



## 2026 ANNUAL OPERATING AND FINANCIAL PLAN



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Note: Immaterial differences may occur due to rounding.

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# EXECUTIVE SUMMARY

## ABOUT THE ANNUAL OPERATING AND FINANCIAL PLAN

The 2026 Approved Budget was developed to achieve the outcomes most important to the Utilities Board and customers: competitive utility rates; safe, reliable service and outstanding customer experiences.

The budget supports the financial metrics necessary to maintain at least a “AA” credit rating that helps keep customer rates competitive.

## INTRODUCTION

Colorado Springs Utilities (Springs Utilities), like energy and water providers across the country, is

- Facing a rapidly changing industry.
- Complying with increasing regulatory requirements.
- Experiencing increasing infrastructure needs.
- Maintaining competitive pay and benefits in a tight labor market.

To successfully meet current and future customer expectations, Springs Utilities will continue strategic, long-term planning efforts.

The Utilities Board is accountable for ensuring the benefits of local ownership and control for the citizens of Colorado Springs. Their strategic foundation of rates, reliability and relationships guides how the organization continues to uphold its mission of providing safe, reliable competitively-priced utility services for customers.



## TOTAL BUDGET

The 2026 Approved Budget is \$2.2 billion, an **increase** of \$412.4 million, or 22.6 percent, from the 2025 Approved Budget. This **increase** is primarily the result of higher Capital Projects, Fuel Operations & Maintenance, Non-Fuel Operations & Maintenance, and Debt Service. All increases and decreases are described in the detail that follows and are in comparison to the 2025 Approved Budget.

### Capital Projects

Total Capital costs for 2026 are \$948.2 million and represents 42.3 percent of the 2026 Approved Budget. Capital improvements are required to maintain and rehabilitate aging infrastructure, to provide safe and reliable services to existing customers, to prepare for future demand, and to meet environmental and regulatory requirements.

Total 2026 Capital expenditures **increase** by \$319.4 million, or 50.8 percent from the 2025 Approved Budget.

- Electric Capital **increases** by \$339.2 million, due to the Sustainable Energy Plan (SEP) projects required for execution of the 2020 Electric Integrated Resource Plan (EIRP). Additionally, Airport Peak Innovation Park (APIP) projects and Substations to support growth.
- Natural Gas Capital **increases** by \$11.4 million, due to the Distribution Integrity Management Program (DIMP) Accelerated Work to mitigate risks on the natural gas distribution system from 2025-2034.
- Water Capital **decreases** by \$44.1 million, due to less planned Water Rights acquisitions. Additionally, the completion of the Highline Pressure Zone Extension and Redundant Supply project.
- Wastewater Capital **increases** by \$31.2 million, due to the Northern Monument Creek Interceptor (NMCI) project and the Eastern Wastewater System Expansion (EWSE).
- Common Capital to support all the services **decreases** by \$18.3 million, due to less technology upgrades, facility upgrades, and fleet purchases.

### Fuel Operations & Maintenance

Total Fuel Operations & Maintenance costs for 2026 are \$534.7 million and represents 23.9 percent of the 2026 Budget.

Total 2026 Fuel and Purchased Power expenditures **increases** by \$40.7 million, or 8.2 percent, from the 2025 Approved Budget due to a one Standard Deviation (SD), higher forecasted market pricing, and capacity charges.

- A one SD of \$196.9 million added for contingency due to price volatility in the fuels market, this represents a \$19.9 million **increase** to the 2025 Budget.
- Market pricing **increases** \$15.9 million.
- Capacity charges **increases** \$4.8 million.

### Non-Fuel Operations & Maintenance

Total Non-Fuel Operations & Maintenance costs for 2026 are \$452.9 million and represents 20.2 percent of the 2026 Budget.

Total 2026 Non-Fuel Operations & Maintenance expenditures **increases** by \$15.1 million, or 3.5 percent, from the 2025 Approved Budget, primarily due to retaining and attracting a skilled workforce.

- To maintain competitive compensation to attract and retain a skilled workforce, labor and benefits **increases** by \$16.6 million, or 6.2 percent from the 2025 Approved Budget. Employee benefits increases 5.2 percent, standby/shift increases 29.8 percent, overtime increases 11.5 percent, and overall increase in base pay 6.0 percent.
  - 43 new positions (supports Capital Projects and Operations & Maintenance); Reliability /Growth, DIMP, Maximize (Technology), Fiber, and Fort Carson IGA.

### Debt Service

Total Debt Service for 2026 is \$266.4 million and represents 11.9 percent of the 2026 Budget.

Total 2026 Debt Service payments **increases** by \$37.7 million or 16.5 percent from the 2025 Approved Budget primarily due to the 2025 bond issuance(s).

**Surplus Payments to the City**

Total Surplus Payments to the City for 2026 are \$36.5 million and represent 1.6 percent of the 2026 Budget.

Total 2026 Surplus Payments to the City are planned to **decrease** by 1.6 percent from the 2025 Approved Budget due to a decrease in inside city sales.

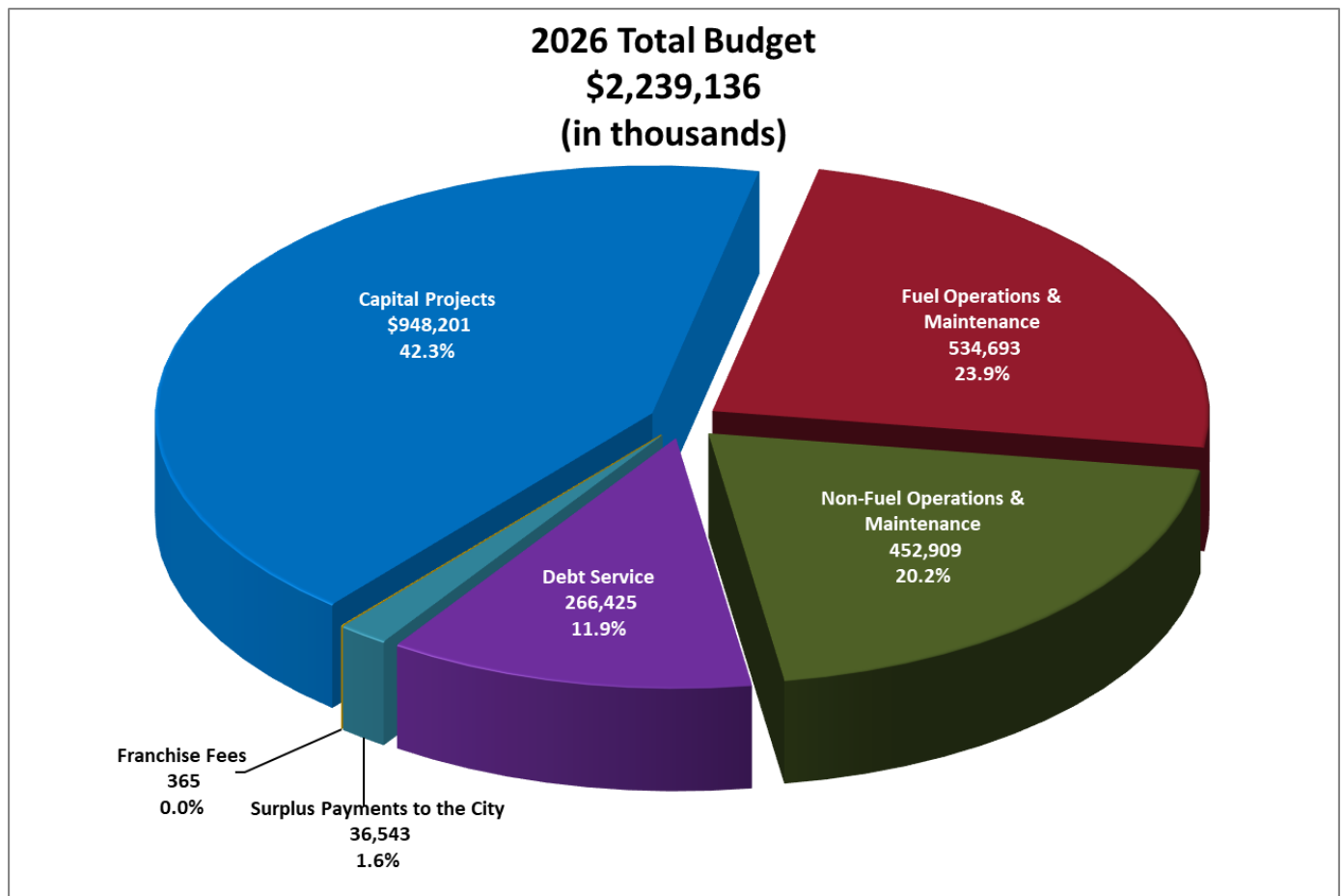
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## BUDGET SUMMARY

### 2026 BUDGET SUMMARY (in thousands)

	2026 Approved Budget	2025 Approved Budget	Increase / (Decrease)	% Change
Capital Projects	\$ 948,201	\$ 628,752	\$ 319,449	50.8%
Fuel Operations & Maintenance	534,693	493,961	40,732	8.2%
Non-Fuel Operations & Maintenance	452,909	437,774	15,135	3.5%
Debt Service	266,425	228,711	37,713	16.5%
Surplus Payments to the City	36,543	37,138	(594)	-1.6%
Franchise Fees	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>



**CAPITAL PROJECTS (in thousands)**

	<b>2026 Approved Budget</b>	<b>2025 Approved Budget</b>	<b>Increase / (Decrease)</b>	<b>% Change</b>
Electric	\$ 662,226	\$ 322,987	\$ 339,239	105.0%
Natural Gas	54,189	42,809	11,380	26.6%
Water	106,793	150,883	(44,090)	-29.2%
Wastewater	101,610	70,393	31,218	44.3%
Streetlighting	1,626	1,598	28	1.8%
Common	21,757	40,082	(18,326)	-45.7%
<b>TOTAL</b>	<b>\$ 948,201</b>	<b>\$ 628,752</b>	<b>\$ 319,449</b>	<b>50.8%</b>

**FUEL OPERATIONS & MAINTENANCE COSTS (in thousands)**

	<b>2026 Approved Budget</b>	<b>2025 Approved Budget</b>	<b>Increase / (Decrease)</b>	<b>% Change</b>
Purchased Power	\$ 80,664	\$ 79,961	\$ 703	0.9%
Fuel for Territorial Generation	198,743	169,859	28,884	17.0%
Natural Gas	228,558	218,259	10,299	4.7%
Wholesale:				
Electric	24,713	24,680	33	0.1%
Natural Gas	5,904	5,904	-	0.0%
Inter-Service Eliminations <sup>1</sup>	(3,890)	(4,703)	813	-17.3%
<b>TOTAL</b>	<b>\$ 534,693</b>	<b>\$ 493,961</b>	<b>\$ 40,732</b>	<b>8.2%</b>

<sup>1</sup> Inter-Service Eliminations are made to eliminate double counting of revenues and expenses provided from one utility service to another. Such revenues and expenses are eliminated on a consolidated enterprise basis.

**NON-FUEL OPERATIONS & MAINTENANCE COSTS BY SERVICE (in thousands)**

	<b>2026 Approved Budget</b>	<b>2025 Approved Budget</b>	<b>Increase / (Decrease)</b>	<b>% Change</b>
<b>Electric</b>				
Labor & Benefits	\$ 122,802	\$ 114,815	\$ 7,987	7.0%
Non-Labor	67,441	67,274	167	0.2%
<b>Total</b>	<b>\$ 190,243</b>	<b>\$ 182,089</b>	<b>\$ 8,154</b>	<b>4.5%</b>
<b>Natural Gas</b>				
Labor & Benefits	\$ 42,063	\$ 39,571	\$ 2,493	6.3%
Non-Labor	21,046	21,343	(297)	-1.4%
<b>Total</b>	<b>\$ 63,109</b>	<b>\$ 60,914</b>	<b>\$ 2,196</b>	<b>3.6%</b>
<b>Water</b>				
Labor & Benefits	\$ 78,112	\$ 74,317	\$ 3,796	5.1%
Non-Labor	71,246	72,871	(1,625)	-2.2%
<b>Total</b>	<b>\$ 149,358</b>	<b>\$ 147,188</b>	<b>\$ 2,170</b>	<b>1.5%</b>
<b>Wastewater</b>				
Labor & Benefits	\$ 38,584	\$ 36,397	\$ 2,188	6.0%
Non-Labor	19,402	18,723	679	3.6%
<b>Total</b>	<b>\$ 57,986</b>	<b>\$ 55,119</b>	<b>\$ 2,867</b>	<b>5.2%</b>
<b>Streetlighting</b>				
Labor & Benefits	\$ 1,645	\$ 1,548	\$ 97	6.3%
Non-Labor	2,905	2,825	80	2.8%
<b>Total</b>	<b>\$ 4,550</b>	<b>\$ 4,372</b>	<b>\$ 178</b>	<b>4.1%</b>
<b>Inter-Service Eliminations<sup>1</sup></b>	<b>\$ (12,337)</b>	<b>\$ (11,907)</b>	<b>\$ (430)</b>	<b>-3.6%</b>
<b>TOTAL</b>	<b>\$ 452,909</b>	<b>\$ 437,774</b>	<b>\$ 15,135</b>	<b>3.5%</b>

<sup>1</sup> Inter-Service Eliminations are made to eliminate double counting of revenues and expenses provided from one utility service to another. Such revenues and expenses are eliminated on a consolidated enterprise basis.

**OPERATIONS & MAINTENANCE AND CAPITAL LABOR & BENEFIT COSTS (in thousands)**

	<b>2026 Approved Budget</b>	<b>2025 Approved Budget</b>	<b>Increase / (Decrease)</b>	<b>% Change</b>
Operations & Maintenance	\$ 289,240	\$ 272,677	\$ 16,563	6.1%
Capital	60,054	55,385	4,669	8.4%
<b>TOTAL</b>	<b>\$ 349,294</b>	<b>\$ 328,063</b>	<b>\$ 21,232</b>	<b>6.5%</b>

**LABOR & BENEFIT COSTS BY CATEGORY (in thousands)**

	<b>2026 Approved Budget</b>	<b>2025 Approved Budget</b>	<b>Increase / (Decrease)</b>	<b>% Change</b>
Regular Base Pay	\$ 250,299	\$ 235,768	\$ 14,531	6.2%
Overtime	12,773	11,316	1,457	12.9%
Standby/Shift	3,371	2,595	775	29.9%
Other Compensation	591	591	-	0.0%
<b>Total Labor</b>	<b>\$ 267,034</b>	<b>\$ 250,271</b>	<b>\$ 16,763</b>	<b>6.7%</b>
Employee Benefits	\$ 81,195	\$ 76,704	\$ 4,491	5.9%
Post-Retirement Expenses	1,066	1,087	(22)	-2.0%
<b>Total Benefits</b>	<b>\$ 82,261</b>	<b>\$ 77,792</b>	<b>\$ 4,469</b>	<b>5.7%</b>
<b>TOTAL</b>	<b>\$ 349,294</b>	<b>\$ 328,063</b>	<b>\$ 21,232</b>	<b>6.5%</b>

**DEBT SERVICE (in thousands)**

	<b>2026 Approved Budget</b>	<b>2025 Approved Budget</b>	<b>Increase / (Decrease)</b>	<b>% Change</b>
<b>Electric</b>				
Interest Payments <sup>1</sup>	\$ 83,175	\$ 52,387	\$ 30,788	58.8%
Principal Repayments	40,565	41,945	(1,380)	-3.3%
<b>Total</b>	<b>\$ 123,740</b>	<b>\$ 94,331</b>	<b>\$ 29,408</b>	<b>31.2%</b>
<b>Natural Gas</b>				
Interest Payments <sup>1</sup>	\$ 11,695	\$ 9,418	\$ 2,277	24.2%
Principal Repayments	7,726	9,102	(1,376)	-15.1%
<b>Total</b>	<b>\$ 19,421</b>	<b>\$ 18,520</b>	<b>\$ 901</b>	<b>4.9%</b>
<b>Water</b>				
Interest Payments <sup>1</sup>	\$ 50,681	\$ 47,147	\$ 3,534	7.5%
Principal Repayments	43,843	42,071	1,773	4.2%
<b>Total</b>	<b>\$ 94,525</b>	<b>\$ 89,217</b>	<b>\$ 5,307</b>	<b>5.9%</b>
<b>Wastewater</b>				
Interest Payments <sup>1</sup>	\$ 16,864	\$ 13,653	\$ 3,211	23.5%
Principal Repayments	11,394	12,460	(1,066)	-8.6%
<b>Total</b>	<b>\$ 28,259</b>	<b>\$ 26,114</b>	<b>\$ 2,145</b>	<b>8.2%</b>
<b>Streetlighting</b>				
Interest Payments <sup>1</sup>	\$ 212	\$ 226	\$ (14)	-6.3%
Principal Repayments	270	304	(34)	-11.3%
<b>Total</b>	<b>\$ 481</b>	<b>\$ 530</b>	<b>\$ (49)</b>	<b>-9.2%</b>
<b>Total</b>				
Interest Payments <sup>1</sup>	\$ 162,627	\$ 122,831	\$ 39,796	32.4%
Principal Repayments	103,798	105,881	(2,083)	-2.0%
<b>TOTAL</b>	<b>\$ 266,425</b>	<b>\$ 228,711</b>	<b>\$ 37,713</b>	<b>16.5%</b>

<sup>1</sup> Bonds are issued for the general system and not specific to service. For forecasting purposes bonds and debt service are allocated based on capital budgets and then recorded to actuals as the expense is incurred. Interest payments are net of subsidies received for Build America Bonds issued for the Southern Delivery System and Front Range Power.

**INTER-SERVICE ELIMINATIONS<sup>1</sup> (in thousands)**

<b>Revenue</b>				
	<b>2026 Approved Budget</b>	<b>2025 Approved Budget</b>	<b>Increase / (Decrease)</b>	<b>% Change</b>
Electric Service	\$ 11,883	\$ 10,847	\$ 1,036	9.6%
Natural Gas Service	2,056	2,801	(745)	-26.6%
Water Service	2,206	2,863	(656)	-22.9%
Wastewater Service	82	100	(18)	-18.4%
<b>TOTAL</b>	<b>\$ 16,227</b>	<b>\$ 16,611</b>	<b>\$ (384)</b>	<b>-2.4%</b>

<b>Operations &amp; Maintenance Expense</b>				
	<b>2026 Approved Budget</b>	<b>2025 Approved Budget</b>	<b>Increase / (Decrease)</b>	<b>% Change</b>
Fuel	\$ 3,890	\$ 4,703	\$ (813)	-17.3%
Non-Fuel	12,337	11,907	430	3.6%
<b>TOTAL</b>	<b>\$ 16,227</b>	<b>\$ 16,611</b>	<b>\$ (384)</b>	<b>-2.4%</b>

<sup>1</sup> Inter-Service Eliminations are made to eliminate double counting of revenues and expenses provided from one utility service to another. Such revenues and expenses are eliminated on a consolidated enterprise basis.

# 2026 ENTERPRISE FINANCIAL PLAN

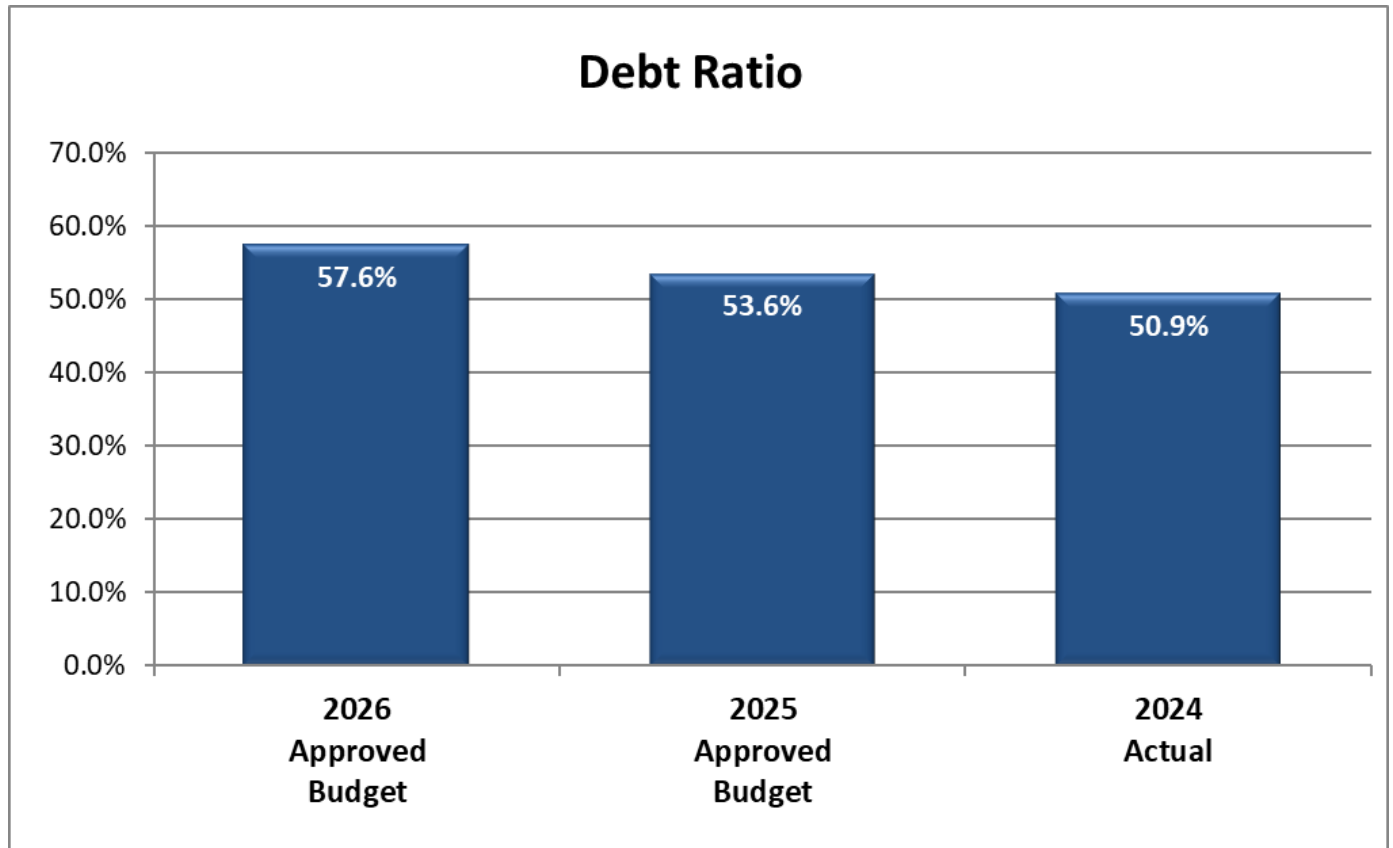
## STATEMENT OF REVENUES, EXPENSES AND CHANGE IN NET POSITION (in thousands)

	2026 Approved Budget	2025 Approved Budget	2024 Actual	2026 Approved Budget Increase/(Decrease) from:			
				2025 Budget		2024 Actual	
<b>OPERATING REVENUES</b>	<b>\$ 1,439,692</b>	<b>\$ 1,319,950</b>	<b>\$ 1,012,680</b>	<b>\$ 119,742</b>	<b>9.1%</b>	<b>\$ 427,012</b>	<b>42.2%</b>
<b>OPERATING EXPENSES</b>							
Production & Treatment	\$ 276,903	\$ 240,515	\$ 124,055	\$ 36,388	15.1%	\$ 152,848	123.2%
Purchased Power, Gas & Water	332,106	321,843	192,171	10,263	3.2%	139,935	72.8%
Transmission & Distribution	66,208	65,297	55,567	911	1.4%	10,641	19.2%
Maintenance	78,865	71,794	94,215	7,071	9.8%	(15,351)	-16.3%
Administration & General	188,536	188,980	165,988	(444)	-0.2%	22,548	13.6%
Customer Accounting & Collection	34,323	32,182	46,709	2,141	6.7%	(12,386)	-26.5%
Customer Service & Information	10,661	11,124	9,118	(463)	-4.2%	1,543	16.9%
Franchise Fees	365	380	401	(16)	-4.2%	(36)	-9.0%
Depreciation & Amortization <sup>1</sup>	228,435	201,492	167,616	26,943	13.4%	60,819	36.3%
<b>Total Operating Expenses</b>	<b>\$ 1,216,401</b>	<b>\$ 1,133,607</b>	<b>\$ 855,840</b>	<b>\$ 82,794</b>	<b>7.3%</b>	<b>\$ 360,562</b>	<b>42.1%</b>
<b>OPERATING INCOME</b>	<b>\$ 223,291</b>	<b>\$ 186,342</b>	<b>\$ 156,840</b>	<b>\$ 36,948</b>	<b>19.8%</b>	<b>\$ 66,450</b>	<b>42.4%</b>
<b>NON-OPERATING REVENUES/(EXPENSES)</b>							
Investment Income	\$ 11,651	\$ 14,980	\$ 29,833	\$ (3,329)	-22.2%	\$ (18,182)	-60.9%
Other Revenue	5,805	5,805	23,046	-	0.0%	(17,241)	-74.8%
Other Expense	(2,378)	(2,162)	(2,902)	(216)	10.0%	524	-18.1%
Interest Expense & Bond Amortization	(153,030)	(116,604)	(98,534)	(36,427)	31.2%	(54,496)	55.3%
<b>Total Non-Operating Revenues/(Expenses)</b>	<b>\$ (137,952)</b>	<b>\$ (97,980)</b>	<b>\$ (48,557)</b>	<b>\$ (39,972)</b>	<b>40.8%</b>	<b>\$ (89,395)</b>	<b>184.1%</b>
<b>INCOME/(LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS</b>	<b>\$ 85,338</b>	<b>\$ 88,362</b>	<b>\$ 108,283</b>	<b>\$ (3,024)</b>	<b>-3.4%</b>	<b>\$ (22,945)</b>	<b>-21.2%</b>
Capital Contributions	\$ 99,962	\$ 70,392	\$ 58,232	\$ 29,569	42.0%	\$ 41,730	71.7%
Surplus Payments to the City	(36,543)	(37,138)	(35,886)	594	-1.6%	(657)	1.8%
Transfers - Other	-	-	-	-	0.0%	-	-
<b>INCREASE/(DECREASE) IN NET POSITION</b>	<b>\$ 148,757</b>	<b>\$ 121,617</b>	<b>\$ 130,629</b>	<b>\$ 27,140</b>	<b>22.3%</b>	<b>\$ 18,128</b>	<b>13.9%</b>

<sup>1</sup> GASB 68 and 75 are excluded in budgets and included in actuals for Depreciation and Amortization.

# FINANCIAL MEASURES – DEBT RATIO (in thousands)

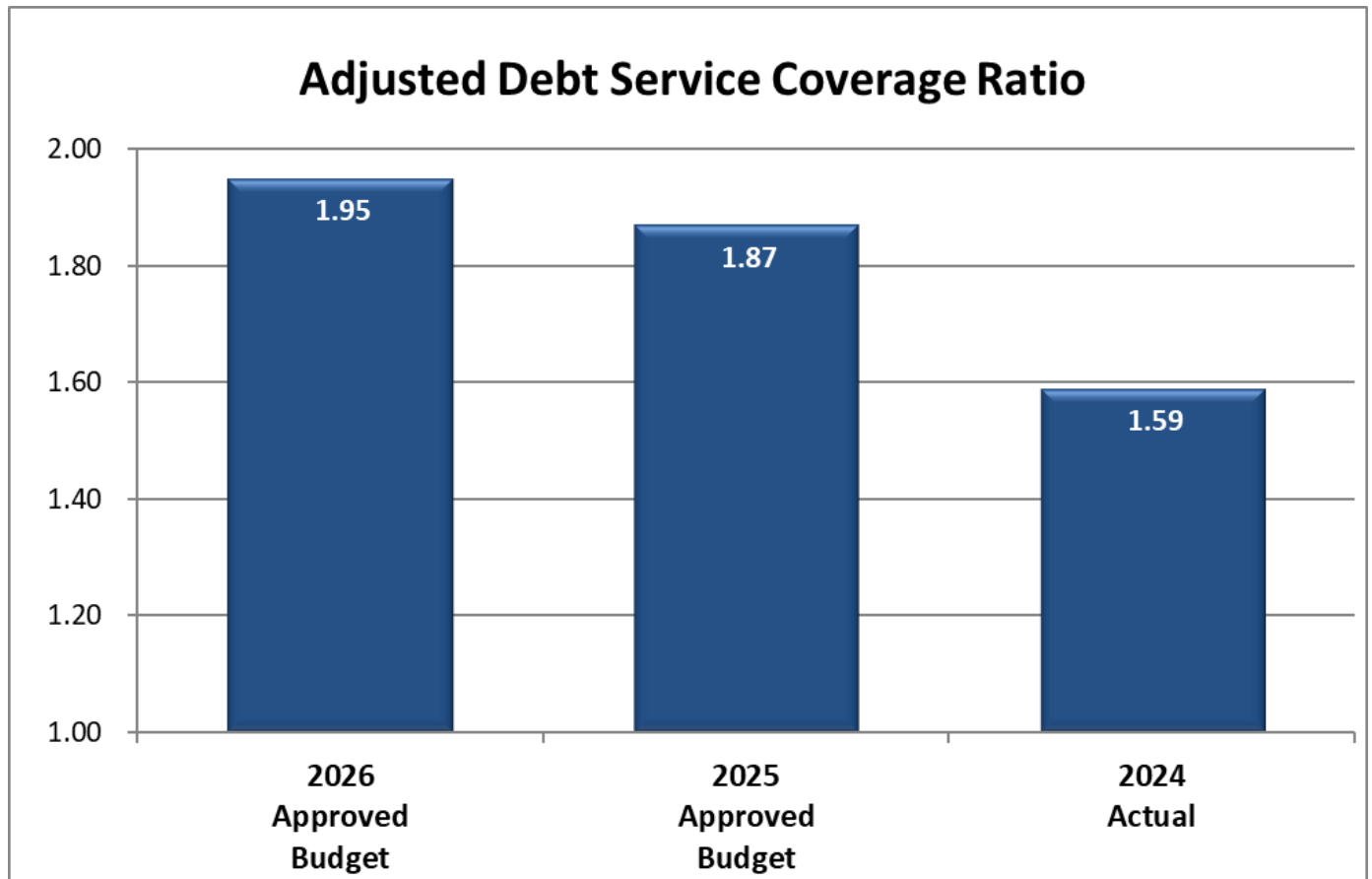
CALCULATION:	2026 Approved Budget	2025 Approved Budget	2024 Actual	2026 Approved Budget Increase/(Decrease) from:			
				2025 Budget		2024 Actual	
Current Maturities of Revenue Bonds	\$ 129,024	\$ 119,207	\$ 104,935	\$ 9,817	8.2%	\$ 24,089	23.0%
Current Notes & Loans Payable	4,703	470	476	4,233	900.4%	4,227	888.0%
Revenue Bonds, Net	3,772,558	3,049,735	2,603,861	722,823	23.7%	1,168,696	44.9%
Notes & Loans Payable	2,323	2,805	2,566	(482)	-17.2%	(242)	-9.5%
Net Gain/(Loss) Debt Refundings	30,318	18,311	30,164	12,007	65.6%	154	0.5%
<b>Net Funded Debt</b>	<b>\$ 3,938,925</b>	<b>\$ 3,190,528</b>	<b>\$ 2,742,002</b>	<b>\$ 748,397</b>	<b>23.5%</b>	<b>\$ 1,196,923</b>	<b>43.7%</b>
Current Maturities of Revenue Bonds	\$ 129,024	\$ 119,207	\$ 104,935	\$ 9,817	8.2%	\$ 24,089	23.0%
Current Notes & Loans Payable	4,703	470	476	4,233	900.4%	4,227	888.0%
Revenue Bonds, Net	3,772,558	3,049,735	2,603,861	722,823	23.7%	1,168,696	44.9%
Notes & Loans Payable	2,323	2,805	2,566	(482)	-17.2%	(242)	-9.5%
Net Gain/(Loss) Debt Refundings	30,318	18,311	30,164	12,007	65.6%	154	0.5%
Net Position	2,896,191	2,763,643	2,650,108	132,548	4.8%	246,083	9.3%
<b>Total Capitalization</b>	<b>\$ 6,835,116</b>	<b>\$ 5,954,171</b>	<b>\$ 5,392,110</b>	<b>\$ 880,945</b>	<b>14.8%</b>	<b>\$ 1,443,006</b>	<b>26.8%</b>
<b>Debt Ratio</b>	<b>57.6%</b>	<b>53.6%</b>	<b>50.9%</b>	<b>4.0%</b>	<b>7.5%</b>	<b>6.7%</b>	<b>13.2%</b>





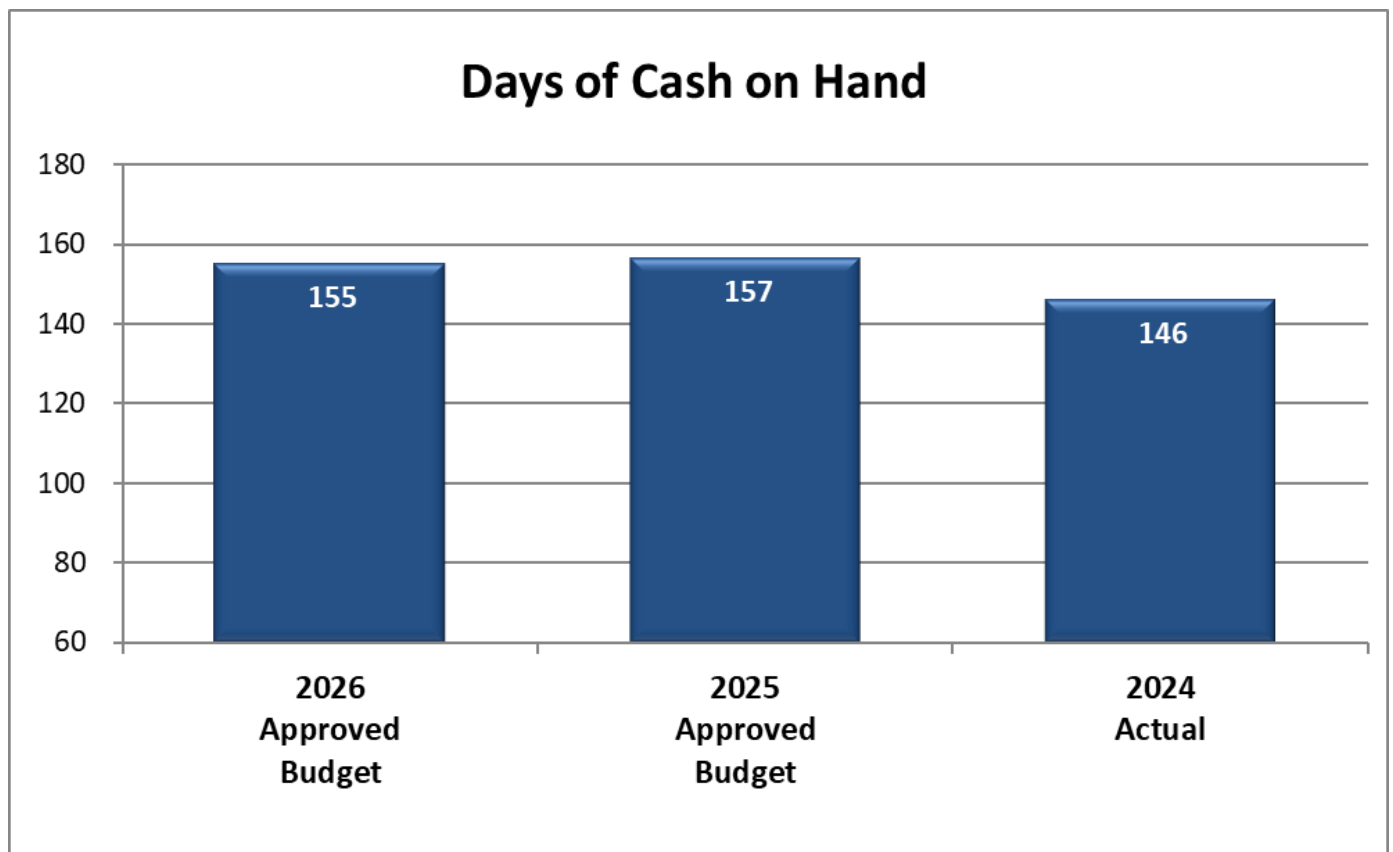
# FINANCIAL MEASURES – ADJUSTED DEBT SERVICE COVERAGE RATIO (in thousands)

