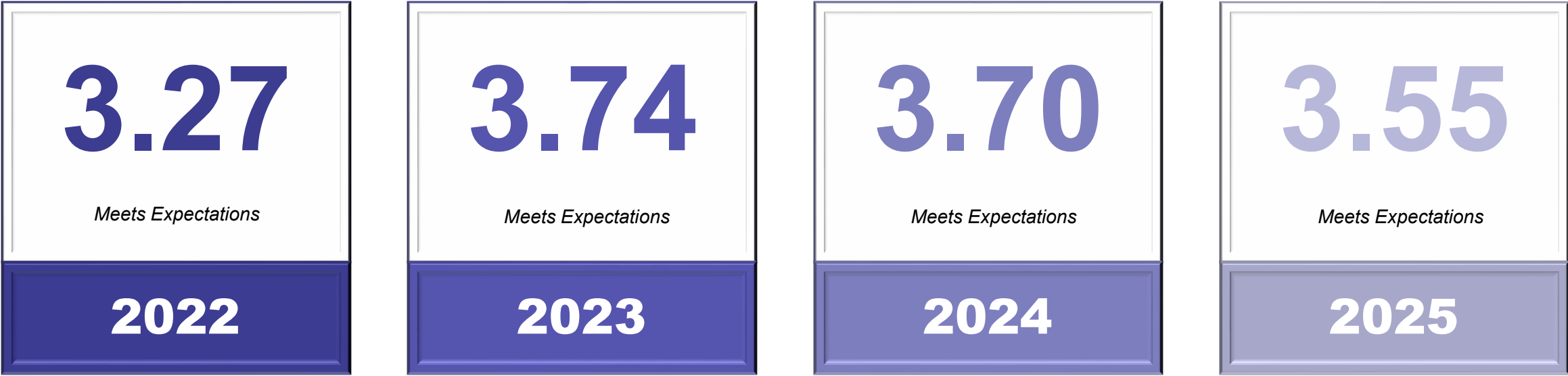
# 2025 Mid-year Balanced Scorecard Results

- Measures the organization's performance from Jan. 1, 2025 - June 30, 2025.
- The mid-year overall score is 3.55 on a 1-5 scale.
  - This translates to a rating of “meets expectations.”
- There are a total of 22 measures on the enterprise scorecard.



1	2	3	4	5
Does Not Meet Expectations	Partially Meets Expectations	Meets Expectations	Exceeds Expectations	Far Exceeds Expectations
<2.00	2.00 - 2.99	3.00 - 3.74	3.75 - 4.49	>4.49

# Mid-Year Scorecard Results: A 3-Year Look Back



End-of-Year Results

<b>2022</b>	<b>2023</b>	<b>2024</b>	
3.24	3.82	3.76	?
Meets Expectations	Exceeds Expectations	Exceeds Expectations	

# 4 Measures Rated Far Exceeds Expectations

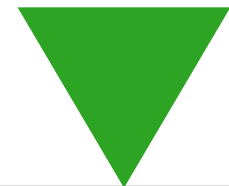
## Rates

Residential Front Range Comparison

- Electric Service
- Natural Gas Service
- Wastewater Service

## Relationships

- Safety: Occupational Injuries and Illnesses Rate



1	2	3	4	5
<b>Does Not Meet Expectations</b>	<b>Partially Meets Expectations</b>	<b>Meets Expectations</b>	<b>Exceeds Expectations</b>	<b>Far Exceeds Expectations</b>
<2.00	2.00 - 2.99	3.00 - 3.74	3.75 - 4.49	>4.49

# 9 Measures Rated Exceeds Expectations

## Reliability

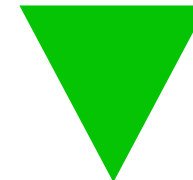
- Water – Failures per 100 miles of mainline
- Wastewater – Failures per 200 miles of mainline

## Relationships

- Environmental Index
- Workforce Index

## Rates

- Small Commercial 4 Service Bill - Front Range Comparison
- Large Commercial/Industrial 4-Service Bill - Front Range Comparison
- Debt Ratio – current year
- Debt Ratio – 3-year average
- Bond Rating



1	2	3	4	5
Does Not Meet Expectations	Partially Meets Expectations	Meets Expectations	Exceeds Expectations	Far Exceeds Expectations
<2.00	2.00 - 2.99	3.00 - 3.74	3.75 - 4.49	>4.49



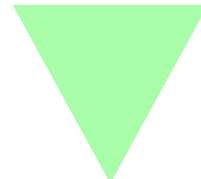
# 3 Measures Rated Meets Expectations

## Reliability

- Electric – SAIDI\* – Interruptions in minutes per year
- Natural Gas – Failures per 100 miles of pipe

## Rates

- Residential Water Service Bill – Front Range Comparison



1	2	3	4	5
Does Not Meet Expectations	Partially Meets Expectations	Meets Expectations	Exceeds Expectations	Far Exceeds Expectations
<2.00	2.00 - 2.99	3.00 - 3.74	3.75 - 4.49	>4.49

\* SAIDI = System Average Interruption Duration Index

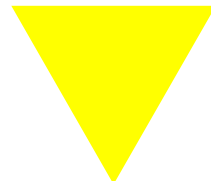
# 3 Measures Rated Partially Meets Expectations

## Rates

- Days Cash on Hand – 3 Year Average

## Relationships

- Customer Satisfaction – Residential
- Customer Satisfaction – Business

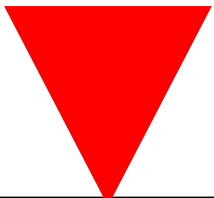


1	2	3	4	5
Does Not Meet Expectations	Partially Meets Expectations	Meets Expectations	Exceeds Expectations	Far Exceeds Expectations
<2.00	2.00 - 2.99	3.00 - 3.74	3.75 - 4.49	>4.49

# 3 Measures Rated Does Not Meet Expectations

## Rates

- Days Cash on Hand – Current Year
- Adjusted Debt Service Coverage – Current Year
- Adjusted Debt Service Coverage – 3-Year Average



1	2	3	4	5
Does Not Meet Expectations	Partially Meets Expectations	Meets Expectations	Exceeds Expectations	Far Exceeds Expectations
<2.00	2.00 - 2.99	3.00 - 3.74	3.75 - 4.49	>4.49

# Next Steps

- Leadership is working with their teams to improve the six measures that either partially met expectations or did not meet expectations. Action plans are being developed.
- The 2025 year-end scorecard results will be presented to the Utilities Board in February/March 2026.





Colorado Springs Utilities

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# 2025 Financial Metric Update

Tristan Gearhart CFO

# Current Scorecard

Scorecard	1 Does Not Meet Expectations	2 Partially Meets Expectations	3 Meets Expectations	4 Exceeds Expectations	5 Far Exceeds Expectations
11. Days Cash on Hand - Current Year	<140 days	140 - 150 days	151 - 160 days	161 - 180 days	>180 days
13. Adjusted Debt Service Coverage - Current Year	< 1.75 times	1.75 - 1.79 times	1.80 - 1.90 times	1.91-1.95 times	> 1.95 times
15. Debt Ratio - Current Year	>61.0%	61.0 - 59.6%	59.5 - 55.0%	54.9 - 48.1%	<48.1%

6+6 Results	1 Does Not Meet Expectations	2 Partially Meets Expectations	3 Meets Expectations	4 Exceeds Expectations	5 Far Exceeds Expectations
11. Days Cash on Hand - Current Year	131	140 - 150 days	151 - 160 days	161 - 180 days	>180 days
13. Adjusted Debt Service Coverage - Current Year	1.74	1.75 - 1.79 times	1.80 - 1.90 times	1.91-1.95 times	> 1.95 times
15. Debt Ratio - Current Year	>61.0%	61.0 - 59.6%	59.5 - 55.0%	54.50%	<48.1%

- Utilities is currently does not meet on two metric scorecard indicators
- This presentation will show the main drivers and potential remedies for improving current year results

# Metrics Variance to AOFP Drivers

	\$ Change (000)	ADSC Δ	DCH Δ	DR Δ	Adjusted Debt Service Coverage	Days Cash on Hand	Debt Ratio
2025 AOFP					1.87	157	53.6%
2025 Starting Cash Balance	\$7,137	0.00	-4	0.1%	1.87	153	53.7%
2024 End of Year CapEx Payments	\$14,000	0.00	-7	0.2%	1.87	146	53.9%
2025 Fiber Increase	\$19,480	0.00	-9	0.2%	1.87	137	54.1%
CIAC Shortfall (Developer Fees -\$14.3M)	\$17,300	-0.08	-8	0.2%	1.79	129	54.3%
2025 Interest Income Shortfall	\$5,700	-0.02	-3	0.0%	1.77	126	54.3%
O&M Non-Fuel Overage	\$6,900	-0.02	-2	0.0%	1.75	124	54.3%
CapEx Labor charged to O&M	\$4,000	-0.01	-1	0.0%	1.74	123	54.3%
Additional Use of Bond Funds	\$18,000	0.00	8	0.2%	1.74	131	54.5%
6+6 STF 2025					1.74	131	54.5%

- These are the main drivers, there are many other smaller ones that we have netted against additional bond funds



# Steps to Restore Metrics

	\$ Change (000)	ADSC $\Delta$	DCH $\Delta$	DR $\Delta$	Adjusted Debt Service Coverage	Days Cash on Hand	Debt Ratio
6+6 STF					1.74	131	54.5%
2025 Additional Interest Forecast	\$7,820	-0.05	-3	0.1%	1.69	128	54.6%
2025 Lease Accounting Entries	\$6,000	0.02	4	-0.1%	1.71	132	54.5%
O&M Labor to Capital	\$4,000	0.02	2	0.0%	1.73	134	54.5%
O&M Reduction	\$6,000	0.03	3	-0.1%	1.76	137	54.4%
CapEx Available to Reimburse	\$27,000	0.00	14	0.0%	1.76	151	54.4%
End of Year Goal					1.76	151	54.4%

- These steps get us to a 1.76 ADSC (partially meets) and 151 DCH (meets)

# Current Scorecard

Scorecard	1 Does Not Meet Expectations	2 Partially Meets Expectations	3 Meets Expectations	4 Exceeds Expectations	5 Far Exceeds Expectations
11. Days Cash on Hand - Current Year	<140 days	140 - 150 days	151 - 160 days	161 - 180 days	>180 days
13. Adjusted Debt Service Coverage - Current Year	< 1.75 times	1.75 - 1.79 times	1.80 - 1.90 times	1.91-1.95 times	> 1.95 times
15. Debt Ratio - Current Year	>61.0%	61.0 - 59.6%	59.5 - 55.0%	54.9 - 48.1%	<48.1%

6+6 Results	1 Does Not Meet Expectations	2 Partially Meets Expectations	3 Meets Expectations	4 Exceeds Expectations	5 Far Exceeds Expectations
11. Days Cash on Hand - Current Year	<140 days	140 - 150 days	151	161 - 180 days	>180 days
13. Adjusted Debt Service Coverage - Current Year	< 1.75 times	1.76	1.80 - 1.90 times	1.91-1.95 times	> 1.95 times
15. Debt Ratio - Current Year	>61.0%	61.0 - 59.6%	59.5 - 55.0%	54.40%	<48.1%

- Utilities would now be Meets Expectations on DCH and Partially Meets to Meets Expectations on ADSC



Colorado Springs Utilities

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Mid-year 2025 Colorado Springs Utilities Enterprise Balanced Scorecard													
The Balanced Scorecard measures the organization's performance in achieving enterprise Strategic Objectives													
Utilities Board Strategic Focus Weight	Strategic Objective	Performance Measure	Responsible Officer	Weight	1 Does Not Meet Expectations	2 Partially Meets Expectations	3 Meets Expectations	4 Exceeds Expectations	5 Far Exceeds Expectations	Result	Trend	Rating	Weighted Rating
Reliability 40%	Operational Excellence	1. Electric - SAIDI - Interruptions in minutes per year	Somer Mese	10.0	> 57.50 minutes	57.50 – 52.51 minutes	52.50 – 47.51 minutes	47.50 – 42.50 minutes	< 42.50 minutes	50.12	—	3	0.30
		2. Natural Gas - Failures per 100 miles of pipe		10.0	> 8.00 failures	8.00 - 6.01 failures	6.00 - 4.00 failures	3.99 - 2.00 failures	< 2.00 failures	4.03	▼	3	0.30
		3. Water - Failures per 100 miles of mainline		10.0	> 14.00 failures	14.00 – 12.01 failures	12.00 – 10.00 failures	9.99 – 8.00 failures	< 8.00 failures	8.88	—	4	0.40
		4. Wastewater - Failures per 100 miles of mainline		10.0	> 1.00 failures	1.00 - 0.76 failures	0.75 - 0.51 failures	0.50 - 0.25 failures	< 0.25 failures	0.43	—	4	0.40
Rates 40%	Financial Accountability	5. Residential Electric Service - Front Range Comparison	Tristan Gearhart	3.0	>10.0% higher than average	5.1 – 10.0% higher than average	+/- 5.0% of average	5.1 – 10.0% lower than average	>10.0% lower than average	-15.59	—	5	0.15
		6. Residential Natural Gas Service - Front Range Comparison		3.0	>10.0% higher than average	5.1 – 10.0% higher than average	+/- 5.0% of average	5.1 – 10.0% lower than average	>10.0% lower than average	-13.40	—	5	0.15
		7. Residential Water Service - Front Range Comparison		3.0	>25.0% higher than average	20.1 – 25.0% higher than average	10.1 – 20.0% higher than average	5.0 – 10.0% higher than average	<5.0% higher than average	14.70	—	3	0.09
		8. Residential Wastewater Service - Front Range Comparison		3.0	>10.0% higher than average	5.1 – 10.0% higher than average	+/- 5.0% of average	5.1 – 10.0% lower than average	>10.0% lower than average	-10.90	▲	5	0.15
		9. Small Comm 4-Service Bill - Front Range Comparison		3.0	>10.0% higher than average	5.1 – 10.0% higher than average	+/- 5.0% of average	5.1 – 10.0% lower than average	>10.0% lower than average	-8.32	▼	4	0.12
		10. Large Comm/Indust 4-Service Bill - Front Range Comparison		3.0	>10.0% higher than average	5.1 – 10.0% higher than average	+/- 5.0% of average	5.1 – 10.0% lower than average	>10.0% lower than average	-5.35	▼	4	0.12
		11. Days Cash on Hand - Current Year		2.5	<140 days	140 - 150 days	151 - 160 days	161 - 180 days	>180 days	131	▼	1	0.03
		12. Days Cash on Hand - 3 Year Average		2.5	<140 days	140 - 150 days	151 - 160 days	161 - 180 days	>180 days	145	—	2	0.05
		13. Adjusted Debt Service Coverage - Current Year		2.5	< 1.75 times	1.75 - 1.79 times	1.80 - 1.90 times	1.91-1.95 times	> 1.95 times	1.74	▼	1	0.03
		14. Adjusted Debt Service Coverage - 3 Year Average		2.5	< 1.75 times	1.75 - 1.79 times	1.80 - 1.90 times	1.91-1.95 times	> 1.95 times	1.63	—	1	0.03
		15. Debt Ratio - Current Year		2.5	>61.0%	61.0 - 59.6%	59.5 - 55.0%	54.9 - 48.1%	<48.1%	54.50%	—	4	0.10
		16. Debt Ratio - 3 Year Average		2.5	>61.0%	61.0 - 59.6%	59.5 - 55.0%	54.9 - 48.1%	<48.1%	51.7%	—	4	0.10
		17. Bond Rating		7.0	Any 2 of the 3 ratings from the agencies less than AA (S&P)/Aa2 (Moody's)/AA (Fitch)	Any 1 of the 3 ratings from the agencies less than AA (S&P)/Aa2 (Moody's)/AA (Fitch)	Standard & Poors AA Moody's Investors Service: Aa2 Fitch Ratings : AA	Any 1 of the 3 ratings from the agencies greater than AA (S&P)/Aa2 (Moody's)/AA (Fitch)	Any 2 of the 3 ratings from the agencies greater than AA (S&P)/Aa2 (Moody's)/AA (Fitch)	4.00	—	4	0.28
Relationships 20%	Focus on the Customer	18. Customer Satisfaction - Residential	Mike Francolino	3.0	< 1.50	1.50 - 2.49	2.50 - 3.49	3.50 - 4.49	> 4.49	1.97	▼	2	0.06
		19. Customer Satisfaction - Business		3.0	< 1.50	1.50 - 2.49	2.50 - 3.49	3.50 - 4.49	> 4.49	2.48	▲	2	0.06
	Support our Community	20. Environmental Index	Lisa Barbato	3.0	< 65.00	65.00 – 74.99	75.00 – 85.99	86.00 – 94.99	> 94.99	92.00	▼	4	0.12
	Enable Employee Empowerment	21. Safety: Occupational Injuries and Illnesses Rate	Renee Adams	8.0	> 20% Above Benchmark	10.01 - 20% Above Benchmark	+/-10% of Benchmark	10.01 - 20% Below Benchmark	> 20% Below Benchmark	-71.00%	—	5	0.40
		22. Workforce Index		3.0	< 1.50	1.50 - 2.69	2.70 - 3.49	3.50 - 4.60	> 4.60	4.28	—	4	0.12
Performance Measure Total:										3.55			

As of 6/30/2025

Trend Key
▲ Favorable
▼ Unfavorable
— No Change

Rating Scale				
1 Does Not Meet Expectations	2 Partially Meets Expectations	3 Meets Expectations	4 Exceeds Expectations	5 Far Exceeds Expectations
<2.00	2.00 - 2.99	3.00 - 3.74	3.75 - 4.49	>4.49



**Date:** August 20, 2025

**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:	<b>Utilities Board/Chief Executive Officer Partnership Expectations</b>
Policy Number:	<b>E: 2 (Chief Executive Officer Responsibilities)</b>

**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.**

### **Water Outlook**

#### **August 2025 Water Outlook using data as of July 31, 2025**

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

**2025 Demands:** July use averaged 90.6 million gallons per day (MGD), which was about 9.3% less than last July. Temperatures in July were below the 30-year average at 71.3 degrees Fahrenheit, which was 1.1 degrees below normal. Total precipitation for July was 1.95 inches, which is below normal. Year-to-date precipitation is 10.28 inches, which is 100% of normal.

**Current Reservoir Levels:** Local storage is currently at about 46,554 acre-feet (71% of capacity). The 1991-2020 average is 82% of capacity. Rampart Reservoir is at 79% of capacity, and Pikes Peak storage is at 58% of capacity. System wide, total storage is about 223,100 acre-feet (86% of capacity). Last year at this time, total system wide storage was 87% of capacity. It was about 93% at this same time in 2023, about 80% of capacity in 2022, about 83% of capacity in 2021, and about 83% of capacity in 2020. The 1991-2020 average system wide storage for the end of July is 86% of capacity.