CALCULATION:	2026 Approved Budget	2025 Approved Budget	2024 Actual	2026 Approved Budget Increase/(Decrease) from:			
				2025 Budget		2024 Actual	
Operating Revenues	\$ 1,439,692	\$ 1,319,950	\$ 1,012,680	\$ 119,742	9.1%	\$ 427,012	42.2%
Developer Fees	88,522	58,953	32,717	29,569	50.2%	55,805	170.6%
Interest Earnings (excl. Interest on Bonds)	11,545	14,874	11,236	(3,329)	-22.4%	309	2.7%
Build America Bonds Subsidy	4,265	4,265	4,354	-	0.0%	(89)	-2.0%
Total Revenue	\$ 1,544,023	\$ 1,398,041	\$ 1,060,986	\$ 145,982	10.4%	\$ 483,037	45.5%
Total Operating Expenses	\$ (1,216,401)	\$ (1,133,607)	\$ (855,840)	\$ (82,794)	7.3%	\$ (360,562)	42.1%
Depreciation & Amortization	228,435	201,492	167,616	26,943	13.4%	60,819	36.3%
Surplus Payments to the City	(36,543)	(37,138)	(35,886)	594	-1.6%	(657)	1.8%
Net Revenues	\$ 519,513	\$ 428,788	\$ 336,876	\$ 90,726	21.2%	\$ 182,637	54.2%
Bond Year Debt Service	\$ 266,425	\$ 228,711	\$ 211,389	\$ 37,713	16.5%	\$ 55,035	26.0%
Adjusted Debt Service Coverage Ratio	1.95	1.87	1.59	0.08	4.3%	0.36	22.6%



# FINANCIAL MEASURES – DAYS OF CASH ON HAND (in thousands)

CALCULATION:	2026 Approved Budget	2025 Approved Budget	2024 Actual	2026 Approved Budget Increase/(Decrease) from:			
				2025 Budget		2024 Actual	
Cash and Cash Equivalents-Unrestricted	\$ 336,426	\$ 324,085	\$ 274,724	\$ 12,342	3.8%	\$ 61,703	22.5%
Cash Expense per Day							
Total Operating Expenses	\$ 1,216,401	\$ 1,133,607	\$ 855,840	\$ 82,794	7.3%	\$ 360,562	42.1%
Depreciation & Amortization	(228,435)	(201,492)	(167,616)	(26,943)	13.4%	(60,819)	36.3%
Fuel Comodity - Increased Cost	(196,918)	(176,984)	-	(19,934)	11.3%	(196,918)	-
Net Cash Expense	\$ 791,048	\$ 755,131	\$ 688,224	\$ 35,917	4.8%	\$ 102,824	14.9%
Number of Days in Period	365	365	366	-	0.0%	(1)	-0.3%
Net Cash Expense Per Day	\$ 2,167	\$ 2,069	\$ 1,880	\$ 98	4.8%	\$ 287	15.3%
Days of Cash on Hand	155	157	146	(2)	-1.3%	9	6.2%



# 2026-2030 ENTERPRISE FINANCIAL PLAN

## CONDENSED FINANCIAL STATEMENTS (in thousands of dollars)

	2026 Approved Budget	2027 Forecast	2028 Forecast	2029 Forecast	2030 Forecast
<b>STATEMENT OF NET ASSETS</b>					
<b>Assets</b>					
Current	\$ 693,701	\$ 698,368	\$ 711,941	\$ 721,843	\$ 722,740
Noncurrent -					
Other	650,994	597,469	540,089	419,784	443,043
Capital Assets, Net	6,045,237	6,649,171	7,177,155	7,633,138	7,913,940
Total Assets	<u>\$ 7,389,933</u>	<u>\$ 7,945,008</u>	<u>\$ 8,429,184</u>	<u>\$ 8,774,764</u>	<u>\$ 9,079,723</u>
<b>Liabilities</b>					
Current	\$ 328,088	\$ 316,366	\$ 334,347	\$ 334,295	\$ 308,885
Noncurrent	4,165,654	4,551,000	4,841,679	4,989,432	5,135,138
Total Liabilities	<u>\$ 4,493,742</u>	<u>\$ 4,867,365</u>	<u>\$ 5,176,026</u>	<u>\$ 5,323,727</u>	<u>\$ 5,444,023</u>
<b>Net Assets</b>	<u>2,896,191</u>	<u>3,077,642</u>	<u>3,253,158</u>	<u>3,451,038</u>	<u>3,635,700</u>
<b>Total Liabilities &amp; Net Assets</b>	<u><b>\$ 7,389,933</b></u>	<u><b>\$ 7,945,008</b></u>	<u><b>\$ 8,429,184</b></u>	<u><b>\$ 8,774,764</b></u>	<u><b>\$ 9,079,723</b></u>
<b>STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS</b>					
Operating Revenues	\$ 1,439,692	\$ 1,333,332	\$ 1,398,561	\$ 1,480,177	\$ 1,501,954
Operating Expenses	(1,216,401)	(1,067,246)	(1,112,507)	(1,136,676)	(1,156,808)
Operating Income	<u>\$ 223,291</u>	<u>\$ 266,086</u>	<u>\$ 286,054</u>	<u>\$ 343,501</u>	<u>\$ 345,146</u>
Non-Operating Revenues/(Expenses) - Net	<u>(137,952)</u>	<u>(158,149)</u>	<u>(176,034)</u>	<u>(189,720)</u>	<u>(197,237)</u>
Income/(Loss) Before Contributions & Transfers	<u>\$ 85,338</u>	<u>\$ 107,937</u>	<u>\$ 110,020</u>	<u>\$ 153,780</u>	<u>\$ 147,908</u>
Capital Contributions	\$ 99,962	\$ 110,886	\$ 102,090	\$ 80,722	\$ 74,352
Transfers Out - Surplus Payments to City	(36,543)	(37,372)	(36,594)	(36,623)	(37,598)
<b>Change in Net Assets</b>	<u><b>\$ 148,757</b></u>	<u><b>\$ 181,451</b></u>	<u><b>\$ 175,516</b></u>	<u><b>\$ 197,879</b></u>	<u><b>\$ 184,663</b></u>
Net Assets - Beginning of year	2,747,434	2,896,191	3,077,642	3,253,158	3,451,038
Net Assets - End of Year	2,896,191	3,077,642	3,253,158	3,451,038	3,635,700
<b>STATEMENT OF CASH FLOWS</b>					
Net Cash Provided By (Used In):					
Operating Activities	\$ 461,848	\$ 502,310	\$ 583,385	\$ 655,207	\$ 673,692
Non-Capital Financing Activities	(36,543)	(37,372)	(36,594)	(36,623)	(37,598)
Capital and Related Financing Activities	(501,506)	(525,105)	(608,227)	(747,742)	(627,372)
Investing Activities	11,651	13,265	14,369	14,403	15,896
<b>Net Increase/(Decrease)</b>	<u><b>\$ (64,550)</b></u>	<u><b>\$ (46,901)</b></u>	<u><b>\$ (47,066)</b></u>	<u><b>\$ (114,755)</b></u>	<u><b>\$ 24,617</b></u>
<b>Cash and Cash Equivalents and Investments</b>					
Cash & Investments, Beginning of Year	876,343	811,793	764,891	717,825	603,070
Cash & Investments, End of Year	<u>811,793</u>	<u>764,891</u>	<u>717,825</u>	<u>603,070</u>	<u>627,687</u>

**Note:** Totals may vary due to rounding.

**STATEMENT OF REVENUES, EXPENSES AND CHANGE IN NET ASSETS (in thousands of dollars)**

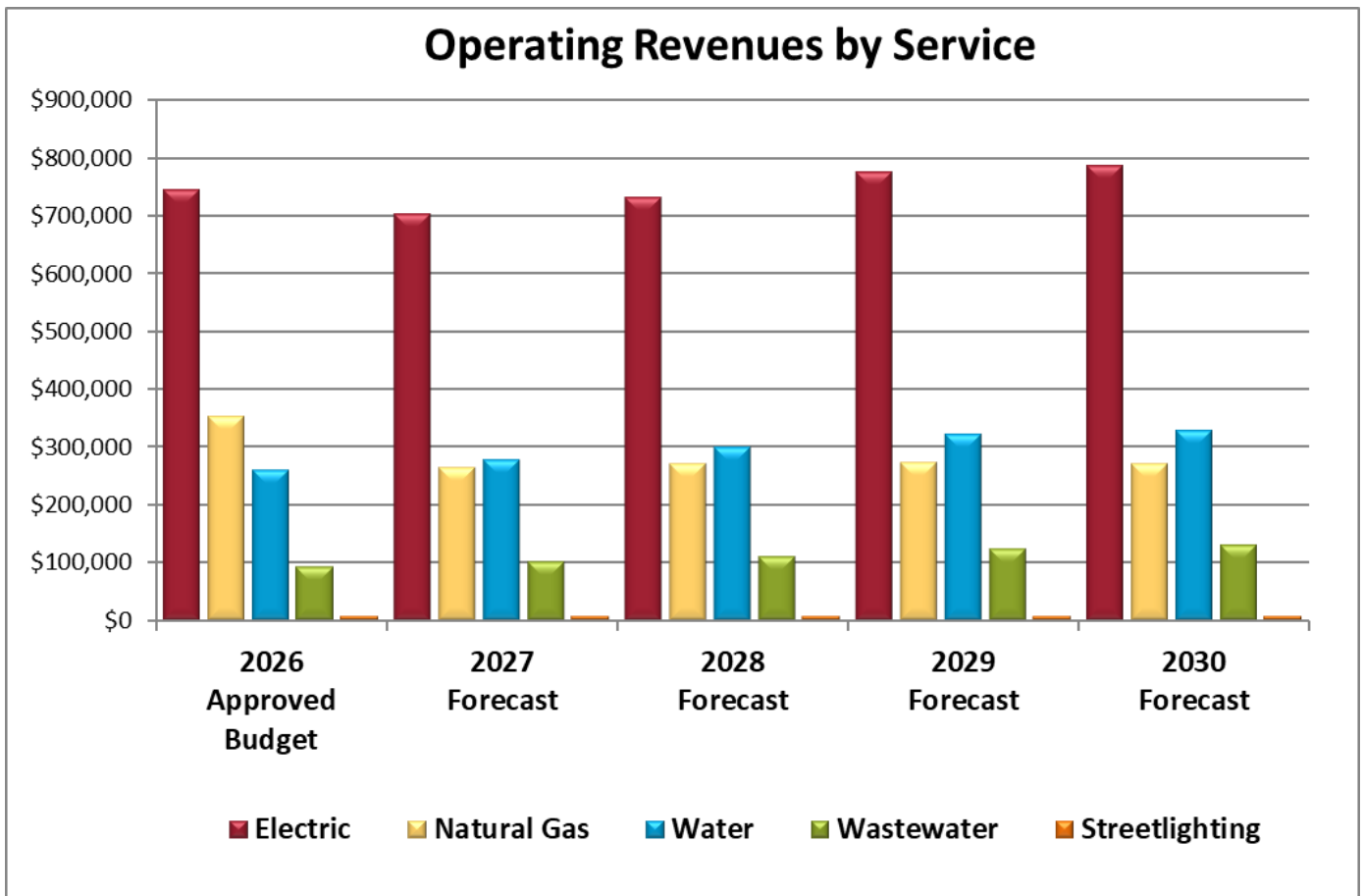
	<b>2026</b>				
	<b>Approved</b>	<b>2027</b>	<b>2028</b>	<b>2029</b>	<b>2030</b>
	<b>Budget</b>	<b>Forecast</b>	<b>Forecast</b>	<b>Forecast</b>	<b>Forecast</b>
<b>OPERATING REVENUES</b>	<b>\$ 1,439,692</b>	<b>\$ 1,333,332</b>	<b>\$ 1,398,561</b>	<b>\$ 1,480,177</b>	<b>\$ 1,501,954</b>
<b>OPERATING EXPENSES</b>					
Production & Treatment	\$ 276,903	\$ 181,241	\$ 178,952	\$ 175,873	\$ 179,338
Purchased Power, Gas & Water	332,106	224,911	235,866	237,148	230,022
Transmission & Distribution	66,208	63,268	62,651	63,367	64,567
Maintenance	78,865	73,877	71,459	70,474	71,326
Administration & General	188,536	210,510	219,148	228,925	242,057
Customer Accounting & Collection	34,323	34,385	36,941	35,728	31,877
Customer Service & Information	10,661	9,164	9,152	9,027	9,262
Franchise Taxes	365	370	376	382	388
Depreciation & Amortization	228,435	269,519	297,961	315,752	327,971
<b>Total Operating Expenses</b>	<b>\$ 1,216,401</b>	<b>\$ 1,067,246</b>	<b>\$ 1,112,507</b>	<b>\$ 1,136,676</b>	<b>\$ 1,156,808</b>
<b>OPERATING INCOME</b>	<b>\$ 223,291</b>	<b>\$ 266,086</b>	<b>\$ 286,054</b>	<b>\$ 343,501</b>	<b>\$ 345,146</b>
<b>NON-OPERATING REVENUES/(EXPENSES)</b>					
Investment Income	\$ 11,651	\$ 13,265	\$ 14,369	\$ 14,403	\$ 15,896
Other Revenue	5,805	5,733	5,659	5,582	5,503
Other Expense	(2,378)	(1,218)	(1,218)	(1,218)	(1,218)
Interest Expense & Bond Amortization	(153,030)	(175,930)	(194,845)	(208,488)	(217,418)
<b>Total Non-Operating Revenues/(Expenses)</b>	<b>\$ (137,952)</b>	<b>\$ (158,149)</b>	<b>\$ (176,034)</b>	<b>\$ (189,720)</b>	<b>\$ (197,237)</b>
<b>INCOME/(LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS</b>	<b>\$ 85,338</b>	<b>\$ 107,937</b>	<b>\$ 110,020</b>	<b>\$ 153,780</b>	<b>\$ 147,908</b>
Capital Contributions	\$ 99,962	\$ 110,886	\$ 102,090	\$ 80,722	\$ 74,352
Transfers Out - Surplus Payments to City	(36,543)	(37,372)	(36,594)	(36,623)	(37,598)
Transfers - Other	0	0	0	0	0
<b>INCREASE/(DECREASE) IN NET ASSETS</b>	<b>\$ 148,757</b>	<b>\$ 181,451</b>	<b>\$ 175,516</b>	<b>\$ 197,879</b>	<b>\$ 184,663</b>

**Note:** Totals may vary due to rounding.

## OPERATING REVENUES BY SERVICE (in thousands of dollars)

	2026 Approved Budget	2027 Forecast	2028 Forecast	2029 Forecast	2030 Forecast
Electric	\$ 747,151	\$ 703,592	\$ 733,418	\$ 776,417	\$ 789,108
Natural Gas	352,614	264,426	269,330	273,491	269,539
Water	259,468	276,454	298,081	321,189	327,878
Wastewater	91,239	101,355	110,229	121,567	128,157
Streetlighting	5,447	5,719	6,005	6,185	6,370
Inter-Service Eliminations	(16,227)	(18,215)	(18,502)	(18,673)	(19,098)
<b>TOTAL</b>	<b>\$ 1,439,692</b>	<b>\$ 1,333,332</b>	<b>\$ 1,398,561</b>	<b>\$ 1,480,177</b>	<b>\$ 1,501,954</b>

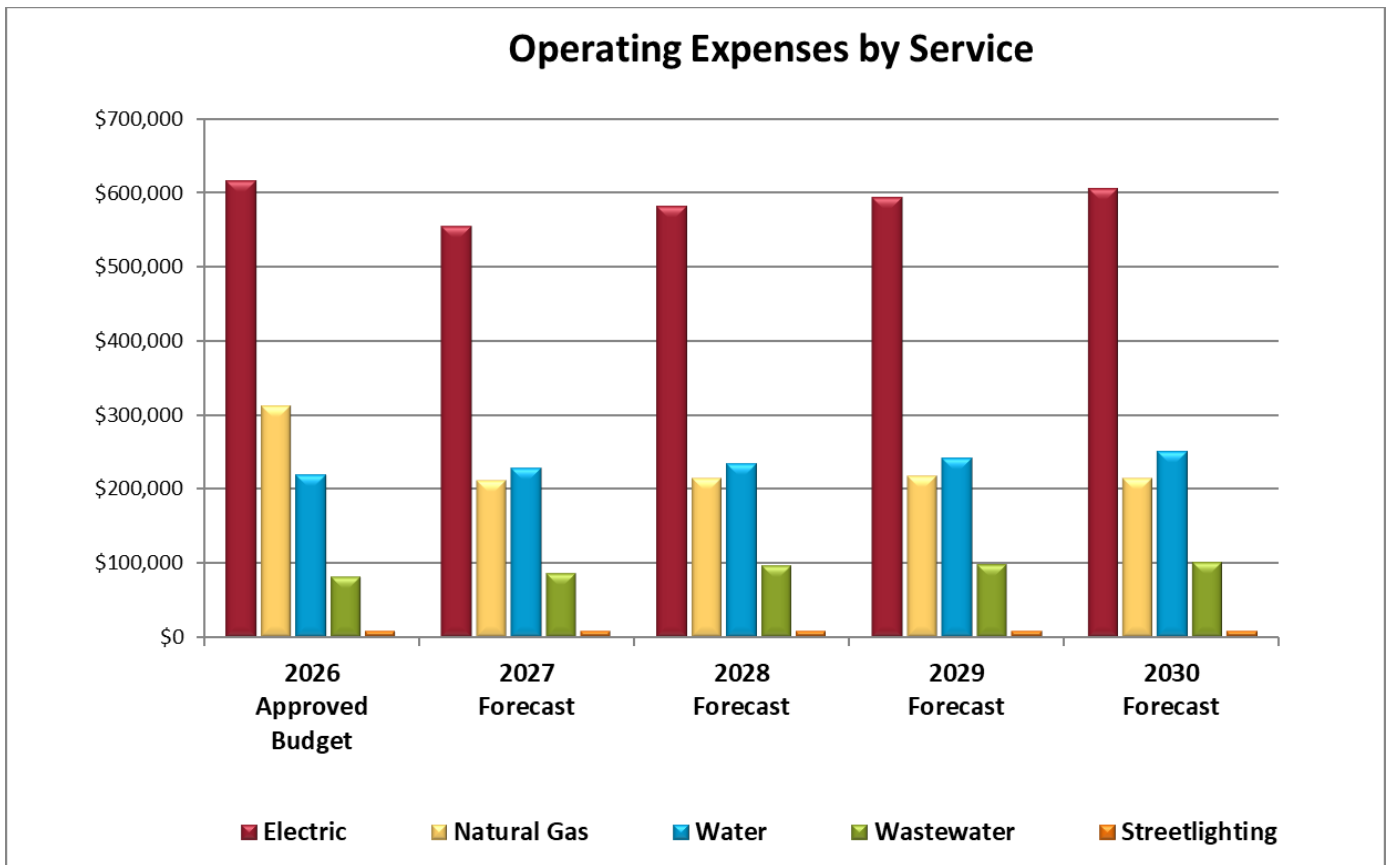
**Note:** Totals may vary due to rounding.



## OPERATING EXPENSES BY SERVICE (in thousands of dollars)

	2026 Approved Budget	2027 Forecast	2028 Forecast	2029 Forecast	2030 Forecast
Electric	\$ 615,265	\$ 554,786	\$ 581,220	\$ 593,389	\$ 605,768
Natural Gas	311,975	210,698	214,549	216,725	213,754
Water	219,118	227,851	233,294	240,949	250,123
Wastewater	79,942	85,719	95,370	97,584	99,410
Streetlighting	6,328	6,407	6,575	6,702	6,851
Inter-Service Eliminations	(16,227)	(18,215)	(18,502)	(18,673)	(19,098)
<b>TOTAL</b>	<b>\$ 1,216,401</b>	<b>\$ 1,067,246</b>	<b>\$ 1,112,507</b>	<b>\$ 1,136,676</b>	<b>\$ 1,156,808</b>

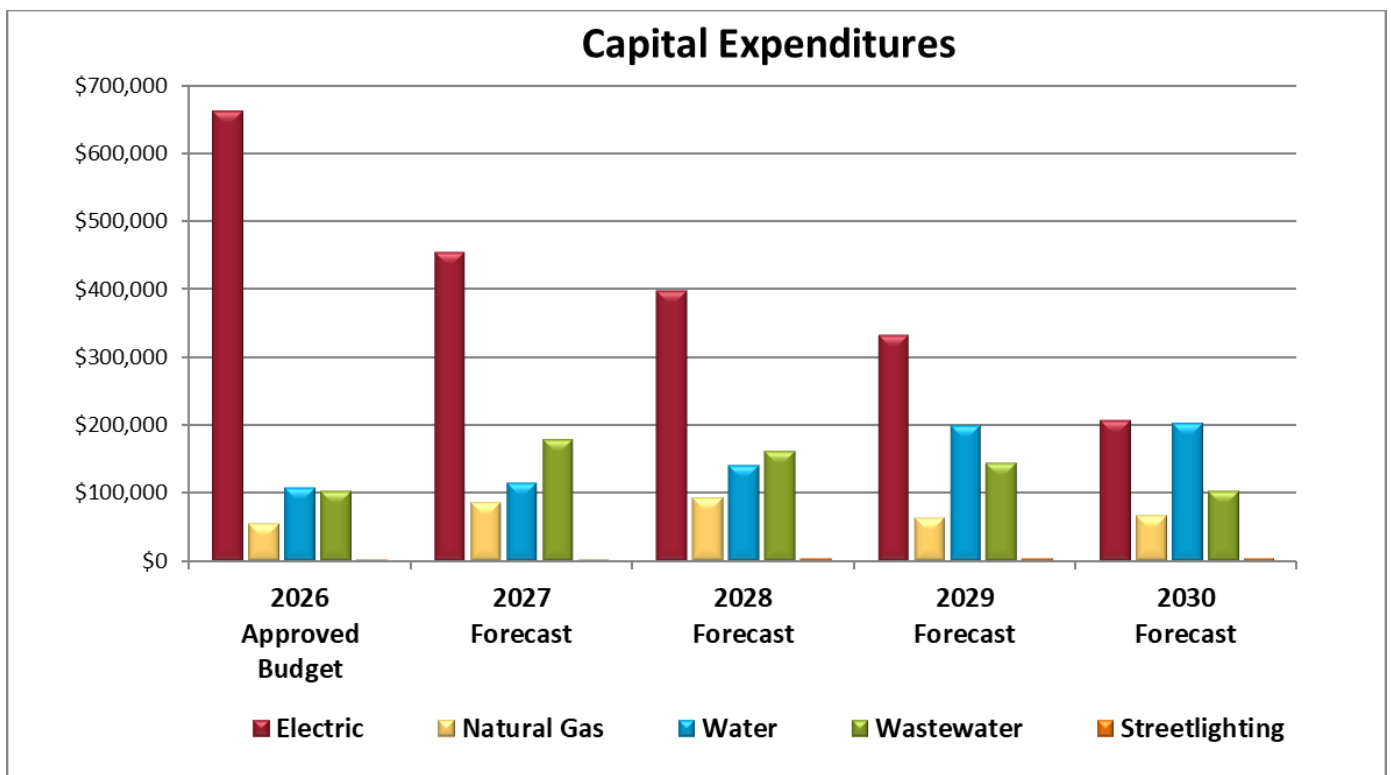
**Note:** Totals may vary due to rounding.



## CAPITAL EXPENDITURES (in thousands of dollars)

	2026 Approved Budget	2027 Forecast	2028 Forecast	2029 Forecast	2030 Forecast
Electric	\$ 662,226	\$ 453,249	\$ 396,475	\$ 332,841	\$ 207,294
Natural Gas	54,189	84,479	91,443	62,150	66,047
Water	106,793	114,202	140,237	198,124	201,455
Wastewater	101,610	178,483	159,887	144,084	101,697
Streetlighting	1,626	1,717	1,782	1,829	1,878
Common	21,757	27,890	22,687	19,271	16,969
<b>TOTAL</b>	<b>\$ 948,201</b>	<b>\$ 860,019</b>	<b>\$ 812,512</b>	<b>\$ 758,300</b>	<b>\$ 595,339</b>

**Note:** Totals may vary due to rounding.



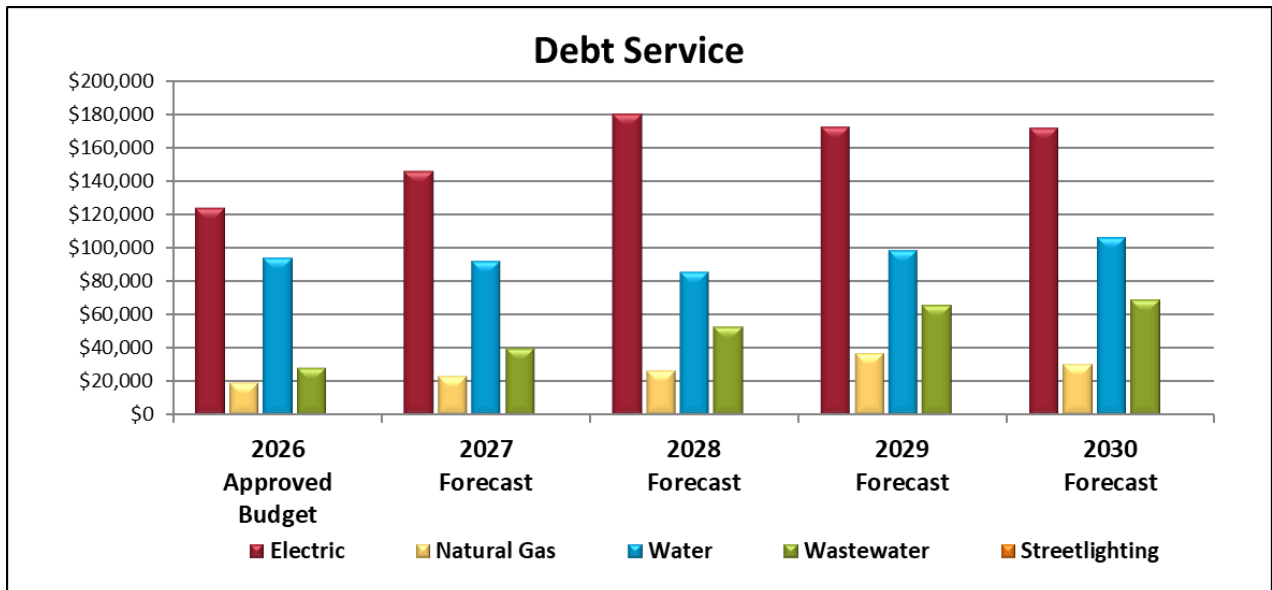
## DEBT SERVICE (in thousands of dollars)

	2026 Approved Budget	2027 Forecast	2028 Forecast	2029 Forecast	2030 Forecast
<b>ELECTRIC</b>					
Interest Payments <sup>1</sup>	\$ 83,175	\$ 96,629	\$ 105,970	\$ 110,163	\$ 108,975
Principal Repayments	40,565	49,359	73,758	61,846	62,797
<b>TOTAL</b>	<b>\$ 123,740</b>	<b>\$ 145,988</b>	<b>\$ 179,728</b>	<b>\$ 172,009</b>	<b>\$ 171,772</b>
<b>NATURAL GAS</b>					
Interest Payments <sup>1</sup>	\$ 11,695	\$ 14,676	\$ 17,602	\$ 18,573	\$ 18,286
Principal Repayments	7,726	8,671	8,976	18,036	11,940
<b>TOTAL</b>	<b>\$ 19,421</b>	<b>\$ 23,347</b>	<b>\$ 26,579</b>	<b>\$ 36,609</b>	<b>\$ 30,226</b>
<b>WATER</b>					
Interest Payments <sup>1</sup>	\$ 50,681	\$ 49,773	\$ 49,762	\$ 52,963	\$ 56,203
Principal Repayments	43,843	42,749	36,040	46,097	49,969
<b>TOTAL</b>	<b>\$ 94,525</b>	<b>\$ 92,523</b>	<b>\$ 85,802</b>	<b>\$ 99,061</b>	<b>\$ 106,172</b>
<b>WASTEWATER</b>					
Interest Payments <sup>1</sup>	\$ 16,864	\$ 24,158	\$ 30,748	\$ 36,527	\$ 40,111
Principal Repayments	11,394	16,177	21,933	29,270	28,778
<b>TOTAL</b>	<b>\$ 28,259</b>	<b>\$ 40,335</b>	<b>\$ 52,681</b>	<b>\$ 65,798</b>	<b>\$ 68,889</b>
<b>STREETLIGHTING</b>					
Interest Payments <sup>1</sup>	\$ 212	\$ 199	\$ 185	\$ 168	\$ 157
Principal Repayments	270	303	354	244	675
<b>TOTAL</b>	<b>\$ 481</b>	<b>\$ 502</b>	<b>\$ 539</b>	<b>\$ 412</b>	<b>\$ 832</b>
<b>TOTAL</b>					
Interest Payments <sup>1</sup>	\$ 162,627	\$ 185,435	\$ 204,267	\$ 218,395	\$ 223,732
Principal Repayments	103,798	117,259	141,061	155,493	154,160
<b>TOTAL</b>	<b>\$ 266,425</b>	<b>\$ 302,694</b>	<b>\$ 345,329</b>	<b>\$ 373,888</b>	<b>\$ 377,892</b>

**Note:** Totals may vary due to rounding.

Bonds are issued for the general system and not specific to service. For forecasting purposes bonds and debt service are allocated based on capital budgets. Fiber Optics project is cash funded and no debt is allocated towards it's expenses.

<sup>1</sup> Interest payments are net of subsidies received for Build America Bonds



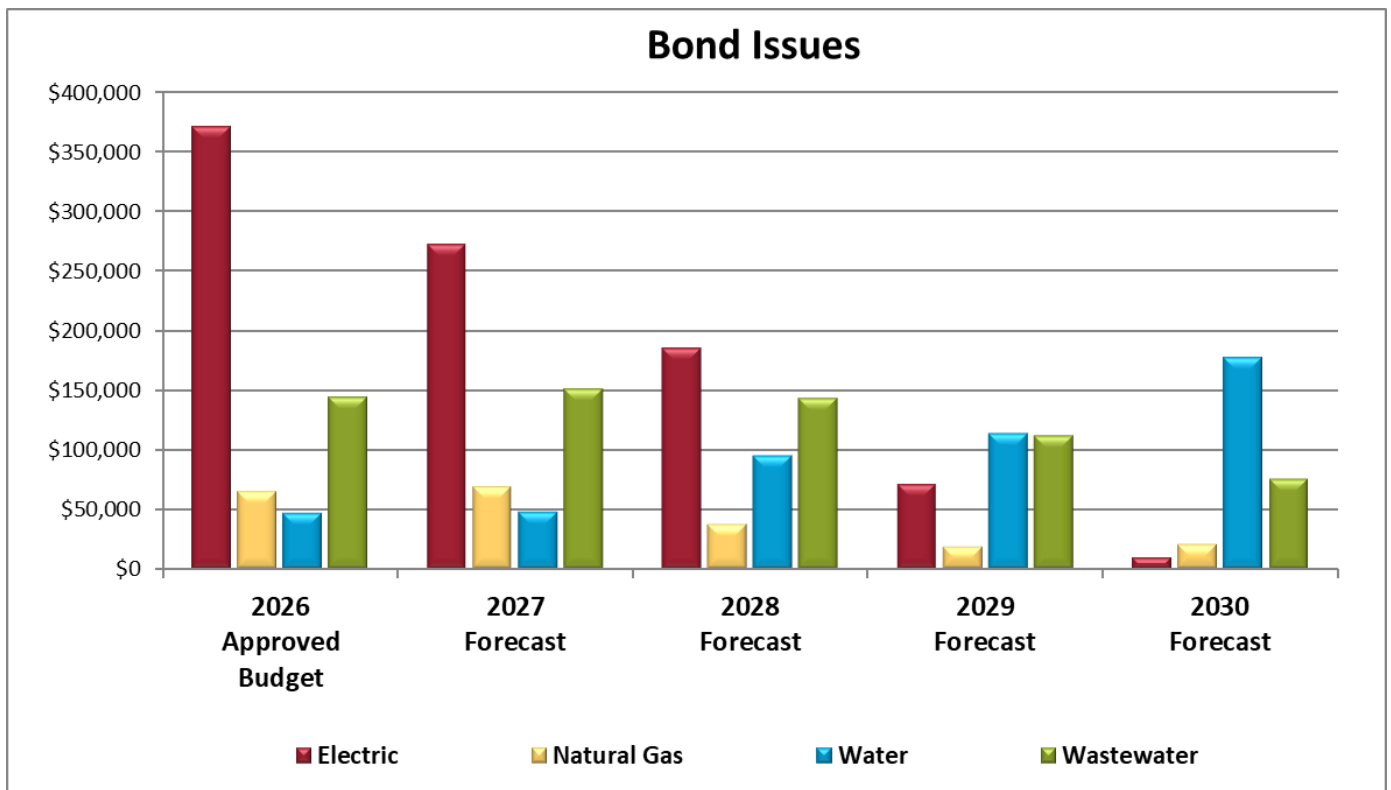


## BOND ISSUES (in thousands of dollars)

	2026 Approved Budget	2027 Forecast	2028 Forecast	2029 Forecast	2030 Forecast
Electric	\$ 372,395	\$ 272,768	\$ 185,505	71,636	9,352
Natural Gas	63,877	68,186	37,012	17,917	19,886
Water	46,623	47,985	94,479	113,660	177,433
Wastewater	143,704	150,423	142,443	111,050	75,130
Streetlighting	0	0	0	0	0
<b>TOTAL</b>	<b>\$ 626,600</b>	<b>\$ 539,361</b>	<b>\$ 459,438</b>	<b>\$ 314,263</b>	<b>\$ 281,800</b>

**Note:** Totals may vary due to rounding.

Bonds are issued for the general system (with the exception of SDS) and not specific to service. For forecasting purposes bonds and debt service are allocated based on capital budgets.



**SOURCES and USES OF FUNDS (in thousands of dollars)**

	2026 Approved Budget	2027 Forecast	2028 Forecast	2029 Forecast	2030 Forecast
<b>SOURCES OF FUNDS</b>					
Operating Revenues:					
Electric	\$ 747,151	\$ 703,592	\$ 733,418	\$ 776,417	\$ 789,108
Natural Gas	352,614	264,426	269,330	273,491	269,539
Water	259,468	276,454	298,081	321,189	327,878
Wastewater	91,239	101,355	110,229	121,567	128,157
Streetlighting	5,447	5,719	6,005	6,185	6,370
Inter-Service Eliminations	(16,227)	(18,215)	(18,502)	(18,673)	(19,098)
Subtotal	<u>\$ 1,439,692</u>	<u>\$ 1,333,332</u>	<u>\$ 1,398,561</u>	<u>\$ 1,480,177</u>	<u>\$ 1,501,954</u>
Investment Income	11,651	13,265	14,369	14,403	15,896
Build America Bonds Subsidy	4,265	4,194	4,120	4,043	3,964
Capital Contributions	88,522	99,447	90,650	69,283	62,913
Bond Proceeds	745,255	583,913	508,995	427,768	252,797
<b>TOTAL SOURCES</b>	<u><b>\$ 2,289,385</b></u>	<u><b>\$ 2,034,151</b></u>	<u><b>\$ 2,016,696</b></u>	<u><b>\$ 1,995,674</b></u>	<u><b>\$ 1,837,524</b></u>
<b>USES OF FUNDS</b>					
Operating Expenses - Fuel	534,693	340,220	350,187	349,519	348,046
Operating Expenses - Non-Fuel	452,909	457,137	463,983	471,022	480,403
Transfers - Surplus Payments to City & Franchise Fees	36,908	37,742	36,970	37,006	37,987
Debt Service Payments:					
Interest Payments	\$ 162,627	\$ 185,435	\$ 204,267	\$ 218,395	\$ 223,732
Principal Repayments	103,798	117,259	141,061	155,493	154,160
Total Debt Service	<u>\$ 266,425</u>	<u>\$ 302,694</u>	<u>\$ 345,329</u>	<u>\$ 373,888</u>	<u>\$ 377,892</u>
Capital Expenditures:					
Cash Funded	\$ 202,947	\$ 276,106	\$ 303,517	\$ 330,532	\$ 342,542
Bond Funded	745,255	583,913	508,995	427,768	252,797
Total Capital	<u>\$ 948,201</u>	<u>\$ 860,019</u>	<u>\$ 812,512</u>	<u>\$ 758,300</u>	<u>\$ 595,339</u>
<b>TOTAL USES</b>	<u><b>\$ 2,239,136</b></u>	<u><b>\$ 1,997,812</b></u>	<u><b>\$ 2,008,981</b></u>	<u><b>\$ 1,989,736</b></u>	<u><b>\$ 1,839,666</b></u>

**Note:** Totals may vary due to rounding.

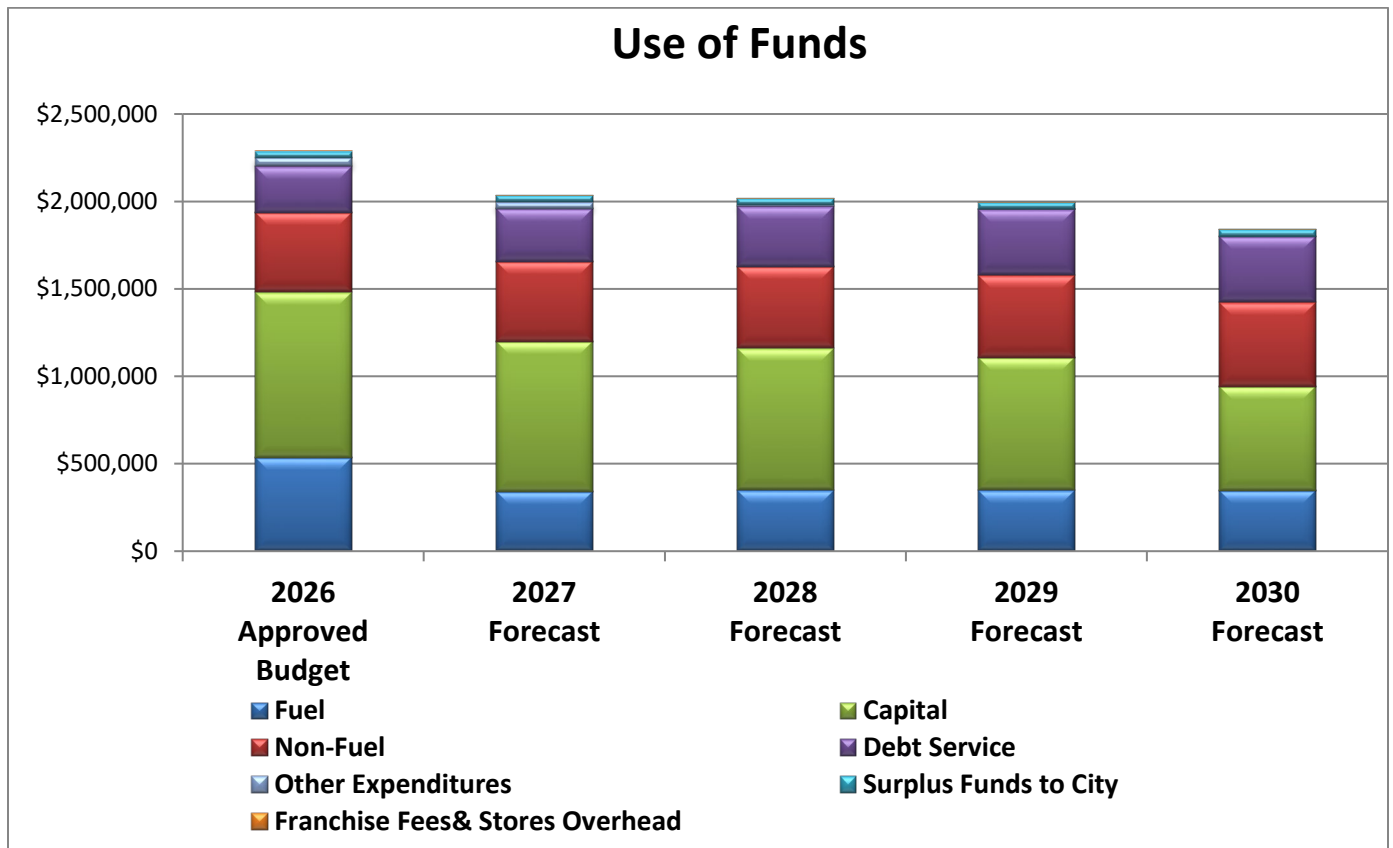
Major non-cash (expense) and revenue items not reflected above that are included on the income statement:

Depreciation & Amortization	<u>\$ (228,435)</u>	<u>\$ (269,519)</u>	<u>\$ (297,961)</u>	<u>\$ (315,752)</u>	<u>\$ (327,971)</u>
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## USES OF FUNDS (in thousands of dollars)

USES OF FUNDS	2026				
	Approved Budget	2027 Forecast	2028 Forecast	2029 Forecast	2030 Forecast
Operations & Maintenance					
Fuel	\$ 534,693	\$ 340,220	\$ 350,187	\$ 349,519	\$ 348,046
Non-Fuel	452,909	457,137	463,983	471,022	480,403
Subtotal	\$ 987,602	\$ 797,357	\$ 814,170	\$ 820,542	\$ 828,449
Capital					
Project Capital	948,201	860,019	812,512	758,300	595,339
Subtotal	\$ 948,201	\$ 860,019	\$ 812,512	\$ 758,300	\$ 595,339
Debt Service					
Interest Expense	\$ 162,627	\$ 185,435	\$ 204,267	\$ 218,395	\$ 223,732
Principal Payments	103,798	117,259	141,061	155,493	154,160
Subtotal	\$ 266,425	\$ 302,694	\$ 345,329	\$ 373,888	\$ 377,892
Transfers Out- Surplus Payments to City	\$ 36,543	\$ 37,372	\$ 36,594	\$ 36,623	\$ 37,598
Franchise Fees	365	370	376	382	388
<b>TOTAL</b>	<b>\$ 2,239,136</b>	<b>\$ 1,997,812</b>	<b>\$ 2,008,981</b>	<b>\$ 1,989,736</b>	<b>\$ 1,839,666</b>

**Note:** Totals may vary due to rounding.



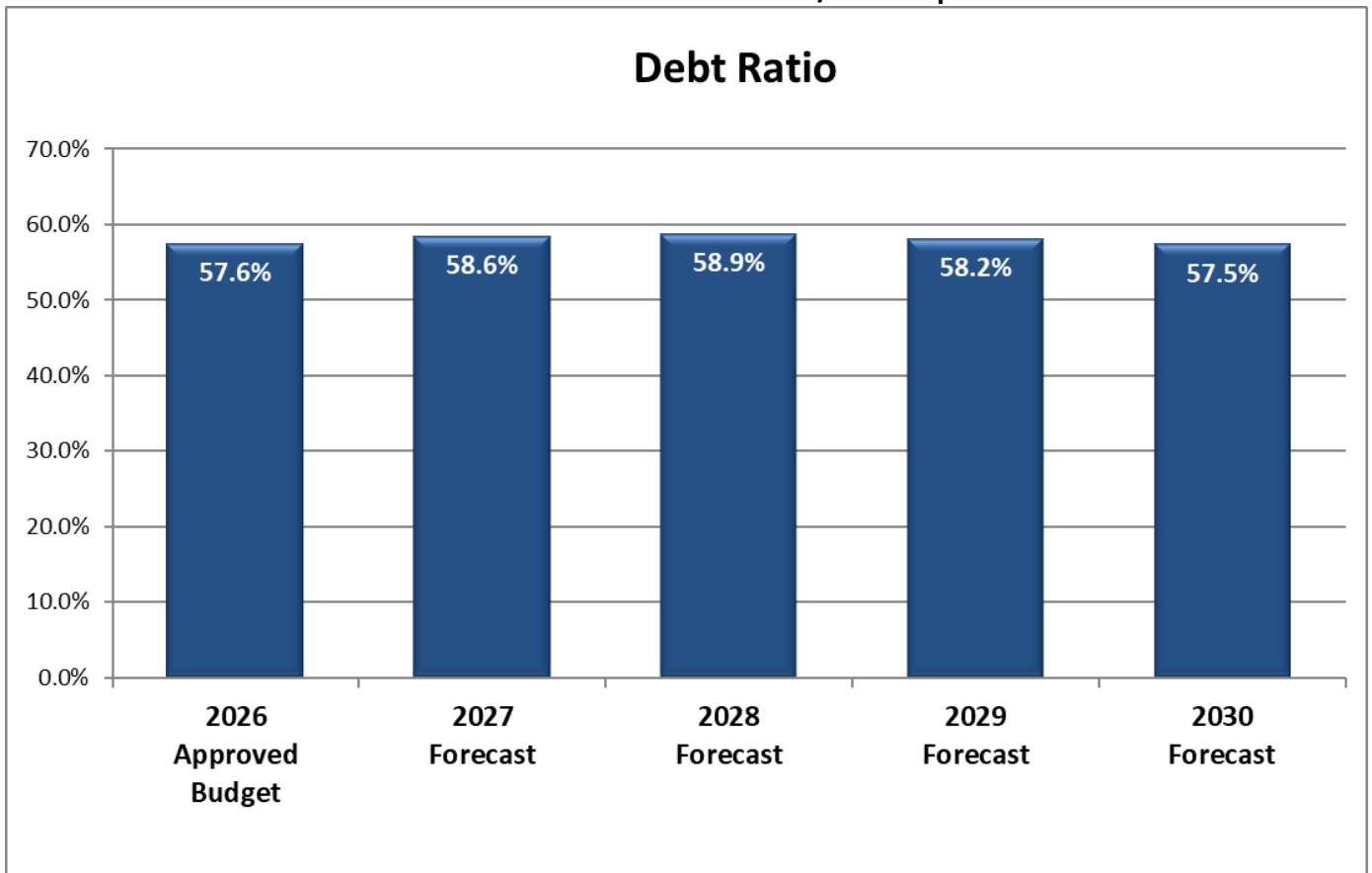
## FINANCIAL MEASURES – DEBT RATIO (in thousands of dollars)

### CALCULATION:

	2026 Approved Budget	2027 Forecast	2028 Forecast	2029 Forecast	2030 Forecast
Current Maturities of Revenue Bonds	\$ 129,024	\$ 154,019	\$ 170,057	\$ 170,733	\$ 144,627
Current Notes & Loans Payable	4,703	4,703	4,703	4,703	4,703
Revenue Bonds, Net	3,772,558	4,157,904	4,448,583	4,596,336	4,742,042
Notes & Loans Payable	2,323	2,323	2,323	2,323	2,323
Net Gain/(Loss) on Refundings	30,318	30,318	30,318	30,318	30,318
<b>Net Funded Debt</b>	<b>\$ 3,938,925</b>	<b>\$ 4,349,267</b>	<b>\$ 4,655,983</b>	<b>\$ 4,804,412</b>	<b>\$ 4,924,012</b>
Current Maturities of Revenue Bonds	\$ 129,024	\$ 154,019	\$ 170,057	\$ 170,733	\$ 144,627
Current Notes & Loans Payable	4,703	4,703	4,703	4,703	4,703
Revenue Bonds, Net	3,772,558	4,157,904	4,448,583	4,596,336	4,742,042
Notes & Loans Payable	2,323	2,323	2,323	2,323	2,323
Net Gain/(Loss) Debt Refundings	30,318	30,318	30,318	30,318	30,318
Net Position	2,896,191	3,077,642	3,253,158	3,451,038	3,635,700
<b>Total Capitalization</b>	<b>\$ 6,835,116</b>	<b>\$ 7,426,909</b>	<b>\$ 7,909,142</b>	<b>\$ 8,255,450</b>	<b>\$ 8,559,713</b>
<b>Debt Ratio</b>	<b>57.6%</b>	<b>58.6%</b>	<b>58.9%</b>	<b>58.2%</b>	<b>57.5%</b>

**Note:** Totals may vary due to rounding.

**Debt Ratio calculation: Net Funded Debt/Total Capitalization**



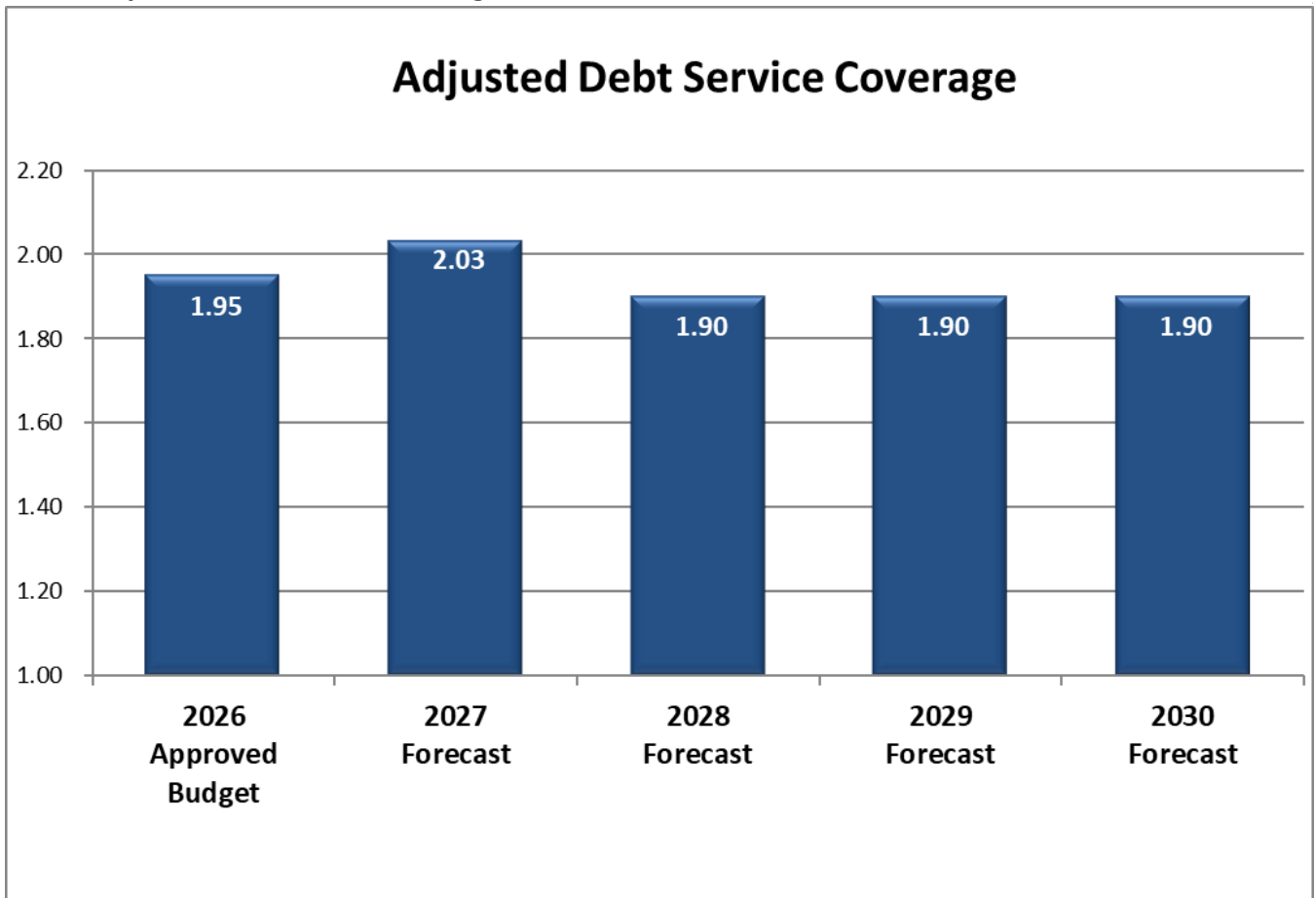
## FINANCIAL MEASURES – ADJUSTED DEBT SERVICE COVERAGE (in thousands of dollars)

### CALCULATION:

	2026 Approved Budget	2027 Forecast	2028 Forecast	2029 Forecast	2030 Forecast
<b>Net Revenues:</b>					
Operating Revenues	\$ 1,439,692	\$ 1,333,332	\$ 1,398,561	\$ 1,480,177	\$ 1,501,954
Developer Fees	88,522	99,447	90,650	69,283	62,913
Interest Earnings (excl. Interest on Bonds)	11,545	13,159	14,263	14,296	15,789
Build America Bonds Subsidy	4,265	4,194	4,120	4,043	3,964
<b>Total Revenue</b>	<b>\$ 1,544,023</b>	<b>\$ 1,450,131</b>	<b>\$ 1,507,594</b>	<b>\$ 1,567,799</b>	<b>\$ 1,584,620</b>
<b>Total Operating Expenses</b>	<b>(1,216,401)</b>	<b>(1,067,246)</b>	<b>(1,112,507)</b>	<b>(1,136,676)</b>	<b>(1,156,808)</b>
<b>Depreciation &amp; Amortization</b>	<b>228,435</b>	<b>269,519</b>	<b>297,961</b>	<b>315,752</b>	<b>327,971</b>
<b>Surplus Payments to the City</b>	<b>(36,543)</b>	<b>(37,372)</b>	<b>(36,594)</b>	<b>(36,623)</b>	<b>(37,598)</b>
<b>Net Revenues</b>	<b>\$ 519,513</b>	<b>\$ 615,032</b>	<b>\$ 656,454</b>	<b>\$ 710,251</b>	<b>\$ 718,184</b>
<b>Bond Year Debt Service</b>	<b>\$ 266,425</b>	<b>\$ 302,694</b>	<b>\$ 345,329</b>	<b>\$ 373,888</b>	<b>\$ 377,892</b>
<b>Adjusted Debt Service Coverage Ratio</b>	<b>1.95</b>	<b>2.03</b>	<b>1.90</b>	<b>1.90</b>	<b>1.90</b>

**Note:** Totals may vary due to rounding.

### Adjusted Debt Service Coverage Ratio calculation: Net Revenues/Bond Year Debt Service



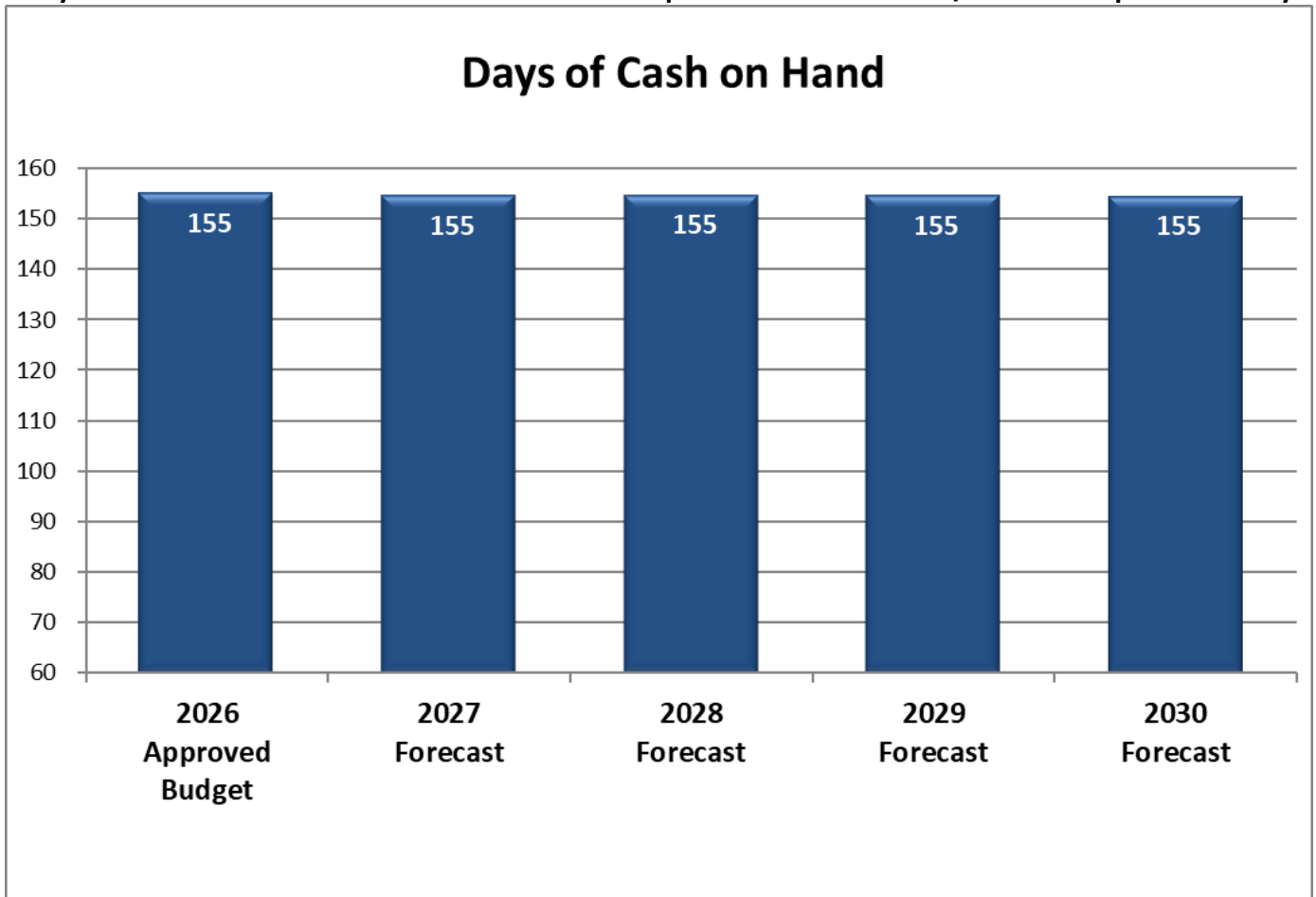
## FINANCIAL MEASURES – DAYS OF CASH ON HAND (in thousands of dollars)

### CALCULATION:

	2026 Approved Budget	2027 Forecast	2028 Forecast	2029 Forecast	2030 Forecast
<b>Cash and Cash Equivalents-Unrestricted</b>	<b>\$ 336,426</b>	<b>\$ 338,051</b>	<b>\$ 344,571</b>	<b>\$ 347,930</b>	<b>\$ 351,133</b>
Cash Expense per Day					
Total Operating Expenses	\$ 1,216,401	\$ 1,067,246	\$ 1,112,507	\$ 1,136,676	\$ 1,156,808
Depreciation & Amortization	(228,435)	(269,519)	(297,961)	(315,752)	(327,971)
Fuel Comodity - Increased Cost	(196,918)	-	-	-	-
Net Cash Expense	\$ 791,048	\$ 797,727	\$ 814,546	\$ 820,924	\$ 828,838
Number of Days in Period	365	365	366	365	365
<b>Net Cash Expense per Day</b>	<b>\$ 2,167</b>	<b>\$ 2,186</b>	<b>\$ 2,226</b>	<b>\$ 2,249</b>	<b>\$ 2,271</b>
<b>Days of Cash on Hand</b>	<b>155</b>	<b>155</b>	<b>155</b>	<b>155</b>	<b>155</b>

**Note:** Totals may vary due to rounding.

### Days of Cash on Hand calculation: Cash and Cash Equivalents-Unrestricted/Net Cash Expense Per Day



**CAPITAL EXPENDITURES (in thousands of dollars)**

Electric Service Capital Projects		2026 Approved Budget	2027 Forecast	2028 Forecast	2029 Forecast	2030 Forecast	Total 5-Yr
1.	SEP - Horizon Power Plant (194144)	\$ 385,938	\$ 119,196	\$ 44,736	\$ 0	\$ 0	\$ 549,869
2.	SEP EIRP Implementation (193784)	0	65,229	85,500	110,125	0	260,854
3.	Operational Fiber Network (193952)	52,445	49,900	52,303	47,993	47,240	249,880
4.	Airport Peak Innovation Park (APIP) - 600 MW (194139)	6,000	27,750	76,250	65,000	13,000	188,000
5.	Substations Power Transformer Purchases (194154)	2,838	7,689	10,388	12,243	16,057	49,215
6.	SEP Kelker Substation (Sub) Rebuild-Expansion (193874)	20,928	10,830	7,967	0	0	39,725
7.	SEP Midway (MW)- Kelker (KE) Transmission Line (193880)	11,268	21,050	5,091	0	0	37,409
8.	Underground (UG) 12.5kV Distribution to New Residential Customers (192296)	4,922	5,712	6,465	6,586	6,707	30,393
9.	Front Range (FR) General Electric Hot Gas Path Replacement (193407)	6,640	4,384	4,845	5,428	6,134	27,431
10.	Central Bluffs Sub (193642)	20,474	3,226	0	0	0	23,701
11.	Electric Service Vehicles & Equipment (180333)	3,896	3,626	4,297	3,850	4,887	20,556
12.	SEP Kelker-South Plant New 115kV Transmission Line (193877)	12,215	6,835	0	0	0	19,050
13.	Fuller Sub - Add New Transformer, Switchgear, and Feeders (194033)	1,500	5,060	6,970	4,767	0	18,297
14.	Wildfire Mitigation System Hardening (194132)	1,449	5,449	3,449	3,449	3,500	17,296
15.	Electric UG Infrastructure Corrective Maintenance (180331)	2,926	2,995	3,407	3,632	3,741	16,701
16.	Electric UG Infrastructure Preventative Maintenance (193224)	1,980	2,070	2,400	4,499	5,250	16,199

Electric Service Capital Projects		2026 Approved Budget	2027 Forecast	2028 Forecast	2029 Forecast	2030 Forecast	Total 5-Yr
17.	System Additions for New Development (193974)	\$ 1,150	\$ 3,039	\$ 3,478	\$ 3,582	\$ 3,690	\$ 14,938
18.	UG 12.5kV Three Phase Mainline to New Residential and Commercial Customers (192298)	2,225	2,270	2,572	2,624	2,676	12,367
19.	Sub Equipment Replacement (180449)	1,313	1,784	3,000	3,000	3,000	12,097
20.	Clear Spring Ranch (CSR) Coal Combustion Residual (CCR) Landfill Redesign Cover (194062)	0	0	0	179	11,900	12,079
21.	APIP - Claremont Sub - Add Transformer, Switchgear, and Feeders (193884)	7,441	4,591	0	0	0	12,032
22.	Distribution System Improvements (192383)	1,821	2,421	2,421	2,421	2,690	11,774
23.	UG 12.5kV Commercial Distribution (192297)	2,115	2,157	2,444	2,493	2,543	11,752
24.	South Plant-Fontanero 115kV UG Line Reconductor (194060)	100	5,700	5,700	0	0	11,500
25.	Santa Fe Sub - Add New Transformer, Switchgear, and Feeders (194029)	8,860	2,500	0	0	0	11,360
26.	Briargate Sub - Add New Transformer, Switchgear, and Feeders (194107)	11,167	0	0	0	0	11,167
27.	Kelker-Rock Island 115kV Line Reconductor (194057)	0	5,500	5,400	0	0	10,900
28.	CSR Zero Discharge Impoundment Closure (194084)	0	0	0	180	10,300	10,480
29.	Project Falcon - Enhanced feed from North Plant - Time and Material (T&M) (194105)	2,500	7,500	0	0	0	10,000
30.	APIP - Horizon Sub - Add New 34.5kV Transformer, Switchgear, and Feeders (194037)	7,250	2,600	0	0	0	9,850
31.	Project Falcon - Express Feed from Rampart (main feed) (194104)	2,500	7,000	0	0	0	9,500



Electric Service Capital Projects		2026 Approved Budget	2027 Forecast	2028 Forecast	2029 Forecast	2030 Forecast	Total 5-Yr
32.	Patty Jewett Sub - Add New Transformer, Switchgear, Feeders, and Retire Memorial Hospital Sub (194026)	\$ 5,938	\$ 2,154	\$ 0	\$ 0	\$ 0	\$ 8,091
33.	Electric Management Reserve (100905)	0	2,000	2,000	2,000	2,000	8,000
34.	Electric Meters - Base Requirements (192347)	1,376	1,404	1,591	1,623	1,655	7,650
35.	FR Tube Section Replacement (193722)	0	0	0	0	7,000	7,000
36.	Manitou Units 1&2 Turbines & Generators Rehabilitation Project (193970)	1,375	5,500	0	0	0	6,875
37.	FR Combustion Turbine (CT) Unit 1 & CT2 Rotor Replacement (193898)	6,750	0	0	0	0	6,750
38.	SEP Portfolio Management (193887)	1,561	1,561	1,561	1,561	0	6,244
39.	Flying Horse Sub - Add New Transformer, Switchgear, and Feeders (193780)	1,596	4,475	0	0	0	6,072
40.	Electric Overhead (OH) Infrastructure Corrective Maintenance (180286)	900	945	1,186	1,222	1,500	5,753
41.	Fuller Sub - Add Two New Feeders (194028)	4,600	0	0	0	0	4,600
42.	Fontanero Sub - Add Second 115/12.5kV Transformer, Switchgear, Feeders, and retire Yampa Sub (194045)	4,600	0	0	0	0	4,600
43.	FR Heat Recovery Steam Generator Unit 1 (HRSG1) Header Replacements (194160)	0	0	4,000	0	0	4,000
44.	New Sub-Northeast Area of Existing Service Territory (194030)	0	0	0	4,000	0	4,000
45.	Nixon 2 and 3 Station Power Feed (194169)	0	0	2,900	1,000	0	3,900
46.	Electric T&M for Capital Work (192909)	645	658	746	761	776	3,587
47.	Atmel Sub - Add New Transformer, Switchgear, and Feeders (193745)	0	0	0	0	3,110	3,110

Electric Service Capital Projects		2026 Approved Budget	2027 Forecast	2028 Forecast	2029 Forecast	2030 Forecast	Total 5-Yr
48.	Powers Sub Transformer and Switchgear Replacement (194046)	\$ 1,112	\$ 1,959	\$ 0	\$ 0	\$ 0	\$ 3,071
49.	Central Sub - Add New Transformer, Switchgear, and Feeders (194032)	0	0	0	0	3,000	3,000
50.	Industrial Park #1 Transformer and Switchgear Replacement (194087)	1,805	1,000	0	0	0	2,805
51.	System Reliability Improvements (180217)	50	550	600	600	600	2,400
52.	Downtown Network Upgrades (182536)	480	270	300	600	600	2,250
53.	Cottonwood-Kettle Creek 115kV Line Reconductor (194059)	50	1,050	1,000	0	0	2,100
54.	FR HRS1 Duct Burner Replacement (194109)	0	0	0	0	2,050	2,050
55.	FR HRS2 Duct Burner Replacement (194115)	0	0	2,050	0	0	2,050
56.	FR CT1 & CT2 Fire Protection Replacement (194117)	200	1,800	0	0	0	2,000
57.	FR HRS2 Header Replacements (194161)	0	0	2,000	0	0	2,000
58.	Spare Transformer - 230/35 kV (194050)	1,100	750	0	0	0	1,850
59.	FR CT1 Generator Stator Rewind (194092)	1,800	0	0	0	0	1,800
60.	Electric Transmission Infrastructure Corrective Maintenance (193406)	225	225	350	450	464	1,714
61.	Advanced Distribution Management System (193695)	250	300	20	1,000	20	1,590
62.	South Plant Aeroderivative Generator (SPAG) Access Platforms (194121)	0	0	0	0	1,500	1,500
63.	Kelker 12.5kV Feeder Addition (193885)	1,500	0	0	0	0	1,500
64.	CSR Dam Construction Upgrade (796741)	91	683	704	0	0	1,478
65.	FR Air Cooled Condenser (ACC) Gearbox (193487)	0	360	360	360	360	1,440

Electric Service Capital Projects		2026 Approved Budget	2027 Forecast	2028 Forecast	2029 Forecast	2030 Forecast	Total 5-Yr
66.	Public Improvements-Electric (180283)	\$ 258	\$ 263	\$ 298	\$ 304	\$ 310	\$ 1,434
67.	FR ACC Blade Replacement (193631)	0	350	350	350	350	1,400
68.	Relay Instrumentation Control (RIC) Equipment Replacement (193225)	233	238	269	275	280	1,296
69.	CSR Sitewide Stormwater Improvements (796742)	360	330	300	300	0	1,290
70.	Horizon Sub - Add New Transformer, Switchgear, and Feeders (194036)	0	0	0	790	450	1,240
71.	North Plant-Central Bluff 115kV Line Reconductor (194056)	0	1,200	0	0	0	1,200
72.	Arc Flash Mitigation (193079)	203	207	234	239	244	1,127
73.	FR Emerson Ovation Distributed Control System (DCS) Human Machine Interface (HMI) Upgrade (194078)	0	0	0	0	1,000	1,000
74.	FR CT Generator 2 Medium Voltage and Low Voltage Switchgear (194164)	0	0	0	0	1,000	1,000
75.	Nixon CT2 & CT3 Fire Protection Replacement (194116)	100	900	0	0	0	1,000
76.	Rampart Sub - Add New Feeder (194031)	950	0	0	0	0	950
77.	Nixon 2 CT Overhaul/Inspection (194114)	0	450	0	0	450	900
78.	Top Tier Sub Hardening (193775)	284	292	301	0	0	877
79.	FR ACC Fan Motor Replacement (194082)	0	200	200	200	200	800
80.	Nixon 3 CT Overhaul/Inspection (194113)	0	0	800	0	0	800
81.	Green Mountain Sub Rebuild (193699)	750	0	0	0	0	750
82.	Fontanero 115kV UG Reconfiguration (193933)	715	0	0	0	0	715