**Water Supply Outlook:** The U.S. Drought Monitor indicates varying drought conditions across the country, with 42% of the U.S. experiencing some level of abnormally dry or drought conditions. In Colorado, 40% of the state is currently free from drought conditions



which is a 35-percentage point decline since the beginning of the year. Abnormally dry or moderate drought conditions persist in Western and Northeast Colorado. Severe and extreme drought is primarily contained in western Colorado but has shown a steady increase in area over 2025.

The Seasonal Drought Outlook predicts no additional drought development in Colorado between now and October 31, 2025. However, persistent drought conditions remain in Western Colorado. The three-month climate outlook predicts a slightly elevated chance of below-normal precipitation in Colorado. Additionally, the three-month outlook predicts slightly higher chances for above normal temperatures across Colorado, with increasing probabilities in the western portion of the state.

**Operational Notes:** South Catamount Reservoir capacity remains restricted for planned dam maintenance. South Suburban Reservoir is drained for outlet work repairs. Mason Reservoir is drained for inspection. Total system storage is at 85.7% of capacity and holds about 3.2 years of demand, which is above average for the end of July. Local storage contains about 245 days of demand.

### **Electric Cost Adjustment / Gas Cost Adjustment**

#### **Electric Cost Adjustment (ECA)**

On June 24, 2025, City Council approved the ECA rate of \$0.0263 per kWh effective July 1, 2025. As of July 31, 2025, the ECA over collection balance was \$5.1 million. The over collection balance changed by \$2.3 million from the \$2.8 million over collection balance reported last month. Utilities will continue to provide regular updates to the Utilities Board as appropriate.

#### **Gas Cost Adjustment (GCA)**

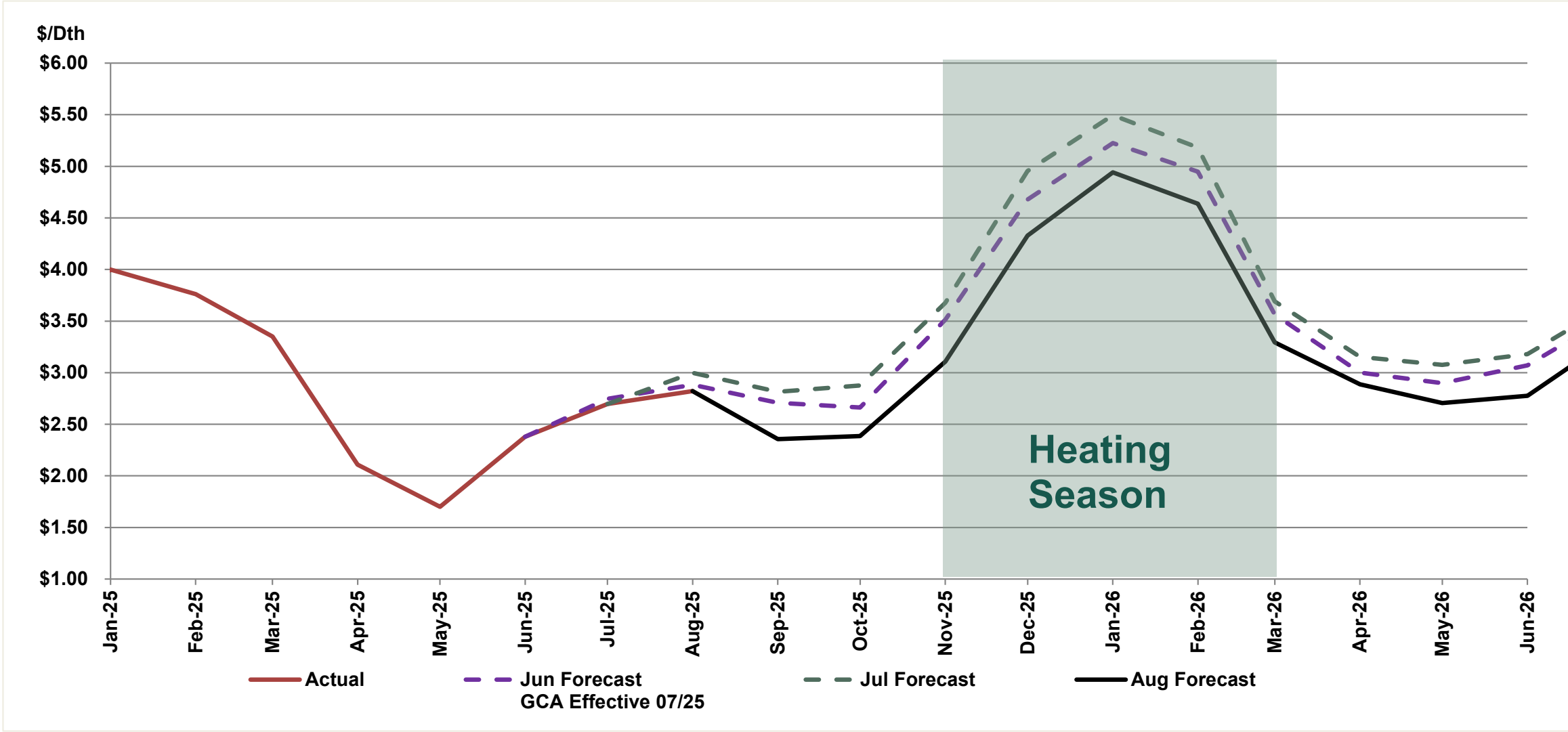
On June 24, 2025, City Council approved the GCA rate of \$0.3263 per Ccf effective July 1, 2025. As of July 31, 2025, the GCA under collection balance was \$1.5 million. The under collection balance changed by \$1.2 million from the \$2.7 million under collection balance reported last month. Utilities will continue to provide regular updates to the Utilities Board as appropriate.



# **Electric Cost Adjustment Gas Cost Adjustment**

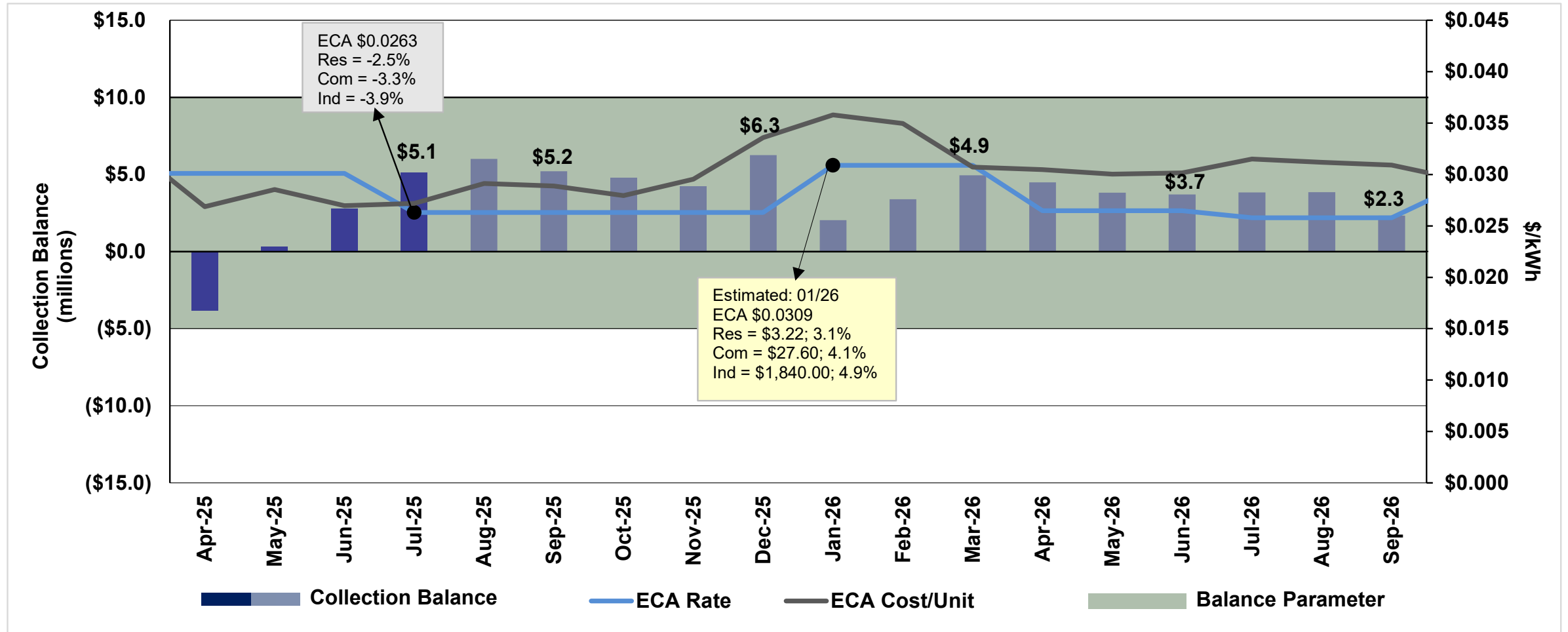
Scott Shirola, Pricing and Rates Manager  
August 20, 2025

# Natural Gas Prices as of August 1, 2025

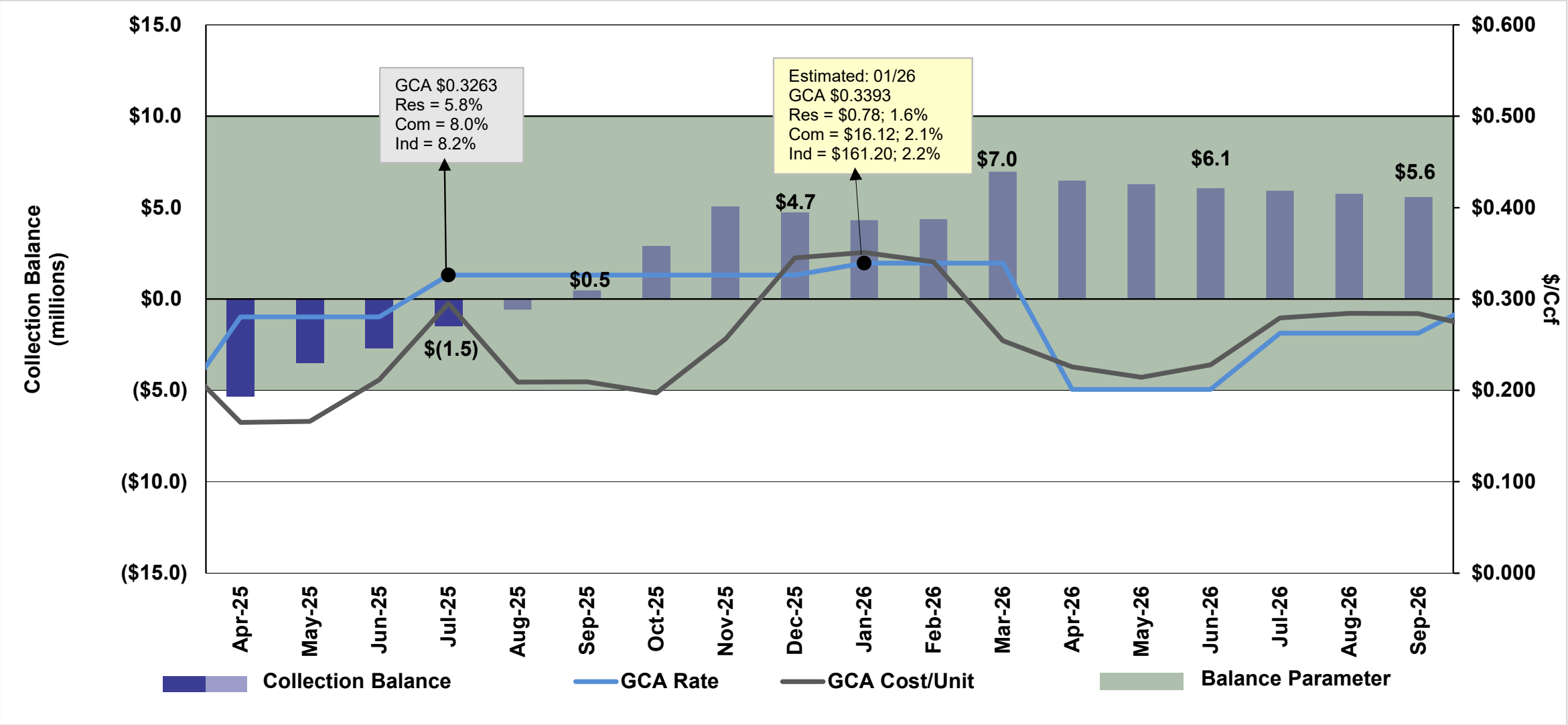




# ECA Projections August 2025



# GCA Projections August 2025





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# Water Outlook

Itan Bravo, E.I.T.

Water Resource Engineer, Water Resource Planning

August 1, 2025



## Local Weather Conditions as of July 31, 2025

### Precipitation (Inches of Moisture)

- July 2025 – 1.95 in. (62.5 % of normal)
- 2025 YTD Total – 10.28 in. (100.5% of normal)

### Average Temperature (Degrees F)

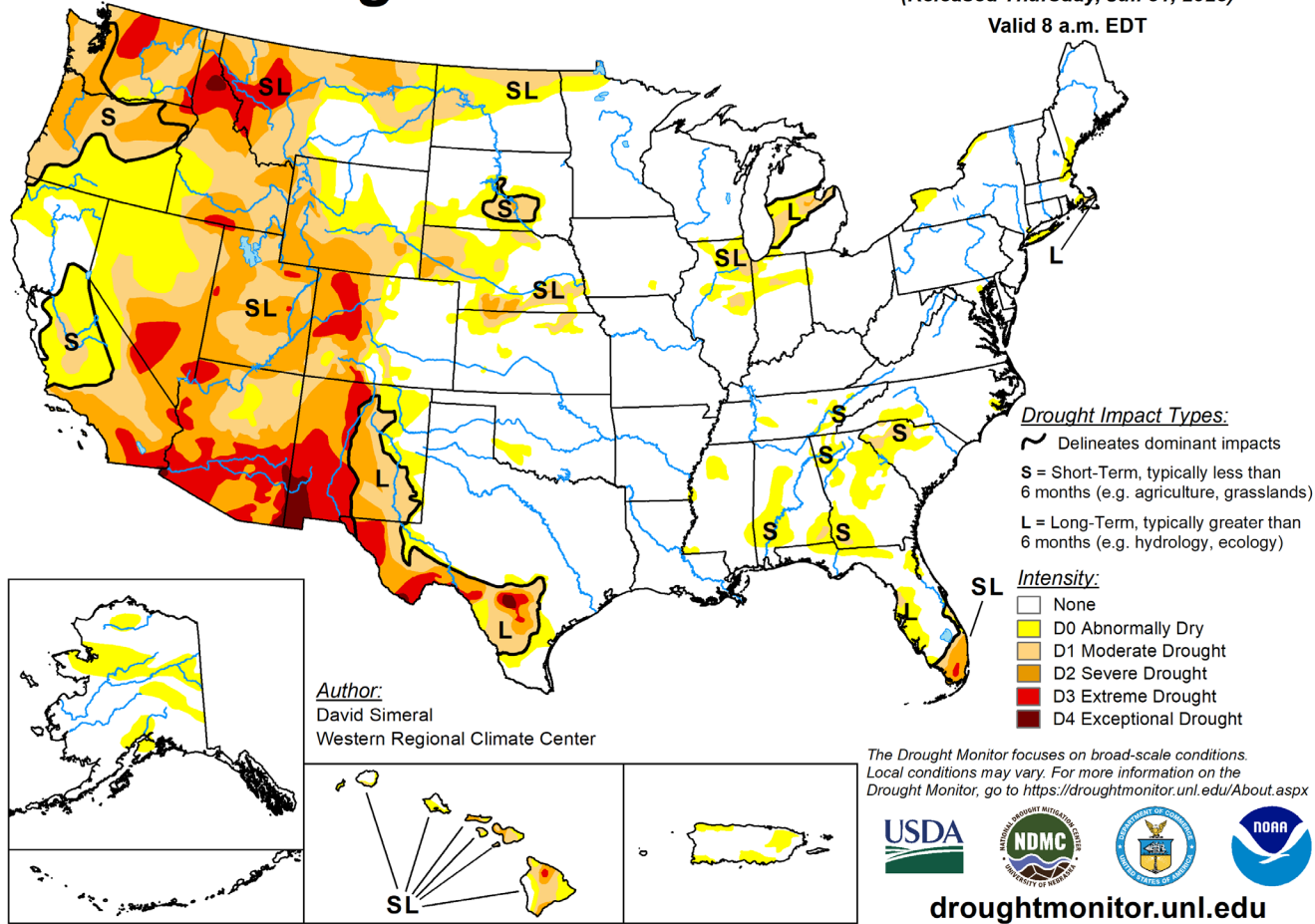
- July 2025 – 71.3 Deg. (1.1 deg. below normal)
- 2025 YTD Average – 49.4 Deg. (0.8 deg. below normal)