Electric Service Capital Projects		2026 Approved Budget	2027 Forecast	2028 Forecast	2029 Forecast	2030 Forecast	Total 5-Yr
83.	United States Air Force Academy (USAFA) - 34kV OH to UG - Oak Valley Tap to Tesla (194136)	\$ 684	\$ 0	\$ 0	\$ 0	\$ 0	\$ 684
84.	OH Distribution Construction (192295)	111	114	129	131	134	619
85.	FR CT1 Generator Rotor Rewind (194094)	600	0	0	0	0	600
86.	FR Instrument & Control and Electrical (IC&E) Mezzanine Shop Project (193822)	0	0	0	0	500	500
87.	Nixon 2 & 3 Compressed Air System (194118)	0	0	0	0	500	500
88.	Tesla Turbine Isolation Valve (TIV) Replacement & Stanley Canyon Repair Project (193975)	500	0	0	0	0	500
89.	FR Balance of Plant Valves (193721)	0	0	400	0	0	400
90.	Marksheffel 115kV Transmission Tower Relocation (194081)	355	0	0	0	0	355
91.	Transmission & Distribution System Hardening (194138)	0	0	0	0	350	350
92.	Electric Tools & Equip (180332)	50	50	50	50	50	250
93.	Nixon 1 Circ Water Pumps (A/B) Refurbishment (194135)	250	0	0	0	0	250
94.	Nixon 1 Pulverizer Major Component Replacement (192985)	0	75	75	75	0	225
95.	230kV Redundant Communications (193783)	0	220	0	0	0	220
96.	Manitou Plant Roof Access (194119)	200	0	0	0	0	200
97.	Sub Asset Management Software (193892)	164	0	0	0	0	164
98.	Electric Planning System Model Enhancements (180378)	0	30	50	30	50	160
99.	Nixon 1 Cooling Tower Fan Blades and Hubs (193189)	50	50	50	0	0	150
100.	Nixon 1 Battery Replacement (193621)	150	0	0	0	0	150

Electric Service Capital Projects		2026 Approved Budget	2027 Forecast	2028 Forecast	2029 Forecast	2030 Forecast	Total 5-Yr
101.	Upgrade OH for existing customers (180218)	\$ 0	\$ 0	\$ 150	\$ 0	\$ 0	\$ 150
102.	Advanced Metering Infrastructure (AMI) Network New Growth & Replacement (796463)	20	20	21	21	22	104
103.	FR Heating, Ventilation, and Air Conditioning (HVAC) Unit Replacement (193577)	30	0	30	0	30	90
104.	Nixon 1 Cooling Tower Fan Gearbox (193252)	30	30	30	0	0	90
105.	Streetlight Replacements (Outside City Limits) (192931)	9	10	12	12	29	72
106.	Manitou 3 Control System (193090)	0	0	0	50	0	50
107.	FR Unit 2 Continuous Emissions Monitoring System (CEMS) (193903)	0	0	0	0	50	50
108.	Nixon Zero Discharge (ZD) - Demister Pad Replacement (194069)	25	0	25	0	0	50
109.	FR Units 1 & 2 CEMS Data Controller Replacement (194125)	48	0	0	0	0	48
110.	Nixon Units 2 & 3 CEMS Data Controller Replacement (194131)	48	0	0	0	0	48
111.	SPAG Control Room HVAC Replacement Project (194146)	0	0	0	0	35	35
112.	FR Inverter System Maintenance (193727)	30	0	0	0	0	30
<b>Total Capital Non-Labor Electric</b>		<b>\$ 629,073</b>	<b>\$ 420,737</b>	<b>\$ 364,224</b>	<b>\$ 300,054</b>	<b>\$ 173,984</b>	<b>\$1,888,070</b>

**CAPITAL EXPENDITURES (in thousands of dollars)**

Streetlights Service Capital Projects		2026 Approved Budget	2027 Forecast	2028 Forecast	2029 Forecast	2030 Forecast	Total 5-Yr
1.	Streetlights - New Construction (892346)	\$ 647	\$ 660	\$ 673	\$ 687	\$ 700	\$ 3,367
2.	Streetlight Replacements (Inside City Limits) (892930)	580	598	684	705	726	3,293
3.	Street Lights (892330)	158	160	190	194	198	901
<b>Total Capital Non-Labor Streetlights</b>		<b>\$ 1,386</b>	<b>\$ 1,418</b>	<b>\$ 1,548</b>	<b>\$ 1,586</b>	<b>\$ 1,624</b>	<b>\$ 7,561</b>

**CAPITAL EXPENDITURES (in thousands of dollars)**

Gas Service Capital Projects		2026 Approved Budget	2027 Forecast	2028 Forecast	2029 Forecast	2030 Forecast	Total 5-Yr
1.	Distribution Integrity Management Program (DIMP) Accelerated Work (293220)	\$ 12,000	\$ 19,000	\$ 23,500	\$ 25,000	\$ 25,000	\$ 104,500
2.	SEP - Downtown and Military Gas Supply Resiliency Project (293207)	3,320	26,320	26,820	0	0	56,460
3.	New Construction Billable (293041)	3,596	3,732	3,949	4,028	4,109	19,414
4.	DIMP - Gas Coated Steel Renewals (293180)	2,125	4,120	4,244	4,371	4,502	19,362
5.	Gas Unplanned Maintenance (293183)	2,230	2,269	2,629	1,920	1,977	11,024
6.	Loch Fyne, Phase II (293221)	1,544	3,672	4,844	362	0	10,422
7.	Gas Service Vehicles & Equipment (280021)	1,723	2,167	1,884	1,925	2,443	10,143
8.	Gas Meters - Base Requirements (293043)	1,857	1,894	1,932	1,971	2,010	9,665
9.	DIMP - Gas 150P System Renewals (293179)	2,500	1,170	1,461	1,093	1,126	7,349
10.	Loch Fyne, Phase III (293222)	0	0	379	530	5,944	6,853
11.	New Construction Non-Billable (293042)	1,299	1,299	1,325	1,352	1,406	6,681
12.	DIMP - Gas Vintage Plastic Renewals (293181)	1,000	1,030	1,061	1,093	1,126	5,309
13.	Gas Distribution System Improvements (293044)	1,006	889	901	905	870	4,571
14.	30060 Gas FY 2023 PHMSA Grant (293218)	2,202	2,202	0	0	0	4,404
15.	30061 Gas FY 2024 PHMSA Grant (293219)	0	0	2,188	2,188	0	4,377
16.	DIMP - Gas Risk Based Projects (293182)	230	250	270	1,109	1,131	2,990
17.	Gas T&M for Capital Work (293122)	480	490	499	508	517	2,494
18.	GPAP XLE Compressor Replacement (293209)	2,000	0	0	0	0	2,000
19.	Gas Tools & Equip (280019)	200	415	446	400	400	1,861
20.	Gas Management Reserve (200905)	0	400	500	500	300	1,700
21.	Public Improvements-Gas (280024)	243	250	255	263	270	1,281

Gas Service Capital Projects		2026 Approved Budget	2027 Forecast	2028 Forecast	2029 Forecast	2030 Forecast	Total 5-Yr
22.	Gas Operations Tools & Equipment (293206)	\$ 281	\$ 287	\$ 219	\$ 225	\$ 232	\$ 1,244
23.	Gas Maximum Allowable Operating Pressure (MAOP) (293205)	400	400	0	0	0	800
24.	High-Pressure Gas Time and Materials Capital Projects (293213)	800	0	0	0	0	800
25.	Gas Propane Air Plant (GPAP) Cathodic Protection System (293212)	500	0	0	0	0	500
26.	DIMP - Gas Bare Steel Replacements (293178)	204	208	0	0	0	412
27.	DIMP - Distribution Regulator Station Replacement (280011)	72	74	76	79	81	383
28.	DIMP - Emergency Valve Replacement (280005)	40	40	40	40	40	200
29.	DIMP - Gas Distribution System Improvements (280034)	32	33	34	35	36	170
30.	Gas 150P Over Pressure Protection (293186)	150	0	0	0	0	150
31.	AMI Network New Growth & Replacement (796463)	18	18	18	19	19	91
32.	Gas Instrumentation & Control (GIC) Meter Station Improve/Upgrades (293184)	10	10	10	10	10	50
<b>Total Capital Non-Labor Gas</b>		<b>\$ 42,061</b>	<b>\$ 72,640</b>	<b>\$ 79,484</b>	<b>\$ 49,924</b>	<b>\$ 53,548</b>	<b>\$ 297,656</b>



**CAPITAL EXPENDITURES (in thousands of dollars)**

Water Service Capital Projects		2026 Approved Budget	2027 Forecast	2028 Forecast	2029 Forecast	2030 Forecast	Total 5-Yr
1.	Continental-Hoosier System Project (394345)	\$ 7,500	\$ 7,800	\$ 20,000	\$ 72,000	\$ 74,500	\$ 181,800
2.	Finished Water Linear Asset Program (394744)	11,425	7,693	12,675	13,023	14,861	59,677
3.	Tollefson/Mesa Water Treatment Plant (WTP) Upgrades Program Phase 2 and 3 (394761)	1,200	2,640	7,206	14,754	14,800	40,600
4.	Public Improvement Projects - Water (380083)	4,000	5,280	5,220	10,250	7,000	31,750
5.	Centennial Boulevard Pump Station and Transmission (394798)	1,000	1,000	6,300	11,000	11,000	30,300
6.	Austin Bluffs Pump Station and Transmission (2021 Finished Water System Plan (FWSP)) (394779)	1,705	5,215	12,000	10,000	0	28,919
7.	Water Acquisition (394683)	0	0	25,764	0	0	25,764
8.	Penrose Water Supply (394787)	12,800	10,500	0	0	0	23,300
9.	Wolf Ranch and Upper Briargate (UBGT) Pressure Zone Interconnection - North Segment, Phase 1 of 2 (394652)	8,221	12,589	0	0	0	20,810
10.	Potable Pumping Station Replacement Program (394587)	3,500	6,000	6,000	1,000	2,460	18,960
11.	Rosemont Pipeline Replacement (394476)	4,506	4,956	4,034	500	4,919	18,916
12.	Potable Water Tank Refurbishment/Replacement Program (394575)	12,060	1,183	1,181	2,239	1,385	18,048
13.	Specialty Valves Rehabilitation and Replacement Program (394651)	2,760	4,000	3,520	3,480	4,000	17,760
14.	Water Service Vehicles & Equipment (380109)	2,286	4,350	3,329	5,378	1,000	16,343
15.	Arkansas Basin Storage - Clear Creek (394755)	0	100	0	11,000	0	11,100

Water Service Capital Projects		2026 Approved Budget	2027 Forecast	2028 Forecast	2029 Forecast	2030 Forecast	Total 5-Yr
16.	Manitou Penstock Pipeline (394833)	\$ 0	\$ 0	\$ 0	\$ 3,000	\$ 8,000	\$ 11,000
17.	Water Management Reserve (300905)	0	2,000	3,000	3,000	2,000	10,000
18.	Homestake Discharge Pipeline Replacement (394731)	639	2,251	2,319	2,388	2,230	9,827
19.	Water Meters - Base Requirements (394204)	1,486	1,517	1,681	3,006	2,010	9,700
20.	Raw Water System Improvements Program (394684)	400	2,200	2,175	2,775	2,000	9,550
21.	Reduced Briargate Tank (2021 FWSP) (394771)	0	0	500	1,000	8,000	9,500
22.	Ft. Carson 20" Main Replacement (394799)	200	440	435	2,675	3,000	6,750
23.	Ruxton 24" and 30" Raw Water Main Replacement/Rehabilitation" (394790)	500	6,000	0	0	0	6,500
24.	Tollefson - Pikeview System Improvements (394704)	0	0	650	675	4,200	5,525
25.	12"/16"/20" Broadmoor Area Main Replacement (394800)	0	220	635	1,645	3,000	5,500
26.	Pine Valley & McCullough Disinfection Outreach and Verification Effort (DOVE) Disinfection Improvements (394722)	500	2,000	2,000	0	0	4,500
27.	Homestake Collection System Pipeline Repair and Rehabilitation (394711)	2,000	1,500	0	0	0	3,500
28.	Las Animas Consolidated Company Shares Acquisition (394846)	3,000	330	0	0	0	3,330
29.	Dam Safety Improvement Program (394830)	0	0	0	0	3,000	3,000
30.	Restoration of Yield (ROY) Storage (394419)	200	200	200	1,000	1,000	2,600
31.	Stetson Hills and Marksheffel 36" Water Main Gap (2021 FWSP)" (394784)	251	2,330	0	0	0	2,581
32.	Water System Infrastructure Continuity (380096)	360	396	392	743	450	2,340

Water Service Capital Projects		2026 Approved Budget	2027 Forecast	2028 Forecast	2029 Forecast	2030 Forecast	Total 5-Yr
33.	Southern Delivery System (SDS) Pump Station Improvements (394812)	\$ 468	\$ 374	\$ 393	\$ 439	\$ 468	\$ 2,141
34.	Water Infrastructure Corrosion Program-Raw Water (394678)	298	335	338	639	404	2,014
35.	Pine Valley - New WTP Design and Construction (394729)	0	0	0	0	2,000	2,000
36.	Ute Pass WTP Improvements Program (394691)	500	88	283	301	800	1,972
37.	Mason-McReynolds 20" Transfer Line (394832)	1,700	0	0	0	0	1,700
38.	Water Budget Rates (394757)	600	1,000	0	0	0	1,600
39.	Lower Arkansas Storage - On Farm (394686)	0	0	0	0	1,500	1,500
40.	Fire Hydrant Installation (380099)	200	220	218	413	250	1,300
41.	Lab Capital Equipment - Water (380082)	160	242	239	318	250	1,209
42.	Distribution System Instrumentation and Control Improvement Program (394613)	200	200	250	250	250	1,150
43.	Fort Lyon Canal Company (FLCC) Shares Acquisition (394807)	400	350	350	0	0	1,100
44.	Water Valve Replacement (394703)	160	176	174	330	200	1,040
45.	Pine Valley/McCullough Supervisory Control and Data Acquisition (SCADA) & Programmable Logic Controller (PLC) Standardization (394727)	0	0	0	95	910	1,005
46.	North to North Transfer Pipeline (394565)	0	0	250	250	500	1,000
47.	Homestake 72" Inline Valve on Discharge Line (394675)	950	0	0	0	0	950
48.	Homestake Vehicles & Equipment (380124)	273	281	0	179	184	918
49.	Kissing Camels Pressure Zone Expansion (2021 FWSP) (394772)	900	0	0	0	0	900
50.	Pikes Peak Community College Main (394533)	0	0	100	750	0	850

Water Service Capital Projects		2026 Approved Budget	2027 Forecast	2028 Forecast	2029 Forecast	2030 Forecast	Total 5-Yr
51.	Homestake Dam Protective Mastic Liner (394712)	\$ 0	\$ 0	\$ 0	\$ 836	\$ 0	\$ 836
52.	Homestake Pipeline Replacement for Leak Remediation (394715)	325	141	145	0	154	764
53.	Water Tools & Equip (380101)	112	123	122	231	140	728
54.	Stubbs and Miller Intake Replacement (394659)	0	0	0	0	650	650
55.	Rosemont Dam Rehabilitation (394788)	0	0	0	0	615	615
56.	Water Treatment Capital Improvements (394677)	0	0	0	0	580	580
57.	Centennial Boulevard Bottleneck (2021 FWSP) (394783)	0	0	60	500	0	560
58.	Highline Pressure Zone Interconnect at Mesa and Unitah (2021 FWSP) (394767)	0	146	400	0	0	546
59.	Water and Wastewater System Modeling Software (796780)	402	0	0	0	0	402
60.	Water Tap Install - New Customers (380108)	50	50	50	50	50	250
61.	Homestake Structure Improvements (380094)	164	45	0	0	0	209
62.	Homestake 10" Nozzle Repairs for Four Surge Tanks (394676)	200	0	0	0	0	200
63.	Developer Initiated and Unserved Area Projects - Water (394114)	10	10	10	10	150	190
64.	Pine Valley/McCullough Analyzer Replacements (394721)	183	0	0	0	0	183
65.	JDP Pikeview Non-Potable Pump Upgrades (2022 Non-Potable Water System Plan (NPSP)) (394803)	17	157	0	0	0	174
66.	SDS Instrumentation & Control (I&C) Pump Station Upgrades (394793)	159	0	0	0	0	159
67.	Caretaker House Improvement Program (394794)	150	0	0	0	0	150

Water Service Capital Projects		2026 Approved Budget	2027 Forecast	2028 Forecast	2029 Forecast	2030 Forecast	Total 5-Yr
68.	Westmoor Park Pressure Zone Redundancy (2021 FWSP) (394782)	\$ 0	\$ 0	\$ 0	\$ 50	\$ 100	\$ 150
69.	Homestake Mass Asset Valve Purchases (394753)	27	28	29	30	31	145
70.	Las Vegas Drake Tertiary Filtration to West Pond (NPSP 2022) (394804)	0	0	0	0	131	131
71.	Homestake SCADA System Upgrades (380125)	38	17	17	0	31	103
72.	Homestake Suction Pipeline Replacement (394477)	100	0	0	0	0	100
73.	Homestake Microwave & Radio Infrastructure Improvements (394488)	50	50	0	0	0	100
74.	Pine Valley/McCullough Sealant and Efflorescence (394728)	0	100	0	0	0	100
75.	Homestake Surge Chamber Epoxy Coating (394634)	0	79	0	0	0	79
76.	AMI Network New Growth & Replacement (796463)	13	13	13	13	14	65
77.	Water System Design Review, Inspection and Acceptance (394132)	12	12	12	12	12	60
78.	Homestake Pipeline Pressure Pit (394446)	45	0	0	0	0	45
79.	Briargate-North Interconnect (2021 FWSP) (394818)	0	0	0	0	37	37
<b>Total Capital Non-Labor Water</b>		<b>\$ 91,365</b>	<b>\$ 98,927</b>	<b>\$124,667</b>	<b>\$182,227</b>	<b>\$185,225</b>	<b>\$ 682,410</b>

**CAPITAL EXPENDITURES (in thousands of dollars)**

Wastewater Service Capital Projects		2026 Approved Budget	2027 Forecast	2028 Forecast	2029 Forecast	2030 Forecast	Total 5-Yr
1.	Eastern Wastewater System Expansion (EWSE) Phase 1 - Upper and Lower Crosstown Interceptor (495435)	\$ 9,685	\$ 35,890	\$ 49,643	\$ 39,886	\$ 22,646	\$ 157,750
2.	EWSE Phase 1 - New Lift Stations and Force Mains (495436)	9,449	29,869	35,204	56,563	22,207	153,292
3.	Northern Monument Creek Interceptor (NMCI) (495356)	32,500	42,000	20,000	0	0	94,500
4.	EWSE Phase 1 - Milton Proby Interceptor (495437)	4,488	16,998	28,300	16,268	5,889	71,943
5.	Las Vegas Street Water Resource Recovery Facility (LVSRRF) I&C Improvements (495371)	1,900	4,000	4,000	4,000	7,000	20,900
6.	Sanitary Sewer Creek Crossing (SSCC) Collection System Rehabilitation/Replacement Program (495253)	3,600	3,930	3,600	3,600	3,600	18,330
7.	LVSRRF Influent Junction Box Replacement (495363)	9,600	7,000	0	0	0	16,600
8.	Local Collectors Evaluation and Rehabilitation Program (LCERP) (495121)	2,250	2,450	1,000	2,400	6,000	14,100
9.	JD Phillips Water Resource Facility (JDPWRRF) Biological Nutrient Removal (BNR) Upgrades - Phase 1 (495426)	500	5,417	5,046	0	0	10,964
10.	LVSRRF RAS Pump Replacement (495402)	4,000	4,925	0	0	0	8,925
11.	Clear Springs Ranch Resource Recovery Facility (CSRRLF) Gas and Steam System Improvements (495467)	1,159	7,602	0	0	0	8,762
12.	JDPWRRF Facility-Wide Electrical I&C Upgrades & Power Quality Protection (495440)	0	0	800	700	7,000	8,500
13.	Wastewater Service Vehicles & Equipment (480017)	1,277	834	1,106	1,925	2,443	7,586

Wastewater Service Capital Projects		2026 Approved Budget	2027 Forecast	2028 Forecast	2029 Forecast	2030 Forecast	Total 5-Yr
14.	Wastewater Lift Station and Force Main NMCI Related Infrastructure Improvement Program (495401)	\$ 450	\$ 2,900	\$ 200	\$ 1,400	\$ 1,400	\$ 6,350
15.	LVSWRRF Waste Activated Sludge (WAS) Thickening Improvements (495384)	0	0	0	1,632	4,691	6,323
16.	Public Improvement Projects - Wastewater (480015)	900	1,200	1,000	1,000	1,000	5,100
17.	Wastewater Lift Station and Force Main Evaluation and Rehabilitation Program (495281)	983	398	348	2,985	369	5,083
18.	LVSWRRF Sludge Pump Replacement (495309)	3,500	0	0	0	0	3,500
19.	CSR Dam Construction Upgrade (796741)	212	1,594	1,642	0	0	3,448
20.	CSR Sitewide Stormwater Improvements (796742)	840	770	700	700	0	3,010
21.	LVSWRRF Aeration System Modifications (495307)	3,000	0	0	0	0	3,000
22.	Collection System Rehabilitation/Replacement (495236)	450	740	500	500	500	2,690
23.	LVSWRRF Ultraviolet radiation (UV) Disinfection Electrical System Improvements (495410)	1,000	1,546	0	0	0	2,546
24.	Wastewater Management Reserve (400905)	0	500	700	700	400	2,300
25.	Water Resource Recovery (WRRF) Improvements Program (495338)	360	475	400	400	450	2,085
26.	LVSWRRF Effluent Temperature Project (495382)	0	0	0	845	1,134	1,979
27.	WRRF Control System Upgrade Program (495328)	324	441	380	400	410	1,955
28.	JDPWRRF HVAC Upgrades (495456)	934	0	0	723	86	1,743
29.	Wastewater Infrastructure Corrosion Program (495322)	287	388	331	338	345	1,688

Wastewater Service Capital Projects		2026 Approved Budget	2027 Forecast	2028 Forecast	2029 Forecast	2030 Forecast	Total 5-Yr
30.	LVSRRF Primary Effluent Pump Station (PEPS) Improvements (495409)	\$ 400	\$ 1,200	\$ 0	\$ 0	\$ 0	\$ 1,600
31.	LVSRRF Secondary Clarifier Mechanism Replacement (495403)	0	0	0	532	1,042	1,574
32.	LVSRRF Primary Clarifier Mechanism Replacement (495375)	0	0	0	0	1,518	1,518
33.	JDPWRRF Thermal Energy Recovery (495441)	0	0	0	559	959	1,518
34.	LVSRRF Odor Control Improvements (495383)	0	0	0	0	1,315	1,315
35.	LVSRRF Primary Effluent Pump Addition (495385)	0	97	73	514	513	1,198
36.	Lab Equipment Capital - Wastewater (480003)	176	324	200	200	200	1,099
37.	JDPWRRF Hydro cyclones (495439)	1,065	0	0	0	0	1,065
38.	LVSRRF Secondary Clarifier Rehabilitation (495408)	0	0	0	400	412	811
39.	LVSRRF Headworks Odor Control Media Replacement (495310)	0	230	0	250	270	750
40.	JDPWRRF Odor Control Carbon Media Replacement (495314)	670	0	0	0	0	670
41.	Wastewater Tools and Equipment (495321)	90	96	200	200	80	666
42.	Developer Initiated and Unserved Area Projects - Wastewater (495106)	312	10	10	10	292	634
43.	JDPWRRF UV System Replacement (495451)	0	0	0	0	615	615
44.	JDPWRRF Grit System Conversion (495453)	0	0	0	439	151	589
45.	LVSRRF Sky Flume Odor Control Media Replacement (495323)	0	276	0	0	300	576
46.	Replacement of CCTV Equipment (480004)	153	124	90	90	90	547
47.	LVTP06 Complete Interior Renovation Project (495475)	500	0	0	0	0	500



Wastewater Service Capital Projects		2026 Approved Budget	2027 Forecast	2028 Forecast	2029 Forecast	2030 Forecast	Total 5-Yr
48.	LVSRRF Truck bay Improvements (495394)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 471	\$ 471
49.	LVSRRF Blower System Modifications (495427)	0	0	0	0	452	452
50.	JDPWRRF Headworks Influent and Primary Clarifier Influent Gates Replacement (495448)	0	0	0	0	442	442
51.	LVSRRF Parallel Parshall Flume Improvement (495396)	0	0	0	0	307	307
52.	JDPWRRF Return Activated Sludge (RAS) Pumping Improvements (495443)	0	0	300	0	0	300
53.	LVSRRF Primary Sludge Pump Replacement (495377)	0	0	0	0	295	295
54.	LVSRRF Roof Replacement Program (495330)	0	70	70	70	70	280
55.	JDPWRRF Short-Term Structural Repairs of Non-Pot Building (495452)	0	0	0	0	244	244
56.	LVSRRF Septage Improvements (495381)	0	31	183	0	0	215
57.	CSRRF Replace Sludge Piping at Wall in Energy Recovery Building (ERB) and Digesters (495351)	200	0	0	0	0	200
58.	LVSRRF Replace Treated Effluent UV bulbs (495333)	0	200	0	0	0	200
59.	Water and Wastewater System Modeling Software (796780)	198	0	0	0	0	198
60.	CSRRF Replace Electrical Equipment in Mechanical Room (495357)	0	168	0	0	0	168
61.	JDPWRRF Odor Control and Chemical Improvements (495447)	164	0	0	0	0	164
62.	JDPWRRF UV Treated Effluent Bulb Replacement (495275)	120	0	0	0	0	120
63.	LVSRRF Non-pot Water Piping Replacement (495395)	0	0	0	0	119	119

Wastewater Service Capital Projects		2026 Approved Budget	2027 Forecast	2028 Forecast	2029 Forecast	2030 Forecast	Total 5-Yr
64.	JDPWRRF Non-Potable Flash Mixer Replacement (495449)	\$ 0	\$ 0	\$ 0	\$ 90	\$ 0	\$ 90
65.	LVSWRRF High Priority Motor Control Center (MCC) Replacement (495388)	0	0	0	0	86	86
66.	CSRRRF Grit Solid Waste Disposal Area Plan (495423)	79	0	0	0	0	79
67.	LVSWRRF Replace batteries at the UV System (495326)	0	0	70	0	0	70
68.	Wastewater System Design Review, Inspection and Acceptance (495062)	12	12	12	12	12	60
69.	JDPWRRF Replace Capacitors in UV Uninterruptible Power Supplies (UPS) System (495369)	0	0	60	0	0	60
70.	LVSWRRF Replace Capacitors in UV UPS System (495368)	0	0	0	0	60	60
71.	LVSWRRF Junction Box-2 (JB-2) Odor Control Media Replacement (495335)	0	27	0	0	30	57
72.	LVSWRRF Aqua disk Filter Replacement (495367)	0	50	0	0	0	50
73.	JDPWRRF UV Disinfection-Lower Bulb Replacement (495319)	44	0	0	0	0	44
74.	JDPWRRF Replace UPS Batteries at the UV System (495312)	0	0	25	15	0	40
75.	JDPWRRF Aqua disk Filter Replacement (495316)	0	40	0	0	0	40
<b>Total Capital Non-Labor Wastewater</b>		<b>\$97,831</b>	<b>\$174,823</b>	<b>\$156,193</b>	<b>\$140,344</b>	<b>\$97,915</b>	<b>\$667,107</b>

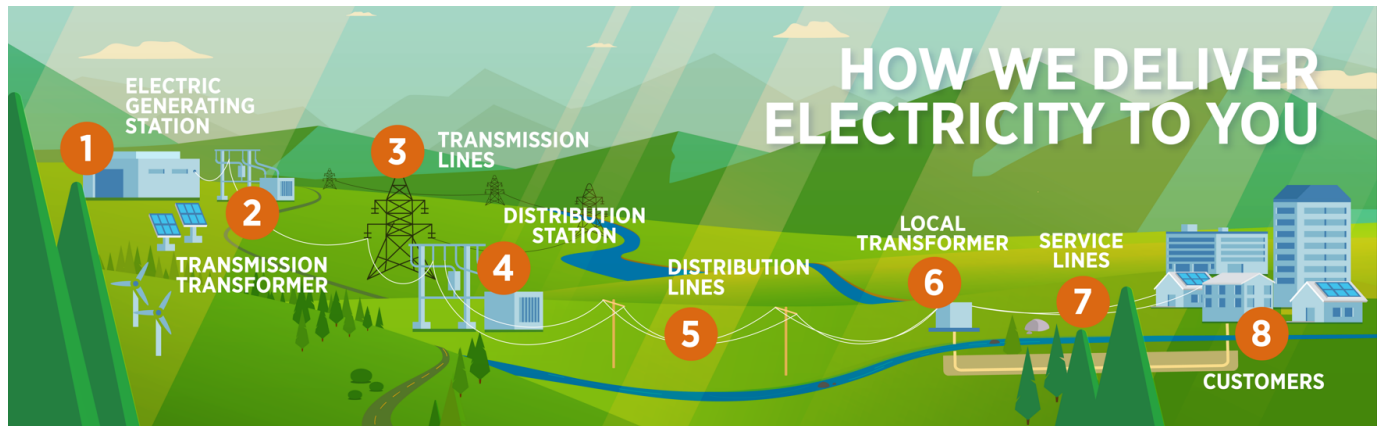
**CAPITAL EXPENDITURES (in thousands of dollars)**

Common Service Capital Projects		2026 Approved Budget	2027 Forecast	2028 Forecast	2029 Forecast	2030 Forecast	Total 5-Yr
1.	Geographic Information System (GIS) Technology Modernization Project (596651)	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,140	\$ 10,140
2.	Common Service Vehicles & Equipment (580175)	1,130	3,338	2,608	1,283	1,629	9,988
3.	Computer Maintenance Management System (CMMS) (596710)	5,100	4,000	0	0	0	9,100
4.	Network Enterprise Services Program (596544)	1,500	1,500	2,000	2,500	1,500	9,000
5.	Infrastructure Platform Program (596535)	450	1,100	1,200	1,300	1,400	5,450
6.	Birdsall (BRDS02) Data Center Power Distribution Units (PDU)/UPS Upgrade (596758)	200	2,000	2,500	0	0	4,700
7.	Data Analytics and Strategy - Storage & Access (596712)	0	1,000	1,000	1,000	1,000	4,000
8.	Trunked Radio System Replacement Program (596669)	1,038	1,133	1,167	0	0	3,338
9.	Supervisory Control and Data Acquisition (SCADA) (580216)	10	10	300	1,300	10	1,630
10.	Multi-Facility Asphalt and Concrete Project Portfolio (596763)	0	500	500	500	0	1,500
11.	Common Management Reserve (500905)	0	300	400	400	300	1,400
12.	ESSC Roof Top Unit Upgrade and Replacement (596630)	0	1,297	0	0	0	1,297
13.	ESSC01 Roof Upgrade and Replacement (596626)	0	742	0	0	0	742
14.	John Pinkerton Service Center (JPSC01) Roof Upgrade and Replacement (596750)	650	0	0	0	0	650
15.	Communication Site Infrastructure Replacement (596785)	125	125	125	125	125	625

Common Service Capital Projects		2026 Approved Budget	2027 Forecast	2028 Forecast	2029 Forecast	2030 Forecast	Total 5-Yr
16.	Operational Technology Demilitarized Zone (596766)	\$ 368	\$ 215	\$ 0	\$ 0	\$ 0	\$ 583
17.	Stormwater Phase V (596778)	497	0	0	0	0	497
18.	Microwave Radio Lifecycle Replacement (596717)	84	87	140	64	0	375
19.	Cyber Operations and Resiliency Program (596545)	100	50	50	50	50	300
20.	Common Tools & Equip (580141)	110	30	30	30	30	230
21.	Mobile Mapping Upgrade (596728)	0	0	200	0	0	200
22.	Technology Services and Support Program (596533)	34	34	34	34	34	170
23.	Data Center and Services Firewall Replacement (596787)	140	0	0	0	0	140
24.	ADG Survey Equipment (596646)	0	40	0	60	0	100
25.	Communication Site Battery Replacement (596716)	0	20	0	46	24	91
26.	Advanced Geomatics Surveying Group (ADG) Remote Sensing Equipment (596645)	0	75	0	0	0	75
27.	Fort Carson Intergovernmental Service Agreement (IGSA) Tools and Equipment (596729)	25	0	0	0	0	25
<b>Total Capital Non-Labor Common</b>		<b>\$ 13,561</b>	<b>\$ 19,596</b>	<b>\$ 14,254</b>	<b>\$ 10,692</b>	<b>\$ 8,242</b>	<b>\$ 66,346</b>

# ELECTRIC AND STREETLIGHT SERVICE OVERVIEW

## SYSTEM HIGHLIGHTS



- |   |  |   |   |
|---|--|---|---|
| 1 | ELECTRICITY IS GENERATED A VARIETY OF WAYS, INCLUDING USING NATURAL GAS, COAL, SUN, WIND AND WATER             | 5 | 3,900+ MILES OF UNDERGROUND AND OVERHEAD DISTRIBUTION LINES THAT DELIVER POWER TO NEIGHBORHOOD TRANSFORMERS |
| 2 | INCREASES THE POWER'S VOLTAGE FOR TRAVEL ACROSS LONG DISTANCES   | 6 | DECREASES THE POWER'S VOLTAGE FOR USE IN HOMES AND BUSINESSES   |
| 3 | 232+ MILES OF UNDERGROUND AND OVERHEAD TRANSMISSION LINES TRANSPORT HIGH VOLTAGE ELECTRICITY ACROSS THE REGION | 7 | DELIVER ELECTRICITY TO CUSTOMERS EITHER UNDERGROUND OR OVERHEAD   |
| 4 | DECREASES THE POWER'S VOLTAGE FOR LOCAL DISTRIBUTION   | 8 | FINALLY, THE ELECTRICITY IS DELIVERED TO YOU  |

## STATISTICS

- Number of active electric meters: 259,471
- Annual electric use: 4.13 million MWh
- Record peak demand: 1,011 MW (July 2024)
- Net generating capability: 992 MW winter (2024-2025), 968 MW summer (2025)
- Power purchases (summer 2025):
  - Jackson Fuller Battery Energy Storage System 100 MW
  - Western Area Power Administration 76 MW
  - Spring Canyon II and III Wind Energy 60 MW
  - Palmer Solar Array 60 MW
  - Grazing Yak Solar Array 35 MW
  - Clear Spring Ranch Solar Array 10 MW
  - US Air Force Academy Solar 5 MW
  - Solar Gardens 4 MW
- Average System Availability Index (ASAI): 99.9915%
- System Average Interruption Duration Index (SAIDI): 44.76 minutes

## Electric Service Capital Projects

**2026  
Approved  
Budget**

1. **SEP - Horizon Power Plant (194144)** **\$ 385,937,759**  
Engineering, procurement, installation, and commissioning of 10 simple cycle combustion turbines and all required utilities (gas, water, wastewater substation, fiber) utilizing natural gas to generate 400 MW of fast ramp, low turn-down, dispatchable electric generation at the Horizon (formally ATC) location.
  
2. **Operational Fiber Network (193952)** **52,445,000**  
Construction and installation of a secure, city-wide, fiber optic telecommunications infrastructure system to enhance the existing Utilities network and future Colorado Springs Utilities operations.
  
3. **SEP Kelker Substation Rebuild-Expansion (193874)** **20,928,128**  
Double the substation size to accommodate the growing energy demands in the southeastern area of Colorado Springs. Project will connect the new Kelker-South Plant and Midway-Kelker transmission lines and address the Sustainable Energy Plan (SEP) goals to improve system reliability by expanding our energy resources to meet the growing energy needs of our community. Construction began in January 2023 and is expected to be completed in 2027.
  
4. **Central Bluffs Substation (193642)** **20,474,310**  
Provide a new facility to accommodate future load growth and contingency needs around the North Nevada revitalization project and UCCS. Utilities to remove 2 substations and 1 switch station from service which would otherwise require significant upgrades. Work planned to be accomplished in 2026 includes construction of new substations and associated distribution and transmission electric infrastructure.
  
5. **SEP Kelker-South Plant New 115kV Transmission Line (193877)** **12,214,591**  
Installation of new 115kV transmission line connecting the Kelker substation to South Plant Substation downtown. 2025 will consist of further land acquisition and design requirements, construction is scheduled to begin in 2026 and be completed in 2027.
  
6. **SEP MW-KE Transmission Line (193880)** **11,268,053**  
Upgrade the existing 115kV transmission line to a double circuit 115kV/230kV transmission line to increase import capability into the system. The upgrade will replace all existing wooden poles with steel monopoles. Additionally, we will upgrade equipment within our Nixon, Fountain, Bradley and Kelker Substations to support this increased energy load, construction is scheduled to begin by fall 2025. Capital rebuild of the existing Midway-Nixon 230kV transmission line to increase load carrying capabilities and to address contingency loading issues.

7.	<b>Briargate Substation - Add New Transformer, Switchgear, and Feeders (194107)</b> Add a new transformer, switchgear, breaker and up to 4 new feeders at Briargate Substation for load alleviation, contingency and future load growth.	\$ 11,166,679
8.	<b>Santa Fe Substation - Add New Transformer, Switchgear, and Feeders (194029)</b> Install a new 50MVA 115/13.2kV transformer, switchgear, and up to four feeders to provide contingency planning and support to the local area.	8,860,000
9.	<b>APIP - Claremont Substation - Add Transformer, Switchgear, and Feeders (193884)</b> Install a new 150MVA 230/34.5kV power transformer and four new 34.5kV feeders to tie into Powers Substation, Peterson Field Substation, Horizon Substation, and PIP area.	7,440,829
10.	<b>APIP - Horizon Substation - Add New (34.5kV) Transformer, Switchgear, and Feeders (194037)</b> Install a new 150MVA 34.5kV transformer, switchgear, and four feeders to support anticipated large customer growth and provide a source for future 34.5/13.2kV substation(s).	7,250,000
11.	<b>Front Range CT1 &amp; CT2 Rotor Replacement (193898)</b> Purchase and Installation of CT1 and CT2 Combustion Turbine Rotors: CT1 and CT2 will have to refurbished rotors installed, CT2 will be installed in the Fall of 2024 and CT1 will be installed in the Spring of 2026. Purchase cost of rotor is spread out over 2023, 2024, 2025 and 2026.	6,750,000
12.	<b>Front Range General Electric Hot Gas Path Replacement (193407)</b> Payments toward the contractual long-term service agreement (LTSA) with General Electric (GE) for two Frame 7FA Combustion Turbines at the Front Range Power Plant. The parts included in this capital project include but are not limited to rows 1, 2 and 3 turbine blades, buckets and nozzle replacement parts considered as part of the "Hot Gas Path" of the combustion turbine. Payment is based on the operating hours of the plants and is a contractual obligation.	6,640,182
13.	<b>APIP - Peak Innovation Park (PIP) - 600 MW Load (194139)</b> Construct a dedicated high voltage substation and transmission line. Initial Peak Innovation Park (PIP) substation configuration will be designed to accommodate future expandability. To meet extreme load growth due to expansion of the PIP, Peterson Space Force base, COS Airport and accompanying new facilities that will be required in this area, such as Data Centers, Large Load Industrial Customers, and Manufacturing facilities.	6,000,000
14.	<b>Patty Jewett Substation - Add New Transformer, Switchgear, Feeders, and Retire Memorial Hospital Sub (194026)</b> Install a new 25MVA 34.5/13.2kV transformer, switchgear, two new feeders, and retirement aging equipment at Memorial Hospital substation.	5,937,561

<b>15.</b>	<b>Underground 12.5kV Distribution to New Residential Customers (192296)</b> Development driven yearly program to install underground electric single-phase distribution to residential areas not currently served. In addition, this budget supports upgrades to the system as necessitated by load additions. The requesting developer pays the Contribution in Aid of Construction contract based on the Utilities Rules and Regulations. This program is an Obligation to Serve as per Colorado Springs City Code Section 12.2.301.	<b>\$ 4,922,367</b>
<b>16.</b>	<b>Fuller Substation - Add Two New Feeders (194028)</b> Add a 3rd and 4th distribution feeder from the 230/13.2kV transformer to serve new load in the vicinity of Fuller substation.	<b>4,600,000</b>
<b>17.</b>	<b>Fontanero Substation - Add Second 115/12.5 kV Transformer, Switchgear, Feeders, and retire Yampa Sub (194045)</b> Install a new 50 MVA, 115/12.47kV transformer, associated switchgear, and four feeders to support area growth and pick up load served from Yampa substation. The Yampa transformer has now failed for the second time and has a temporary replacement.	<b>4,600,000</b>
<b>18.</b>	<b>Electric Service Vehicles &amp; Equipment (180333)</b> Replacement and purchase of Vehicles and Equipment for the Colorado Springs Utilities Electric Service to maintain a safe, cost effective and reliable fleet.	<b>3,896,163</b>
<b>19.</b>	<b>Electric Underground Infrastructure Corrective Maintenance (180331)</b> Reactive replacement of existing capital assets and related infrastructure (including cable, conduit, vaults, transformers, switches, reclosers) of the underground electric distribution system due to third-party damage or catastrophic, functional, or operational failures. Colorado Springs Utilities has about 3,000 circuit miles in the primary underground distribution system. This ongoing corrective maintenance program is adjusted annually based on Inspections, Condition Assessment and Risk Analysis. Reimbursed funds from third-party damages are credited back to the Utilities general fund.	<b>2,926,076</b>
<b>20.</b>	<b>Substations Power Transformer Purchases (194154)</b> This program is in place to purchase all substation transformers needed for spares, replacement (maintenance) and expansion purposes (planning). These equipment require down payments four years in advance of purchase, so this program will help streamline the process.	<b>2,838,314</b>
<b>21.</b>	<b>Project Falcon - Enhanced feed from North Plant - T&amp;M (194105)</b> Extend new 34.5kV enhanced feeder from North Plant Substation to Project Falcon. Estimated costs \$10,000,000	<b>2,500,000</b>



<b>22.</b>	<b>Project Falcon - Express Feed from Rampart (main feed) (194104)</b> Extend new 34.5kV express feeder from Rampart Substation to Project Falcon. Estimated costs \$9,500,000	<b>\$ 2,500,000</b>
<b>23.</b>	<b>Underground 12.5kV Three Phase Mainline to New Residential and Commercial Customers (192298)</b> Development driven program to install underground electric three phase distribution to residential and commercial areas not currently served. In addition, this budget supports upgrades to the system as necessitated by load additions. The requesting developer pays the Contribution in Aid of Construction contract based on the Utilities Rules and Regulations. This program is an Obligation to Serve as per Colorado Springs City Code Section 12.2.301.	<b>2,225,138</b>
<b>24.</b>	<b>Underground 12.5kV Commercial Distribution (192297)</b> Development driven program to install new electric three phase mainline infrastructure including transformers to meet the demands of new commercial customers. The requested customer pays the Contribution in Aid of Construction contract, based on Utilities Rules and Regulations. This program is deemed as an Obligation to Serve as per Colorado Springs City Code Section 12.2.301.	<b>2,114,542</b>
<b>25.</b>	<b>Electric Underground Infrastructure Preventative Maintenance (193224)</b> Preventative/proactive replacement/rehabilitation of existing capital assets and related infrastructure (including cable, conduit, vaults, transformers, switches, reclosers) of the underground electric distribution system that are beyond their expected reliable life, have a high probability/consequence of failure based on risk-based models, or are assets that should be replaced based on operational/inspectional data. This program also includes system stewardship maintenance such as cable rejuvenation and rehab of infrastructure for safety, risk mitigation, or operational needs.	<b>1,980,000</b>
<b>26.</b>	<b>Distribution System Improvements (192383)</b> The electrical distribution system requires system enhancements and line extensions to maintain electric reliability and contingency switching solutions for existing customers. These projects are critical to the reliability and integrity of the system, especially as many areas are experiencing unprecedented load growth.	<b>1,821,000</b>
<b>27.</b>	<b>Industrial Park #1 Transformer and Switchgear Replacement (194087)</b> Per the CSU Spare Transformer philosophy due to the lengthy lead time for transformers, this will provide backups for our 34.5/12.5 kV transformers. These transformers are the most in quantity and oldest in our fleet.	<b>1,805,000</b>
<b>28.</b>	<b>FRPP CT1 Generator Stator Rewind (194092)</b> Front Range CT1 Generator Stator Rewind	<b>1,800,000</b>

<b>29.</b>	<b>Flying Horse Substation - Add New Transformer, Switchgear, and Feeders (193780)</b> Add new transformers, switchgear, breaker and up to 4 new feeders for contingency of the other transformers and future load growth. Work planned for completion in 2026 includes completion of feeder planning, civil/structural (external) design, electrical (internal) design, and order of remaining equipment.	<b>\$ 1,596,327</b>
<b>30.</b>	<b>SEP Portfolio Management (193887)</b> Portfolio level work required to manage and deliver all the projects identified within Sustainable Energy Plan portfolio.	<b>1,560,886</b>
<b>31.</b>	<b>Kelker 12.5kV Feeder Addition (193885)</b> The Kelker feeder addition will add 2.5 miles of underground feeder to help with contingency of the Kelker distribution transformers serving 8,000 customers in the Kelker area.	<b>1,500,000</b>
<b>32.</b>	<b>Fuller Substation - Add New Transformer, Switchgear, and Feeders (194033)</b> Install a new 50MVA 230/13.2kV transformer, switchgear, and up to four feeders.	<b>1,500,000</b>
<b>33.</b>	<b>Wildfire Mitigation System Hardening (194132)</b> Modifications to existing overhead electric infrastructure for wildfire risk mitigation	<b>1,448,947</b>
<b>34.</b>	<b>Electric Meters - Base Requirements (192347)</b> Growth-driven and lifecycle replacement program, which purchases electric meters and minor material needed. It provides for Capital additions to connect new residential, commercial, and industrial electric customers to CSU's system. In addition, it provides for Capital replacements of damaged and defective meters, and support of the Electric Measurement Accuracy Control (EMAC) Program. Electric meters are an obligation to serve requirement.	<b>1,376,449</b>
<b>35.</b>	<b>Manitou Units 1&amp;2 Turbines &amp; Generators Rehabilitation Project (193970)</b> Rehabilitate Units 1&2 at the Manitou Hydroelectric Facility to include a full generator rewind, new rotor field, and new runner.	<b>1,375,000</b>
<b>36.</b>	<b>Substation Equipment Replacement (180449)</b> Capitalized switchgear, circuit breaker, and battery replacements and upgrades to transformers in substations to ensure the integrity of the electric system.	<b>1,312,830</b>
<b>37.</b>	<b>System Additions for New Development (193974)</b> Development driven program to install new electric three phase mainline infrastructure to connect new development areas and provide redundancy per our design standards. This program is deemed as an Obligation to Serve as per Colorado Springs City Code Section 12.2.301.	<b>1,150,000</b>

<b>38.</b>	<b>Powers Substation Transformer and Switchgear Replacement (194046)</b> This substation transformer is the highest priority replacement in our system due to age, condition, through faults, etc. The prioritization list of transformers replacement is held by Electric planning and available if needed.	<b>\$ 1,112,170</b>
<b>39.</b>	<b>Spare Transformer - 230/35 kV (194050)</b> Per the CSU Spare Transformer philosophy due to the lengthy lead time for transformers, this will provide a backup for our 230-34.5 kV Transformers at Claremont, Kelker, and Horizon.	<b>1,100,000</b>
<b>40.</b>	<b>Rampart Substation - Add New Feeder (194031)</b> Extend circuit 12RM-3 to provide contingency support to Wilson, Industrial Park, Holland, and/or Rusina Valley.	<b>950,000</b>
<b>41.</b>	<b>Electric Overhead Infrastructure Corrective Maintenance (180286)</b> Replacement of existing capital assets and related infrastructure (including conductors, structures/poles, transformers, switches, reclosers) of the overhead electric distribution system due to third-party damage or catastrophic, functional, or operational failures. Colorado Springs Utilities has over 800 circuit miles in the primary distribution system with an average age of about 40 years. This ongoing corrective maintenance program is adjusted annually based on Inspections, Testing, Condition Assessment and Risk Analysis. Reimbursed funds from third-party damages are credited to Utilities.	<b>900,000</b>
<b>42.</b>	<b>Green Mountain Substation Rebuild (193699)</b> Replacement of Green Mountain Substation, a rural distribution substation made up of aging and obsolete components.	<b>750,000</b>
<b>43.</b>	<b>Fontanero 115kV UG Reconfiguration (193933)</b> City of Colorado Springs to rework two segments of underground 115kV transmission lines located in the Fontanero roadway near the I-25 overpass. This project is a smaller component of a larger City project to reconstruct deficient railway bridges which require lowering of the road surface.	<b>715,000</b>
<b>44.</b>	<b>USAFA - 34kV OH to UG - Oak Valley Tap to Tesla (194136)</b> Install 33,210' of 3-1000AL 34kV Underground Distribution Circuits in new and existing duct bank starting from Air South Substation and ending at tie in switches in the McCullough WTP and Tesla Hydro Areas. Including, the removal of 34,080' of existing parallel 3-4/0 ACSR 34kV Overhead Distribution Circuits from the Oak Valley Tap at West Woodmen Rd and end in the McCullough WTP and Tesla Hydro Areas.	<b>683,682</b>

<b>45.</b>	<b>Electric Time and Material for Capital Work (192909)</b> Capital expenditures to fund Electric Third-Party Billing projects (requests by customers to move existing electric infrastructure) that are requested during the year. The work is required to be compliant with the Electric Line Extension Service Standards and the National Electric Safety Code. Colorado Springs Utilities will charge the customer 95% of the cost to accomplish this work.	<b>\$ 645,467</b>
<b>46.</b>	<b>FRPP CT1 Generator Rotor Rewind (194094)</b> Front Range CT1 Generator Rewind	<b>600,000</b>
<b>47.</b>	<b>Tesla TIV Replacement &amp; Stanley Canyon Repair Project (193975)</b> Purchase and installation of the main 36" spherical stop valve and three additional spherical valves at the Tesla Hydro Electric Plant, a FERC-mandated tunnel inspection in 2025 will also be performed. Design and construction will occur in 2025 and 2026.	<b>500,000</b>
<b>48.</b>	<b>Downtown Network Upgrades (182536)</b> This program includes adding cable limiters to secondary connections replacing wishbone bus equipment to help increase the safety of the Downtown Network over the next 3-5 years. Additional funding in 2025 and beyond is allocated for rebuilding and replacing the cables and duct structure at about 1-2 blocks per year.	<b>480,000</b>
<b>49.</b>	<b>CSR Sitewide Stormwater Improvements (796742)</b> Design, permitting, and implementation of necessary improvements to control stormwater runoff around the Clear Spring Ranch Resource Recovery Facility and the southern Clear Spring Ranch solid waste disposal units to protect existing infrastructure from damage and prevent stormwater from co-mingling with waste. Design was completed in 2024; improvements will be implemented over the next five years (2025-2029).	<b>360,000</b>
<b>50.</b>	<b>Marksheffel 115kV Transmission Tower Relocation (194081)</b> Driven by the City of Colorado Springs to relocate an electric transmission pole located near Marksheffel & Barnes Rd. The relocation is necessary to avoid conflict with city planned roadway widening of Marksheffel Rd. Work to be accomplished in 2026 includes remaining engineering design and steel procurement for permanent structures.	<b>355,000</b>
<b>51.</b>	<b>Top Tier Substation Hardening (193775)</b> Colorado Springs Utilities security department has created a standard on intrusion detection systems in top tier substations. This work was done from 2014 to 2017. Technology continues to improve, and this project will allow us to stay current and phase out the old equipment as it reaches end of life in 6-7 years.	<b>283,777</b>

<b>52.</b>	<b>Public Improvements-Electric (180283)</b> Install or relocate existing electric facilities in conjunction with Municipal Government Public Works projects, Pikes Peak Rural Transit Authority and Improvement Districts. This budget is required by the 2001 Utilities Relocation Executive Agreement.	<b>\$ 258,063</b>
<b>53.</b>	<b>Nixon 1 Circ Water Pumps (A/B) Refurbishment (194135)</b> Nixon 1 Circ Water Pumps Refurbishment. Inspections have determined that the pumps need to be pulled and sent to shop for impeller replacement and pump refurbishment.	<b>250,000</b>
<b>54.</b>	<b>Advanced Distribution Management System (193695)</b> Advanced Distribution Management System (ADMS) is a software platform that supports the full suite of distribution management and optimizations. An ADMS includes functions that automate outage restoration and optimize the performance of the distribution grid. ADMS functions being developed for electric utilities include real time modeling, fault location, isolation and restoration; volt/var optimization; conservation through voltage reduction; peak demand management; and support for micro grids and electric vehicles.	<b>250,000</b>
<b>55.</b>	<b>RIC Equipment Replacement (193225)</b> This program is designed to systematically replace aging electromechanical transmission/distribution protection panels with microprocessor panels to reduce O&M costs, improve protection system reliability, and enhance system functionality.	<b>233,115</b>
<b>56.</b>	<b>Electric Transmission Infrastructure Corrective Maintenance (193406)</b> Reactive replacement of existing capital assets and related infrastructure (including conductors, structures, foundations, poles, cable, vaults/lids) of the overhead and underground electric transmission system due to third-party damage or catastrophic, functional, or operational (e.g., safety, reliability) failures. Colorado Springs Utilities has over 230 circuit miles in the electric transmission system. This ongoing corrective maintenance program is adjusted annually based on Inspections, Condition Assessment and Analysis. Reimbursed funds from third-party damages are credited to Utilities.	<b>225,000</b>
<b>57.</b>	<b>Arc Flash Mitigation (193079)</b> Design and install controls and equipment to limit potential arc-flash exposure levels in substation switchgear and distribution feeder protective systems.	<b>202,709</b>
<b>58.</b>	<b>Manitou Plant Roof Access (194119)</b> Facilities maintenance must access the roof of the Manitou plant to perform the routine maintenance of the HVAC system. Improvements are needed to provide for safer and more efficient access for maintenance.	<b>200,000</b>
<b>59.</b>	<b>Front Range CT1 &amp; CT2 Fire Protection Replacement (194117)</b> Replacement of the Existing CO2 Tank and Fire Protection System for CT1 & CT2	<b>200,000</b>

<b>60.</b>	<b>Substation Asset Management Software (193892)</b> Create and maintain Ambient Adjusted Ratings in support of FERC Order 881. Also, there is a need to purchase software to assist with managing substation data, facility ratings and to develop risk analysis for enhanced planning, budgeting and compliance in the future.	<b>\$ 163,759</b>
<b>61.</b>	<b>Nixon 1 Battery Replacement (193621)</b> Replace Nixon 1 battery bank due to end of life. Nixon lead acid batteries have a 20-year service life. They were last replaced in 2008 but have been showing signs of aging including 6 cells that have had cracking occur in the plastic tops in 2024. The cracking can be due to increased pressure from temperature and gassing, aging, deep cycling, or physical damage.	<b>150,000</b>
<b>62.</b>	<b>Overhead Distribution Construction (192295)</b> Install new overhead electric service for new residential and commercial customers in areas that are currently fed by overhead distribution lines or are located outside of the city limits. In addition, the budget also supports upgrades to the overhead distribution system as necessitated by load additions. This budget is an Obligation to Serve as per Colorado Springs City Code Section 12.2.301.	<b>111,303</b>
<b>63.</b>	<b>South Plant-Fontanero 115kV UG Line Reconductor (194060)</b> Reconductor exists South Plant-Fontanero 115kV underground transmission line to increase load carrying capabilities and to address contingency loading issues.	<b>100,000</b>
<b>64.</b>	<b>Nixon CT2 &amp; CT3 Fire Protection Replacement (194116)</b> Replacement of the Existing CO2 Tank and Fire Protection System for N2 & N3	<b>100,000</b>
<b>65.</b>	<b>CSR Dam Construction Upgrade (796741)</b> Design and construction of repairs/upgrades to the Clear Spring Ranch (CSR) to minimize amount of ground water leaving the CSR site. Design will occur in 2025; the first phase of construction is expected to occur in 2026.	<b>90,900</b>
<b>66.</b>	<b>Electric Tools &amp; Equip (180332)</b> Replacement of tools & equipment for the Construction and Maintenance electric service to stay current with technology while utilizing the tooling to make capital improvements or add capital equipment to our electric system.	<b>50,000</b>
<b>67.</b>	<b>Nixon 1 Cooling Tower Fan Blades and Hubs (193189)</b> Replace Nixon 1 Cooling Tower Fan Blades and Hubs to maintain unit reliability.	<b>50,000</b>

68.	<b>Cottonwood-Kettle Creek 115kV Line Reconductor (194059)</b> Reconductor existing Cottonwood-Kettle Creek 115kV transmission line to increase load carrying capabilities and to address contingency loading issues	\$ 50,000
69.	<b>System Reliability Improvements (180217)</b> Address electric system reliability issues or concerns in areas that exceed established criteria. These projects should improve area and system reliability for both overhead and underground systems. Typical projects include upgrades such as distribution protection, ring ties and distribution coordination.	50,000
70.	<b>Front Range Units 1 &amp; 2 CEMS Data Controller Replacement (194125)</b> Replace Front Range Units 1 & 2 - CEMS Equipment. The existing data controller 8864 Gen 1 will be replaced with an 8864 Gen 3.	48,000
71.	<b>Nixon Units 2 &amp; 3 CEMS Data Controller Replacement (194131)</b> Replace Nixon Units 2 & 3 - CEMS Equipment. The existing data controller 8864 Gen 1 will be replaced with an 8864 Gen 3.	48,000
72.	<b>Front Range HVAC Unit Replacement (193577)</b> Replacement of HVAC units due to end of service life. They are critical to keep the plant control and electrical service equipment in a temperature-controlled environment.	30,000
73.	<b>Front Range Inverter System Maintenance (193727)</b> Maintenance on the inverter system to ensure reliability. Upgrade inverter components every 5 years.	30,000
74.	<b>Nixon 1 Cooling Tower Fan Gearbox (193252)</b> Replace Nixon 1 Cooling Tower Fan Gearbox	30,000
75.	<b>Nixon ZD - Demister Pad Replacement (194069)</b> Replace evaporator #2 demister pads every 2 years.	25,000
76.	<b>AMI Network New Growth &amp; Replacement (796463)</b> Purchase additional Advanced Metering Infrastructure (AMI) network equipment to accommodate new growth in CSU service territory and on-going maintenance needs. The expansion and maintenance of the Network supports the ability to collect data for internal business purposes. This is an ongoing program which enables us to serve, and therefore legal & regulatory scoring applies.	20,000

<b>77. CMD Streetlight Replacements (Outside City Limits) (192931)</b>	<b>\$ 9,450</b>
Reactive replacement of existing capital assets and related infrastructure (including conductors, structures, poles, cable, luminaires) of the overhead and underground streetlight system outside of the City of Colorado Springs to include private roads within the city limits and all roads outside the city limits, but within the electric service territory, due to third-party damage or catastrophic, functional, or operational (e.g., safety, reliability, obsolescence) failures. This ongoing corrective maintenance program is adjusted annually based on inspections, testing, and condition assessment.	
<b>Subtotal Capital - Electric</b>	<b>\$ 629,072,526</b>
<b>Capital Labor &amp; Benefits</b>	<b>\$ 24,015,712</b>
<b>Administration &amp; General Expense</b>	<b>\$ 9,137,522</b>
<b>2026 Total Capital - Electric with Allocated Components</b>	<b>\$ 662,225,760</b>



Streetlight Service Capital Projects		2026 Approved Budget
1.	<b>Streetlights - New Construction (892346)</b> Install new street lighting infrastructure for new residential subdivisions and newly developed arterial roadways. This budget supports City Ordinance 02-187 which is part of Colorado Springs City Code 7.7.801.	\$ 646,947
2.	<b>CMD Streetlight Replacements (Inside City Limits) (892930)</b> Reactive replacement of existing capital assets and related infrastructure (including conductors, structures, poles, cable, luminaires) of the overhead and underground streetlight system within the City of Colorado Springs due to third-party damage or catastrophic, functional, or operational (e.g., safety, reliability, obsolescence) failures. This ongoing corrective maintenance program is adjusted annually based on a service level agreement with the City of Colorado Springs for this activity.	580,425
3.	<b>Streetlights (892330)</b> Multi-year program to install residential and arterial roadway streetlights in previously developed areas as per the Transfer Agreement to General Fund signed in May of 2006. In addition, this budget supports Public Safety Lighting requested by the Colorado Springs Utilities customers, Colorado Springs Police Department and the General City.	158,425
<b>Subtotal Capital - Streetlights</b>		<hr/> \$ 1,385,797
<b>Capital Labor &amp; Benefits</b>		\$ 240,325
<b>Administration &amp; General Expense</b>		\$ -
<b>2026 Total Capital - Streetlights with Allocated Components</b>		<hr/> \$ 1,626,122 <hr/>

# ELECTRIC EXPENDITURES SUMMARY (in thousands)

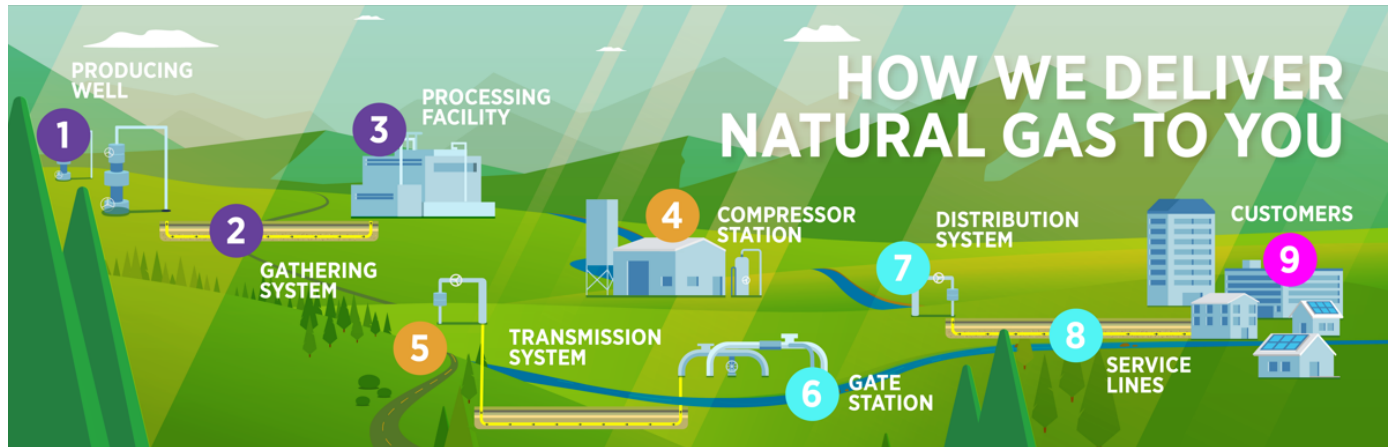
Account Group	2026 Approved Budget	2025 Approved Budget	2024 Actual	2026 Approved Budget Increase/ (Decrease) from:			
				2025 Budget		2024 Actual	
<b>Fuel Operations and Maintenance</b>	<b>\$ 304,121</b>	<b>\$ 274,501</b>	<b>\$ 162,915</b>	<b>\$ 29,620</b>	<b>10.8%</b>	<b>\$ 141,205</b>	<b>86.7%</b>
<b>Non-Labor Operations &amp; Maintenance</b>							
Production and Treatment	\$ 5,886	\$ 5,060	\$ 3,697	\$ 826	16.3%	\$ 2,188	59.2%
Purchased Power	1,020	760	840	260	34.2%	180	21.4%
Transmission and Distribution	7,534	8,494	5,649	(960)	-11.3%	1,885	33.4%
Maintenance	20,485	18,718	35,987	1,767	9.4%	(15,502)	-43.1%
Customer Service and Information	1,856	2,058	1,739	(202)	-9.8%	118	6.8%
Administrative and General	25,381	27,670	19,527	(2,288)	-8.3%	5,854	30.0%
Customer Accounting and Collections	5,279	4,514	11,730	764	16.9%	(6,452)	-55.0%
<b>Total Non-Labor Operations &amp; Maintenance</b>	<b>\$ 67,441</b>	<b>\$ 67,274</b>	<b>\$ 79,169</b>	<b>\$ 167</b>	<b>0.2%</b>	<b>\$ (11,728)</b>	<b>-14.8%</b>
<b>Labor &amp; Benefits</b>							
Production and Treatment	\$ 10,604	\$ 7,848	\$ 7,109	\$ 2,757	35.1%	\$ 3,496	49.2%
Transmission and Distribution	20,610	19,644	17,156	966	4.9%	3,454	20.1%
Maintenance	23,612	22,261	23,909	1,351	6.1%	(298)	-1.2%
Customer Service and Information	1,431	1,442	1,111	(10)	-0.7%	320	28.8%
Administrative and General	59,466	56,787	55,603	2,679	4.7%	3,863	6.9%
Customer Accounting and Collections	7,080	6,834	7,196	246	3.6%	(117)	-1.6%
<b>Total Labor &amp; Benefits</b>	<b>\$ 122,802</b>	<b>\$ 114,815</b>	<b>\$ 112,085</b>	<b>\$ 7,987</b>	<b>7.0%</b>	<b>\$ 10,718</b>	<b>9.6%</b>
<b>Total Non-Fuel Operations &amp; Maintenance <sup>1</sup></b>	<b>\$ 190,243</b>	<b>\$ 182,089</b>	<b>\$ 191,253</b>	<b>\$ 8,154</b>	<b>4.5%</b>	<b>\$ (1,010)</b>	<b>-0.5%</b>
Streetlight	\$ 4,550	\$ 4,374	\$ 3,924	\$ 176	4.0%	\$ 626	16.0%
Transfers to City- Surplus	26,004	26,592	25,022	(588)	-2.2%	982	3.9%
Debt Service	124,221	94,861	86,071	29,360	31.0%	38,150	44.3%
Direct Capital	663,852	324,585	256,139	339,267	104.5%	407,713	159.2%
Allocated Capital <sup>2</sup>	8,361	15,644	7,161	(7,283)	-46.6%	1,200	16.8%
<b>Total</b>	<b>\$ 1,321,352</b>	<b>\$ 922,647</b>	<b>\$ 732,485</b>	<b>\$ 398,705</b>	<b>43.2%</b>	<b>\$ 588,866</b>	<b>80.4%</b>

<sup>1</sup> Non-Fuel O&M does not include inter-service eliminations, GASB 68 and 75 pension and OPEB expense.

<sup>2</sup> Common Capital allocated to Electric Service.

# NATURAL GAS SERVICE OVERVIEW

## SERVICE HIGHLIGHTS



### OIL AND GAS COMPANIES

- 1 EXTRACT NATURAL GAS FROM THE GROUND.
- 2 TRANSPORT NATURAL GAS TO PROCESSING FACILITY.
- 3 REMOVE IMPURITIES THAT CORRODE PIPELINES AND REDUCE ENERGY VALUE OF GAS.

### PIPELINE COMPANIES

- 4 BOOST PRESSURE OF NATURAL GAS TO MOVE THROUGH TRANSMISSION SYSTEM.
- 5 TRANSPORT NATURAL GAS HUNDREDS OF MILES UNDERGROUND FROM PRODUCING REGIONS.

### COLORADO SPRINGS UTILITIES

- 6 REDUCES PRESSURE FOR SAFE DISTRIBUTION LOCALLY; MERCAPTAN (ROTTEN EGG SMELL) IS ADDED.
- 7 MOVES NATURAL GAS UNDERGROUND FROM GATE STATIONS THROUGH THE CITY.
- 8 DISTRIBUTES NATURAL GAS TO HOMES AND BUSINESSES.

### CUSTOMERS

- 9 RECEIVE SAFE, RELIABLE NATURAL GAS.

Call or click [co811.org](http://co811.org) at least three days before beginning any digging project to have your utility lines marked for free.