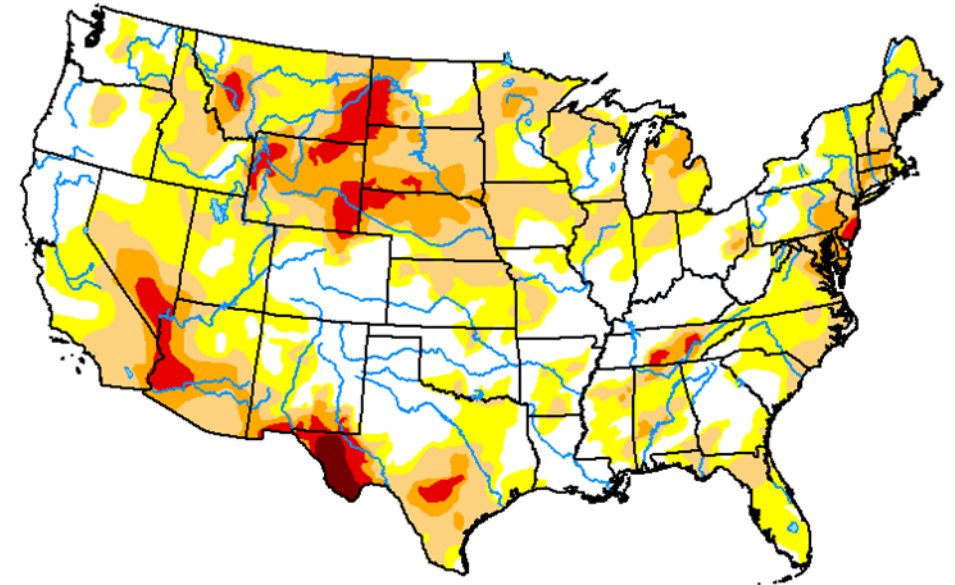


# U.S. Drought Monitor

July 29, 2025  
(Released Thursday, Jul. 31, 2025)  
Valid 8 a.m. EDT

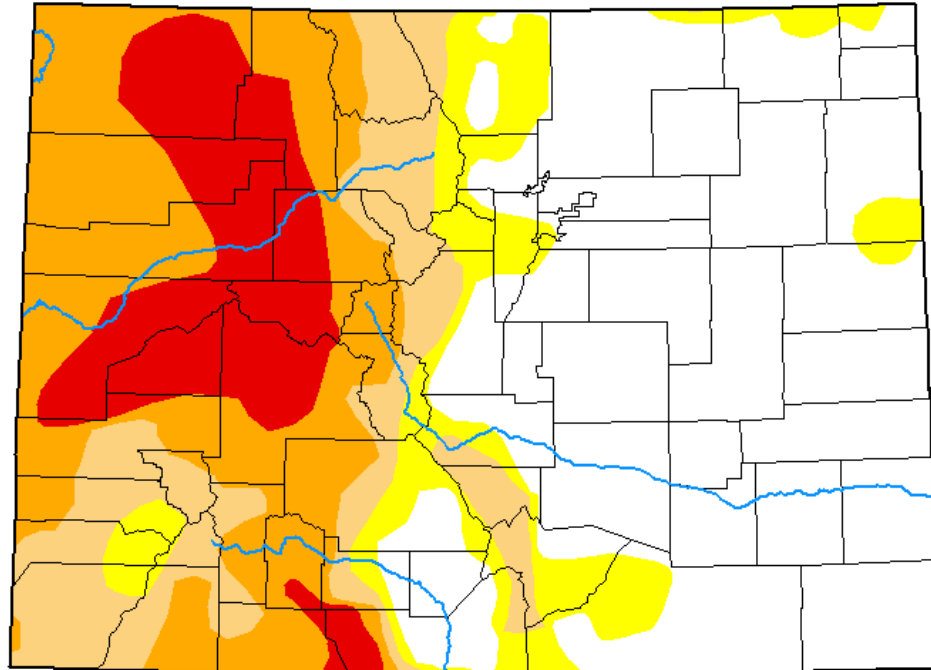


December 31, 2024



# U.S. Drought Monitor Colorado

**July 29, 2025**  
(Released Thursday, Jul. 31, 2025)  
Valid 8 a.m. EDT



## Intensity:

- None
- D0 Abnormally Dry
- D1 Moderate Drought
- D2 Severe Drought
- D3 Extreme Drought
- D4 Exceptional Drought

*The Drought Monitor focuses on broad-scale conditions. Local conditions may vary. For more information on the Drought Monitor, go to <https://droughtmonitor.unl.edu/About.aspx>*

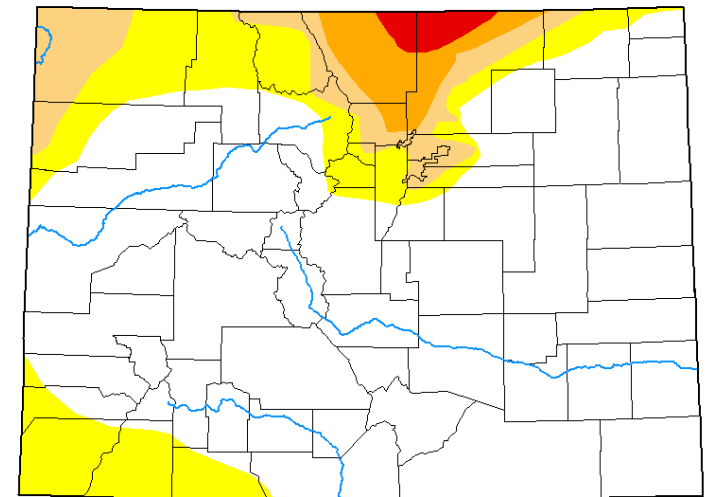
## Author:

David Simeral  
Western Regional Climate Center



[droughtmonitor.unl.edu](https://droughtmonitor.unl.edu)

**December 31, 2024**

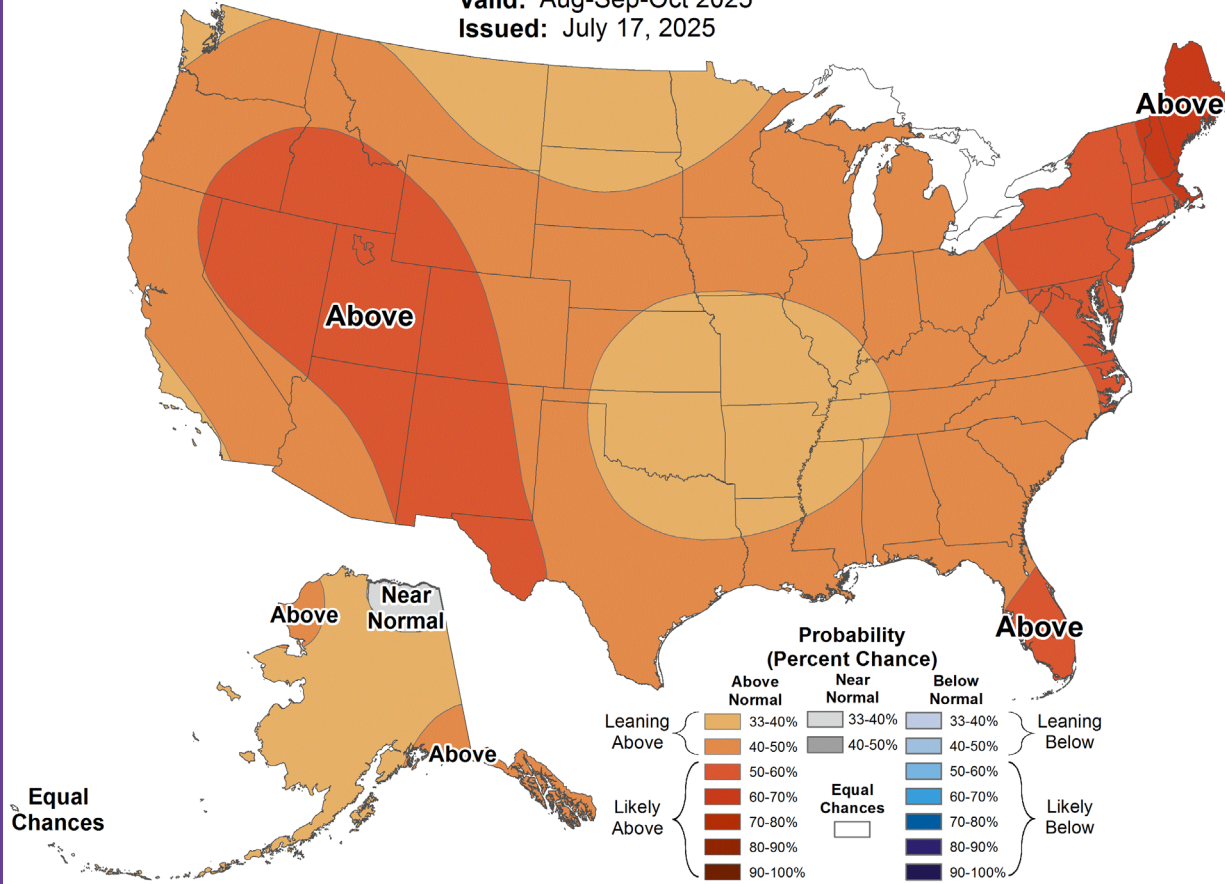




# Seasonal Temperature Outlook



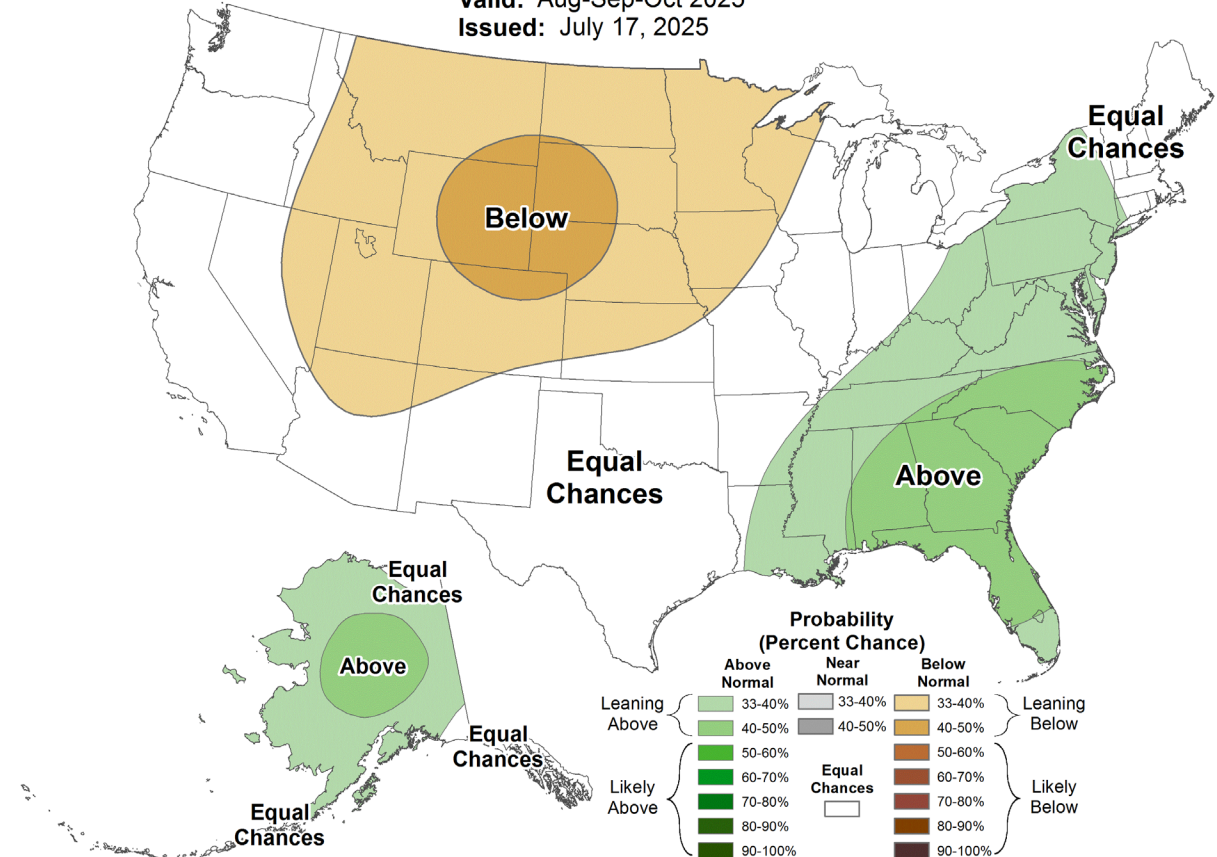
Valid: Aug-Sep-Oct 2025  
Issued: July 17, 2025



# Seasonal Precipitation Outlook



Valid: Aug-Sep-Oct 2025  
Issued: July 17, 2025



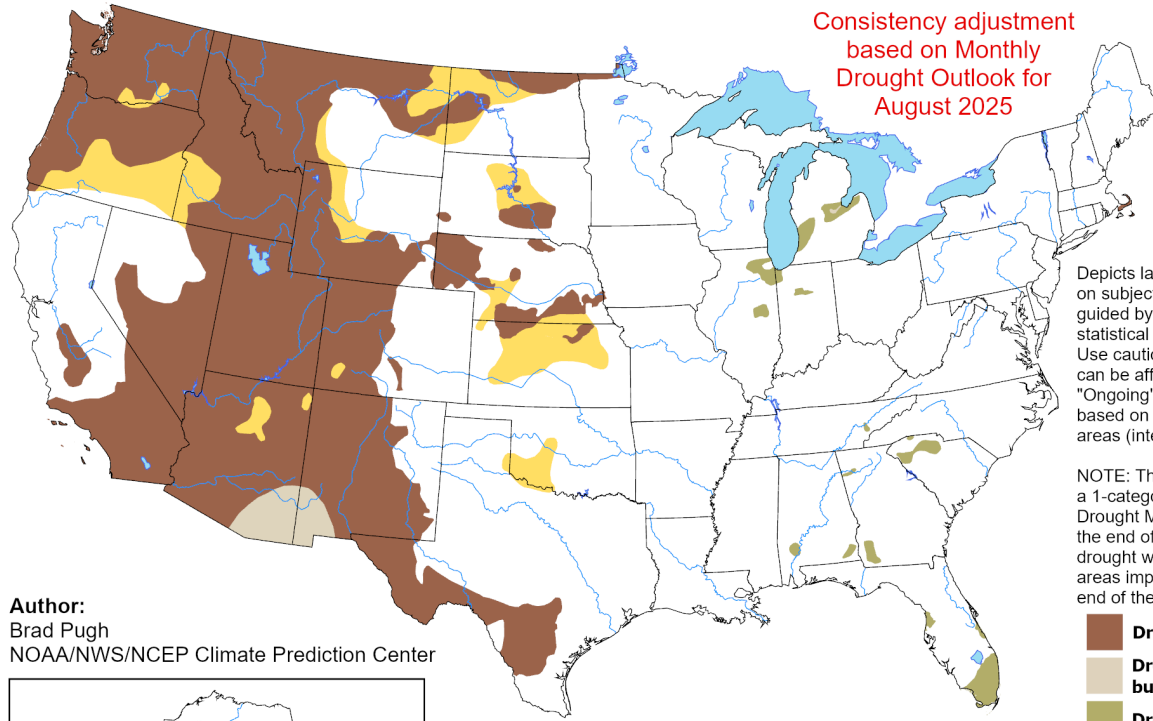


# U.S. Seasonal Drought Outlook

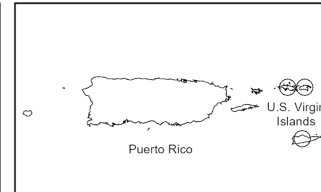
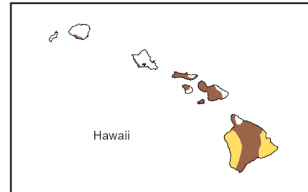
## Drought Tendency During the Valid Period

Valid for August 1 - October 31, 2025  
Released July 31, 2025

Consistency adjustment  
based on Monthly  
Drought Outlook for  
August 2025



Author:  
Brad Pugh  
NOAA/NWS/NCEP Climate Prediction Center



Depicts large-scale trends based on subjectively derived probabilities guided by short- and long-range statistical and dynamical forecasts. Use caution for applications that can be affected by short lived events. "Ongoing" drought areas are based on the U.S. Drought Monitor areas (intensities of D1 to D4).

NOTE: The tan areas imply at least a 1-category improvement in the Drought Monitor intensity levels by the end of the period, although drought will remain. The green areas imply drought removal by the end of the period (D0 or none).

- Drought persists
- Drought remains, but improves
- Drought removal likely
- Drought development likely
- No drought

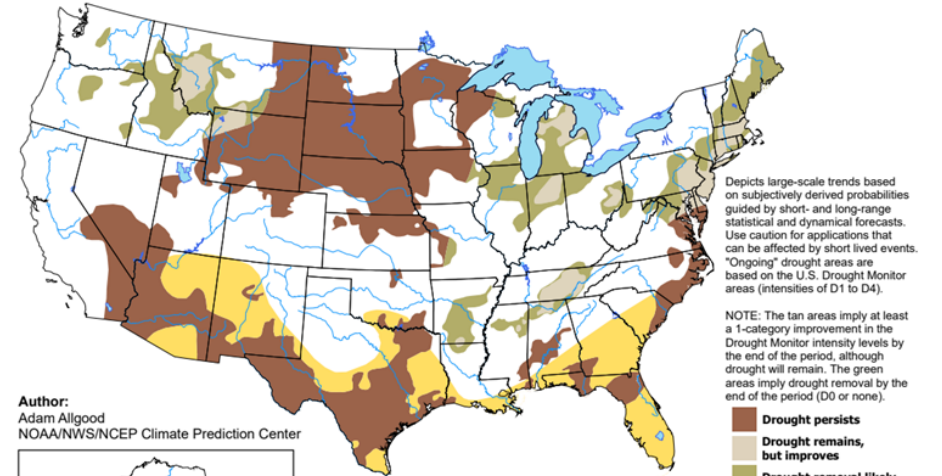


<https://go.usa.gov/3eZ73>

# U.S. Seasonal Drought Outlook

## Drought Tendency During the Valid Period

Valid for December 19, 2024 - March 31, 2025  
Released December 19, 2024



Depicts large-scale trends based on subjectively derived probabilities guided by short- and long-range statistical and dynamical forecasts. Use caution for applications that can be affected by short lived events. "Ongoing" drought areas are based on the U.S. Drought Monitor areas (intensities of D1 to D4).

NOTE: The tan areas imply at least a 1-category improvement in the Drought Monitor intensity levels by the end of the period, although drought will remain. The green areas imply drought removal by the end of the period (D0 or none).

- Drought persists
- Drought remains, but improves
- Drought removal likely
- Drought development likely
- No drought

Author:  
Adam Allgood  
NOAA/NWS/NCEP Climate Prediction Center



<https://go.usa.gov/3eZ73>

## 2025 Demands

### July

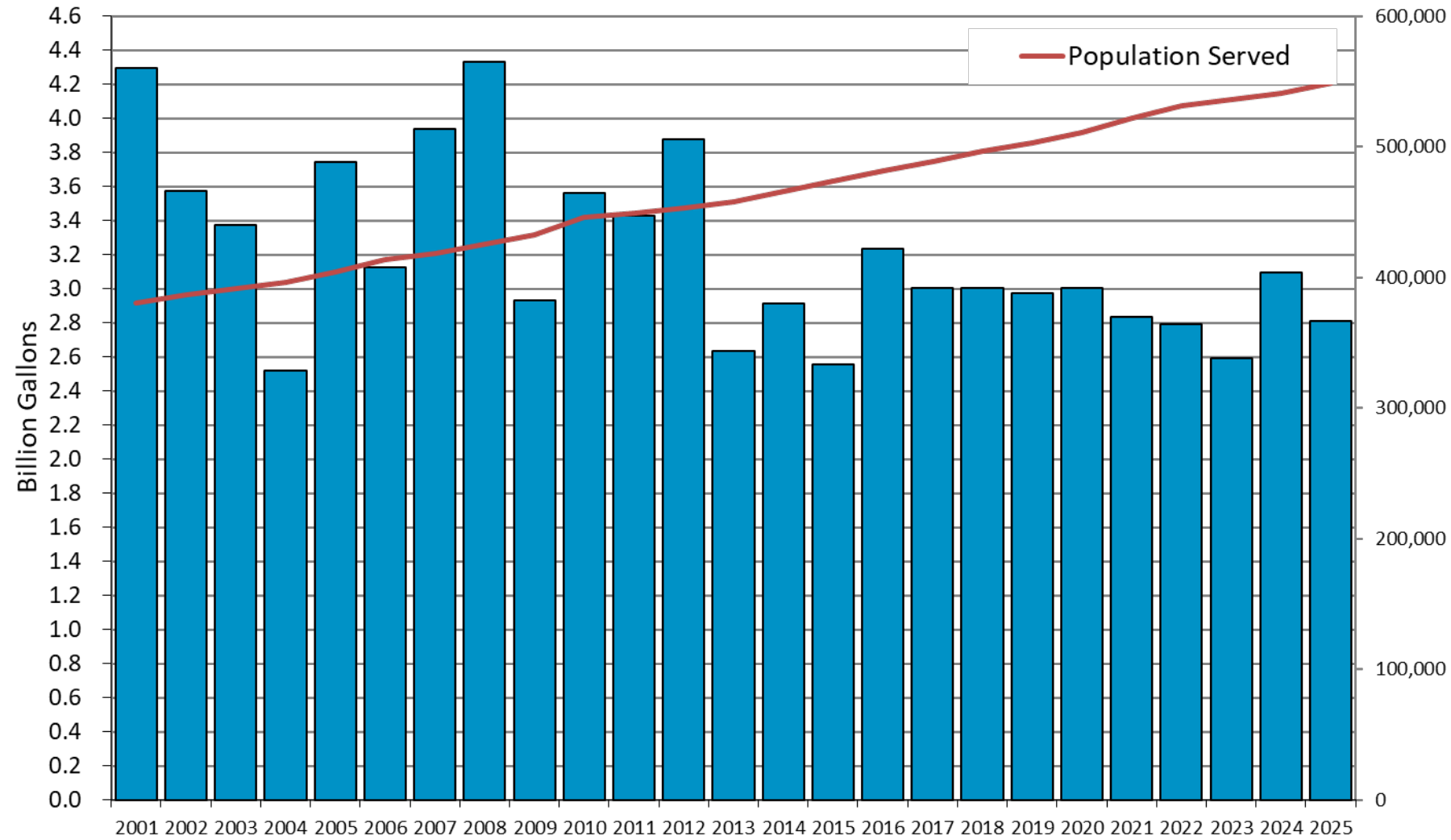
- Averaged 90.6 MGD
- 9.3% less than July 2024

### 2025 Year to Date through July 31

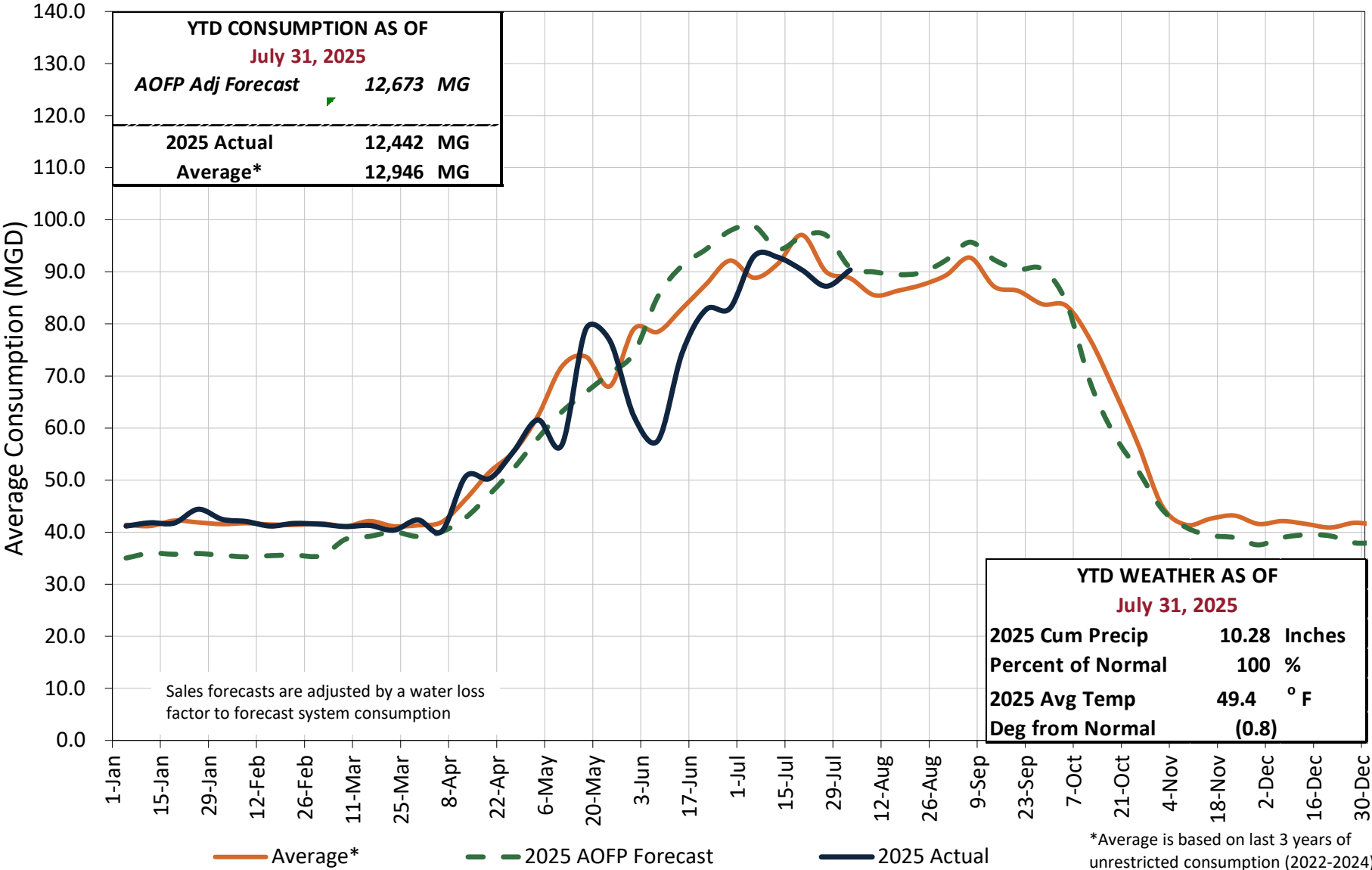
- Averaging 58.4 MGD, 12.4 BG total
  - 7.3% less than July 2024
  - 0.98 Billion Gallons less than 2024



Monthly Water Use for July



# 2025 Actual Consumption (Weekly Data)



\*Average is based on last 3 years of unrestricted consumption (2022-2024)



# Reservoir Levels

July 31, 2025

- Pikes Peak 57 %
  - 91-20 Avg. 71 %
- Rampart 79 %
  - 91-20 Avg. 79 %
- Local Total 71 %
  - 91-20 Avg. 76 %
- System Total 86 %
  - 91-20 Avg. 82 %



## Colorado Springs' System Wide Storage:

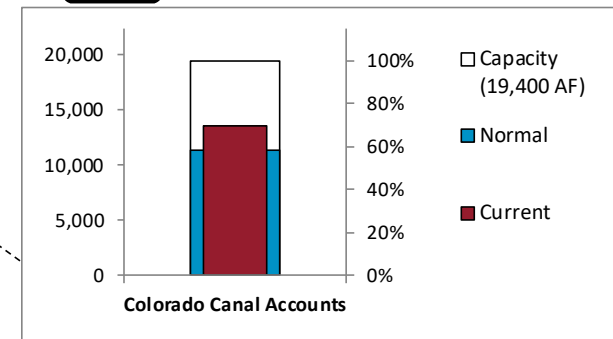
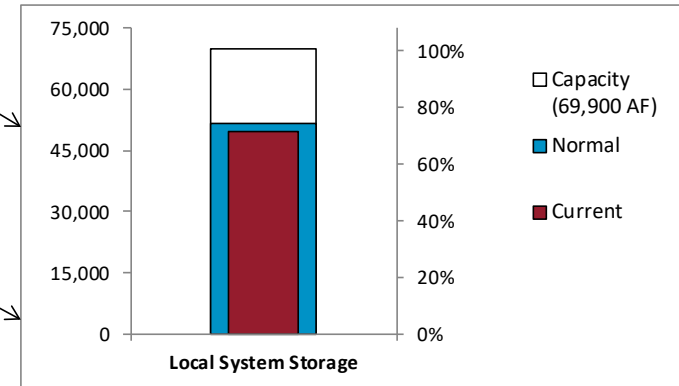
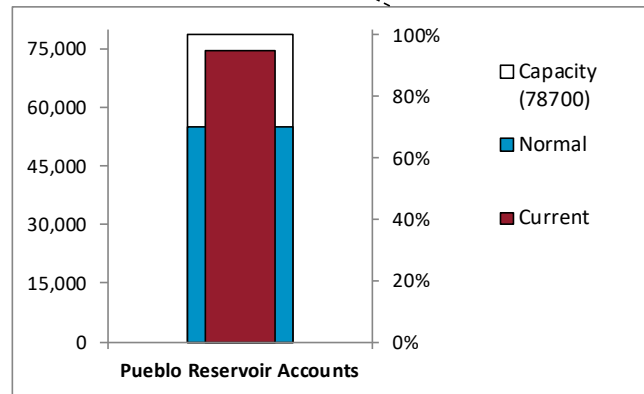
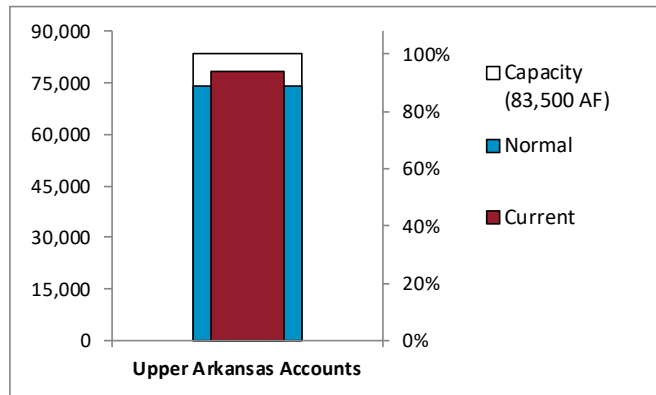
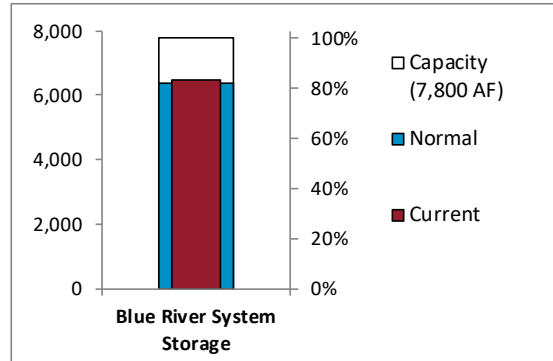
July 31, 2025 : 223,100 af

85.7 %

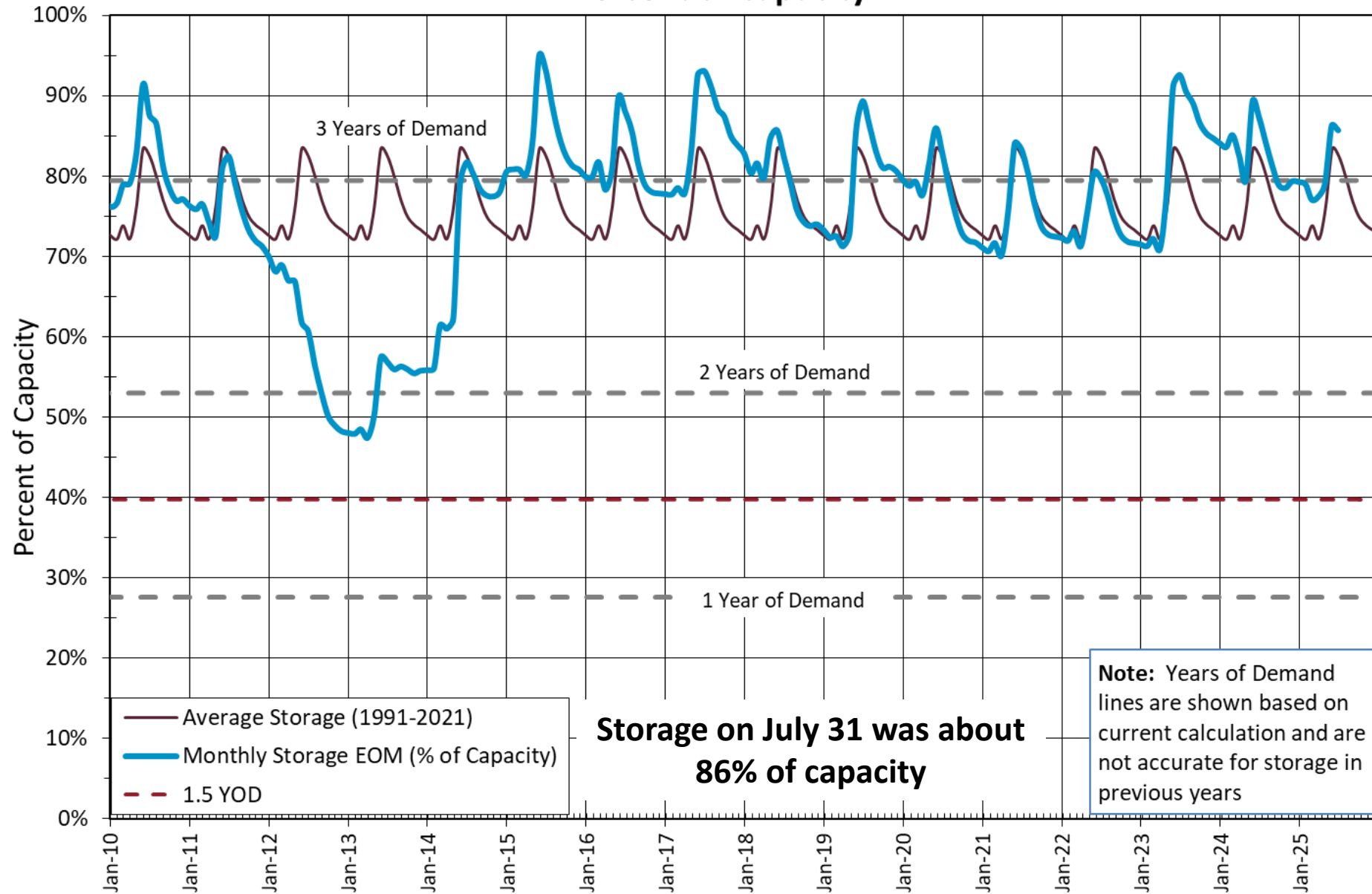
2001-2022 avg : 198,600 af

76.3 %

Average YTD Demand : 58.7 MGD



## Monthly Storage Percent of Capacity





# Water Outlook

- Situation Outlook Summary
  - System-wide storage is at 85.7% of capacity, about 1.3% above our long-term average
  - About 3.2 years of demand in storage, based on the past 3 years of demand
  - Have 245 days of demand in local storage
- Three-month outlook predictions
  - There are slightly higher chances for above normal temperatures across Colorado, with increasing probabilities in the western portion of the state.
  - There are slightly higher chances for below normal precipitation across the Colorado.
- We continue to monitor precipitation, demand and storage to maximize available water supply



# Operational Notes

## Storage Conditions

- South Catamount Reservoir capacity remains restricted for planned dam maintenance
- South Suburban Reservoir is drained for outlet work repairs
- Mason Reservoir is drained for inspection.



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## Board Memo Agenda Item Staff Report

<b>Date:</b> (Date of Utilities Board Meeting)	August 20, 2025		
<b>To:</b>	Utilities Board		
<b>From:</b>	Travas Deal, Chief Executive Officer		
<b>Subject:</b>	A Resolution Amending the Portions of the Utilities Board Bylaws and Excellence in Governance Policy Manual Rules Regarding Standing Committees		
<b>NARRATIVE:</b>			
<b>Desired Action:</b> Choose only one	<input checked="" type="checkbox"/> Approval <input type="checkbox"/> Discussion <input type="checkbox"/> Information		
<b>Executive Summary:</b>	<p>The Colorado Springs Utilities Board Bylaws and Excellence in Governance Policy Manual include provisions regarding Board Committees (Bylaws Rule 3 and The Excellence in Governance Manual P-5). Since March 2025, the Utilities Board has been running a pilot program consolidating the committees outlined in those documents (Finance, Strategic Planning, Program Management Review and Personnel) into one Working Committee that meets monthly. This required a temporary suspension of the Bylaws and the Excellence in Governance Manual to avoid acting in a way that is inconsistent with the Board's governing documents. The pilot has concluded and now the Utilities Board will vote to change the format based on the results of the pilot program.</p>		
<b>Benefits:</b>	Good governance		
<b>Board Policy:</b> If this impacts one of the board policies, indicate that here.	Board Bylaw Rule 3 and Excellence in Governance Manual P-5		
<b>Cost / Budget:</b> Include the projected cost or budget here.	N/A		
<b>Affected Parties:</b> This could include community groups, specific City Council Districts, other utilities, nonprofit organizations, certain neighborhoods, Colorado Springs Utilities employees, etc.	Utilities Board and Utilities CEO and staff		
<b>Alternatives:</b>	N/A		
<b>Submitter:</b>	Renee Congdon	<b>Email Address:</b>	Renee.congdon@coloradosprings.gov
<b>Division:</b>	Utilities Division	<b>Phone Number:</b>	719-385-5909
<b>Department:</b>	City Attorney's Office	<b>Date Submitted:</b>	July 29, 2025
<b>SPG Staff Use Only:</b>	Consent Calendar <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		Item Number 9
ITEMS SUBMITTED AFTER THE DEADLINE WILL BE POSTPONED UNTIL THE NEXT UTILITIES BOARD MEETING			

RESOLUTION NO. 25-16

A RESOLUTION AMENDING THE PORTIONS OF THE  
UTILITIES BOARD BYLAWS AND EXCELLENCE IN  
GOVERNANCE POLICY MANUAL RULES REGARDING  
STANDING COMMITTEES AND RESCINDING  
RESOLUTION 25-11

WHEREAS, portions of the Colorado Springs Utilities Board ("Board") Bylaws, Rule 3, specifically provides that the Board has four standing committees (Finance Committee, Strategic Planning Committee, Personnel Committee, and Program Management Review Committee); and

WHEREAS, the Board's Excellence in Governance Manual, Guideline G-2 and Policy P-5 also specifically provides that the Board has four standing committees (Finance Committee, Strategic Planning Committee, Personnel Committee, and Program Management Review Committee); and

WHEREAS, the Board previously implemented a pilot program in which the four standing committees were temporarily suspended and replaced by one standing committee, and in which all nine Board members are members of the standing committee; and

WHEREAS, the Board now desires to make this committee structure permanent; and

WHEREAS, this standing committee will be formally referred to as the Working Committee for the purposes of Board governance and communications; and

WHEREAS, the Board desires to be in compliance with its Bylaws and Excellence in Governance Policy Manual; and

WHEREAS, the Board desires to amend the portions of its Bylaws and Excellence in Governance Policy Manual regarding standing committees, specifically portions of Board Bylaws Rule 3 and the Excellence in Governance Policy Manual Guideline G-2 and Policy P-5, to permanently reflect the establishment of a single Working Committee; and

WHEREAS, the Board desires to clarify expectations of the Working Committee.

**NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF COLORADO SPRINGS UTILITIES:**

Section 1. The Colorado Springs Utilities Board of Directors hereby amends the portions of Rule 3 of the Board Bylaws and Guideline G-2 and Policy P-5 of the Board's Excellence in Governance Manual regarding standing committees to eliminate the four standing committees and establish one permanent standing committee, referred to as the Working Committee.

Section 2. All other rules regarding committees in the Board Bylaws and Excellence in Governance Policy Manual are hereby affirmed.

Section 3. This Resolution shall take effect as of the date and time of its approval.

Section 4. Resolution 25-11 is hereby rescinded.

DATED at Colorado Springs, Colorado, this 20<sup>th</sup> day of August, 2025.

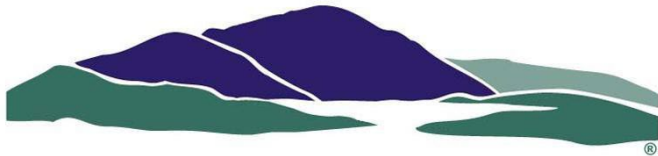
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Dave Donelson, Utilities Board Chair

ATTEST:

---

Travas Deal, Secretary



Colorado Springs Utilities

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# **EXCELLENCE IN GOVERNANCE POLICY MANUAL**

Revised: March 19, 2025

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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 establishes 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**

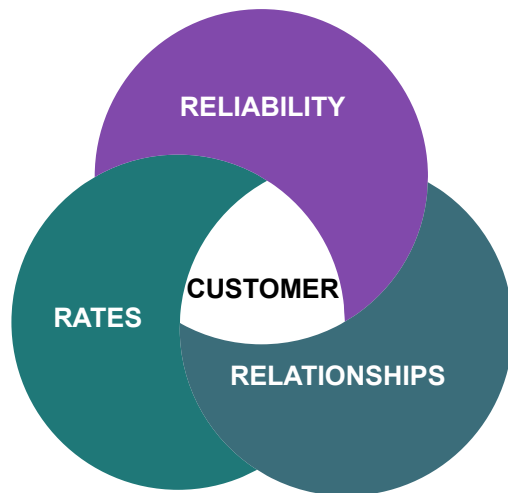
Ready for today, prepared for a sustainable future.

**UTILITIES BOARD STRATEGIC FOCUS**

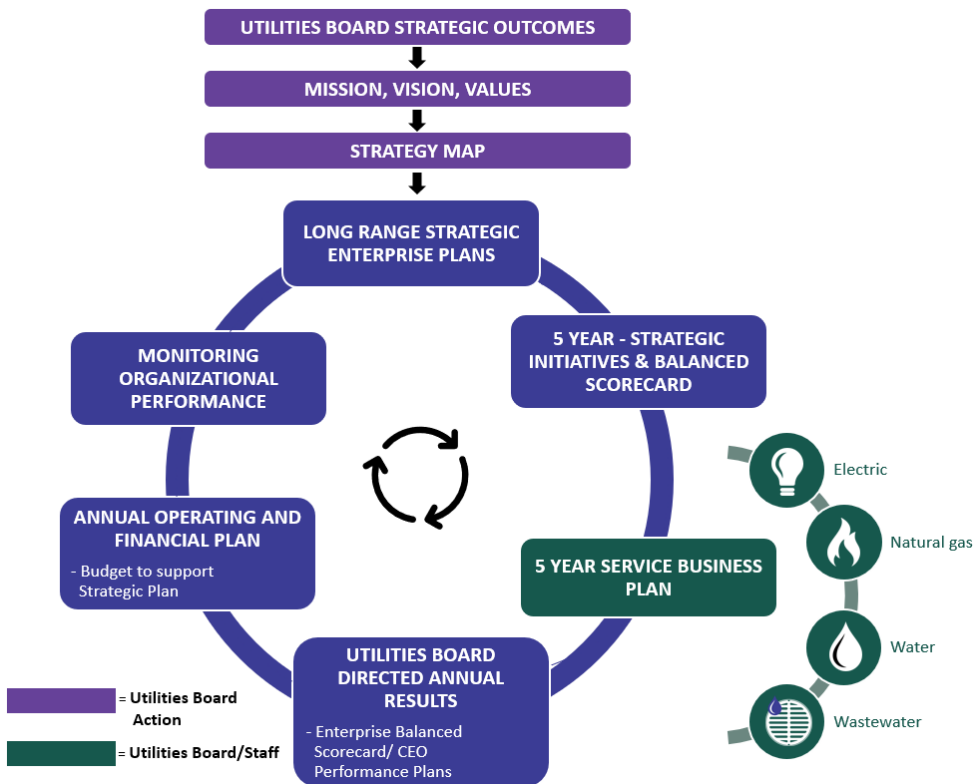
The Utilities Board is primarily and ultimately accountable to ensure the benefits of local ownership and control to the citizens of Colorado Springs. The Utilities Board also has a responsibility to its current and future customers by balancing rates, reliability and relationships, with the primary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



## COLORADO SPRINGS UTILITIES GOVERNANCE



#### UTILITIES BOARD DUTIES, RESPONSIBILITIES, AND ADMINISTRATIVE AUTHORITIES

Category:	<b>Utilities Board Duties</b>	Date of Adoption:	<b>May 16, 2018</b>
Policy Number:	<b>D: 1-2</b>	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 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 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:	<b>Utilities Board Administrative Authorities – City Code</b>	Date of Adoption: <b>May 16, 2018</b>
Policy Number:	<b>UBA: 1-4</b>	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 customer advisory group members.

**UBA-3:** Approve the sale, conveyance or lease of 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 Springs Utilities participates.



CITY COUNCIL AUTHORITIES		
Category:	<b>City Council Legislative Authorities Regarding Colorado Springs Utilities - City Code</b>	Date of Adoption: <b>May 16, 2018</b>
Policy Number:	<b>CCA: 1-9</b>	Revision Date: <b>February 21, 2024</b> Revision Number: <b>1</b>

**In addition to other powers provided in the City Code and the City Charter, the City Code section 12.1.104 reserves the following legislative authorities regarding Springs 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.

#### UTILITIES BOARD COMMITMENTS AND PRACTICES

Category:	<b>Utilities Board Commitments to Excellence in Governance</b>	Date of Adoption: <b>May 16, 2018</b>
Policy Number:	<b>C: 1-6</b>	Revision Date: <b>February 21, 2024</b>
		Revision Number: <b>1</b>

#### **Utilities Board actions that promote excellence in governance.**

##### **C-1 Utilities Board Ethics and Norms**

1. Utilities Board Members comply with the City Code of Ethics.
2. Utilities Board 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 Evaluation**

1. The Utilities Board will complete a self-evaluation to initiate improvement opportunities.

##### **C-3 Limits of Individual Authority**

1. Utilities Board Members do not have individual authority over Springs Utilities, the Chief Executive Officer or Springs Utilities staff.
2. Utilities Board 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 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 Members, Utilities Policy Advisory Committee and customer advisory 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:	<b>Utilities Board Practices for Excellence in Governance</b>	Date of Adoption: <b>May 16, 2018</b>
Policy Number:	<b>P: 1-5</b>	Revision Date: <b>February 21, 2024</b>
Guidelines	<b>Committee Purpose, Structure and Operation (G-2)</b>	Revision Number: <b>1</b>

**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 Subcommittees 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 Subcommittees review, analyze and provide recommendations and policy alternatives to Utilities Board Committees. A dissenting recommendation may be provided.

4. Utilities Board Committees and Subcommittees 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. Utilities Board has established one standing Committee of the Board (Working Committee). The Board may establish other Committees on an ad hoc basis and only by a vote of the Utilities Board. The Board will establish the purpose and authority of each Committee. Committees are authorized to provide information and recommendations to the Utilities Board, but do not have approval authority over operations or activities.~~

6. ~~With the exception of Utilities Policy Advisory Committee, Utilities Board Committees are comprised of Utilities Board Members, appointed by the Chair.~~

7. Utilities Board Subcommittees 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 customer advisory groups are established and disbanded by

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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 customer advisory group ceases to exist upon completion of its task.

EXPECTATIONS			
Category:	<b>Utilities Board/Chief Executive Officer Partnership Expectations</b>	Date of Adoption:	<b>May 16, 2018</b>
Policy Number:	<b>E: 1-3</b>	Revision Date:	<b>February 21, 2024</b>
		Revision Number:	<b>1</b>

**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 Subcommittees, 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 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 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 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 revocable permits and licenses and setting insurance requirements, fees and terms and conditions necessary to protect the public health, safety and welfare and the safety and welfare of Springs Utilities operations, equipment and facilities.

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

- 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 Springs Utilities citizens and customers.
  2. Establish pricing practices that maintain financial viability of each separate regulated service.

INSTRUCTIONS		
Category:	<b>Utilities Board Instructions to the Chief Executive Officer</b>	Date of Adoption: <b>May 16, 2018</b>
Policy Title (Number):	<b>Financial Condition and Activities (I-2)</b>	Revision Date: <b>February 21, 2024</b>
Monitoring Type:	<b>Internal; City Auditor</b>	Revision Number: <b>3</b>
Monitoring Frequency:	<b>Quarterly, Annual</b>	
Guidelines:	<b>Local Vendor (G-7)</b>	

**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 Springs Utilities 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:	<b>Utilities Board Instructions to the Chief Executive Officer</b>	Date of Adoption: <b>May 16, 2018</b>
Policy Title (Number):	<b>Financial Planning and Budgeting (I-3)</b>	Revision Date: <b>June 18, 2024</b>
Monitoring Type:	<b>Internal</b>	Revision Number: <b>2</b>
Monitoring Frequency:	<b>Annual</b>	
Guidelines:	<b>Water Reserve Account (G-8)</b> <b>Water Acquisition Account (G-12)</b> <b>Determinations to Construct Water and/or Wastewater Extensions (G-13)</b>	

**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 an 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.
8. Inform Utilities Board of Springs Utilities’ determinations to design and construct water distribution and/or wastewater collection systems as defined in sections VIII.B.1 and IX.C.1 of Utilities Rules and Regulations.

### INSTRUCTIONS

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

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

**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:	<b>Utilities Board Instructions to the Chief Executive Officer</b>	Date of Adoption:	<b>May 16, 2018</b>
Policy Title (Number):	<b>Infrastructure (I-6)</b>	Revision Date:	<b>February 21, 2024</b>
Monitoring Type:	<b>Internal</b>	Revision Number:	<b>2</b>
Monitoring Frequency:	<b>Annual</b>		
Guidelines:			

**The Chief Executive Officer shall direct that annual, five-year and 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:	<b>Utilities Board Instructions to the Chief Executive Officer</b>	Date of Adoption: <b>May 16, 2018</b>
Policy Title (Number):	<b>Water Supply Management/Regional Water and Wastewater Service (I-7)</b>	Revision Date: <b>March 19, 2025</b>
Monitoring Type:	<b>Internal</b>	Revision Number: <b>6</b>
Monitoring Frequency:	<b>Annual</b>	

**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 reliability meet the needs of current and future customers. Accordingly, the CEO shall:**

1. Defend 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 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 Integrated Water Resource Plan as updated from time to time.
4. Utilize 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 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. In all cases development of the Dawson Aquifer is prohibited.
7. Not reserve 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 Springs Utilities' exclusive water service territory, except that the Utilities Board may evaluate and approve such a reservation to ensure that 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.
8. All regional service contracts must be approved by the Utilities Board and City Council. 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.

9. Consistent with Board Instruction I-5 (Economic Development), City Council may determine that water and wastewater services provided in accordance with a Special Contract is for an economic development purpose and may be provided for a term of up to, and not to exceed, 99-years if Council determines that the provision of such service satisfies the following criteria:
  - A. Includes only the use of Utilities' infrastructure and not the delivery of Colorado Springs' water;
  - B. Optimizes existing and planned Springs Utilities' water and wastewater infrastructure;
  - C. Grows the customer base by providing wholesale service to qualifying entities;
  - D. Assures a positive rate impact to citizens; and
  - E. Fosters partnerships with water and wastewater providers in the region to promote the efficient use and reuse of water and safe and effective wastewater treatment.

Notwithstanding the foregoing, such Special Contracts may provide Colorado Springs' water in the event of an emergency and still satisfy the criteria above.

#### INSTRUCTIONS

Category:	<b>Utilities Board Instructions to the Chief Executive Officer</b>	Date of Adoption:	<b>May 16, 2018</b>
Policy Title (Number):	<b>Asset Protection (I-8)</b>	Revision Date:	<b>February 21, 2024</b>
Monitoring Type:	<b>Internal; City Auditor</b>	Revision Number:	<b>1</b>
Monitoring Frequency:	<b>Semi-Annual; Annual</b>		

**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, 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*.
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.

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

**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 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 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:	<b>Utilities Board Instructions to the Chief Executive Officer</b>	Date of Adoption: <b>May 16, 2018</b>
Policy Title (Number):	<b>Treatment of Staff (I-10)</b>	Revision Date: <b>February 21, 2024</b>
Monitoring Type:	<b>Internal</b>	Revision Number: <b>1</b>
Monitoring Frequency:	<b>Annual</b>	

**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 years, assess the organizational climate issues using statistical sampling and a sound, validated procedure; and develop and implement an action plan.
6. Foster an environment within the workforce that promotes and rewards creativity, efficiency and empowerment.

INSTRUCTIONS			
Category:	<b>Utilities Board Instructions to the Chief Executive Officer</b>	Date of Adoption:	<b>May 16, 2018</b>
Policy Title (Number):	<b>Compensation and Benefits (I-11)</b>	Revision Date:	<b>November 20, 2024</b>
Monitoring Type:	<b>Internal</b>	Revision Number: <b>1</b>	
Monitoring Frequency:	<b>Annual</b>		
Guidelines:	<b>At-Will Senior Management Severance (G-9)</b>		

**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 that include similar local, regional and national utilities of comparable size and annual revenue.
  - B. Multi-service utilities.
  - C. An appropriate balance of public and private organizations.
  - D. A mix of available 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 approval.

#### INSTRUCTIONS

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

**The Chief Executive Officer shall direct that 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 Springs Utilities' operations that affect the environment.
10. Strive to minimize or reuse waste generated by Springs Utilities to reduce impact on the environment.



INSTRUCTIONS		
Category:	<b>Utilities Board Instructions to the Chief Executive Officer</b>	Date of Adoption: <b>May 16, 2018</b>
Policy Title (Number):	<b>Community Investment (I-13)</b>	Revision Date: <b>February 21, 2024</b>
Monitoring Type:	<b>Internal</b>	Revision Number: <b>1</b>
Monitoring Frequency:	<b>Annual</b>	
Guidelines:	<b>Affordable Housing (G-10)</b> <b>Community Support (G-11)</b> <b>Wastewater Backup Assistance Program (G-13)</b>	

**The Chief Executive Officer shall direct that 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 community involvement that is in alignment with 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 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 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 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.
10. Advance services and programs that achieve customer interests, community goals and enterprise objectives.

GUIDELINES			
Guideline:	<b>Utilities Board Evaluation (G-1)</b>	Date of Adoption:	<b>January 18, 2017</b>
Applicable Policy Title (Number):	<b>Utilities Board Evaluation (C-2)</b>	Revision Date:	<b>February 21, 2024</b>
		Revision Number:	<b>1</b>

**Utilities Board Evaluation**

- 1. Utilities Board Members evaluate the work of the Utilities Board and provide feedback to the Utilities Board Chair in an informal setting.
- 2. The feedback should include accomplishments, plans for improvement and comments on what to start, what to stop, what should continue and lessons learned.

GUIDELINES			
Guideline:	<b>Committee Purpose, Structure and Operation (G-2)</b>	Date of Adoption:	<b>January 18, 2017</b>
Applicable Policy Title (Number):	<b>Operational Resources (P-5)</b>	Revision Date:	<b>February 21, 2024</b>
		Revision Number:	<b>1</b>

### Committee Purpose, Structure and Operation

#### Purpose:

1. The ~~Strategic Planning Board Working~~ Committee reviews performance and compliance with Utilities Board policies and guidelines. ~~The Board Committee also and recommends the Strategic Plan, and vision and Board Expected Results, the Annual Operating and Financial Plan and the Five-Year Service Business Plans, the Chief Executive Officer's performance plan, and developed jointly with the Chief Executive Officer and the CEO's Compensation, 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.
- ~~5.2~~ 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. ~~The Working Committee is comprised of all nine (9) Board members. For other Board Committees except UPAC,~~ 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. UPAC is comprised of seven citizens and customers that are appointed by the Utilities Board. All members are limited to a maximum of three consecutive three-year terms. UPAC members may be removed by the Utilities Board. 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 Subcommittee 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 Members and serve two-year terms concurrent with the municipal election cycle. Subcommittee Board Members may be removed by the Utilities Board Chair. Citizen and customer Subcommittee Members may be removed by the Utilities Board.
4. The Subcommittee Chair is selected by the Board Members on the Subcommittee and serves a two-year term concurrent with the municipal election cycle. In the absence of the Subcommittee Chair during any Subcommittee meeting, the Subcommittee may designate a Chair.
5. The Chief Executive Officer provides Springs Utilities staff support for Committees and Subcommittees. The Chief Executive Officer or designee is responsible for preparing draft agendas for review and approval by the Committee Chair or Subcommittee Chair and for keeping minutes of all Committee and Subcommittee meetings. Copies of the Committee and Subcommittee minutes shall be provided to the Utilities Board and to relevant committees.
- ~~6.~~ Board Committees and Subcommittees will meet as often as may be deemed necessary or appropriate. Public notice of all Committee and Subcommittee meetings shall meet governing legal requirements. All Board Committees and Subcommittees, Utilities Policy Advisory Committee and customer advisory group meetings are open to the public.
- ~~7.~~ 7. At the discretion of the Chair, or the majority of Committee or Subcommittee 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 Subcommittee Members present. Notwithstanding the foregoing, Board Members not appointed to a Committee or Subcommittee but present at such Committee or Subcommittee 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 Subcommittee meetings at the discretion of the Chair.