## STATISTICS

- Number of active natural gas meters: 227,603
- Total net throughput volume: 23,315,776 Mcf at 14.65 psia
- Peak demand: 266,786 Mcf at 14.73 psia (February 2011)
- Miles of main: 2,790

Natural Gas Service Projects		2026 Approved Budget
1.	<b>DIMP Accelerated Work (293220)</b> Utilities is accelerating funding for DIMP to mitigate risks on the natural gas distribution system from 2025-2034.	\$ 12,000,000
2.	<b>New Construction Billable (293041)</b> Development driven program to install new gas mains and service stubs to residential and commercial areas not currently served. This program also funds the extensions of the 150-psig gas mainlines as necessitated by load additions. The requesting customer pays the Contribution in Aid of Construction contract based on the Utilities Rules and Regulations. The program is an Obligation to Serve as per Colorado Springs City Code section 12.3.201.	3,595,820
3.	<b>SEP - Downtown and Military Gas Supply Resiliency Project (293207)</b> Improve gas supply reliability to our entire LDC system, FRPP, Fort Carson, Pikes Peak Community College, new Horizon Power Plant, and the Spags. The project will be delivered on two timeframes, one for vertical installation and the linear installation.	3,320,000
4.	<b>DIMP - Gas 150P System Renewals (293179)</b> Gas distribution integrity management regulations require natural gas distribution companies to develop, write, and implement an integrity management program that identifies and implements measures to address risks. The 150 PSIG system consists of the highest-pressure mains in the distribution system. Because the pressure is higher the consequence of failure is higher and poses a greater risk to the safety of our customers if left unmaintained. This capital program identifies the highest risk 150 PSIG main segments and replaces them with more modern coated steel piping.	2,500,000
5.	<b>Gas Unplanned Maintenance (293183)</b> This program is to complete emergent gas distribution maintenance projects that cannot be planned within the normal budget cycle. Projects may include renewals due to leaks, excavation damages and cathodic protection system failures. Federal Regulations require prompt remedial action for correcting these deficiencies. Typically, prompt remedial action is within one calendar year. Response to city improvement projects may also be performed within this program. Program scoping is based on a historical trend of past program activity.	2,229,929
6.	<b>30060 Gas FY 2023 PHMSA Grant (293218)</b> Utilities to replace 314-399 bare steel gas service lines with FY 2023 awarded grant funding from the Pipeline and Hazardous Materials Safety Administration (PHMSA). \$5,258,470 Awarded to Utilities.	2,201,970

<b>7.</b>	<b>DIMP - Gas Coated Steel Renewals (293180)</b> Gas distribution integrity management regulations require natural gas distribution companies to develop, write, and implement an integrity management program that identifies and implements measures to address risks. Aging coating materials can deteriorate and become disbonded from the pipe. When coatings fail, corrosion can attack the exposed steel pipe. This program is to replace high risk segments of coated steel pipe.	<b>\$ 2,125,000</b>
<b>8.</b>	<b>GPAP XLE Compressor Replacement (293209)</b> Gas Propane Air XLE Compressor replacement project. Current XLE's are not standard design and have been modified to meet the needs of GPAP. These units are no longer supported with replacement parts or any services. Current maintenance plan has been to rebuild parts whenever possible, attempt to reverse engineer critical components. We have also resorted to purchasing whatever we can on eBay. This project is to replace the current XLE compressors with a more modern design that is supported, parts are readily available and require less extensive effort to maintain.	<b>2,000,000</b>
<b>9.</b>	<b>Gas Meters - Base Requirements (293043)</b> Growth-driven and lifecycle replacement program, which purchases gas meters, modules, temperature and pressure instruments, parts, connection materials and regulators. It provides for Capital additions to connect new residential, commercial, and industrial gas customers to CSU's system. In addition, it provides for Capital replacements of damaged/defective meters and meters replaced through the Gas Measurement Accuracy Control (GMAC) Program. Gas meters are an obligation to serve requirement.	<b>1,857,120</b>
<b>10.</b>	<b>Gas Service Vehicles &amp; Equipment (280021)</b> Replacement and purchase of Vehicles and Equipment for the Colorado Springs Utilities Gas Service to maintain a safe, cost effective and reliable fleet	<b>1,723,110</b>
<b>11.</b>	<b>Loch Fyne, Phase II (293221)</b> Phase 2 for the Loch Fyne Line Upgrade (McClintock city gate to Northgate pressure district) will increase the current 16IN 150 PSIG line with poor records to 20IN running at 275 PSIG. This project will remediate MAOP verification issues in addition to providing system capacity reinforcement. This phase will be approximately 4.2 Miles depending on the chosen running line.	<b>1,543,797</b>
<b>12.</b>	<b>New Construction Non-Billable (293042)</b> Installation of gas main extensions for new customers, which requires the oversizing of the mainline for future developments. This is required to meet new customer growth identified through the gas modeling software and is not covered by developer advance payments. In addition, this budget funds the installation of scattered service stubs for infill areas and the inspection cost for all new services.	<b>1,299,030</b>

<b>13.</b>	<b>Gas Distribution System Improvements (293044)</b> Complete the installation of new gas main infrastructure to the existing distribution system to provide capacity, improve system reliability and service to existing and future customers. Projects may include reinforcements of existing infrastructure, pressure updates, main extensions, and new regulator stations.	<b>\$ 1,006,000</b>
<b>14.</b>	<b>DIMP - Gas Vintage Plastic Renewals (293181)</b> Gas distribution integrity management regulations require natural gas distribution companies to develop, write, and implement an integrity management program that identifies and implements measures to address risks. Some vintage plastic pipe and fittings are known to be prone to stress cracking due to the characteristics of the pipe resin or the design of the fittings. This program is to replace high risk vintage pipe segments, fittings and valves.	<b>1,000,000</b>
<b>15.</b>	<b>High-Pressure Gas Time and Materials Capital Projects (293213)</b> High Pressure Gas Third-Party Billing projects, requested by customers to extend new or move existing high-pressure gas infrastructure. This work must comply with the Gas Line Extension Service Standards and Federal Regulations (Part 192). Colorado Springs Utilities will charge the customer the full cost unless the scope includes reliability improvements, which will be covered by Colorado Springs Utilities' reliability budget.	<b>800,000</b>
<b>16.</b>	<b>GPAP Cathodic Protection System (293212)</b> The Gas Propane Air Plant was originally designed to have a cathodic protection system to prevent corrosion of the underground buried pipes. Currently, the cathodic protection system is no longer serviceable, and the capital budget is for the repair or replacement of the cathodic protection system to restore to a serviceable condition.	<b>500,000</b>
<b>17.</b>	<b>Gas Time and Material for Capital Work (293122)</b> Gas Third-Party Billing projects (requests by customers to move existing gas infrastructure) that are requested during the year. The work is required to be compliant with the Gas Line Extension Service Standards and Public Utility Commission Part 192. Colorado Springs Utilities will charge the customer 95% of the cost to accomplish this work.	<b>480,043</b>
<b>18.</b>	<b>Gas Maximum Allowable Operating Pressure (MAOP) (293205)</b> Maximum Allowable Operating Pressure (MAOP) Program exists to verify and validate gas operating pressures, materials, and components in the gas distribution system. Requirements are tied to CFR 192.611.	<b>400,000</b>
<b>19.</b>	<b>Gas Operations Tools &amp; Equipment (293206)</b> Replacement of tools & equipment for the Gas Leak Search, Gas Distribution Operations, and Gas Instrument Control Teams to stay current with technology while utilizing the tooling to make capital improvements or add capital equipment to our gas system.	<b>281,000</b>

<b>20.</b>	<b>Public Improvements-Gas (280024)</b> Install or relocate existing gas facilities in conjunction with Municipal Government Public Works projects, Pikes Peak Rural Transit Authority and Improvement Districts. This budget is required by the 2001 Utilities Relocation Executive Agreement.	<b>\$ 242,931</b>
<b>21.</b>	<b>DIMP - Gas Risk Based Projects (293182)</b> Gas distribution integrity management regulations require natural gas distribution companies to develop, write, and implement an integrity management program that identifies and implements measures to address risks. This program is to address risks identified by the DIMP Program that do not fit in the Bare Steel, Coated Steel, 150 PSIG System and Vintage Plastic replacement programs. These risks are primarily identified by SME information and failure data.	<b>230,000</b>
<b>22.</b>	<b>DIMP - Gas Bare Steel Replacements (293178)</b> Gas distribution integrity management regulations require natural gas distribution companies to develop, write, and implement an integrity management program that identifies and implements measures to address risks. Uncoated steel pipelines are known as bare steel pipelines. The age and lack of protective coating typically makes bare steel pipelines of higher risk as compared to some other pipelines and candidates for accelerated replacement programs. This capital program identifies the highest risk bare steel mains and services and replaces them with plastic.	<b>204,000</b>
<b>23.</b>	<b>Gas Tools &amp; Equip (280019)</b> Replacement of tools & equipment for the Construction and Maintenance gas service to stay current with technology while utilizing the tooling to make capital improvements or add capital equipment to our gas system.	<b>200,000</b>
<b>24.</b>	<b>Gas 150P Over Pressure Protection (293186)</b> Capital program is to complete gas distribution system improvements driven by regulatory compliance with Pipeline and Hazardous Materials Safety Administration, Part 192.195 for over pressure protection at five gate stations. Projects include installation of new gas infrastructure. Work in 2025 includes construction activities at Drennan and Security Gate Stations.	<b>150,000</b>
<b>25.</b>	<b>DIMP - Distribution Regulator Station Replacement (280011)</b> Replacement of district regulator stations that are in poor condition. Each regulator station has two regulators; one is for normal control of the flow of gas and the other provides over pressure protection in the event the control regulator fails. Some of the regulators to be replaced are custom fabricated or the manufacturers have discontinued the regulator model and no longer supply replacement parts. Gas Distribution Operations (GDO) determines which regulators to replace based on type of equipment (obsolete).	<b>72,100</b>

<b>26.</b>	<b>DIMP - Emergency Valve Replacement (280005)</b> Replacement of non-functional valves identified through performing annual inspection, maintenance, and operation of all designated Gas Emergency Valves per DOT (Department of Transportation) requirements. Emergency Valves are designed to stop the flow of gas in specific situations such as creek crossings (an Emergency Valve would be located on each side of the streambed above the high-water mark). Emergency Valves are in the main line and are boxed and accessible from ground level.	<b>\$ 40,000</b>
<b>27.</b>	<b>DIMP - Gas Distribution System Improvements (280034)</b> Gas distribution system improvements driven by regulatory compliance with the Pipeline and Hazardous Materials Safety Administration, Part 192. Projects include installation of new gas infrastructure such as metering and regulating equipment, emergency valves, and telemetry monitor points.	<b>32,067</b>
<b>28.</b>	<b>AMI Network New Growth &amp; Replacement (796463)</b> Purchase additional Advanced Metering Infrastructure (AMI) network equipment to accommodate new growth in CSU service territory and on-going maintenance needs. The expansion and maintenance of the Network supports the ability to collect data for internal business purposes. This is an ongoing program which enables us to serve, and therefore legal & regulatory scoring applies.	<b>17,500</b>
<b>29.</b>	<b>Gas Instrumentation &amp; Control (GIC) Meter Station Improve/Upgrades (293184)</b> Upgrade aging gas meter station equipment. There are currently 5-meter stations in our system; Drennan, North, South, McClintock, and Security. These stations are where Colorado Springs Utilities takes possession of the Natural Gas from Kinder Morgan. This is also where CSU odorizes the gas to be distributed to our customers	<b>10,000</b>
<b>Subtotal Capital - Gas</b>		<b>\$ 42,061,417</b>
<b>Capital Labor &amp; Benefits</b>		<b>\$ 11,484,324</b>
<b>Administration &amp; General Expense</b>		<b>\$ 643,487</b>
<b>2026 Total Capital - Gas with Allocated Components</b>		<b>\$ 54,189,228</b>



# NATURAL GAS EXPENDITURES SUMMARY (in thousands)

Account Group	2026 Approved Budget	2025 Approved Budget	2024 Actual	2026 Approved Budget Increase/ (Decrease) from:			
				2025 Budget		2024 Actual	
<b>Fuel Operations &amp; Maintenance</b>	<b>\$ 234,462</b>	<b>\$ 224,163</b>	<b>\$ 96,167</b>	<b>\$ 10,299</b>	<b>4.6%</b>	<b>\$ 138,295</b>	<b>143.8%</b>
<b>Non-Labor Operations &amp; Maintenance</b>							
Transmission and Distribution	\$ 3,908	\$ 3,379	\$ 4,610	\$ 529	15.7%	\$ (701)	-15.2%
Maintenance	1,765	2,472	2,456	(707)	-28.6%	(691)	-28.1%
Customer Service and Information	3,811	3,521	2,990	290	8.2%	821	27.5%
Administrative and General	8,542	9,103	5,996	(561)	-6.2%	2,546	42.5%
Customer Accounting and Collections	3,018	2,866	5,516	152	5.3%	(2,498)	-45.3%
<b>Total Non-Labor Operations &amp; Maintenance</b>	<b>\$ 21,046</b>	<b>\$ 21,342</b>	<b>\$ 21,569</b>	<b>\$ (296)</b>	<b>-1.4%</b>	<b>\$ (524)</b>	<b>-2.4%</b>
<b>Labor &amp; Benefits</b>							
Transmission and Distribution	\$ 11,607	\$ 10,820	\$ 9,625	\$ 787	7.3%	\$ 1,982	20.6%
Maintenance	4,891	4,085	3,502	807	19.7%	1,389	39.7%
Customer Service and Information	543	666	363	(123)	-18.4%	180	49.5%
Administrative and General	18,679	17,877	17,676	802	4.5%	1,002	5.7%
Customer Accounting and Collections	6,344	6,123	6,448	220	3.6%	(105)	-1.6%
<b>Total Labor &amp; Benefits</b>	<b>\$ 42,063</b>	<b>\$ 39,571</b>	<b>\$ 37,612</b>	<b>\$ 2,493</b>	<b>6.3%</b>	<b>\$ 4,452</b>	<b>11.8%</b>
<b>Total Non-Fuel Operations &amp; Maintenance <sup>1</sup></b>	<b>\$ 63,109</b>	<b>\$ 60,912</b>	<b>\$ 59,181</b>	<b>\$ 2,197</b>	<b>3.6%</b>	<b>\$ 3,928</b>	<b>6.6%</b>
Transfers to City- Surplus	\$ 8,137	\$ 8,028	\$ 8,365	\$ 109	1.4%	\$ (228)	-2.7%
Debt Service	19,421	18,520	17,041	901	4.9%	2,380	14.0%
Direct Capital	54,189	42,809	48,929	11,380	26.6%	5,260	10.8%
Allocated Capital <sup>2</sup>	1,725	3,002	1,374	(1,277)	-42.5%	351	25.6%
<b>Total</b>	<b>\$ 381,043</b>	<b>\$ 357,300</b>	<b>\$ 231,057</b>	<b>\$ 23,743</b>	<b>6.6%</b>	<b>\$ 149,986</b>	<b>64.9%</b>

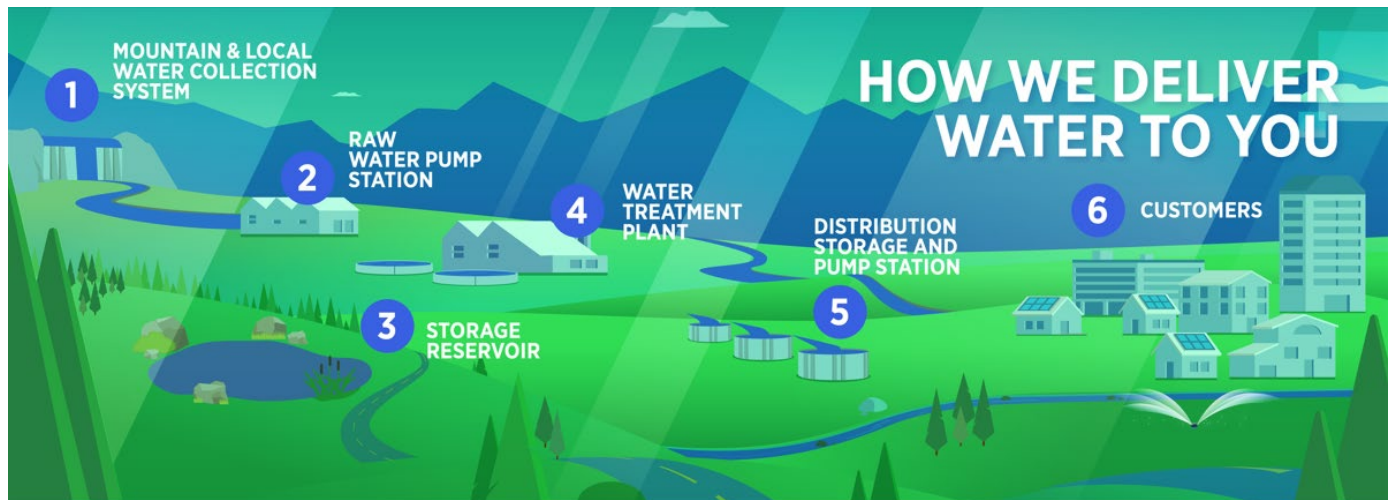
<sup>1</sup> Non-Fuel O&M does not include inter-service eliminations, GASB 68 and 75 pension and OPEB expense.

<sup>2</sup> Common Capital allocated to Natural Gas Service.

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# WATER SERVICE OVERVIEW

## SERVICE HIGHLIGHTS



- 1 COLLECTS ROCKY MOUNTAIN SNOWMELT FROM UP TO 100+ MILES AWAY
- 2 MOVES COLLECTED WATER TO STORAGE RESERVOIRS
- 3 CAN HOLD UP TO 3.5 YEARS OF SUPPLY AND SUPPORT RECREATION
- 4 6 PLANTS TREAT WATER TO MEET OR EXCEED DRINKING STANDARDS
- 5 TREATED WATER IS PUMPED ACROSS THE CITY
- 6 WATER IS AVAILABLE AT YOUR TAP

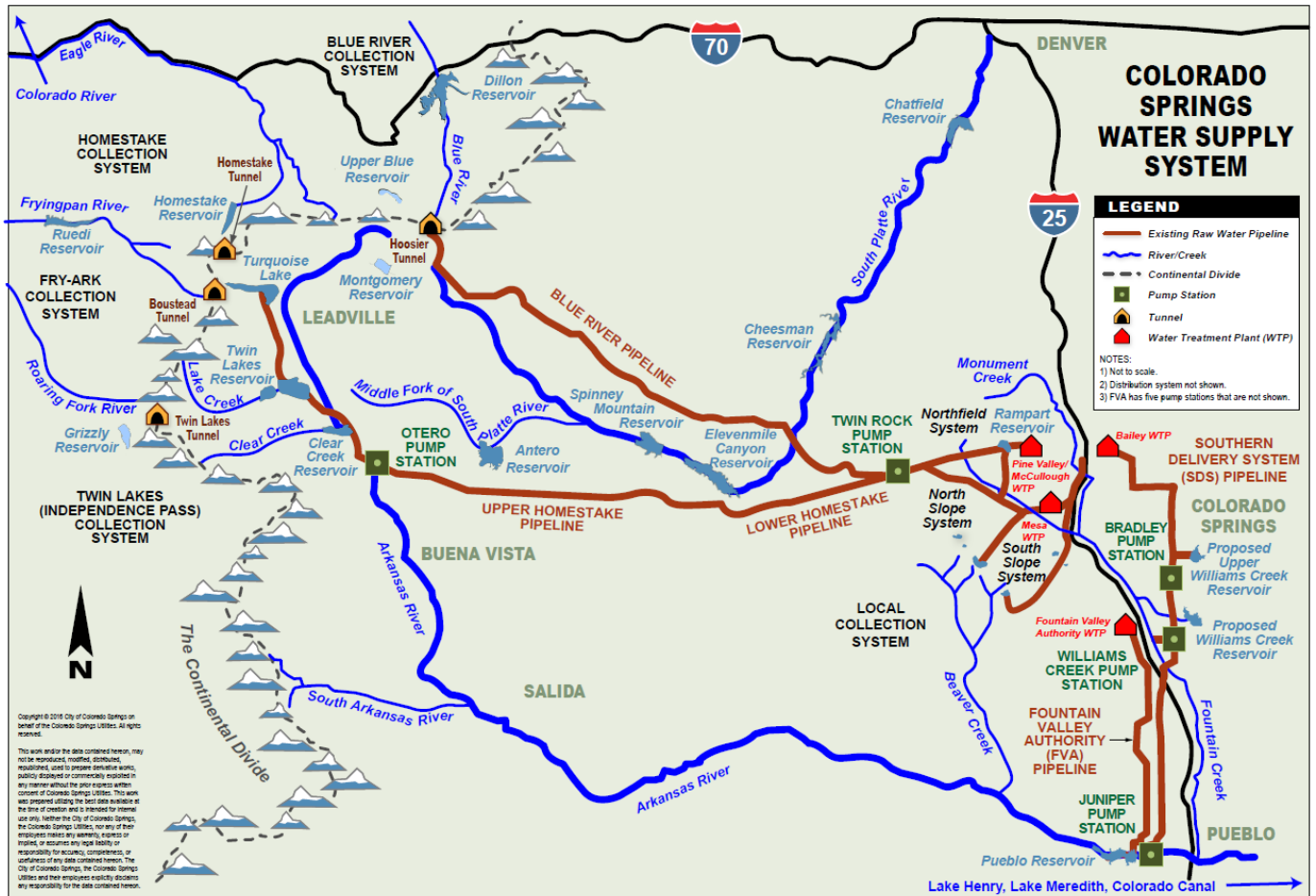
### DID YOU KNOW?

- Our water is collected from 3 river basins (Arkansas, Colorado and South Platte) and travels through 4 transmission pipelines and stored in our 25 reservoirs.
- We provide treated water to more than 500 million people through 2,555 miles of water distribution mains.
- A typical Colorado Springs home uses about 100,000 gallons of water each year, 60% indoors and 40% outdoors.



## STATISTICS

- Number of active water meters: 159,626
- Annual potable water deliveries: 71,960 AF (23.4 billion gallons)
- Total nonpotable output (all sources): 7,359 AF
- Total Arkansas River and Local Exchange: 22,624 AF
- Treatment capacity: 271 mgd (peak), 233 mgd (sustained)
- Record peak demand: 182 mgd (July 2001)
- Water System includes:
  - 4 trans mountain diversion systems that carry water from over 100 miles away
  - 2,283 miles of potable water mains
  - 25 raw water storage reservoirs
  - 11 raw water pump stations (including 2 Fountain Valley Authority)
  - 6 water treatment plants (including 1 Fountain Valley Authority)



Water Service Projects		2026 Approved Budget
1.	<b>Penrose Water Supply (394787)</b> Replace the existing terminal storage at Penrose Dam/Reservoir with tank storage to meet customer demands while reducing operational and maintenance efforts.	\$ 12,800,000
2.	<b>Potable Water Tank Refurbishment/Replacement Program (394575)</b> Condition assessment, evaluation, prioritization, design, rehabilitation, and construction of potable water tank assets to ensure finished water system reliability. Design of Austin Bluffs 5MG tank will occur in 2025, construction of Austin Bluffs 5MG tank is expected to occur in 2026.	12,059,819
3.	<b>Finished Water Linear Asset Program (394744)</b> Colorado Springs Utilities has over 2,100 miles of transmission and distribution water mains we serve. Finished Water Linear Asset Program (FWLAP) is a capital program focused on renewing degraded/aging finished water infrastructure through various methods, minimizing current and future water main system failures, and delivering safe, reliable drinking water along with fire protection to customers. Program plan for 2026 is to rehabilitate approximately 50 miles of this pipeline using Condition Assessment, Cathodic Protection, Design, Lining and Replacement.	11,425,120
4.	<b>WOLF and UBG Pressure Zone Interconnection - North Segment, Phase 1 of 2 (394652)</b> Design and construction of water pipeline from Old Ranch Road and Powers to the Highway 83 Pump Station to increase reliability, reduce pumping requirements, and provide an emergency connection between the two Briargate Pressure Zones. Work in 2026 will be focused on completing the design and starting construction.	8,221,000
5.	<b>Continental-Hoosier System Project (394345)</b> Permit and design a storage enlargement of 8100 ac-ft at Montgomery Reservoir to improve collection and conveyance management while increasing the average annual yield delivered through the Blue River pipeline by 4000 ac-ft. This is a critical project to improve drought resilience and maintain system reliability for current customers and at future buildout of the City.	7,500,000
6.	<b>Rosemont Pipeline Replacement (394476)</b> Initiate Design/Build services for replacing Segment 2 of the 14-mile Rosemont Pipeline along a new alignment near Emerald Valley, using a two-track dirt road and access roads to the Broadmoor Range. Previous studies show this segment has the highest water leakage rate. The goals include increasing system capacity to at least 1.8 mgd and restoring the CB2 to its original configuration, with a multi-year plan to address design, permitting, and construction needs.	4,505,647

<b>7.</b>	<b>Public Improvement Projects - Water (380083)</b> Capital program to participate in Colorado Springs Utilities' share of water relocations, lowering, betterments and improvements because of Pikes Peak Rural Transportation Authority (PPRTA), City Capital Improvements Projects, El Paso County and Colorado Department of Transportation (CDOT) public improvement projects. 2026 Public Improvement Projects for water include Academy Blvd Reconstruction Phase 2, Circle Dr. Bridges, Fontanero & 31st St Roundabout, Fontanero RR Bridge & 11 other identified projects.	<b>\$ 4,000,000</b>
<b>8.</b>	<b>Potable Pumping Station Replacement Program (394587)</b> Rehabilitation and/or replacement of pump stations, equipment, and systems to ensure safe and reliable water service to our customers. The program plan for 2025 includes replacement of the Lower Skyway Pump Station, design was completed in 2024. Construction will start in 2025 and continue through 2026.	<b>3,500,000</b>
<b>9.</b>	<b>Las Animas Consolidated Company Shares Acquisition (394846)</b> Developing new water sharing projects with agriculture to acquire sources of supply. Acquiring new water supplies through partnerships with agriculture for mitigating system risks and diversification of supply by the Integrated Water Resource Plan.	<b>3,000,000</b>
<b>10.</b>	<b>Specialty Valves Rehabilitation and Replacement Program (394651)</b> Rehabilitation and/or replacement of specialty valves in the water system to ensure safe and reliable water service to our customers. The program plan for 2026 includes: Beginning construction on the FLVR5 Vault and Pressure Reducing Valve Project, completing the valve furnishing and design for NNSL5, beginning construction on NNSL5, and beginning the design phase on ACCN4.	<b>2,760,000</b>
<b>11.</b>	<b>Water Service Vehicles &amp; Equipment (380109)</b> Replacement and purchase of Vehicles and Equipment for the Colorado Springs Utilities Water Service to maintain a safe, cost-effective and reliable fleet	<b>2,286,211</b>
<b>12.</b>	<b>Homestake Collection System Pipeline Repair and Rehabilitation (394711)</b> Preparation and interior relining of the above grade reaches of the Homestake Collection System. Project is on-going, multi-year; construction will continue in 2025 and 2026.	<b>2,000,000</b>
<b>13.</b>	<b>Austin Bluffs Pump Station and Transmission (2021 FWSP) (394779)</b> Design and construction of a pump station and transmission mains near the Austin Bluffs tanks to transport water from the Northfield pressure zone to the Templeton pressure zone. Design and procurement will occur in 2025 and 2026; construction is expected to occur 2027-2029.	<b>1,704,655</b>

<b>14.</b>	<b>Mason-McReynolds 20-inch Transfer Line (394832)</b> The existing 20" Mason-McReynolds Transfer Pipeline penetrates the Mason Dam embankment and has no upstream control valve. A portion of this pipeline between Mason and McReynolds Dam has a leak. The lack of upstream control at Mason and deteriorated condition of the aging pipeline presents a dam safety risk for an uncontrolled release of Mason Reservoir. The risk will be eliminated by this project.	<b>\$ 1,700,000</b>
<b>15.</b>	<b>Water Meters - Base Requirements (394204)</b> Growth-driven program to purchase water meters and water modules. It provides for Capital additions to connect new residential, commercial, and industrial water customers to CSU's water system. In addition, it provides for Capital replacements of damaged and defective meters. New growth and the need for water meters are an obligation to serve	<b>1,485,691</b>
<b>16.</b>	<b>Tollefson/Mesa WTP Upgrades Program Ph 2 and 3 (394761)</b> Implement Phase 2 & 3 Improvements identified in the Tollefson/Mesa WTP Facility Plan. Facility Plan to be updated to finalize most critical upgrades. Project will design improvements which include new filtration , ozone, sodium hypochlorite and likely total organic removal facilities. Studies and Alternatives Analysis (SAA) will occur in 2025. Design will begin pending results of SAA, be performed in late 2025 - 2027. Construction is expected to begin in 2028.	<b>1,200,000</b>
<b>17.</b>	<b>Centennial Boulevard Pump Station and Transmission (394798)</b> Design and construction of a pump station and transmission mains which will transport water from the Highline pressure zone to the Northfield pressure zone. This project will provide the second phase of the PV/MC Reliability projects that will provide the ability to deliver water from the Tollefson WTP and the Bailey WTP to the northern pressure zone (Northfield, Templeton, and Briargate) in an emergency.	<b>1,000,000</b>
<b>18.</b>	<b>Homestake 72 Inline Valve on Discharge Line" (394675)</b> Design, construction, and installation of a 72" valve on the Otero Pump Station Discharge Line to prevent drain back and flooding of the Pump Station. Design was completed and the valve was pre-purchased in 2024. Construction will be phased over 2025 and 2026 to ensure reliability of water delivery from Homestake.	<b>950,000</b>
<b>19.</b>	<b>Kissing Camels Pressure Zone Expansion (2021 FWSP) (394772)</b> Construct approximately 200-feet of 8-inch water main and two pressure-reducing valve (PRV) vaults to expand Kissing Camels pressure zone to resolve local low-pressure issues. Project is identified, recommended, and prioritized in the 2021 Finished Water System Plan.	<b>900,000</b>
<b>20.</b>	<b>Homestake Discharge Pipeline Replacement (394731)</b> Proactive replacement of critical sections of the Homestake Discharge Pipeline to ensure reliability of water delivery from Homestake. Project is on-going, multi-year; study and design will occur in 2025-2026, construction will start in 2027.	<b>639,091</b>



<b>21.</b>	<b>Water Budget Rates (394757)</b> Water budget rates will modernize our current residential inclining block water rate and commercial seasonal rate structures. This project includes creating water budgets for residential and commercial water customers, assigning rates for each customer class, implementing changes in the billing system and customer communication and education. The new rates will encourage efficient water use, which will help Colorado Springs Utilities provide water to its customers reliably. The capital cost is adding new functionality to the online customer portal (My Account). Most costs will be O&M.	<b>\$ 600,000</b>
<b>22.</b>	<b>Ruxton 24 and 30" Raw Water Main Replacement/Rehabilitation (394790)</b> Relocate one 24-inch and one 30-inch raw water line within Ruxton Avenue extents. Design work being coordinated with City of Manitou Springs. Water main relocation and/or rehabilitation work currently scheduled to occur in the off-tourist months of 2025, 2026 and 2027.	<b>500,000</b>
<b>23.</b>	<b>Pine Valley &amp; McCullough DOVE Disinfection Improvements (394722)</b> Alternative selection, design, and construction of upgrades to the Pine Valley and McCullough Water Treatment Plants to ensure compliance with disinfection regulations. Alternatives analysis will occur in 2025. Design and construction is expected to occur in 2026 and 2027.	<b>500,000</b>
<b>24.</b>	<b>Ute Pass WTP Improvements Program (394691)</b> Long-term improvements for the Ute Pass WTP. The design includes the removal of the chlorine gas chemical feed and the installation of sodium hypochlorite disinfection chemical feed system. The project is currently in design.	<b>500,000</b>
<b>25.</b>	<b>SDS Pump Station Improvements (394812)</b> Condition assessment, evaluation, prioritization, design, rehabilitation, and improvements of SDS Pump stations to ensure water system reliability.	<b>467,550</b>
<b>26.</b>	<b>Water and Wastewater System Modeling Software (796780)</b> New and upgraded software for water distribution system and wastewater collection system modeling; the conversion of UTILITIES existing models to the new software platforms; and implementation services for the new software.	<b>402,000</b>
<b>27.</b>	<b>FLCC Shares Acquisition (394807)</b> Infrastructure, water rights decrees and associated services and materials for fully developing the Fort Lyon Canal Company (FLCC) shares from agricultural use to municipal use.	<b>400,000</b>



<b>28.</b>	<b>Raw Water System Improvements Program (394684)</b> Infrastructure improvements from the Raw Water System Plans. The raw water systems have unique and diverse infrastructure consisting of linear assets, intakes, diversions, tunnels, and dams. Priority infrastructure improvements are reviewed annually and updated every 5 to 10 years depending on the frequency stipulated by the asset class or system needs.	<b>\$ 400,000</b>
<b>29.</b>	<b>Water System Infrastructure Continuity (380096)</b> The Water System Infrastructure Continuity Program is an activity that adds and replaces water system infrastructure when project costs are over the \$5,000 O&M threshold and when the project is not covered by the water main replacement program. This program is budgeted annually and accounts for necessary infrastructure needs that are not funded under other programs.	<b>360,000</b>
<b>30.</b>	<b>Homestake Pipeline Replacement for Leak Remediation (394715)</b> Pipeline failures can prevent the Otero Pump Station from pumping for two to six weeks. This amounts to between 1.6 billion and 5.2 billion gallons of lost pumping opportunity. To maintain the operational capability of this critical infrastructure, it is imperative that leaking or failed sections of pipe be replaced. Homestake personnel are experienced in the replacement of leaking or failed PCP with steel pipe, having already performed this task in eight locations. This project provides for the purchase and installation of pipe replacement kits.	<b>325,000</b>
<b>31.</b>	<b>Water Infrastructure Corrosion Program-Raw Water (394678)</b> Water Infrastructure Corrosion Program - Raw Water (WICP-RW) identifies, assesses, prioritizes and constructs repair/replacement of raw water cathodic protection systems to ensure safe and reliable water service to customers. The WICP is essential for compliance with Utilities Excellence in Governance Policy I-6.	<b>298,318</b>
<b>32.</b>	<b>Homestake Vehicles &amp; Equipment (380124)</b> The Homestake fleet includes forty-nine units. To maintain a safe, cost effective, and reliable fleet for the Homestake Water Project, it is necessary to replace vehicles and equipment according to a scheduled program.	<b>273,182</b>
<b>33.</b>	<b>Stetson Hills and Marksheffel 36 Water Main Gap (2021 FWSP) (394784)</b> Phase 2 project in the 2021 Finished Water System Plan. It is the design and construction of about 2,600 linear feet of 36-inch water main that will close a gap between existing 36" water mains in Stetson Hills Boulevard. The project may rise in criticality if growth accelerates in the area.	<b>251,327</b>

<b>34.</b>	<b>Homestake 10 Nozzle Repairs for Four Surge Tanks (394676)</b> The Surge Tanks are devices that protect the 66" discharge line's integrity during flow surges. In 2017, the Surge Tank shut off valves were closed to allow the tanks to be drained for re-lining. During the tank relining process, it was discovered that some of the nozzles under the shutoff valves have corroded. Wall thickness are still within the pressure design window but will need to be repaired while the line is drained for the valve replacements.	<b>\$ 200,000</b>
<b>35.</b>	<b>Fire Hydrant Installation (380099)</b> Replace hydrants that are non-operational or that are obsolete because replacement parts are no longer manufactured. These hydrants are identified through the O and M preventive maintenance program and notification by internal and external sources.	<b>200,000</b>
<b>36.</b>	<b>Distribution System Instrumentation and Control Improvement Program (394613)</b> Many zones and sub-zones of the distribution system have very limited visibility from a Supervisory Control And Data Acquisition (SCADA) standpoint. This program also supports all wastewater lift stations. This Program is intended to provide instrumentation that will allow Colorado Springs Utilities to better monitor and control system pressures and flows. The result will be to minimize main breaks and provide safer and more reliable service to our customers. Will assist in our obligation to serve.	<b>200,000</b>
<b>37.</b>	<b>Ft. Carson 20 Main Replacement (394799)</b> Conduct a routing analysis and preliminary design for the replacement of 20" Ft. Carson Water Main supply.	<b>200,000</b>
<b>38.</b>	<b>ROY Storage (394419)</b> Due to the 2004 6-party intergovernmental agreement (IGA) between Pueblo Water, the Southeast Colorado Water Conservancy District, City of Fountain, City of Aurora, and Pueblo West Metro District the ROY (Recovery of Yield) participants acquired a property near Boone Colorado which will allow them to recapture 5,000 ac-ft of foregone exchanges. In 2024, the ROY participants agreed to create a joint water authority to develop and manage the projects. The ROY Water Authority should be in place by the end of 2024 and will take over management of the Boone Reservoir Project.	<b>200,000</b>
<b>39.</b>	<b>Pine Valley/McCullough Analyzer Replacements (394721)</b> Replace water quality analyzers is required for water treatment plant process operations. This is life-cycle replacement of analyzers as they reach their useful life.	<b>183,000</b>
<b>40.</b>	<b>Homestake Structure Improvements (380094)</b> This Homestake Structure Improvement project is for construction of an equipment storage building to prolong the useful life and protect equipment that is exposed to harsh, high-altitude environment. This structure will allow equipment that is currently stored on the pipeline ROW be stored on Homestake property.	<b>163,909</b>

<b>41.</b>	<b>Lab Capital Equipment - Water (380082)</b> The Colorado Springs Utilities laboratory maintains over 30 distinct analytical instruments and ancillary pieces of equipment vital to the function of the laboratory. These instruments and equipment require periodic replacement as they reach the end of their life-span, or as technological advances and improved analytical methods drive the need for new instrumentation. This project encompasses those instruments and equipment necessary for continued Safe Drinking Water Act (SDWA) compliance. 2026 capital purchases include- New Laboratory Information System \$100,000, Tank Disinfection Equipment \$20,000, Two incubator for Micro Lab \$30,000, and Hach portable meter \$10,000.	<b>\$</b>	<b>160,000</b>
<b>42.</b>	<b>Water Valve Replacement (394703)</b> The Water Valve Replacement program is an activity that replaces water valves when they are not covered by the water main replacement program. Examples are smaller footage jobs that are not engineered, large valve replacement, pipe replacement work and rehabilitation done for Water System Continuity or needs not covered by the City's Paving Initiative. This program is budgeted annually and accounts for necessary infrastructure needs that are not funded under other programs.		<b>160,000</b>
<b>43.</b>	<b>SDS I&amp;C Pump Station Upgrades (394793)</b> The Southern Delivery System was put on-line 8 years ago but was run at a flow that was below the designed pump curve. Because of this the stations are experiencing failures and the ability to move water has been greatly limited to less than 10MGD. The I&C and electrical components are failing thus resulting in 25-30 alarms a day. The Project objective is to create an optimized Plant PAX system design for Colorado Springs Utilities. The project will conduct an accelerated onsite FEED Study to identify end-points and OT Network topology.		<b>159,417</b>
<b>44.</b>	<b>Caretaker House Improvement Program (394794)</b> Colorado Springs owns and maintains six caretaker homes spread across seven different watersheds and six counties. These homes are vital to the Colorado Springs Utilities Dam Safety Monitoring Program, which mandates that watershed caretakers be available 24/7 and conduct daily on-site visual inspections of the dams they oversee.		<b>150,000</b>
<b>45.</b>	<b>Water Tools &amp; Equip (380101)</b> Purchase of large tools and equipment over \$5,000 for the Construction and Maintenance Group (CMG), such as shoring, large pumps, and other equipment needs.		<b>112,000</b>
<b>46.</b>	<b>Homestake Suction Pipeline Replacement (394477)</b> Site restoration observation, weed spraying, and revegetation until adequate percent ground cover required by the Chaffee County 1041 is achieved.		<b>100,000</b>
<b>47.</b>	<b>Water Tap Install - New Cust (380108)</b> This program provides for the inspection and installation of water taps for new residential and commercial customers on Colorado Springs Utilities owned water mains.		<b>50,000</b>