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~~8.~~ 8. The Utilities Board establishes and maintains written bylaws fully describing the operation of the Utilities Policy Advisory Committee.

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~~8.~~ 9. Citizen and customer Board Subcommittee Members:

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- 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 Springs Utilities policies and procedures.
- c. Are expected to attend Subcommittee meetings regularly in order for the Subcommittee to function effectively. Upon recommendation by the Subcommittee, the Utilities Board may remove any members of the Subcommittee who fail to attend three or more regular meetings in any year.
- d. Shall notify the Chief Executive Officer and the Utilities Board if they choose to seek employment with Springs Utilities. The Subcommittee Member applying for employment shall be excused from attending Subcommittee meetings and participating in recommendations while the employment application is pending. If the Subcommittee Member is not selected for employment with Springs Utilities, that member shall be reinstated to full Subcommittee participation. If the Subcommittee Member accepts employment with Springs Utilities, that member shall promptly resign or be removed by the Utilities Board from the Subcommittee.
- e. Committee 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. Subcommittee members should not offer or contract to supply products or services to Springs Utilities or Springs Utilities' contractors that conflict with the Subcommittee Member's work on the Subcommittee. Subcommittee Members shall not use their position on a Subcommittee to influence Springs Utilities or Springs Utilities' contractor's procurement decisions. In the event any Subcommittee Member desires to provide products or services to Springs Utilities or a contractor for Springs Utilities, that Subcommittee 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 Subcommittee Member's work on the Subcommittee or the City's Code of Ethics, the Sub Committee 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 of services offering does conflict with the Subcommittee

Member's work on the Subcommittee or the City's Code of Ethics, the Subcommittee Member may choose to resign from the Subcommittee and to continue to pursue the offering of the Subcommittee Member may choose to refrain from pursuing the offering, in which case the Subcommittee Member may continue participation on the Subcommittee. This restriction shall apply to Subcommittee Members and any company or organization employing the Subcommittee Member.

## GUIDELINES

Guideline:	<b>Compliance Report Frequency and Method (G-3)</b>	Date of Adoption: <b>December 19, 2016</b>
Applicable Policy Title (Number):	<b>Organizational Oversight (E-2.3)</b>	Revision Date: <b>February 21, 2024</b>
		Revision Number: <b>1</b>

### 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	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

### GUIDELINES

Guideline:	<b>Evaluation of the Chief Executive Officer's Performance (G-4)</b>	Date of Adoption: <b>May 16, 2018</b>
Applicable Policy Title (Number):	<b>Evaluating Chief Executive Officer Performance (E-1.2)</b>	Revision Date: <b>February 21, 2024</b>
		Revision Number: <b>1</b>

#### Evaluating the Chief Executive Officer's performance:

1. Annually, the Chief Executive Officer and ~~Personnel Working Committee, with input from other Utilities Board 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 Members at least three weeks prior to the executive personnel sessions with Utilities Board Members returning completed forms to the Chief Human Resources Officer
6. The Utilities Board reviews the Board Expected Results in open session at the March Utilities Board meeting annually.
7. 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:	<b>Rate Design (G-5)</b>	Date of Adoption:	<b>September 19, 2014</b>
Applicable Policy Title (Number):	<b>Pricing of Services (I-1)</b>	Revision Date:	<b>February 21, 2024</b>
		Revision Number:	<b>3</b>

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. 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 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:	<b>Electric and Gas Cost Adjustments (G-6)</b>	Date of Adoption: <b>January 20, 2016</b>
Applicable Policy Title (Number):	<b>Pricing of Services (I-1)</b>	Revision Date: <b>February 21, 2024</b>
		Revision Number: <b>3</b>

#### 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:	<b>Local Vendor (G-7)</b>	Date of Adoption: <b>May 16, 2018</b>
Applicable Policy Title (Number):	<b>Financial Condition and Activities (I-2)</b>	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:	<b>Water Reserve (G-8)</b>	Date of Adoption:	<b>May 16, 2018</b>
Applicable Policy Title (Number):	<b>Financial Planning and Budgeting (I-3)</b>	Revision Date:	<b>February 21, 2024</b>
		Revision Number:	<b>2</b>

**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, 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:	<b>At-Will Senior Management Severance (G-9)</b>	Date of Adoption: <b>May 16, 2018</b>
Applicable Policy Title (Number):	<b>Compensation and Benefits (I-11)</b>	Revision Date: <b>February 21, 2024</b>
		Revision Number: <b>1</b>

#### 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.
2. Employees on probation or having less than one year of service are not eligible for severance.
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.
4. Severance amounts are:
  - A. One to five years of continuous service - may be offered up to 11 weeks base pay and/or three months Medical Premium Benefit Continuation.
  - B. Five to ten years of continuous service - may be offered up to 13 weeks base pay and/or three months Medical Premium Benefit Continuation.
  - C. Ten to 15 years of continuous service - may be offered 17 weeks base pay and/or four months Medical Premium Benefit Continuation.
  - D. 15-20 years of continuous service - may be offered up to 22 weeks base pay and/or five months Medical Premium Benefit Continuation.
  - E. 20 or more years of continuous service - may be offered up to 26 weeks base pay and/or six months Medical Premium Benefit Continuation.

GUIDELINES		
Guideline:	<b>Affordable Housing (G-10)</b>	Date of Adoption: <b>May 16, 2018</b>
Applicable Policy Title (Number):	<b>Community Investment (I-13)</b>	Revision Date: <b>February 21, 2024</b>
		Revision Number: <b>2</b>

**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 and implementing procedures that incentivize affordable housing. All affordable projects receiving funding, credits, rebates or deferrals from Springs Utilities must meet specified energy and water conservation criteria.
- 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:	<b>Community Support (G-11)</b>	Date of Adoption: <b>May 16, 2018</b>
Applicable Policy Title (Number):	<b>Community Investment (I-13)</b>	Revision Date: <b>February 21, 2024</b>
		Revision Number: <b>5</b>

**Community Support**

1. Springs Utilities will allow 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 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 allocate 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:	<b>Water Acquisition Account (G-12)</b>	Date of Adoption:	<b>July 20, 2022</b>
Applicable Policy Title (Number):	<b>Financial Planning and Budgeting (I-3)</b>	Revision Date:	<b>February 21, 2024</b>
		Revision Number:	<b>1</b>

#### 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. 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.



GUIDELINES		
Guideline:	<b>Determinations to Construct Water and/or Wastewater Extensions (G-13)</b>	Date of Adoption: <b>June 18, 2024</b>
Applicable Policy Title (Number):	<b>Financial Planning and Budgeting (I-3)</b>	Revision Date:
		Revision Number:

**Determination to Construct Water and/or Wastewater Extensions**

- 1. As provided in Utilities Rules and Regulations, Springs Utilities may design and construct water distribution and/or wastewater collection systems when, in Springs Utilities sole discretion, it is in the best interest to protect water and/or wastewater service to existing customers, to allow for the continued development within the service area(s), and/or to provide benefit to the entire service area(s). Springs Utilities will recover the costs of such facilities, with interest, through a Recovery Agreement Charge and/or an Advance Recovery Agreement Charge.
- 2. Springs Utilities informs Utilities Board of determinations to construct water distribution and/or wastewater collection system. Information provided to Utilities Board will be dependent on the specific characteristics of the applicable project, which may be subject to other rules, requirements, and policies. When applicable, information provided by Utilities will include the following:
  - a. System and operational considerations
    - Design capacity
    - Complexity of design and construction
    - Land and easement acquisition
  - b. Financial estimates
    - Cost and schedule
    - Recovery Agreement Charge and/or Advance Recovery Agreement Charge
    - Water and wastewater rate impacts
  - c. Environmental considerations
    - Regulatory and permitting requirements
    - Identified impacts to waterways
  - d. Community support considerations
    - Regional significance
    - Impact to growth and economic development

GUIDELINES		
Guideline:	<b>Wastewater Backup Assistance Program (G-14)</b>	Date of Adoption: <b>November 20, 2024</b>
Applicable Policy Title (Number):	<b>Community Investment (I-13)</b>	Revision Date:
		Revision Number:

#### Wastewater Backup Assistance Program

1. The Chief Executive Officer is authorized to implement a program and related policies which provides financial assistance to residential customers whose properties have been impacted by a wastewater backup. Any such program shall be subject to the following limitations and requirements and shall be consistent with the purpose of the program:
  - A. The program shall apply to Utilities' residential customers impacted by a wastewater backup that results in property damage caused by either (i) a verified stoppage in Utilities main line or (ii) intrusion of the wastewater system by a main water pipeline failure provided the intrusion is not the result of a storm or flood event.
  - B. Any assistance shall be subject to available and appropriated funding.
  - C. Assistance under the program is limited to \$100,000 per eligible residence per covered incident. Any such assistance will be reduced by amounts received under the customer's policies of insurance.
  - D. The determination of whether to provide assistance and in what amount, up to the applicable limit, shall be at the sole discretion of Springs Utilities, and no vested rights are or shall be created by such program.
  - E. No assistance will be paid without the recipient agreeing to release Springs Utilities from liability for the event and the damage to the residence. All such releases shall be subject to the approval of Springs Utilities.
  - F. Assistance shall be limited to property damage, timely emergency response and mitigation services, temporary housing, and temporary storage of personal property. Springs Utilities will not pay any assistance for indirect, consequential or punitive damages.
  - G. The program shall only be available to customers receiving services at an owner-occupied residential property that is an individual dwelling and where not more than one dwelling unit is served through one water meter. The program shall not apply to rental property.
  - H. A residential customer shall not be eligible for assistance under the program where the wastewater backup is caused in whole or in part by any negligent or intentional act of such residential customer.
  - I. The program shall not apply to a wastewater backup which is due to a catastrophic event that impacts several properties, such as an act of God or nature (like a major flood event), terrorism, or war.

2. The program may include immediate assistance to help offset the costs of emergency response services and mitigation services necessary to restore a property to habitability prior to the customer completing all prerequisites of the program, provided that such owner agrees to pay any immediate assistance back if the owner does not comply with the requirements of the program. The purpose of the program is to provide assistance for a defined class of customers and categories of damages relating to wastewater backups and the operation of the enterprise even though Springs Utilities likely has no legal liability for such damages. No net benefit will accrue to a customer as assistance will be limited to actual direct damages resulting from a wastewater backup. The program is consistent with and advances both customer and enterprise interest.
3. Annual funding for the program will not exceed \$1,000,000, which will be funded through the normal operating budget and Utilities appropriation process.

RESULTS			
Category:	<b>Utilities Board/Chief Executive Officer Partnership Expectations</b>	Date of Adoption:	<b>December 18, 2017</b>
Policy Title (Number):	<b>Utilities Board Expected Results (ER: 1-3)</b>	Revision Date:	<b>March 19, 2025</b>
		Revision Number:	<b>1</b>

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

#### **2025 Board Expected Results**

##### **1. 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

##### **2. 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. Large Commercial/Industrial 4-Service Bill – Front Range Comparison will be in the target range of +/- 5.0% of average
- G. Days Cash on Hand – Current Year will be in the target range of 151–160 days
- H. Days Cash on Hand – 3 Year Average will be in the target range of 151–160 days
- I. Adjusted Debt Service Coverage Current Year will be in the target range of 1.80 – 1.90 times
- J. Adjusted Debt Service Coverage 3 Year Average will be in the target range of 1.80 – 1.90 times
- K. Debt Ratio – Current Year will be in the target range of 54.2 – 50.2%
- L. Debt Ratio – 3 Year Average will be in the target range of 54.2 – 50.2%
- M. Bond Rating will be in the target range of Standard & Poors AA, Moody's Investors Service: Aa2, Fitch Ratings: AA

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 – Workforce Index will be in the target range of 2.70 – 3.49

# Appendix

APPENDIX	
Document Title:	<a href="#">City Charter Related to Colorado Springs Utilities Governance</a> (Charter, Article 6)
	<a href="#">City Code Related to Colorado Springs Utilities Governance</a> (Chapter 12)
	<a href="#">City Code of Ethics</a>
	Utilities Board Bylaws
	Utilities Policy Advisory Committee Bylaws



# **UTILITIES BOARD**

## **BYLAWS**

Originally Adopted: May 21, 1997  
Revised and Approved: February 19, 2025



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**COLORADO SPRINGS UTILITIES  
UTILITIES BOARD  
BYLAWS**

**RULE 1. - BOARD OF DIRECTORS**

(a) The City Council serves as the Board of Directors of Colorado Springs Utilities pursuant to Section 6-40(a) of the City Charter.

(b) The authority of the Utilities Board is set forth in Article 1 of Chapter 12 of the Code of the City of Colorado Springs.

(c) The Board's job description and details of the Policy Governance process utilized by the Board in carrying out its responsibilities are contained in the Utilities Board Policies.

**RULE 2. - BOARD OFFICERS AND DUTIES**

(a) The officers of the Utilities Board are the Chair, Vice Chair and Secretary. The Chair and Vice Chair of the Utilities Board shall be elected by and from the members of the Utilities Board. The Chair of the Utilities Board shall have a voice and vote in the Utilities Board's proceedings. The Chair of the Utilities Board shall be recognized as leader of the Utilities Board. The Utilities Board will select the Utilities Board member to serve as Chair of the Utilities Board and the Utilities Board member to serve as Vice Chair of the Utilities Board by majority vote.

(b) Terms of office for the Utilities Board Chair and the Utilities Board Vice-Chair shall be two years. At its first regular meeting on or after the third Tuesday in April of each odd-numbered year, and biennially thereafter, the Utilities Board

shall elect one of its members as Chair of the Utilities Board and one of its members as Vice Chair of the Utilities Board.

(c) The Chair of the Utilities Board, or in the Chair's absence, the Vice Chair of the Utilities Board, shall chair all regular or special meetings of the Utilities Board. In the absence of both the Chair of the Utilities Board and Vice Chair of the Utilities Board, the Utilities Board member with the most seniority present at the meeting shall chair the meeting and perform the duties of the Chair at the meeting. If two or more members have equal seniority, the Utilities Board shall select one of the most senior Utilities Board members to chair the meeting and perform the duties of the Chair at the meeting.

(d) The Chair of the Utilities Board may be removed from the office of Chair of the Utilities Board, but not as a Utilities Board member, by a vote of at least five (5) members of the Utilities Board.

(e) The Chief Executive Officer, or the Chief Executive Officer's designee, shall serve as Secretary to the Utilities Board.

(f) The Chair or Vice Chair of the Utilities Board, as determined by the Chair, will serve as a liaison between Utilities Board and the Utilities Policy Advisory Committee (UPAC). The UPAC liaison will be the Utilities Board's direct point of contact with UPAC, communicating direction from Utilities Board to UPAC and providing guidance and support to UPAC so that Board expectations are met. The UPAC liaison is expected to attend the regularly scheduled

UPAC meetings. At the regular Utilities Board meeting, the UPAC liaison is expected to provide updates from the UPAC.

### RULE 3. - BOARD COMMITTEES

(a) Colorado Springs Utilities Board has established ~~four one~~ standing Committees of the Board (Working Committee). ~~comprised of all 9 Board members. (Finance Committee, Strategic Planning Committee, Personnel Committee, and the Program Management Review Committee).~~ The Board may establish other Committees on an ad hoc basis and only by a vote of the Utilities Board. The Board will establish the purpose and authority of each Committee. ~~e.~~ Committees ~~and~~ are authorized to provide information and recommendations to the Utilities Board but do not have approval authority over operations or activities.

~~(b) Committee members are appointed from among members of the Utilities Board by the Utilities Board Chair and serve two-year terms concurrent with the municipal election cycle. Committee Chairs are appointed from among members of the Board Committees by the Utilities Board Chair and serve a two-year term concurrent with the municipal election cycle. Committees will have a minimum of three Board members.~~

~~(b) The Board Chair shall serve as the Chair of the Working Committee.~~

(c) In the absence of the Chair during any Committee meeting, the Vice Chair shall serve as the Chair of Committee. ~~In the absence of both Chair and Vice Chair, the Committee may designate a Chair. Committee may designate a Chair. Regular attendance of members at Committee meetings is expected in order for the Committee to function effectively.~~

~~Committee and Board members may be removed by the Utilities Board Chair.~~

(d) Committees will meet as often as may be deemed necessary or appropriate.

(e) Public notice of all meetings of the Working Committee shall meet governing legal requirements. The notice shall be served at least 24 hours prior to the time of such meeting. Copies of the agendas with attachments for meetings will be distributed to Working Committee members 24 hours prior to the time of such meeting.

(f) The Chief Executive Officer will provide Utilities staff support for Committees. The Chief Executive officer or designee will be responsible for preparing draft agendas for review and approval by the Committee and for keeping minutes of all Committee meetings. Copies of the minutes shall also be provided to members of the Utilities Board.

(g) At the discretion of the Committee or the majority of the Committee members present, public comment will be taken at meetings. Individual comments are limited to three minutes each unless time is extended by the Committee or majority of the Committee members present.

(h) A Committee member's attendance at a Committee meeting may be achieved electronically and/or telephonically with the approval of the Committee Chair.

**Commented [HG1]:** Please advise if Committee should be changed to Working Committee

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### RULE 4. - MEETINGS

(a) The regular meetings of the Utilities Board shall be held at 1:00 pm on the Wednesday following the third Tuesday of each month, unless another time for a specified regular meeting has been approved by the Chair or the Utilities Board and

notice of the changed time for the specified regular meeting has been given in accordance with subsection (f) of this rule to the extent practical under the circumstances. In the event the time of a specified regular meeting is changed, the Chair or the Utilities Board, as appropriate, shall also direct any change in the times for agenda preparation and distribution as necessary under the circumstances.

(b) The regular meetings of the Utilities Board shall be held in the Blue River Board Room, 5th Floor, Plaza of the Rockies South Tower, 121 S. Tejon Street, Colorado Springs, Colorado, unless another location for a specified regular meeting has been approved by the Chair or the Utilities Board and the substitute location for a specific regular meeting is specifically described in the agenda for that specific meeting.

(c) Five members of the Utilities Board shall constitute a quorum, but in the absence of a quorum, members present may adjourn the meeting to a later date or may attend to any matters not requiring a quorum. For the purpose of establishing a quorum, the Mayor shall not be counted as one of the five necessary members.

(d) Special meetings of the Utilities Board may be held at such time and place as stated in the notice of the meeting. The Chair may, or, upon the request of three Utilities Board members, shall call special meetings of the Utilities Board by notice to each of the Utilities Board members in writing, which notice shall state the purpose for which the meeting is called. The notice shall be served at least 24 hours prior to the time of such meeting. The notice shall be served personally or by email to each Utilities Board member at the email address shown on the Secretary's records.

(e) The Utilities Board by majority vote may recess a regular or special meeting to a time specified in the motion therefore.