<b>48.</b>	<b>Homestake Microwave &amp; Radio Infrastructure Improvements (394488)</b> Install, upgrade and improve Voice & Data Communication Systems used in support of System Control and Data Acquisition (SCADA) operations for the Homestake Watershed. A partnership comprised of Colorado Springs Utilities, Aurora Water, and Federal government agencies will leverage resources needed to establish a fully redundant, SCADA and voice communications relay and backhaul network.	<b>\$</b>	<b>50,000</b>
<b>49.</b>	<b>Homestake Pipeline Pressure Pit (394446)</b> Installation of new vaults and pressure monitoring equipment will increase Homestake's capability to quickly locate pipeline leaks and failures which speeds the emergency response and potentially reduces the extent of property damage. It is Approved to add pressure pits at Stations 574+82 and 825+50.		<b>45,000</b>
<b>50.</b>	<b>Homestake SCADA System Upgrades (380125)</b> The Homestake Supervisory Control and Data Acquisition (SCADA) system upgrades include replacing and upgrading equipment that is essential for reliable operation of the Otero Pump Station.		<b>38,245</b>
<b>51.</b>	<b>Homestake Mass Asset Valve Purchases (394753)</b> Purchase and installation of specialized shutoff valves and air valves. Pipeline failures can prevent the Otero Pump Station from pumping for two to six weeks. This amounts to between 1.6 billion and 5.2 billion gallons of lost pumping opportunity. To maintain the operational capability of this critical infrastructure, it is imperative that shutoff valves and air valves be replaced on a rotating schedule. Homestake personnel are experienced in the replacement of these type of valves.		<b>27,318</b>
<b>52.</b>	<b>JDP Pikeview Non-Potable Pump Upgrades (NPSP 2022) (394803)</b> Condition assessment, troubleshooting, and improvements to the raw water pumps at JDPWRRF that supplies the non-potable Central Loop System from Pikeview Reservoir. The purpose is to improve the reliability of supplies to non-potable water customers.		<b>16,974</b>
<b>53.</b>	<b>AMI Network New Growth &amp; Replacement (796463)</b> Purchase additional Advanced Metering Infrastructure (AMI) network equipment to accommodate new growth in CSU service territory and on-going maintenance needs. The expansion and maintenance of the Network supports the ability to collect data for internal business purposes. This is an ongoing program which enables us to serve, and therefore legal & regulatory scoring applies.		<b>12,500</b>
<b>54.</b>	<b>Water System Design Review, Inspection and Acceptance (394132)</b> Water system extension design review, inspection, and documentation for developers and contractors to ensure compliance with City Code and Colorado Springs Utilities' current Line Extension & Service Standards, and to protect system integrity.		<b>12,000</b>

<b>55. Developer Initiated and Unserved Area Projects - Water (394114)</b>	<b>\$ 10,000</b>
Enables Colorado Springs Utilities' cost participation in qualifying developer-initiated or other customer projects to promote the extension and development of an integrated water distribution system and provide service capability to previously unserved areas within the water service territory.	
<b>Subtotal Capital - Water</b>	<b>\$ 91,364,974</b>
<b>Capital Labor &amp; Benefits</b>	<b>\$ 14,141,222</b>
<b>Administration &amp; General Expense</b>	<b>\$ 1,286,975</b>
<b>2026 Total Capital - Water with Allocated Components</b>	<b>\$ 106,793,171</b>

# WATER EXPENDITURES SUMMARY (in thousands)

Account Group	2026 Approved Budget	2025 Approved Budget	2024 Actual	2026 Approved Budget Increase/ (Decrease) from:			
				2025 Budget		2024 Actual	
<b>Non-Labor Operations &amp; Maintenance</b>							
Production and Treatment	\$ 30,036	\$ 31,052	\$ 26,776	\$ (1,016)	-3.3%	\$ 3,261	12.2%
Purchased Water	9,351	10,326	8,023	(975)	-9.4%	1,328	16.6%
Transmission and Distribution	2,136	3,392	2,409	(1,256)	-37.0%	(273)	-11.3%
Maintenance	8,487	6,281	9,414	2,206	35.1%	(927)	-9.8%
Customer Service and Information	1,944	2,071	1,893	(127)	-6.1%	51	2.7%
Administrative and General	16,580	17,296	12,669	(715)	-4.1%	3,911	30.9%
Customer Accounting and Collections	2,711	2,453	5,112	258	10.5%	(2,401)	-47.0%
<b>Total Non-Labor Operations &amp; Maintenance</b>	<b>\$ 71,246</b>	<b>\$ 72,872</b>	<b>\$ 66,296</b>	<b>\$ (1,626)</b>	<b>-2.2%</b>	<b>\$ 4,950</b>	<b>7.5%</b>
<b>Labor &amp; Benefits</b>							
Production and Treatment	\$ 14,081	\$ 12,702	\$ 13,127	\$ 1,380	10.9%	\$ 955	7.3%
Transmission and Distribution	8,942	8,866	6,676	76	0.9%	2,266	33.9%
Maintenance	10,953	10,436	10,796	516	4.9%	157	1.5%
Customer Service and Information	458	562	464	(104)	-18.5%	(7)	-1.5%
Administrative and General	39,212	37,439	32,686	1,773	4.7%	6,526	20.0%
Customer Accounting and Collections	4,467	4,312	4,541	155	3.6%	(74)	-1.6%
<b>Total Labor &amp; Benefits</b>	<b>\$ 78,112</b>	<b>\$ 74,317</b>	<b>\$ 72,229</b>	<b>\$ 3,796</b>	<b>5.1%</b>	<b>\$ 5,884</b>	<b>8.1%</b>
<b>Total Non-Fuel Operations &amp; Maintenance <sup>1</sup></b>	<b>\$ 149,358</b>	<b>\$ 147,188</b>	<b>\$ 138,525</b>	<b>\$ 2,170</b>	<b>1.5%</b>	<b>\$ 10,834</b>	<b>7.8%</b>
Transfers to City- Surplus	\$ 2,403	\$ 2,369	\$ -	\$ 34	1.4%	\$ 2,403	- %
Debt Service	94,525	89,217	84,884	5,307	5.9%	9,641	11.4%
Direct Capital	106,793	150,883	105,300	(44,090)	-29.2%	1,493	1.4%
Allocated Capital <sup>2</sup>	8,570	15,680	7,177	(7,110)	-45.3%	1,393	19.4%
<b>Total</b>	<b>\$ 361,649</b>	<b>\$ 405,418</b>	<b>\$ 335,886</b>	<b>\$ (43,769)</b>	<b>-10.8%</b>	<b>\$ 25,763</b>	<b>7.7%</b>

<sup>1</sup> Non-Fuel O&M does not include inter-service eliminations, GASB 68 and 75 pension and OPEB expense.

<sup>2</sup> Common Capital allocated to Water Service.

# WASTEWATER SERVICE OVERVIEW

## SERVICE HIGHLIGHTS



- 1 WASTEWATER GOES DOWN YOUR DRAINS
- 2 TAKES WASTEWATER FROM HOMES AND BUSINESSES TO LIFT STATIONS
- 3 MOVES WASTEWATER FROM LOW TO HIGH ELEVATIONS
- 4 MOVES WASTEWATER TO RESOURCE RECOVERY FACILITY
- 5 3 RECOVERY FACILITIES TREAT WASTEWATER THROUGH MULTI-STEP PROCESS
- 6 THE RECLAIMED WATER IS RELEASED TO FOUNTAIN CREEK WHERE WE'RE ABLE TO REUSE IT THROUGH WATER EXCHANGES

### DID YOU KNOW?

- We operate one of Colorado's largest water resource recovery systems, collecting wastewater from more than 152,000 service points through 1,800 miles of pipe.
- Our recovery facilities process 36 million gallons of wastewater daily.
- We use state-of-the-art ultraviolet disinfection processes for treatment.
- Reclaimed water (treated wastewater) is returned to streams or reused for irrigation, augmentation and in utilities' operations.
- Between 2025 - 2030, we'll invest \$428 million in our wastewater system to meet growing city demand.



## STATISTICS

- Number of active accounts: 153,827
- Wastewater treated: average of 38 million gpd
- Combined permitted capacity: 95 million gpd
- Miles of sewer main pipe: 1,821 miles
- Wastewater System includes:
  - 2 water resource recovery facilities
  - 1 solid handling facility
  - 21 lift stations

## Wastewater Service Projects

**2026  
Approved  
Budget**

- |           |  |                      |
|-----------|--|----------------------|
| <b>1.</b> | <b>Northern Monument Creek Interceptor (495356)</b><br>Design and construction to install the Northern Monument Creek Interceptor (NMCI), approximately 8.5 miles of 30" pipe and appurtenances from the southern edge of the US Air Force Academy to the Upper Monument Creek Wastewater Treatment Facility on the northern edge of the Air Force Academy. NMCI will enable Utilities to eliminate at least one lift station in the near term, allow the flexibility to eliminate more in the future, and will accept wastewater flows from two sanitation districts north of Colorado Springs. Design work will be completed in 2025 with construction in 2026 and 2027. | <b>\$ 32,500,000</b> |
| <b>2.</b> | <b>EWSE Phase 1 - Upper and Lower Crosstown Interceptor (495435)</b><br>Design and construction of a gravity interceptor to convey flow from the northeastern and eastern regions of Colorado Springs to the Las Vegas Water Resource Recovery Facility (LVSWRRF). The pipeline is approximately 41,000 LF and ranges from 30 inches to 54 inches in diameter. Design is expected to start in 2025; construction is expected to start in 2026.   | <b>9,685,264</b>     |
| <b>3.</b> | <b>LVSWRRF Influent Junction Box Replacement (495363)</b><br>Design and construction for the rehabilitation and/or replacement of various components of the Las Vegas Street Water Resource Recovery Facility (LVSWRRF) influent infrastructure, to include pipes, manholes, gates, junction boxes, a new diversion structure, and odor control. Work in 2025 will include completing the design and starting construction activities. Construction will continue until 2027.  | <b>9,600,000</b>     |
| <b>4.</b> | <b>EWSE Phase 1 - New Lift Stations and Force Mains (495436)</b><br>Design and construction of new lift stations and force mains from near the intersection of Jimmy Camp Creek and the southern City Limits to the future Milton Proby Interceptor to provide wastewater services to the southeastern region of Colorado Springs. The lift stations will be built in phases as flow increases. The first phase will handle 2 million gallons per day of wastewater flow. Design is expected to start in 2025; construction is expected to begin in 2026.  | <b>9,449,038</b>     |
| <b>5.</b> | <b>EWSE Phase 1 - Milton Proby Interceptor (495437)</b><br>Design and construction of a gravity interceptor to convey flow from the southeastern region of Colorado Springs to the Las Vegas Water Resource Recovery Facility (LVSWRRF). The interceptor originates near the intersection of Milton Proby and Powers and extends to the Sand Creek Lift Station (approximately 18,500 LF) and is 48 inches in diameter. Design is expected to start in 2025; construction is expected to start in 2026.  | <b>4,488,293</b>     |



<b>6.</b>	<b>LVSWRRF RAS Pump Replacement (495402)</b> Design and construction of replacement of the Recycled Activated Sludge (RAS) Pumps at the Las Vegas Street Water Resource Recovery Facility. Design will occur in 2025; construction is expected to occur in 2026-2027.	<b>\$ 4,000,000</b>
<b>7.</b>	<b>SSCC Collection System Rehabilitation/Replacement Program (495253)</b> Sanitary Sewer Creek Crossing (SSCC) Rehabilitation/Replacement program evaluates, protects, and rehabilitates sanitary sewer pipelines that cross creeks and drainages in Utilities' service area. Capital funds are budgeted according to a 2016 Inter-Governmental Agreement (IGA) and related Executive Agreement and reported annually to the City of Colorado Springs. In 2026, two large projects are planned to continue and/or commence into construction along with partnering with the City's Stormwater Enterprise on additional project designs to meet Utilities \$3.6M 2026 Stormwater IGA commitment.	<b>3,600,000</b>
<b>8.</b>	<b>LVSWRRF Sludge Pump Replacement (495309)</b> Design and replacement of the blended sludge pumps that are used to pump solids from the Las Vegas Street Water Resource Recovery Facility to the Clear. Design will be completed in early 2025. Construction will start in 2025 and continue through 2026.	<b>3,500,000</b>
<b>9.</b>	<b>LVSWRRF Aeration System Modifications (495307)</b> Construction and installation of an upgraded Aeration System to support wastewater treatment at the Las Vegas Street Water Resource Recovery Facility (LVSWRRF). Project design was completed in 2023, and construction was started in 2024; construction will continue in 2025 and 2026.	<b>3,000,000</b>
<b>10.</b>	<b>Local Collectors Evaluation and Rehabilitation Program (LCERP) (495121)</b> LCERP is multi-year capital program with goal to determine the condition and prioritize sanitary sewer pipe line less than 10" in diameter to be re-inspected or rehabilitated. In 2026 LCERP is scheduled to rehabilitate approximately 25,000 feet of pipe.	<b>2,250,000</b>
<b>11.</b>	<b>LVSWRRF I&amp;C Improvements (495371)</b> Upgrade/replacement of the control system at the Las Vegas Street Water Resource Recovery Facility (LVSWRRF) as equipment reaches end of life. Design and procurement of long-lead equipment will occur in 2025 and 2026; construction will begin in 2027.	<b>1,900,000</b>
<b>12.</b>	<b>Wastewater Service Vehicles &amp; Equipment (480017)</b> Replacement and purchase of Vehicles and Equipment for the Colorado Springs Utilities Wastewater Service to maintain a safe, cost effective and reliable fleet.	<b>1,277,118</b>

<b>13.</b>	<b>CSRRRF Gas and Steam System Improvements (495467)</b> Components of the digester heating system at Clear Springs Ranch Resource Recovery Facility (CSRRRF) are in poor condition. The Approved project will include a condition assessment of the digester heating system, a review of the layout and design, and recommendations for improvements. Improvements could include replacement or rehabilitation of equipment, design improvements to extend the equipment's useful life and reduce O&M costs, and design improvements to increase system efficiency. The heating system is required to meet permit requirements.	<b>\$ 1,159,480</b>
<b>14.</b>	<b>JDPWRRF Hydro cyclones (495439)</b> Design and installation of hydro cyclones at the JD Phillips Water Resource Recovery Facility to improve process conditions and provide more operational flexibility. Design will be completed in 2025. Construction will start in 2025 and continue through 2026.	<b>1,064,800</b>
<b>15.</b>	<b>LVSWRRF UV Disinfection Electrical System Improvements (495410)</b> Design and installation of upgrades to the UV disinfection electrical system at the Las Vegas Street Water Resource Recovery Facility (LVSWRRF) to ensure system compliance. Design will occur in 2025; construction will occur 2025-2026.	<b>1,000,000</b>
<b>16.</b>	<b>Wastewater Lift Station and Force Main Evaluation and Rehabilitation Program (495281)</b> Condition assessment, evaluation, prioritization, design, rehabilitation, and construction of wastewater lift stations and force mains to ensure wastewater system reliability. Focus in 2026 will be upgrades to the Chapel Hills lift station.	<b>983,454</b>
<b>17.</b>	<b>JDPWRRF HVAC Upgrades (495456)</b> Replace the air handling units located in critical areas that were in the poorest condition as determined in the 2021 Facility Plan at the J.D. Phillips Water Resource Recovery Facility. The driver for these projects is aging infrastructure.	<b>933,950</b>
<b>18.</b>	<b>Public Improvement Projects - Wastewater (480015)</b> Capital project to participate in Colorado Springs Utilities' share of wastewater relocations, lowering, betterments and improvements because of Pikes Peak Rural Transportation Authority (PPRTA), City Capital Improvements Projects, El Paso County and Colorado Department of Transportation (CDOT) public improvement projects. 2026 Public Improvement Projects for wastewater projects include Fontanero and 31st St Roundabout, Park Vista Drainage Improvements, Lake Ave Intersection Improvements, Academy Blvd. Reconstruction Phase 2, and Fillmore Bridges.	<b>900,000</b>
<b>19.</b>	<b>CSR Sitewide Stormwater Improvements (796742)</b> Design, permitting, and implementation of necessary improvements to control stormwater runoff around the Clear Spring Ranch Resource Recovery Facility and the southern Clear Spring Ranch solid waste disposal units to protect existing infrastructure from damage and prevent stormwater from co-mingling with waste. Design was completed in 2024; improvements will be implemented over the next five years (2025-2029).	<b>840,000</b>

<b>20.</b>	<b>JDPWRRF Odor Control Carbon Media Replacement (495314)</b> The odor control system at the JD Phillips Water Resource Recovery Facility (WRRF) consists of three wet scrubbers followed by two carbon adsorbers. Carbon adsorbers contain a media which removes the sulfur-based odors that are released from the wastewater treatment processes and which the wet scrubbers cannot remove. Sulfur based odors are removed to comply with the air requirements of the operating permit for the plant. The spent media must be replaced approximately every seven years to comply with the requirements of the air permit.	<b>\$ 670,000</b>
<b>21.</b>	<b>JDPWRRF BNR Upgrades - Phase 1 (495426)</b> Study, design, and construction of process improvements for the JD Phillips Water Resource Facility for stability and compliance with upcoming nutrient regulations. Study and design will occur in 2025-2026, construction is expected to occur 2027-2028.	<b>500,000</b>
<b>22.</b>	<b>LVTP06 Complete Interior Renovation Project (495475)</b> Building Renovation and Upgrades to Building LVTP06. These renovations are required to accommodate the increase in FTE's companywide by repurposing unused space into new office space.	<b>500,000</b>
<b>23.</b>	<b>WW Lift Station and Force Main NMCI Related Infrastructure Improvement Program (495401)</b> Condition assessment, evaluation, prioritization, design, rehabilitation, and construction of wastewater lift stations and force mains related to the Northern Monument Creek Interceptor (NMCI) to ensure wastewater system reliability. The Middle Tributary connection to NMCI will reach 90% design in 2025 and 100% design in early 2026. Construction of the Middle Tributary Interconnect will start in late 2026 and is scheduled to be operational in 2028.	<b>450,000</b>
<b>24.</b>	<b>Collection System Rehabilitation/Replacement (495236)</b> Collection System Rehabilitation/Replacement (CSRR) Project is multi-year capital program providing assessment and rehabilitation\replacement of large diameter collection system pipelines (10" and greater). Large diameter sanitary sewer collection system consists of approximately 270 miles of pipe. 2026 CSRR will rehabilitate approximately 1,500 feet of pipe.	<b>450,000</b>
<b>25.</b>	<b>LVSWRRF PEPS Improvements (495409)</b> Modify and upgrade the existing Primary Effluent Pump Station (PEPS) electrical system and natural-gas-driven pumps at the Las Vegas Street Water Resource Recovery Facility (LVSWRRF) to ensure the safety, and reliability of PEPS in the event of a power outage. Design will occur in 2025; construction is expected to occur in 2026.	<b>400,000</b>
<b>26.</b>	<b>WRRF Improvements Program (495338)</b> The Water Resource Recovery Facilities consists of three major treatment plants. This program is used to provide funding for relatively small projects that are identified either through the Facility Plan or through opportunities identified during operations. A typical use for this program could be replacement of pumps or valves identified as capital assets in the Unit of Property book but not large enough to justify their own project.	<b>360,000</b>

<b>27.</b>	<b>WRRF Control System Upgrade Program (495328)</b> Install control system, variable frequency drive and instrumentation improvements at Las Vegas, JD Phillips and Clear Spring Ranch Water Resource Recovery Facilities. This project will improve control system reliability and efficiency at the treatment plants due to aging and obsolete controls, variable frequency drives and instrumentation and control schemes.	<b>\$</b>	<b>324,000</b>
<b>28.</b>	<b>Developer Initiated and Unserved Area Projects - Wastewater (495106)</b> Enables Colorado Springs Utilities' cost participation in qualifying developer-initiated or other customer projects to promote the extension and development of an integrated wastewater collection system and provide service capability to previously unserved areas within the wastewater service territory.		<b>312,000</b>
<b>29.</b>	<b>Wastewater Infrastructure Corrosion Program (495322)</b> Wastewater Infrastructure Corrosion Program (WWICP) identifies, evaluates, monitors, prioritizes and constructs repair/replacement of failing cathodic protection systems to insure safe and reliable wastewater services to customers. The 2026 capital program evaluation includes cataloging and condition assessment of several asset groups based on criticality with focus on cathodic protection systems repairs deemed necessary by the evaluation process. No capital non-labor spend is planned for 2026; the work conducted in 2026 will assess potential projects to be completed in 2027 and beyond.		<b>286,526</b>
<b>30.</b>	<b>CSR Dam Construction Upgrade (796741)</b> Design and construction of repairs/upgrades to the Clear Spring Ranch (CSR) to minimize amount of ground water leaving the CSR site. Design will occur in 2025; the first phase of construction is expected to occur in 2026.		<b>212,100</b>
<b>31.</b>	<b>CSRRRF Replace Sludge Piping at Wall in ERB and Digesters (495351)</b> Replacement of several segments of process piping at the Clear Spring Ranch Resource Recovery Facility, which have experienced significant corrosion. The locations of most significant corrosion are primarily located at wall penetrations and believed to be limited in length. The affected penetrations include the feed piping and digester feed piping at two other locations.		<b>200,000</b>
<b>32.</b>	<b>Water and Wastewater System Modeling Software (796780)</b> New and upgraded software for water distribution system and wastewater collection system modeling; the conversion of UTILITIES existing models to the new software platforms; and implementation services for the new software.		<b>198,000</b>

<b>33.</b>	<b>Lab Equipment Capital - Wastewater (480003)</b> The Colorado Springs Utilities laboratory maintains over 30 distinct analytical instruments and ancillary pieces of equipment vital to the function of the laboratory. These instruments and equipment require periodic replacement as they reach the end of their life-span, or as technological advances and improved analytical methods drive the need for new instrumentation. This project encompasses those instruments and equipment necessary for continued Clean Water Act compliance. 2026 expenditure includes- New Laboratory Information System \$50,000, Three flume hoods \$60,000, and General Chemistry and Metals Dishwaters \$65,500.	<b>\$ 175,500</b>
<b>34.</b>	<b>JDPWRRF Odor Control and Chemical Improvements (495447)</b> The JD Phillips Water Resource Recovery Facility (JDPWRRF) Odor Control and Chemical Improvements project is scoped to inspect the walls of the carbon adsorber tanks, replace the scrubber recirculation pumps at the end of their design life, anchor all chemical tanks and repair piping and overflow connections for chemical feed. The primary driver for this project is aging infrastructure, with reliability as a secondary factor.	<b>164,000</b>
<b>35.</b>	<b>Replacement of CCTV Equipment (480004)</b> The current CCTV Vans are overweight, and the axles were breaking, new vans were ordered for 2025, and we will replace the entire fleet this year. The money is for the software and computers that will need to be provided in each van.	<b>153,000</b>
<b>36.</b>	<b>JDPWRRF UV Treated Effluent Bulb Replacement (495275)</b> UV bulbs must be replaced periodically due to a limited lifespan and effectiveness based primarily on the number of running hours and operating intensity. This program provides funding for the mass replacement of the bulbs as they reach the end of their useful life.	<b>120,000</b>
<b>37.</b>	<b>Wastewater Tools and Equipment (495321)</b> Purchase large tools and equipment for the Distribution, Collection & Treatment Department, Wastewater Collections Section.	<b>90,000</b>
<b>38.</b>	<b>CSRRRF Grit Solid Waste Disposal Area Plan (495423)</b> A new design and permit modification are required for the Clear Spring Ranch Grit Solid Waste Disposal Area to expand the permitted-capacity, create a new stormwater detention pond, and to meet state regulatory requirements. Updates will allow for continued operations at the waste disposal facility.	<b>78,750</b>
<b>39.</b>	<b>JDPWRRF UV Disinfection- Lower Bulb Replacement (495319)</b> This UV (ultraviolet light) disinfection system is installed at the inlet of the nonpotable water system, as required by our operating permit, to sterilize the bacteria before the water is released into the nonpotable water system. The UV bulbs have a design life based on number of hours and intensity. This project would allow us to replace the bulbs to operate in compliance with our operating permit.	<b>43,800</b>

<b>40. Wastewater System Design Review, Inspection and Acceptance (495062)</b>	<b>\$ 12,000</b>
Wastewater pipeline design review, inspection, and documentation for developers and contractors to ensure compliance with City Code and Colorado Springs Utilities' current Line Extension & Service Standards, and to protect system integrity.	
<b>Subtotal Capital - Wastewater</b>	<b>\$ 97,831,073</b>
<b>Capital Labor &amp; Benefits</b>	<b>\$ 2,234,926</b>
<b>Administration &amp; General Expense</b>	<b>\$ 1,544,370</b>
<b>2026 Total Capital - Wastewater with Allocated Components</b>	<b>\$ 101,610,369</b>

# WASTEWATER EXPENDITURES SUMMARY (in thousands)

Account Group	2026 Approved Budget	2025 Approved Budget	2024 Actual	2026 Approved Budget Increase/ (Decrease) from:			
				2025 Budget		2024 Actual	
<b>Non-Labor Operations &amp; Maintenance</b>							
Production and Treatment	\$ 5,806	\$ 5,524	\$ 5,437	\$ 282	5.1%	\$ 369	6.8%
Transmission and Distribution	2,186	2,168	1,629	17	0.8%	556	34.1%
Maintenance	2,464	1,984	3,154	480	24.2%	(689)	-21.9%
Customer Service and Information	324	414	387	(91)	-21.9%	(63)	-16.3%
Administrative and General	7,567	7,764	5,974	(196)	-2.5%	1,594	26.7%
Customer Accounting and Collections	1,055	868	1,924	187	21.6%	(869)	-45.2%
<b>Total Non-Labor Operations &amp; Maintenance</b>	<b>\$ 19,402</b>	<b>\$ 18,722</b>	<b>\$ 18,504</b>	<b>\$ 679</b>	<b>3.6%</b>	<b>\$ 898</b>	<b>4.9%</b>
<b>Labor &amp; Benefits</b>							
Production and Treatment	\$ 4,688	\$ 4,446	\$ 4,327	\$ 241	5.4%	\$ 361	8.3%
Transmission and Distribution	7,760	7,040	6,692	720	10.2%	1,068	16.0%
Maintenance	5,370	4,894	4,340	475	9.7%	1,029	23.7%
Customer Service and Information	293	389	180	(96)	-24.7%	113	62.5%
Administrative and General	16,130	15,432	13,116	698	4.5%	3,014	23.0%
Customer Accounting and Collections	4,344	4,194	4,413	150	3.6%	(69)	-1.6%
<b>Total Labor &amp; Benefits</b>	<b>\$ 38,584</b>	<b>\$ 36,397</b>	<b>\$ 35,184</b>	<b>\$ 2,188</b>	<b>6.0%</b>	<b>\$ 3,400</b>	<b>9.7%</b>
<b>Total Non-Fuel Operations &amp; Maintenance <sup>1</sup></b>	<b>\$ 57,986</b>	<b>\$ 55,119</b>	<b>\$ 53,688</b>	<b>\$ 2,867</b>	<b>5.2%</b>	<b>\$ 4,298</b>	<b>8.0%</b>
Debt Service	\$ 28,259	\$ 26,114	\$ 23,393	\$ 2,145	8.2%	\$ 4,865	20.8%
Direct Capital	101,610	70,393	34,121	31,218	44.3%	67,490	197.8%
Allocated Capital <sup>2</sup>	3,100	5,756	2,635	(2,655)	-46.1%	466	17.7%
<b>Total</b>	<b>\$ 190,955</b>	<b>\$ 157,456</b>	<b>\$ 113,836</b>	<b>\$ 33,499</b>	<b>21.3%</b>	<b>\$ 77,119</b>	<b>67.7%</b>

<sup>1</sup> Non-Fuel O&M does not include inter-service eliminations, GASB 68 and 75 pension and OPEB expense.

<sup>2</sup> Common Capital allocated to Wastewater Service.

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## ENTERPRISE-WIDE

Common Service Projects		2026 Approved Budget
1.	<b>Computer Maintenance Management System (CMMS) (596710)</b> CMMS/Maximo Upgrade will bring us onto a supported version of Maximo. There will be two phases: 1. hire a consultant to write a SOW defining the steps needed to complete the upgrade and integration with necessary applications. 2. Send out for RFP utilizing the SOW from step 1 to define the efforts. The System integrator will execute the SOW from Phase 1. CMMS - A Computerized Maintenance Management System (CMMS) focus is on improving and automating maintenance protocols for physical assets such as heavy machinery, equipment, and vehicles	\$ 5,100,000
2.	<b>GIS Technology Modernization Project (596651)</b> ESRI (solution provider) is requiring the current Geographic Information System (GIS), "ArcGIS Geometric Network," be replaced with a new "Utility Network" system by the end of 2028 for the storing and management of GIS utility (linear) infrastructure data. The new Esri Utility Network is a comprehensive framework of functionality in GIS for spatially modeling multi-service utilities. This is a multi-year Capital project due to the extensive changes from the current system to the new system.	2,000,000
3.	<b>Network Enterprise Services Program (596544)</b> Continue with the annual lifecycle management of network security, switching, and routing hardware, prioritizing devices approaching end-of-support and those presenting advanced technology opportunities. Capital and O&M funds are required for the purchasing of the hardware.	1,500,000
4.	<b>Common Service Vehicles &amp; Equipment (580175)</b> Replacement and purchase of Vehicles and Equipment for the Colorado Springs Utilities Common Service to maintain a safe, cost effective and reliable fleet.	1,129,621
5.	<b>Trunked Radio System Replacement Program (596669)</b> Life cycle replacement of trunked radios for Colorado Springs Utilities.	1,038,378
6.	<b>JPSC01 Roof Upgrade and Replacement (596750)</b> Life cycle replacement and upgrades to the John Pinkerton Service Center (JPSC01) roof.	650,000
7.	<b>Stormwater Phase V (596778)</b> Stormwater Phase 5 is the final phase of the Stormwater project. In this phase, utilities assumes all billing of Stormwater fees on behalf of the city, to include non-utility customers. Funding for the Stormwater project is being entirely reimbursed by the city (Municipal Government).	496,958

<b>8.</b>	<b>Infrastructure Platform Program (596535)</b> Ongoing system upgrades and replacements to ensure reliability and security. Incorporates compliance with Cyber Security policies and next generation of hardware for data center and operations infrastructure. Supports our evolving capacity, performance, and expected growth needs.	<b>\$ 450,000</b>
<b>9.</b>	<b>OT DMZ - Operational Technology Demilitarized Zone (596766)</b> The OT DMZ acts as a buffer zone that allows for controlled access between the OT and IT networks. It typically contains devices like firewalls, data historians, and gateways that manage and monitor the flow of information, ensuring that the OT network remains isolated and protected from potential cyber threats originating from IT networks or the internet. By implementing an OT DMZ, CSU can enhance its security posture, protect critical systems, and comply with various regulatory requirements.	<b>368,000</b>
<b>10.</b>	<b>BRDS02 Data Center PDU/UPS Upgrade (596758)</b> Engineering services will be procured to conduct a study and create documentation for upgrading the existing Power Distribution Units (PDUs) and Uninterruptible Power Supplies (UPSs) at the BRDS02 (SECC) data center. Capital funds will also be allocated to hiring a vendor for hardware procurement and installation.	<b>200,000</b>
<b>11.</b>	<b>Data Center and Services Firewall Replacement (596787)</b> Upgrade existing Cisco FPM2140 firewalls (70/80) to new Palo Alto Next Generation 5420 Firewalls. This process involves migrating all policies, configurations, and routes from the old firewalls to the new ones. Migration will be a like-for-like transfer of all policies to minimize impact and complexity. Panorama, the management software for the Palo Alto Next Generation Firewalls, will also be migrated to a physical on-premises appliance to align with best practices and reduce risk.	<b>140,000</b>
<b>12.</b>	<b>Communication Site Infrastructure Replacement (596785)</b> Capital funds for CSU communication site and building infrastructure replacement. This will cover replacement of HVAC, roof, building, tower, fencing and other issues that arise at CSU communication sites.	<b>125,000</b>
<b>13.</b>	<b>Common Tools &amp; Equip (580141)</b> Replacement of tools & equipment for the Construction and Maintenance common service to stay current with technology, regulations, and safety requirements while utilizing the tooling to make capital improvements or add capital equipment to our system.	<b>110,000</b>
<b>14.</b>	<b>Cyber Operations and Resiliency Program (596545)</b> Annual improvements to Operational Technology cybersecurity monitoring, alerting, and auditing technologies.	<b>100,000</b>

<b>15.</b>	<b>Microwave Radio Lifecycle Replacement (596717)</b> Upgrade the microwave radio system due to components which are end of life and support. This microwave transports Colorado Springs Utilities network traffic into the mountains and metro area.	<b>\$</b>	<b>84,274</b>
<b>16.</b>	<b>Technology Services and Support Program (596533)</b> Replace end-of-life large format printers/plotters.		<b>34,000</b>
<b>17.</b>	<b>Ft Carson IGSA Tools and Equipment (596729)</b> Purchase common service capital CSU materials or equipment in support of the IGSA (Intergovernmental Service Agreement) with Ft Carson. Items procured with this activity will be covered by credits from monthly billing sent to Ft Carson.		<b>25,000</b>
<b>18.</b>	<b>SCADA (580216)</b> The SCADA (Supervisory Control and Data Acquisition) team currently budgets \$10K per year for emergency purchases of the various technology hardware that could fail. The SCADA technology hardware (servers, firewalls, switches, all electric transmission/distribution/gas/water workstations, and monitors) are scheduled for lifecycle replacement every 3-5 years which is standard for technology equipment. Due to the purchase of higher-end hardware, we plan the replacement of this hardware every 5 years as opposed to every 3 years. The 5-year replacement budget is estimated at \$1.3 million.		<b>10,000</b>
<b>Subtotal Capital - Common</b>		<b>\$</b>	<b>13,561,231</b>
<b>Capital Labor &amp; Benefits</b>		<b>\$</b>	<b>7,937,963</b>
<b>Administration &amp; General Expense</b>		<b>\$</b>	<b>257,395</b>
<b>2026 Total Capital - Common with Allocated Components</b>		<b>\$</b>	<b>21,756,589</b>

# ADMINISTRATIVE AND GENERAL (in thousands)

Account Group	Service	2026 Approved Budget	2025 Approved Budget	2024 Actual	2026 Approved Budget Increase/ (Decrease) from:				
					2025 Budget		2024 Actual		
Non-Labor Administrative and General	Customer Service and Information	Electric	\$ 1,856	\$ 2,058	\$ 1,739	\$ (202)	-9.8%	\$ 118	6.8%
		Natural Gas	3,811	3,521	2,990	290	8.2%	821	27.5%
		Water	1,944	2,071	1,893	(127)	-6.1%	51	2.7%
		Wastewater	324	414	387	(91)	-21.9%	(63)	-16.3%
		Sub-Total	\$ 7,936	\$ 8,065	\$ 7,009	\$ (130)	-1.6%	\$ 926	13.2%
	Administrative and General	Electric	\$ 25,381	\$ 27,670	\$ 19,527	\$ (2,288)	-8.3%	\$ 5,854	30.0%
		Natural Gas	8,542	9,103	5,996	(561)	-6.2%	2,546	42.5%
		Water	16,580	17,296	12,669	(715)	-4.1%	3,911	30.9%
		Wastewater	7,567	7,764	5,974	(196)	-2.5%	1,594	26.7%
		Streetlight	298	330	245	(32)	-9.8%	53	21.5%
		Sub-Total	\$ 58,369	\$ 62,162	\$ 44,412	\$ (3,793)	-6.1%	\$ 13,957	31.4%
	Customer Accounting and Collections	Electric	\$ 5,279	\$ 4,514	\$ 11,730	\$ 764	16.9%	\$ (6,452)	-55.0%
		Natural Gas	3,018	2,866	5,516	152	5.3%	(2,498)	-45.3%
Water		2,711	2,453	5,112	258	10.5%	(2,401)	-47.0%	
Wastewater		1,055	868	1,924	187	21.6%	(869)	-45.2%	
Streetlight		26	18	87	8	46.6%	(61)	-69.8%	
Sub-Total		\$ 12,089	\$ 10,719	\$ 24,369	\$ 1,370	12.8%	\$(12,280)	-50.4%	
Total Non-Labor Administrative and General	Total	\$ 78,394	\$ 80,947	\$ 75,791	\$ (2,553)	-3.2%	\$ 2,604	3.4%	
Labor & Benefits Administrative & General	Customer Service and Information	Electric	\$ 1,431	\$ 1,442	\$ 1,111	\$ (10)	-0.7%	\$ 320	28.8%
		Natural Gas	543	666	363	(123)	-18.4%	180	49.5%
		Water	458	562	464	(104)	-18.5%	(7)	-1.5%
		Wastewater	293	389	180	(96)	-24.7%	113	62.5%
		Sub-Total	\$ 2,725	\$ 3,058	\$ 2,119	\$ (333)	-10.9%	\$ 606	28.6%
	Administrative and General	Electric	\$ 59,466	\$ 56,787	\$ 51,199	\$ 2,679	4.7%	\$ 8,266	16.1%
		Natural Gas	18,679	17,877	17,676	802	4.5%	1,002	5.7%
		Water	39,212	37,439	32,686	1,773	4.7%	6,526	20.0%
		Wastewater	16,130	15,432	13,116	698	4.5%	3,014	23.0%
		Streetlight	840	801	693	39	4.8%	146	21.1%
		Sub-Total	\$134,326	\$128,336	\$125,913	\$ 5,990	4.7%	\$ 8,413	6.7%
	Customer Accounting and Collections	Electric	\$ 7,080	\$ 6,834	\$ 7,196	\$ 246	3.6%	\$ (117)	-1.6%
		Natural Gas	6,344	6,123	6,448	220	3.6%	(105)	-1.6%
		Water	4,467	4,312	4,541	155	3.6%	(74)	-1.6%
		Wastewater	4,344	4,194	4,413	150	3.6%	(69)	-1.6%
		Sub-Total	\$ 22,234	\$ 21,463	\$ 22,598	\$ 771	3.6%	\$ (364)	-1.6%
	Total Labor & Benefits Administrative and General	Total	\$159,285	\$152,858	\$150,631	\$ 6,428	4.2%	\$ 8,654	5.7%
Total Administrative and General <sup>1</sup>		\$237,679	\$233,804	\$226,421	\$ 3,875	1.7%	\$ 11,258	5.0%	

<sup>1</sup>Total Administrative and General does not include inter-service eliminations, GASB 68 and 75 pension and OPEB expense.