(f) Public notice of all regular and special meetings of the Utilities Board shall at all times meet governing legal requirements. Copies of the complete agenda packet including all attachments will be posted on [csu.org](http://csu.org) no later than one week before the meeting is to commence.

(g) The Board shall determine what monthly agenda topics are required as part of its annual planning calendar.

(h) The general format of monthly agendas shall be determined by the Board.

(i) The Chief Executive Officer shall be responsible for preparation of a draft agenda for each regular Utilities Board meeting. The draft agenda shall be reviewed by the Chair who shall have final authority as to items to be included on the monthly agenda in addition to the items required to be considered by the Boards' annual planning calendar.

(j) Agendas with attachments for regular meetings will be distributed to Utilities Board members by 5:00 p.m. on Wednesday of the week preceding each regular meeting.

(k) Utilities Board members may request agenda items by contacting the Chief Executive Officer's Office or the Manager of Strategic Planning and Governance or the Utilities Board Administrator. The cut-off time for requesting additional agenda items for regular meetings shall be 5:00 p.m. on Monday of the week preceding the regular meeting. For good cause, the Chair may authorize additional action or executive session items to be placed on the agenda for

an upcoming meeting after this deadline provided that public notice of such additional action or executive session items is given in accordance with legal requirements and provided notice thereof is given to Board members in the same manner as required for a notice of special meeting under Rule (4)(d) above.

(l) As part of General Board Discussion, any Board member may raise any matter of concern relating to Utilities for discussion. However, no Board action can be taken on any such matter until it is placed on an agenda for a regular meeting or is a subject of a special meeting. Expense reimbursement matters may be discussed as part of General Board Discussion.

(m) Any Board members desiring to speak or to make a motion shall address the Chair as “Mr. (or Madam) Chair”, and the Chair shall thereupon pronounce the name of the Board member entitled to the floor. Board members addressing the Board shall confine themselves to the issues being discussed.

(n) A Board member’s presence at a Utilities Board meeting may be achieved electronically and/or telephonically with the approval of the Board Chair. Except in the event of extenuating circumstances, requests to attend a Utilities Board meeting electronically and/or telephonically must be submitted to the Board Chair no less than 7 days prior to a regular meeting of the Utilities Board, or no less than 12 hours prior to any special meeting of the Utilities Board.

#### **RULE 5. - CUSTOMER AND PUBLIC COMMENT**

(a) At each regular Utilities Board meeting, customers and members of the

public shall be allowed to comment on any matters not on the current agenda and that are not repetitious, during the Customer Comment period. Individuals will be allowed a maximum of three (3) minutes, and the Customer Comment period will not exceed thirty minutes at each regular meeting. Time limits will be strictly enforced by Chair of the Utilities Board, unless the Chair agrees to extend the maximum time.

(b) At the discretion of the Chair, or the majority of Utilities Board members present, customers and members of the public will be allowed to comment or ask questions concerning other agenda items at regular meetings or concerning matters discussed at special meetings. Such comments or questions will be limited to three (3) minutes each, and will not exceed thirty minutes on any agenda item.

(c) Customers and members of the public may address the Utilities Board in person, electronically, or telephonically.

#### **RULE 6. - BOARD ACTIONS**

(a) Provided a quorum is present, the Utilities Board may take action only by resolution or motion.

(b) Resolutions or motions shall be approved by the majority vote of the members of the Utilities Board present, except that the affirmative votes of five members of the Utilities Board are required for adoption or revision of the Bylaws, adoption or revision of written Board Policies, and approval of any motion or resolution providing for the expenditure of money.

(c) A voice vote will be used for all Board items requiring a vote, with full

details recorded in the minutes of the Utilities Board meeting. An additional roll call vote may be used as necessary for clarity or in the event a Board member is participating electronically and/or telephonically.

(d) Utilities Board resolutions shall be signed by the Chair and the Chief Executive Officer.

#### **RULE 7. - MOTIONS**

(a) When a motion is made and seconded, it may be restated by the Chair or by the Chief Executive Officer before a debate and again before the final vote. Any member may demand that a motion be reduced to writing. A motion may not be withdrawn by the mover without the consent of the second.

(b) When an item is before the Utilities Board, no motion shall be entertained except as listed according to priority (highest to lowest):

(1) Motion to Adjourn - Requires a second, is not debatable, is not amendable, and requires a majority vote of those present.

(2) Motion to Recess - Requires a second, is not debatable, is amendable only as to time and duration of recess, and requires a majority vote of those present.

(3) Motion to Postpone Temporarily - Requires a second, is not debatable, is not amendable, and requires a majority vote of those present.

(4) Motion to Close Debate - Requires a second, is not debatable, is

not amendable, and requires a 2/3 vote of those present.

(5) Motion to Limit or Extend Debate - Requires a second, is debatable as to type and time of limitations, is amendable as to time and type of limitations, and requires a 2/3 vote of those present.

(6) Motion to Postpone to a Definite Time - Requires a second, is debatable as to reasons for postponement and date of reconsideration, is amendable as to date of reconsideration, and requires a majority vote of those present.

(7) Motion to Refer - Requires a second, is debatable as to the referral, is amendable as to the referral, and requires a majority vote of those present.

(8) Motion to Amend - Requires a second, is debatable unless applied to an undebatable motion, is amendable, and requires a majority vote of those present.

(9) Motion to Postpone Indefinitely - Requires a second, is debatable, is not amendable, and requires a majority vote of those present.

(10) Motion to Reconsider - Requires a second, is debatable, is not amendable, and requires a majority vote of those present. This motion can be made at the same meeting or at a meeting other than the meeting at which the action was taken. If made at a meeting other than the meeting at which the action was taken, all members of the Utilities Board must be given at least seven days written notice by the Chief

Executive Officer that a named Board member is going to move to reconsider Item No. \_ of the formal Utilities Board Agenda of (Date). If the motion to reconsider is voted upon and approved, no action shall be taken on the item reconsidered until the next regular Utilities Board meeting.

(11) Main Motions - Requires a second, is debatable, is amendable, requires a majority vote of those present.

(c) In making any of the above motions, the motion maker may not interrupt another speaker.

#### **RULE 8. - SPECIAL MOTIONS**

(a) These motions must be disposed of immediately:

(1) Motion Objecting to Consideration - This motion must be made immediately after an item is called to the attention of the Utilities Board by the Chief Executive Officer. This motion enables the Utilities Board to avoid a main motion that would be undesirable to consider at the time. It does not require a second, is not debatable, is not amendable, and requires a 2/3 vote of those present.

(2) Motion to Withdraw - A mover of any motion may withdraw the motion as a matter of right so long as the consent of the second is first obtained.

(3) Motion to Suspend Rules - This motion applies to all procedural rules herein. The purpose of this rule is to enable the Utilities Board to set aside one or more of its procedural rules that would otherwise prevent consideration of a certain action. A motion to suspend

rules suspends only those rules which specifically interfere with the consideration of the particular action involved. The rules are suspended only temporarily and are automatically reactivated when the proposed action has been considered. Voting or notice requirements set forth in these Bylaws and rules set forth in the City Charter, City Code, Utilities tariffs or written Board Policies may not be altered by suspending the rules. A motion to suspend rules is not a debatable motion and may not be amended. It requires a majority vote of the Utilities Board members present.

#### **RULE 9. - MINUTES AND RECORDINGS**

(a) The Chief Executive Officer will be responsible for keeping minutes of all Utilities Board meetings. Minutes of the previous regular meeting and any special meetings occurring in the previous month shall be included in the Utilities Board member's agenda packets for distribution prior to each regular meeting.

(b) All regular and special Utilities Board meetings will be recorded, and the audio recordings will be archived.

(c) Minutes of the Utilities Board shall be archived and then posted on Colorado Springs Utilities' website, for a minimum of three (3) years, in order to be available for public access.

#### **RULE 10. - EXECUTIVE SESSION PROCEDURES**

(a) The Chief Executive Officer and the City Attorney's Office Utilities Division Chief shall prepare the agenda for the Executive Session of the Utilities Board

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 Executive Session as set forth below. The Chair shall poll Board members, and, upon consent of two thirds of the Board members present, not including the Mayor if he or she is present, may hold a closed Executive Session. The Mayor may attend an Executive Session, but must comply with Rule 13 when in attendance at an Executive Session. If consent to the closed Executive Session is not given, the item may be discussed in open session or withdrawn from consideration.

(c) No adoption of any proposed policy, position, resolution, rule, regulation or formal action shall occur in Executive Session which is not open to the public. However, Utilities Board members may receive information and provide direction, as provided by law in the following areas:

(1) Purchase, acquisition, lease, transfer, or sale of any real, personal or other property interests.

(2) Conferences with the City Attorney or other attorneys for Utilities, for the purposes of receiving legal advice on specific legal questions, issues or matters.

(3) Matters required to be confidential by federal or state law or rules and regulations.

(4) Specialized details of security arrangements or investigations.

(5) Determining positions relative to matters that may be subject to negotiations, developing strategy for negotiations, and instructing negotiators.

(6) Personnel matters except if the employee who is subject of the session has requested an open hearing, or if the personnel matter involves more than one employee, all the employees have requested an open meeting.

(7) 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) Executive Sessions will be electronically recorded, and the audio recordings will be archived. All such recordings shall be privileged and confidential records.

(e) Any items discussed in Executive Session requiring formal Utilities Board or Council consideration ordinarily will be put on the next regular Utilities Board or City Council meeting agenda as a Utilities Business item.

(f) Nothing herein shall restrict the Board from deciding to hold an Executive Session regarding any other agenda item provided such decision meets the criteria set forth in sub paragraph 10 (c) above.

(g) Prior to entering into any Executive Session, Board members participating electronically or telephonically shall ensure that no other individual not authorized to participate in the Executive Session is



present or able to hear the matter discussed as part of the Executive Session.

#### **RULE 11. - EXPENSE REIMBURSEMENT**

(a) Utilities Board may authorize reimbursement of expenses incurred by its members for travel and educational purposes relating to their duties as Utilities Board members. Such reimbursements shall be in accordance with Colorado Springs Utilities then current travel policies. Any conflicts or issues shall be resolved by the Utilities Board.

(b) No vote of Utilities Board or of City Council shall be required to authorize such reimbursements.

(c) The appropriate Staff of Colorado Springs Utilities will coordinate necessary travel arrangements and will process reimbursement requests.

#### **RULE 12. - MODIFICATION OF BYLAWS**

(a) Utilities Board members can suggest modifications to Bylaws by placing the matter as an agenda item at a regular Utilities Board meeting.

(b) The Chief Executive Officer may suggest Bylaw revisions, but the decision to bring any such matters to a vote will be reserved to the Utilities Board.

#### **RULE 13. - ROLE OF THE MAYOR ON THE UTILITIES BOARD**

The Mayor shall have the right, but not the obligation, to attend Utilities Board meetings. Under City Charter Art. 6- 40(a), which states that the Mayor is “an ex officio and non-voting member” of the Utilities

Board, he or she does not have the right to vote as part of the Utilities Board; additionally, the Mayor shall not make or second any motions as a member of the Utilities Board. The Mayor may participate freely, within the procedural rules of the Utilities Board, in discussions, asking questions, and providing comments. Additionally, the Mayor may attend Executive Sessions of the Utilities Board in accordance with Rule 10.

#### **RULE 14. – APPLICATION OF CITY COUNCIL RULES**

In the event these Bylaws do not address a matter or issue, and such matter or issue is addressed by the Rules and Procedures of City Council, the Utilities Board shall apply the Rules and Procedures of City Council when considering such matter or issue.

# Board Memo Agenda Item

## Staff Report

<b>Date:</b> (Date of Utilities Board Meeting)	August 20, 2025		
<b>To:</b>	Utilities Board		
<b>From:</b>	Travas Deal, Chief Executive Officer		
<b>Subject:</b>	2026 Draft Budget and Rate Case		
<b>NARRATIVE:</b>			
<b>Desired Action:</b> Choose only one	<input type="checkbox"/> Approval <input checked="" type="checkbox"/> Discussion <input type="checkbox"/> Information		
<b>Executive Summary:</b>	<p>The 2026 Draft Budget provides an overview of the proposed budget and financial metrics. Colorado Springs Utilities (Utilities) will submit the 2026 Budget and appropriation ordinances to City Council for the October 14, 2025, first reading and October 28, 2025, second reading.</p> <p>On September 9, 2025, Utilities anticipates filing the 2026 Rate Case and requesting a Public Rate Hearing date of October 14, 2025. The 2026 Preliminary Rate Case summarizes preliminary proposed changes to certain Electric Rate Schedules, Utilities Rules and Regulations, the Open Access Transmission Tariff, and summarizes the proposed transmission owner filing. After the Rate Hearing, City Council will review the Decision and Order at the October 27, 2025, Work Session with a decision at the Regular City Council meeting on October 28, 2025.</p>		
<b>Benefits:</b>	The 2026 Preliminary Budget supports the Annual Operating and Financial Plan		
<b>Board Policy:</b> If this impacts one of the board policies, indicate that here.	Pricing of Services (I-1), Financial Planning and Budgeting (I-3), Rate Design (G-5)		
<b>Cost / Budget:</b> Include the projected cost or budget here.	Overview of 2026 Preliminary Budget and Rate Case		
<b>Affected Parties:</b> This could include community groups, specific City Council Districts, other utilities, nonprofit organizations, certain neighborhoods, Colorado Springs Utilities employees, etc.	Certain Utilities' Electric Customers		
<b>Alternatives:</b>	Utilities Board to provide alternative direction		
<b>Submitter:</b>	Scott Shirola	<b>Email Address:</b>	sshiraola@csu.org
<b>Division:</b>	Planning and Finance	<b>Phone Number:</b>	(719) 668-8661
<b>Department:</b>	Pricing and Rates	<b>Date Submitted:</b>	August 15, 2025
<b>SPG Staff Use Only:</b>	Consent Calendar <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		Item Number 9
ITEMS SUBMITTED AFTER THE DEADLINE WILL BE POSTPONED UNTIL THE NEXT UTILITIES BOARD MEETING.			



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

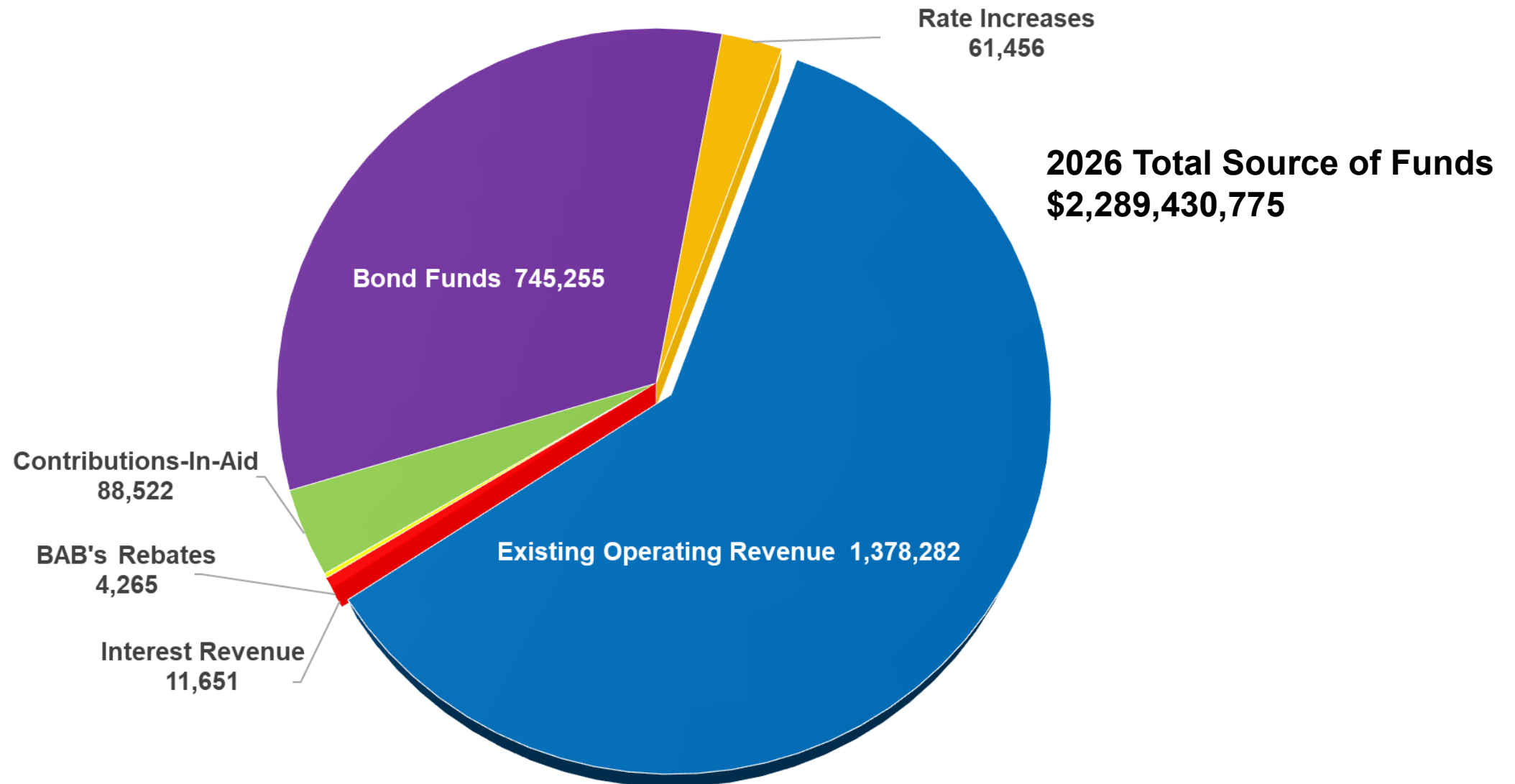
# 2026 Draft Budget and Rate Case

Utilities Board  
August 20, 2025

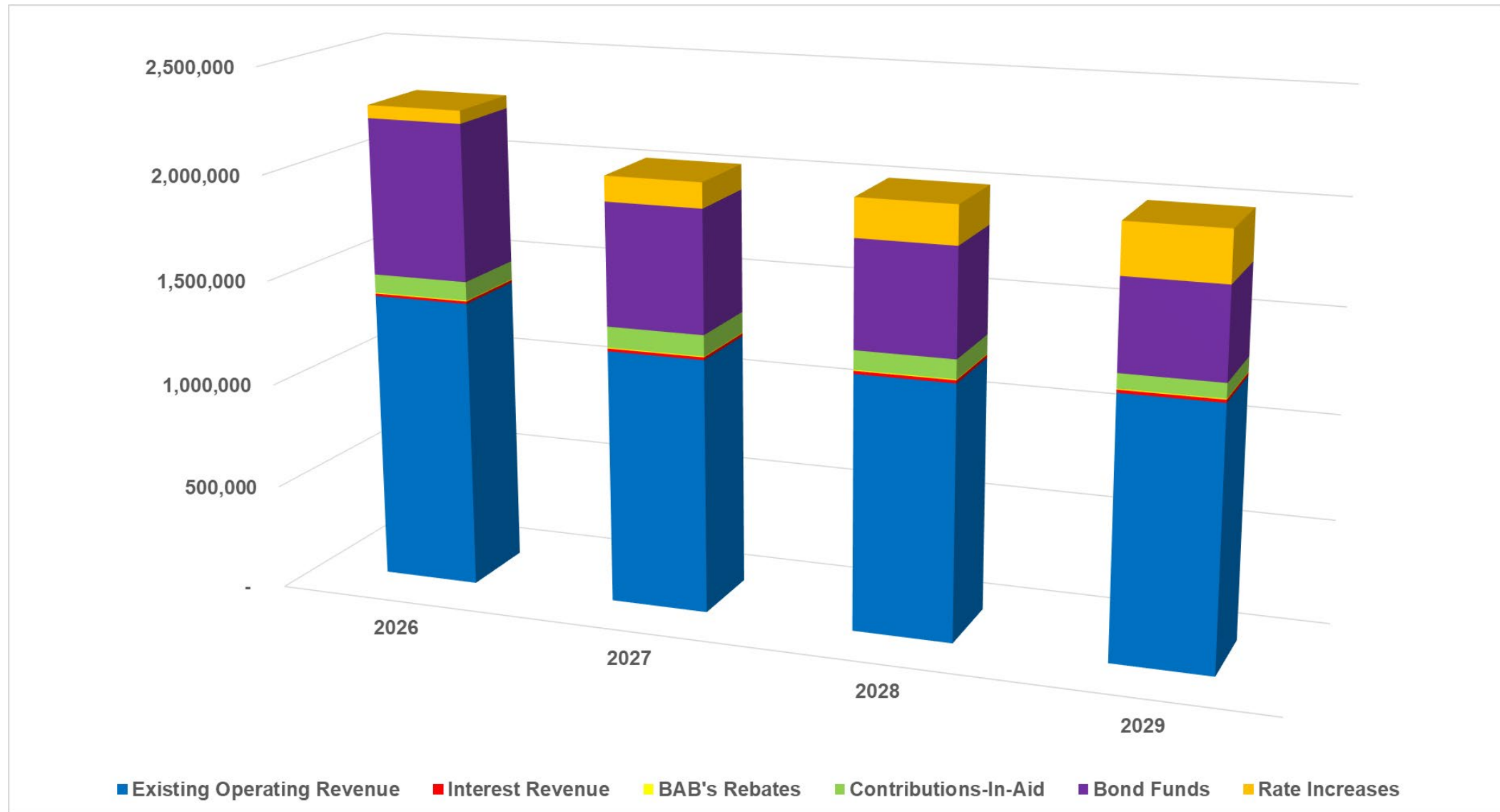
# 2026 Draft Budget

# Budget Overview

# Funding 2026 Appropriation (in thousands)



# Funding 2026-29 Appropriation (in thousands)





# Proposed 2026 Budget

## Budget Summary (in thousands)

	2026 Proposed Budget	2025 Approved Budget	Increase / (Decrease)	% Change
Capital Projects	\$ 948,201	\$ 628,752	\$ 319,449	50.8%
Fuel Operations & Maintenance	536,073	493,961	42,112	8.5%
Non-Fuel Operations & Maintenance	451,529	437,774	13,755	3.1%
Debt Service	266,425	228,711	37,713	16.5%
Transfers - Surplus Funds to City	36,543	37,138	(594)	-1.6%
Other	365	380	(16)	-4.2%
<b>TOTAL</b>	<b>\$2,239,136</b>	<b>\$1,826,717</b>	<b>\$ 412,419</b>	<b>22.6%</b>



# Proposed 2026 Budget Comparison

## Budget Summary (in thousands)

	2026 Proposed Budget	2026 2nd Consol Budget	Increase / (Decrease)	% Change
Capital Projects	\$ 948,201	\$ 942,137	\$ 6,064	0.6%
Fuel Operations & Maintenance	339,155	336,361	2,794	0.8%
Fuel Commodity - Increased Cost Scenario	196,918	193,919	2,999	1.5%
Non-Fuel Operations & Maintenance	451,529	453,571	(2,042)	-0.5%
Debt Service	266,425	271,364	(4,939)	-1.8%
Transfers - Surplus Funds to City	36,543	37,301	(757)	-2.0%
Other	365	365	-	0.0%
<b>TOTAL</b>	<b>\$2,239,136</b>	<b>\$2,235,016</b>	<b>\$ 4,119</b>	<b>0.2%</b>

# Proposed 2026-29 Forecast (in thousands)

	2026	2027	2028	2029
Capital Projects	\$948,201	\$860,019	\$812,512	\$758,300
Operations & Maintenance – Fuel*	\$536,073	\$538,682	\$548,673	\$548,019
Operations & Maintenance – Non-Fuel	\$451,529	\$455,593	\$462,415	\$469,441
Debt Service	\$266,425	\$302,694	\$345,329	\$373,888
Surplus Transfers & Franchise Fees	\$36,908	\$37,742	\$36,970	\$37,006
<b>Total</b>	<b>\$2,239,136</b>	<b>\$2,194,731</b>	<b>\$2,205,899</b>	<b>\$2,186,655</b>

\* Contains high fuel case of \$197M in each year.

# Proposed 2025-29 Comparison (in thousands)

	Previous 5-Year	Proposed 5-Year	Variance
Capital Projects	\$3,910,918	\$4,021,557	\$110,639
Operations & Maintenance – Fuel*	\$3,022,393	\$2,486,831	(\$535,562)
Operations & Maintenance – Non-Fuel	\$2,326,494	\$2,286,590	(\$39,904)
Debt Service	\$1,489,326	\$1,512,854	\$23,328
Surplus Transfers & Franchise Fees	\$191,419	\$185,663	(\$5,756)
<b>Total</b>	<b>\$10,940,550</b>	<b>\$10,493,295</b>	<b>(\$447,255)</b>

# Total Labor and Non-Fuel Operations & Maintenance

# Total Labor & O&M By Account Group (in thousands)

Account Group	FY26 Proposed Budget	FY25 Approved Budget	Increase/ (Decrease)	% Change
Total Labor	\$ 267,034	\$ 250,271	\$ 16,763	6.7%
Total Benefits	82,261	77,792	4,469	5.7%
Outside Professional Services	59,330	58,056	1,274	2.2%
Equipment Lease & Maintenance	36,609	33,162	3,447	10.4%
Buildings & Utilities	26,434	24,974	1,460	5.8%
Office Expenses, Materials & Supplies	40,186	42,900	(2,715)	-6.3%
Travel, Education & Employee Expenses	5,137	4,736	401	8.5%
Conserve, Safety, Customer Assist & Financial Info	5,565	5,280	285	5.4%
Professional/Industry Memberships & Publications	2,295	1,893	402	21.2%
Misc. Accounting General	19,308	24,680	(5,372)	-21.8%
<b>Total <sup>1</sup></b>	<b>\$ 544,157</b>	<b>\$ 523,743</b>	<b>\$ 20,414</b>	<b>3.9%</b>

<sup>1</sup> Totals exclude inter-service eliminations, Administration & General overhead, and GASB 68 and 75 pension expense.

# Total Labor & O&M By Division (in thousands)

Division	FY26 Proposed Budget	FY25 Approved Budget	Increase/ (Decrease)	% Change
Corporate	\$ 13,438	\$ 19,797	\$ (6,359)	-32.1%
CEO Direct Reports (Division 1)	3,804	3,409	394	11.6%
Admin and Human Resources (Division 2)	120,673	114,412	6,260	5.5%
Planning and Finance (Division 4)	22,439	23,715	(1,276)	-5.4%
Customer & Enterprise Services (Division 5)	80,404	77,452	2,952	3.8%
Operations Division (Division 7)	237,696	220,939	16,758	7.6%
System Planning and Projects (Division 9)	65,703	64,018	1,685	2.6%
<b>Total <sup>1</sup></b>	<b>\$ 544,157</b>	<b>\$ 523,743</b>	<b>\$ 20,414</b>	<b>3.9%</b>

<sup>1</sup> Totals exclude inter-service eliminations, Administration & General overhead, and GASB 68 and 75 pension expense.

# Capital Project Overview

# 2026-2029 Electric Budget Allocation

Business Critical Body of Work	Category	Project Name	4 Year Total (\$M)
Fiber	Fiber	Operational Fiber Network	203
Transmission	Growth	APIP – Peak Innovation Park(PIP) – 600MW Load	175
Distribution	Growth	Underground 12.5kV Distribution to New Residential Customers	24
Generation	Regulatory	SEP Horizon Power Plant	550
Transmission	Regulatory	SEP EIRP Implementation	261
Substation	Reliability	SEP Kelker Substation Rebuild-Expansion	40
Transmission	Reliability	SEP MW-KE Transmission Line	37
Substation	Reliability	Substations Power Transformer Purchases	33
Substation	Reliability	Central Bluffs Substation	24
Generation	Reliability	Front Range General Electric Hot Gas Path Replacement	21



# 2026-2029 Gas Budget Allocation

Business Critical Body of Work	Category	Project Name	4 Year Total (\$M)
Pipeline	Growth	New Construction Billable	15
Meters	Growth	Gas Meters - Base Requirements	8
Pipeline	Growth	New Construction Non-Billable	5
Pipeline	Regulatory	DIMP Accelerated Work	80
Pipeline	Regulatory	DIMP - Gas Coated Steel Renewals	15
Pipeline	Regulatory	Loch Fyne, Phase II	10
Pipeline	Regulatory	DIMP - Gas 150P System Renewals	6
Pipeline	Reliability	Downtown and Military Gas Supply Resiliency Project	56
Tools and Equipment	Reliability	Gas Unplanned Maintenance	9
Pipeline	Reliability	Gas Service Vehicles & Equipment	8

# 2026-2029 Water Capital Budget Allocation

Business Critical Body of Work	Category	Project Name	4 Year Total (\$M)
Finished Water	Regulatory	Public Improvement Projects – Water	25
Storage	Growth (WRF)	Continental-Hoosier System Project	107
Water Rights	Growth (WRF)	Water Acquisition (Las Animas Consolidated Company, Fort Lyon Canal Company)	30
Finished Water	Reliability	Finished Water Linear Asset Program	45
Pump	Reliability	Austin Bluffs Pump Station and Transmission	29
Treatment	Reliability	Tollefson/Mesa WTP Program Upgrades Ph 2 and 3	26
Storage	Reliability	Penrose Water Supply	23
Finished Water	Reliability	WOLF and UBGH Pressure Zone Interconnection - North Segment, Phase 1 of 2	21
Pump	Reliability	Centennial Boulevard Pump Station and Transmission	19
Storage	Reliability	Potable Water Tank Refurbishment/Replacement Program	17

# 2026-2029 Wastewater Budget Allocation

Business Critical Body of Work	Category	Project Name	4 Year Total (\$M)
Collection	Financial	Northern Monument Creek Interceptor	94
SSCC	Regulatory	SSCC Collection System Rehabilitation/Replacement Program	15
Treatment	Regulatory	LVSRRF I&C Improvements	14
Treatment	Regulatory	JDP BNR Upgrades Phase 1	11
Collection	Growth (CR)	EWSE Crosstown Interceptor	135
Lift	Growth (CR)	EWSE New Lift Station and Force Main Phase 1	131
Collection	Growth (CR)	EWSE Milton Proby Interceptor	66
Treatment	Reliability	LVSRRF Influent Junction Box Replacement	17
Treatment	Reliability	LVSRRF RAS Pump Replacement	9
Treatment	Reliability	CSRRF Gas and Steam System Improvements	9

# 2026-2029 Common Budget Allocation

Business Critical Body of Work	Risk Type	Project Name	4 Year Total (\$M)
IT	Reliability	Computer Maintenance Management System (CMMS)	9.1
Fleet	Reliability	Common Service Vehicles & Equipment	8.3
OT	Reliability	GIS Technology Modernization Project	8
IT	Reliability	Network Enterprise Services Program	7.5
Facilities	Reliability	BRDS02 Data Center PDU/UPS Upgrade	4.7
IT	Reliability	Infrastructure Platform Program	4
OT	Reliability	Trunked Radio System Replacement Program	3.8
Facilities	Reliability	Vac Material Processing Wash Plant Recovery System	2
OT	Reliability	SCADA	1.6

# 2026 Budget By-Service

# 2026 Service Level Summary

## Budget Summary (in thousands)

	2026 Proposed Budget	2025 Approved Budget	Increase / (Decrease)	% Change
Electric	\$1,315,068	\$ 916,264	\$ 398,804	43.5%
Gas	380,867	357,436	23,432	6.6%
Water	361,599	405,354	(43,755)	-10.8%
Wastewater	191,020	157,457	33,563	21.3%
Streetlighting	6,808	6,817	(9)	-0.1%
Inter-Service Eliminations	(16,227)	(16,611)	384	-2.3%
<b>TOTAL</b>	<b>\$2,239,136</b>	<b>\$1,826,717</b>	<b>\$ 412,419</b>	<b>22.6%</b>

# 4-year Service Level Summary (in thousands)

Service	2026	2027	2028	2029
Electric	\$ 1,315,068	\$ 1,127,680	\$ 1,115,702	\$ 1,045,541
Gas	\$ 380,867	\$ 423,786	\$ 433,615	\$ 414,864
Water	\$ 361,599	\$ 373,108	\$ 392,711	\$ 464,880
Wastewater	\$ 191,020	\$ 281,417	\$ 275,290	\$ 272,997
Streetlighting	\$ 6,808	\$ 6,955	\$ 7,084	\$ 7,046
Inter-Service Eliminations	\$ (16,227)	\$ (18,215)	\$ (18,502)	\$ (18,673)
<b>Total</b>	<b>\$ 2,239,136</b>	<b>\$ 2,194,731</b>	<b>\$ 2,205,899</b>	<b>\$ 2,186,655</b>

# 4-Year Average Service Level Financial Metrics

	Adjusted Debt Service Ratio	Debt Ratio	Days Cash on Hand
Electric	2.06		
Gas	2.71	70.8%	
Water	1.80	53.8%	151
Wastewater	1.81	46.1%	123
Streetlighting	4.94	55.3%	181
		22.2%	180
			24



# 5-year Rate Outlook

# Proposed 2026-29 Budget Overview (in thousands)

Proposed Metrics		2026	2027	2028	2029	4 Year Average
Adjusted Debt Service Coverage		1.95	2.03	1.90	1.90	1.95
Debt Ratio		57.6%	58.6%	58.9%	57.5%	58.3%
Days Cash on Hand		155	155	155	155	155
Proposed Rate Increases Needed	2025 Typical Bill	2026 Rate Increases	2027 Rate Increases	2028 Rate Increases	2029 Rate Increases	2029 Typical Bill
Electric (Base Rates)	\$80.58	6.5%	6.5%	6.5%	6.5%	\$103.30
Gas (Base Rates)*	\$24.11	4.0%	4.0%	4.0%	4.0%	\$28.00
Water	\$85.10	6.5%	6.5%	6.5%	6.5%	\$109.06
Wastewater	\$37.33	9.0%	9.0%	9.0%	9.0%	\$52.65
Total Non-Fuel Bill	\$227.12	6.5% \$241.99	6.6% \$257.94	6.5% \$274.81	6.6%	\$293.01

\* Excludes possible DIMP rider.

- No new base rates need through 2029

# 2026 Draft Rate Case

# 2026 Rate Case Overview

- Rate Case filing includes:
  - Proposed changes to Utilities' Tariffs and procedural actions:
    - Electric Rate Schedules
    - Utilities Rules and Regulations (URR)
    - Administrative clerical corrections to tariffs and procedural actions
  - Proposed Transmission Owner Filing
    - Southwest Power Pool (SPP) Regional Transmission Organization (RTO)
    - Withdrawal of Open Access Transmission Tariff (OATT)
- Effective date of proposed changes
  - November 1, 2025, January 1, 2026; April 1, 2026; and January 1, 2027
- The 2026 Rate Case filing will contain the comprehensive proposed changes
  - Reports, Resolutions, Tariffs, and other supporting materials

# Proposed Tariff Changes and Procedural Actions

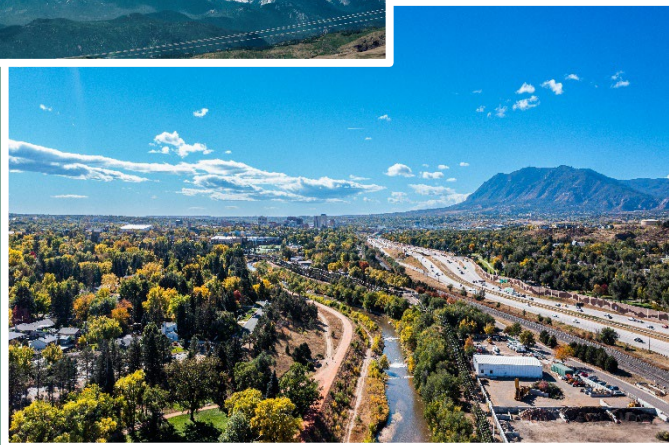
- Electric Rate Schedules
  - Industrial Service – Large Load
  - Renewable Energy Net Metering
  - Contract Service – Wheeling
- Utilities Rules and Regulations
  - Industrial Service – Large Load
  - Large Load Requirements Study Fee
  - Hydraulic Analysis Fee
- Clerical administrative changes to:
  - Electric Rate Schedules
  - Utilities Rules and Regulations
  - OATT
  - Public Utilities Regulatory Policy Act (PURPA)





# OATT and Transmission Owner Filing

- Withdrawal of Utilities OATT
- Transmission Owner Filing to Southwest Power Pool (SPP) Regional Transmission Organization



# Next Steps

- ✓ • August 8 Preliminary Filing to OCA
- ✓ • August 18 Utilities Board Working Committee
  - 2026 Proposed Utilities Preliminary Budget and Rate Case Presentation
- ✓ • August 20 Utilities Board:
  - 2026 Proposed Utilities Preliminary Budget and Rate Case Presentation
- September 9 City Council:
  - Request to establish a Public Hearing date and formal filing of the 2026 Rate Case with City Clerk
- October 14 City Council:
  - 2026 Utilities Budget First Reading
  - 2026 Rate Case Hearing
- October 27 City Council
  - 2026 Rate Case Draft Decision & Order
- October 28 City Council:
  - 2026 Utilities Budget Second Reading
  - 2026 Rate Case Decision & Order





Colorado Springs Utilities

*It's how we're all connected*