## TOTAL LABOR AND NON-FUEL OPERATIONS & MAINTENANCE

### By Account Group (in thousands)

Account Group	FY26 Approved Budget	FY25 Approved Budget	FY24 Actuals	FY26 Proposed Budget Increase/ (Decrease) from:			
				FY25 Budget		FY24 Actuals	
Labor	\$ 267,034	\$ 250,271	\$ 233,967	\$ 16,763	6.7%	\$ 33,066	14.1%
Benefits	82,261	77,792	73,829	4,469	5.7%	8,432	11.4%
Outside Professional Services	59,330	58,056	68,310	1,274	2.2%	(8,981)	-13.1%
Equipment Lease & Maintenance	36,609	33,162	24,599	3,447	10.4%	12,010	48.8%
Buildings & Utilities	26,434	24,974	24,049	1,460	5.8%	2,385	9.9%
Office Expenses, Materials & Supplies	40,186	42,900	44,900	(2,715)	-6.3%	(4,714)	-10.5%
Travel, Education & Employee Expenses	5,137	4,736	3,889	401	8.5%	1,248	32.1%
Conserve, Safety, Customer Assist & Financial Info	5,565	5,280	4,818	285	5.4%	747	15.5%
Professional/Industry Memberships & Publications	2,295	1,893	1,885	402	21.2%	410	21.7%
Misc. Accounting General	19,354	24,680	27,036	(5,326)	-21.6%	(7,682)	-28.4%
<b>Total <sup>1</sup></b>	<b>\$ 544,203</b>	<b>\$ 523,743</b>	<b>\$ 507,282</b>	<b>\$ 20,460</b>	<b>3.9%</b>	<b>\$ 36,921</b>	<b>7.3%</b>

### By Division (in thousands)

Division	FY26 Approved Budget	FY25 Approved Budget	FY24 Actuals	FY26 Proposed Budget Increase/ (Decrease) from:			
				FY25 Budget		FY24 Actuals	
Corporate	\$ 13,484	\$ 19,797	\$ 21,277	\$ (6,313)	-31.9%	\$ (7,792)	-36.6%
CEO Direct Reports (Division 1)	3,804	3,409	3,297	394	11.6%	507	15.4%
Admin and Human Resources (Division 2)	120,673	114,412	94,660	6,260	5.5%	26,012	27.5%
Planning and Finance (Division 4)	22,439	23,715	22,190	(1,276)	-5.4%	249	1.1%
Customer & Enterprise Services (Division 5)	80,404	77,452	73,800	2,952	3.8%	6,604	8.9%
Operations Division (Division 7)	237,696	220,939	233,155	16,758	7.6%	4,542	1.9%
System Planning and Projects (Division 9)	65,703	64,018	58,904	1,685	2.6%	6,799	11.5%
<b>Total <sup>1</sup></b>	<b>\$ 544,203</b>	<b>\$ 523,743</b>	<b>\$ 507,282</b>	<b>\$ 20,460</b>	<b>3.9%</b>	<b>\$ 36,921</b>	<b>7.3%</b>

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

## By Division (in thousands)

Account Group	FY26 Approved Budget	FY25 Approved Budget	FY24 Actuals	FY26 Proposed Budget Increase/ (Decrease) from:			
				FY25 Budget		FY24 Actuals	
<b>Corporate</b>							
Labor	\$ 653	\$ 908	\$ 783	\$ (255)	-28.1%	\$ (130)	-16.6%
Outside Professional Services	544	1,397	(1,572)	(853)	-61.0%	2,116	-134.6%
Equipment Lease & Maintenance	14	6	(3,887)	8	133.4%	3,901	-100.4%
Office Expenses, Materials & Supplies	721	602	680	118	19.7%	41	6.0%
Travel, Education & Employee Expenses	138	85	140	53	62.7%	(2)	-1.3%
Conserve, Safety, Customer Assist & Financial Info	183	5	7	179	3970.8%	176	2628.8%
Misc. Accounting General	11,231	16,795	25,127	(5,563)	-33.1%	(13,895)	-55.3%
<b>Sub-Total <sup>1</sup></b>	<b>\$ 13,484</b>	<b>\$ 19,797</b>	<b>\$ 21,277</b>	<b>\$ (6,313)</b>	<b>-31.9%</b>	<b>\$ (7,792)</b>	<b>-36.6%</b>

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

## CORPORATE SIGNIFICANT FINANCIAL CHANGES

### 2025 to 2026

- **(\$0.3 million) Labor** – One position transfer to CEO Direct Reports (Division 1)
- **(\$0.9 million) Outside Professional Services** – Decreases in payments to the City, most significantly influenced by City Council and City Clerk
- **Equipment Lease & Maintenance** – Increase in office machine lease
- **\$0.1 million Office Expenses, Materials & Supplies** – Increase in obsolete inventory expenses
- **Travel, Education & Employee Expenses** – Increase in parking fees
- **\$0.2 million Conserve, Safety, Customer Assist & Financial Info** – Increase in advertising expenses
- **(\$5.6 million) Misc. Accounting General** - Increases/(Decreases) most significantly influenced by the following
  - **(\$7.0 million)** New 2026 budget item: Governmental Accounting Standards Board (GASB) 96: Subscription-based information technology arrangements (SBITAs) amortization
  - \$1.5 million Increase in non-fuel management reserve

### 2024 to 2026

- **(\$0.1 million) Labor** – One position transfer to CEO Direct Reports (Division 1)
- **\$2.1 million Outside Professional Services** - Increases/(Decreases) most significantly influenced by the following
  - \$2.9 million Increase in GASB 96: SBITAs amortization
  - **(\$0.8 million)** Decreases in payments to the City, most significantly influenced by City Council
- **\$3.9 million Equipment Lease & Maintenance** – Increase in GASB 96: SBITAs amortization
- **Office Expenses, Materials & Supplies** – Increase in obsolete inventory expenses
- **Travel, Education & Employee Expenses** – No Significant Change
- **\$0.2 million Conserve, Safety, Customer Assist & Financial Info** – Increase in advertising expenses
- **(\$13.9 million) Misc. Accounting General** - Increases/(Decreases) most significantly influenced by the following
  - **(\$12.1 million)** Decrease in lower bad debts
  - **(\$5.5 million)** Decrease in GASB 96: SBITAs amortization
  - **(\$1.3 million)** Decrease in the SDS regulatory asset amortization payment
  - \$5.0 million Increase in non-fuel management reserve

## By Division (in thousands)

Account Group	FY26 Approved Budget	FY25 Approved Budget	FY24 Actuals	FY26 Proposed Budget Increase/ (Decrease) from:			
				FY25 Budget		FY24 Actuals	
<b>CEO Direct Reports (Division 1)</b>							
Labor	\$ 3,804	\$ 3,409	\$ 3,297	\$ 394	11.6%	\$ 507	15.4%
<b>Sub-Total <sup>1</sup></b>	<b>\$ 3,804</b>	<b>\$ 3,409</b>	<b>\$ 3,297</b>	<b>\$ 394</b>	<b>11.6%</b>	<b>\$ 507</b>	<b>15.4%</b>

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

## CEO DIRECT REPORTS (DIVISION 1) SIGNIFICANT FINANCIAL CHANGES

### 2025 to 2026

- **\$0.4 million Labor** – Increases most significantly influenced by the following
  - \$0.3 million One position transfer from Corporate
  - \$0.1 million Pay Changes - Actual pay changes from 2024 and 2025 are budgeted in a base pay adjustment pool within Employee Corporate Expenses, however once pay changes, it is accounted for in the area in which the employee works.

### 2024 to 2026

- **\$0.5 million Labor** – Increases/(Decreases) most significantly influenced by the following
  - \$0.4 million Three new 2025 budgeted positions supporting RTO; transfer from Operations (Division 7)
  - \$0.1 million One position transfer from Corporate
  - \$0.1 million Pay Changes - Actual pay changes from 2024 and 2025 are budgeted in a base pay adjustment pool within Employee Corporate Expenses, however once pay changes, it is accounted for in the area in which the employee works.
  - **(\$0.1 million)** Overtime

Account Group	FY26 Approved Budget	FY25 Approved Budget	FY24 Actuals	FY26 Proposed Budget Increase/ (Decrease) from:			
				FY25 Budget		FY24 Actuals	
<b>Admin and Human Resources (Division 2)</b>							
Labor	\$ 32,570	\$ 30,829	\$ 14,983	\$ 1,741	5.6%	\$ 17,587	117.4%
Benefits	82,261	77,792	73,829	4,469	5.7%	8,432	11.4%
Outside Professional Services	1,004	984	844	20	2.0%	160	19.0%
Equipment Lease & Maintenance	940	878	783	62	7.1%	158	20.2%
Office Expenses, Materials & Supplies	555	536	615	19	3.6%	(59)	-9.7%
Travel, Education & Employee Expenses	938	1,018	928	(80)	-7.9%	10	1.0%
Conserve, Safety, Customer Assist & Financial Info	1,695	1,757	2,094	(62)	-3.5%	(399)	-19.1%
Professional/Industry Memberships & Publications	703	612	579	91	14.9%	124	21.5%
Misc. Accounting General	6	6	6	0	4.8%	-	0.0%
<b>Sub-Total <sup>1</sup></b>	<b>\$ 120,673</b>	<b>\$ 114,412</b>	<b>\$ 94,660</b>	<b>\$ 6,260</b>	<b>5.5%</b>	<b>\$ 26,012</b>	<b>27.5%</b>

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

## ADMIN AND HUMAN RESOURCES (DIVISION 2) SIGNIFICANT FINANCIAL CHANGES

### 2025 to 2026

- **\$1.7 million Labor** – Increases/(Decreases) most significantly influenced by the following
  - \$1.2 million Paid Time Off Accrual: Vacation and Sick Leave
  - \$0.7 million Pay Changes - Actual pay changes from 2024 and 2025 are budgeted in a base pay adjustment pool within Employee Corporate Expenses, however once pay changes, it is accounted for in the area in which the employee works.
  - \$0.7 million New positions to support Reliability/Growth, Fiber, and Regulatory (DIMP)
  - \$0.3 million Two Regulatory & Compliance positions transferred from Operations (Division 7)
  - **(\$1.2 million)** Base Pay Adjustment Pool - As in 2024 and 2025, base pay adjustment dollars will be distributed for operational adjustments and performance, and market-based adjustments. Due to the timing of budgeting, 2025 adjustments for the second half of the year are compounded into the 2026 adjustment pool.
- **\$4.5 million Benefits** – Increase to account for forty-three new positions
- **Outside Professional Services** – No Significant Change
- **\$0.1 million Equipment Lease & Maintenance** – Increase in new Syndio - software for CEPEWA compliance and closing pay gaps and mitigating legal risk
- **Office Expenses, Materials & Supplies** – No Significant Change
- **(\$0.1 million)** Travel, Education & Employee Expenses – Decrease in Seminars/Conferences
- **Conserve, Safety, Customer Assist & Financial Info** – No Significant Change
- **\$0.1 million Professional/Industry Memberships & Publications** – Government Affairs increases
- **Misc. Accounting General** – No Change



## 2024 to 2026

- **\$17.6 million Labor** – Increases most significantly influenced by the following
  - \$12.5 million Base Pay Adjustment Pool - As in 2024 and 2025, base pay adjustment dollars will be distributed for operational adjustments and performance, and market-based adjustments. Due to the timing of budgeting, 2025 adjustments for the second half of the year are compounded into the 2026 adjustment pool.
  - \$3.0 million Employee Leave Payouts – sick leave conversion, retiree sick leave, and separating employee vacation expenses
  - \$0.8 million Pay Changes - Actual pay changes from 2024 and 2025 are budgeted in a base pay adjustment pool within Employee Corporate Expenses, however once pay changes, it is accounted for in the area in which the employee works.
  - \$0.7 million New positions to support Reliability/Growth, Fiber, and Regulatory (DIMP)
  - \$0.3 million Two Regulatory & Compliance positions transferred from Operations (Division 7)
  - \$0.3 million employee incentives
- **\$8.4 million Benefits** – Increase to account for one hundred seventy new positions
- **\$0.2 million Outside Professional Services** – Increases to account for
  - \$0.1 million Government Affairs Federal and State legislative consultants
  - \$0.1 million CDOT Drug and Alcohol Testing
- **\$0.2 million Equipment Lease & Maintenance** – in part, new Syndio - software for CEPEWA compliance and closing pay gaps and mitigating legal risk and remaining contractual increases
- **(\$0.1 million) Office Expenses, Materials & Supplies** – large amount of production equipment purchased in 2024 to get Creative Services initialized, not recurring
- **Travel, Education & Employee Expenses** – No Significant Change
- **(\$0.4 million) Conserve, Safety, Customer Assist & Financial Info** – reduction to customer information to offset three positions to bring media production in house
- **\$0.1 million Professional/Industry Memberships & Publications** – Government Affairs increases
- **Misc. Accounting General** – No Change

## By Division (in thousands)

Account Group	FY26 Approved Budget	FY25 Approved Budget	FY24 Actuals	FY26 Proposed Budget Increase/ (Decrease) from:			
				FY25 Budget		FY24 Actuals	
<b>Planning and Finance (Division 4)</b>							
Labor	\$ 7,125	\$ 7,473	\$ 6,702	\$ (348)	-4.7%	\$ 422	6.3%
Outside Professional Services	5,872	7,028	7,143	(1,156)	-16.4%	(1,271)	-17.8%
Equipment Lease & Maintenance	-	95	-	(95)	-100.0%	0	- %
Office Expenses, Materials & Supplies	50	48	64	2	3.2%	(14)	-22.3%
Travel, Education & Employee Expenses	36	63	49	(26)	-42.2%	(13)	-26.0%
Professional/Industry Memberships & Publications	253	194	232	59	30.4%	21	9.2%
Misc. Accounting General	9,103	8,814	7,999	289	3.3%	1,103	13.8%
<b>Sub-Total <sup>1</sup></b>	<b>\$ 22,439</b>	<b>\$ 23,715</b>	<b>\$ 22,190</b>	<b>\$ (1,276)</b>	<b>-5.4%</b>	<b>\$ 249</b>	<b>1.1%</b>

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

## PLANNING AND FINANCE (DIVISION 4) SIGNIFICANT FINANCIAL CHANGES

### 2025 to 2026

- **(\$0.3 million) Labor** – Decreases most significantly influenced by the following
  - **(\$0.2 million)** Turnover calculation
  - **(\$0.1 million)** Temporary Accounting Tech assignment will end in 2025
- **(\$1.2 million) Outside Professional Services** – Decrease in legal fees
- **(\$0.1 million) Equipment Lease & Maintenance** – Workiva accounting software expense shifted to Professional/Industry Memberships & Publications
- **Office Expenses, Materials & Supplies** – No Significant Change
- **Travel, Education & Employee Expenses** – Parking fees moved to Fleet in 2026
- **\$0.1 million Professional/Industry Memberships & Publications** – Workiva accounting software expense shifted from Equipment Lease & Maintenance
- **Misc. Accounting General** – No Significant Change

## 2024 to 2026

- **\$0.4 million Labor** – Increases most significantly influenced by
  - \$0.6 million Pay Changes - Actual pay changes from 2024 and 2025 are budgeted in a base pay adjustment pool within Employee Corporate Expenses, however once pay changes, it is accounted for in the area in which the employee works.
- **(\$1.3 million) Outside Professional Services** – Decreases most significantly influenced by the following
  - (\$0.5 million) in legal fees
  - (\$0.3 million) Office of City Auditor (OCA)
  - (\$0.2 million) Time-of-Date Rates project
  - (\$0.2 million) Tall Grass agreement which we don't expect to pay in 2026
  - (\$0.1 million) Claims
- **Equipment Lease & Maintenance** – No Change
- **Office Expenses, Materials & Supplies** – Several new positions needed desk setups in 2024 that will not be necessary in 2026 (monitors, arms, chairs, etc.)
- **Travel, Education & Employee Expenses** – Parking fees moved to Fleet in 2026
- **Professional/Industry Memberships & Publications** – S&P Platts Global
- **\$1.1 million Misc. Accounting General** – Increases most significantly influenced by the following
  - \$0.7 million XS and XSXS Liability insurance premiums increased over 2024 (including wildfire premium)
  - \$0.4 million Addition of the Tall Grass LoC required to secure future gas reserve capacity

## By Division (in thousands)

Account Group	FY26 Approved Budget	FY25 Approved Budget	FY24 Actuals	FY26 Proposed Budget Increase/ (Decrease) from:			
				FY25 Budget		FY24 Actuals	
<b>Customer &amp; Enterprise Services (Division 5)</b>							
Labor	\$ 41,953	\$ 40,242	\$ 40,590	\$ 1,710	4.2%	\$ 1,363	3.4%
Outside Professional Services	3,169	2,811	4,055	358	12.7%	(886)	-21.8%
Equipment Lease & Maintenance	28,511	26,513	22,444	1,999	7.5%	6,067	27.0%
Buildings & Utilities	1,576	1,557	1,151	19	1.2%	426	37.0%
Office Expenses, Materials & Supplies	4,412	5,494	5,178	(1,082)	-19.7%	(766)	-14.8%
Travel, Education & Employee Expenses	643	698	336	(55)	-7.9%	307	91.6%
Conserve, Safety, Customer Assist & Financial Info	40	58	3	(18)	-31.1%	37	1272.2%
Professional/Industry Memberships & Publications	101	79	95	21	27.0%	6	6.2%
Misc. Accounting General	-	-	(51)	-	- %	51	-100.0%
<b>Sub-Total <sup>1</sup></b>	<b>\$ 80,404</b>	<b>\$ 77,452</b>	<b>\$ 73,800</b>	<b>\$ 2,952</b>	<b>3.8%</b>	<b>\$ 6,604</b>	<b>8.9%</b>

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

## CUSTOMER & ENTERPRISE SERVICES (DIVISION 5) SIGNIFICANT FINANCIAL CHANGES

### 2025 to 2026

- **\$1.7 million Labor** – Increases most significantly influenced by the following
  - \$1.7 million Pay Changes - Actual pay changes from 2024 and 2025 are budgeted in a base pay adjustment pool within Employee Corporate Expenses, however once pay changes, it is accounted for in the area in which the employee works.
- **\$0.4 million Outside Professional Services** – Increase in Cyber related external project support for secure network implementation of OT sites
- **\$2.0 million Equipment Lease & Maintenance** – Increases/(Decreases) most significantly influenced by
  - \$1.6 million IT lifecycle upgrades
  - \$1.3 million TSS COE Devices (includes desktops, laptops, monitors, semi rugged devices etc.) shifted from Office Expenses, Materials & Supplies
  - **(\$0.9 million)** Fleet Operations, most significant lower fuel, aerial truck maintenance, and other R&M services
- **Buildings & Utilities** – No Significant Change
- **(\$1.1 million) Office Expenses, Materials & Supplies** – Increases/(Decreases) most significantly influenced by
  - **(\$1.3 million)** TSS COE Devices (including desktops, laptops, monitors, semi rugged devices etc.) shifted from Equipment Lease & Maintenance
  - \$0.2 million Warehouse materials management
- **(\$0.1 million) Travel, Education & Employee Expenses** – Decreases in training, to utilize other resources such as Info-Tech Membership for training and skill enhancement
- **Conserve, Safety, Customer Assist & Financial Info** – Shift in responsibility for water/energy tours to Admin and Human Resources (Division 2)
- **Professional/Industry Memberships & Publications** – New Info-Tech Membership
- **Misc. Accounting General** – No Change

## 2024 to 2026

- **\$1.4 million Labor** – Increases most significantly influenced by the following
  - \$1.4 million Pay Changes - Actual pay changes from 2024 and 2025 are budgeted in a base pay adjustment pool within Employee Corporate Expenses, however once pay changes, it is accounted for in the area in which the employee works.
- **(\$0.9 million) Outside Professional Services** – Decreases most significantly influenced by a system Integrator was hired in 2024 after C2M go-live to assist with defect work
- **\$6.1 million Equipment Lease & Maintenance** – Increases most significantly influenced by
  - \$5.1 million IT lifecycle upgrades
  - \$0.9 million TSS COE Devices (includes desktops, laptops, monitors, semi rugged devices etc.) shifted from Office Expenses, Materials & Supplies
- **\$0.4 million Buildings & Utilities** – Increases most significantly influenced by
  - \$0.3 million Building leases and maintenance for new warehouse at 3610 Stone Ave.
  - \$0.1 million Cellular devices
- **(\$0.8 million) Office Expenses, Materials & Supplies** – Decreases most significantly influenced by TSS COE Devices (including desktops, laptops, monitors, semi-rugged devices etc.) shifted from Equipment Lease & Maintenance
- **\$0.3 million Travel, Education & Employee Expenses** – Increases in travel and training; after several years of little to no training and recovering from high turnover rates the team needs to catch up on technical training. Additionally, fleet operations - includes CDL training and travel, and other necessary ASE certifications
- **Conserve, Safety, Customer Assist & Financial Info** – Supplier day meeting and fall strategic customer meeting at an external facility, and cover water/energy tours.
- **Professional/Industry Memberships & Publications** – Increase for Fleet NAFA Memberships, DBIA, NCMA, NIGP Memberships for procurement
- **Misc. Accounting General** – Generator carryover credit

## By Division (in thousands)

Account Group	FY26 Approved Budget	FY25 Approved Budget	FY24 Actuals	FY26 Proposed Budget Increase/ (Decrease) from:			
				FY25 Budget		FY24 Actuals	
<b>Operations Division (Division 7)</b>							
Labor	\$ 140,919	\$ 130,656	\$ 131,218	\$ 10,262	7.9%	\$ 9,701	7.4%
Outside Professional Services	35,229	30,256	46,769	4,973	16.4%	(11,540)	-24.7%
Equipment Lease & Maintenance	6,998	5,564	4,561	1,435	25.8%	2,438	53.4%
Buildings & Utilities	23,828	22,401	21,941	1,427	6.4%	1,887	8.6%
Office Expenses, Materials & Supplies	28,009	30,053	32,041	(2,044)	-6.8%	(4,032)	-12.6%
Travel, Education & Employee Expenses	2,780	2,294	1,910	486	21.2%	870	45.5%
Professional/Industry Memberships & Publications	920	649	762	271	41.8%	159	20.8%
Misc. Accounting General	(987)	(935)	(6,046)	(51)	5.5%	5,059	-83.7%
<b>Sub-Total <sup>1</sup></b>	<b>\$ 237,696</b>	<b>\$ 220,939</b>	<b>\$ 233,155</b>	<b>\$ 16,758</b>	<b>7.6%</b>	<b>\$ 4,542</b>	<b>1.9%</b>

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

## OPERATIONS DIVISION (DIVISION 7) SIGNIFICANT FINANCIAL CHANGES

### 2025 to 2026

- **\$10.3 million Labor** – Increases most significantly influenced by the following
  - \$4.8 million New positions to support Reliability/Growth, DIMP, Maximize (Technology), Fiber, and Fort Carson
  - \$3.4 million Pay Changes - Actual pay changes from 2024 and 2025 are budgeted in a base pay adjustment pool within Employee Corporate Expenses, however once pay changes, it is accounted for in the area in which the employee works.
  - \$2.0 million Overtime/Standby/Shift to account for pay changes
  - \$0.1 million One positions transferred from System Planning and Projects (Division 9)
- **\$5.0 million Outside Professional Services** – Increases most significantly influenced by the following
  - \$2.5 million Agency labor for Nixon until decommissioning
  - \$0.8 million Treatment Plants Clear Spring Ranch Solid Handling & Disposal and JD Phillips Reclamation Facility
  - \$0.6 million shift 2025 Front Range outage to 2026, GPAP projects moved to 2025 from 2026, and SPAG unit maintenance
  - \$0.4 million New Maximize project
  - \$0.4 million Asset knowledge and iAM work specific to water and wastewater systems
  - \$0.3 million Finished Water SAA program transferred from System Planning and Projects (Division 9)
- **\$1.4 million Equipment Lease & Maintenance** – Increases most significantly influenced by
  - \$0.4 million software maintenance fee contracts, with half of it tied to significant increases for the ESRI and IFS-Clevert software.
  - \$0.4 million ITOA Outage & Management Software Upgrade and ITPipes is a new cost
  - \$0.4 million Motorola SUA Plus is new annual cost starting in 2026
  - \$0.2 million E-logger software, added escalation rates on TechConnect and Delta V software

- **\$1.4 million Buildings & Utilities** – Increases most significantly influenced by the following
  - \$0.7 million Homestake Power for based on 60/40 split
  - \$0.6 million Cost of Utilities
- **(\$2.0 million) Office Expenses, Materials & Supplies** – Decreases significantly influenced by the following
  - **(\$1.0 million)** FVA Conveyance expenses because of reduction in project water, variable and fixed O&M
  - **(\$0.5 million)** Front Range outage and maintenance costs
  - **(\$0.5 million)** Chemical costs price and usage
- **\$0.5 million Travel, Education & Employee Expenses** – Increases in training, travel, safety clothing, seminars, and conferences to support new positions
- **\$0.3 million Professional/Industry Memberships & Publications** – Increase in Southwest Power Pool (SPP) fees
- **Misc. Accounting General** – Fountain Valley Treatment Plant

#### 2024 to 2026

- **\$9.7 million Labor** – Increases/Decreases most significantly influenced by the following
  - \$5.6 million Pay Changes - Actual pay changes from 2024 and 2025 are budgeted in a base pay adjustment pool within Employee Corporate Expenses, however once pay changes, it is accounted for in the area in which the employee works.
  - \$4.8 million New positions to support Reliability/Growth, DIMP, Maximize (Technology), Fiber, and Fort Carson
  - \$0.1 million One positions transferred from System Planning and Projects (Division 9)
  - **\$(0.8 million)** Overtime/Standby/Shift
- **(\$11.5 million) Outside Professional Services** – Decreases most significantly influenced by the following
  - **(\$6.4 million)** Front Range due to 2024 having an extended outage on Steam Turbine B Minor, HRSG1/2 maintenance, High Energy Pipe Hanger and structural improvements, and heat trace repairs.
  - **(\$4.5 million)** Nixon due to 2024 having several outages on Turbine Minor Inspection, N1 Boiler, Baghouse repairs, Air Seal Replacement, and Boiler Feed Pump.
- **\$2.4 million Equipment Lease & Maintenance** – Increases most significantly influenced by
  - \$0.8 million software maintenance fee contracts, with half of it tied to significant increases for the ESRI and IFS-Clevert software
  - \$0.7 million ITOA Outage & Management Software Upgrade and ITPipes is a new cost
  - \$0.5 million to support Fort Carson
  - \$0.4 million Motorola SUA Plus is new annual cost starting in 2026
- **\$1.9 million Buildings & Utilities** – Increases most significantly influenced by the following
  - \$1.2 million Power for Pumping costs at Homestake due to storage being at capacity
  - \$0.7 million Facility projects
- **(\$4.0 million) Office Expenses, Materials & Supplies** – Decreases significantly influenced by the following
  - **(\$2.1 million)** Nixon due to 2024 having several outages on Turbine Minor Inspection, N1 Boiler, Baghouse repairs, Air Heater Seal Replacement, and Boiler Feed Pump.
  - **(\$1.8 million)** Front Range due to 2024 having an extended outage on Steam Turbine B Minor, HRSG1/2 maintenance, High Energy Pipe Hanger and structural improvements, and heat trace repairs.
- **\$0.9 million Travel, Education & Employee Expenses** – Increases in training, travel, safety clothing, seminars, and conferences to support new positions
- **\$0.2 million Professional/Industry Memberships & Publications** – Increases in Western Area Power, Western Electric & Southwest Power Pool
- **\$5.1 million Misc. Accounting General** – Increases most significantly influenced by the accounting treatment of O&M Service Providers net offset in other account groups.

## By Division (in thousands)

Account Group	FY26 Approved Budget	FY25 Approved Budget	FY24 Actuals	FY26 Proposed Budget Increase/ (Decrease) from:			
				FY25 Budget		FY24 Actuals	
<b>System Planning and Projects (Division 9)</b>							
Labor	\$ 40,011	\$ 36,752	\$ 36,394	\$ 3,259	8.9%	\$ 3,617	9.9%
Outside Professional Services	13,511	15,580	11,072	(2,069)	-13.3%	2,440	22.0%
Equipment Lease & Maintenance	145	106	699	39	36.8%	(553)	-79.2%
Buildings & Utilities	1,030	1,016	957	14	1.4%	73	7.6%
Office Expenses, Materials & Supplies	6,439	6,167	6,323	273	4.4%	116	1.8%
Travel, Education & Employee Expenses	603	579	527	24	4.2%	76	14.4%
Conserve, Safety, Customer Assist & Financial Info	3,647	3,461	2,715	186	5.4%	932	34.3%
Professional/Industry Memberships & Publications	317	358	218	(41)	-11.4%	99	45.6%
<b>Sub-Total <sup>1</sup></b>	<b>\$ 65,703</b>	<b>\$ 64,018</b>	<b>\$ 58,904</b>	<b>\$ 1,685</b>	<b>2.6%</b>	<b>\$ 6,799</b>	<b>11.5%</b>

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

## SYSTEM PLANNING AND PROJECTS (DIVISION 9) SIGNIFICANT FINANCIAL CHANGES

### 2025 to 2026

- **\$3.3 million Labor** – Increases most significantly influenced by the following
  - \$2.2 million New positions to support Reliability/Growth
  - \$0.9 million Pay Changes - Actual pay changes from 2024 and 2025 are budgeted in a base pay adjustment pool within Employee Corporate Expenses, however once pay changes, it is accounted for in the area in which the employee works.
  - \$0.2 million Overtime/Standby/Shift
- **(\$2.1 million) Outside Professional Services** – Decreases most significantly influenced by the following
  - **(\$1.2 million)** North Slope Pikes Peak Resiliency Restoration work planned completion 2025
  - **(\$0.3 million)** Computer Maintenance Management System, specifically the Maximo upgrade expected to be Capitalized in 2026
  - **(\$0.3 million)** Finished Water Linear Asset Program expected to be Capitalized in 2026
  - **(\$0.3 million)** Wilson Ranch steel water tank demolition work planned completion 2025
- **Equipment Lease & Maintenance** – Procore software
- **Buildings & Utilities** – No Significant Change
- **Office Expenses, Materials & Supplies** – No Significant Change
- **Travel, Education & Employee Expenses** – No Significant Change
- **\$0.2 million Conserve, Safety, Customer Assist & Financial Info** – Increase in water conservation programs
- **Professional/Industry Memberships & Publications** – Decrease in E Source subscription



## 2024 to 2026

- **\$3.6 million Labor** – Increases most significantly influenced by the following
  - \$2.2 million New positions to support Reliability/Growth
  - \$1.4 million Pay Changes - Actual pay changes from 2024 and 2025 are budgeted in a base pay adjustment pool within Employee Corporate Expenses, however once pay changes, it is accounted for in the area in which the employee works.
- **\$2.4 million Outside Professional Services** – Increases most significantly influenced by the following
  - \$1.5 million GASB 96: SBITAs amortization credit in 2024 not expected in 2026
  - \$0.7 million Tolleson WTP Program Improvements
  - \$0.2 million Energy Rebates
- **(\$0.6 million) Equipment Lease & Maintenance** – Financial System Upgrade expected to be complete
- **\$0.1 million Buildings & Utilities** – Increase in Plaza Common Area Maintenance (CAM) payment
- **Office Expenses, Materials & Supplies** – No Significant Change
- **\$0.1 million Travel, Education & Employee Expenses** – Increase in seminars, conferences, and travel expenses to support new positions
- **\$0.9 million Conserve, Safety, Customer Assist & Financial Info** – Increases most significantly influenced by the rebate programs
- **\$0.1 million Professional/Industry Memberships & Publications** – Increase in Water Research Foundation membership

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## GLOSSARY OF TERMS

**Acre-feet (AF)** – The volume (as of irrigation water) that will cover one acre to a depth of one foot.

**Adjusted debt service coverage ratio** – Adjusted debt service coverage is a measure of an organization’s ability to pay its debt service obligations. The ratio is calculated as follows: (Net revenues/ Debt Service). Springs Utilities reduces net revenues by surplus funds transferred to the City in this calculation.

**Advanced Metering Infrastructure (AMI)** – An integrated communications and data network of advanced metering, automation, and sensing devices, which enable improved operating efficiencies and end user consumption information.

**Airport Peak Innovation Park (APIP)** – Planned commercial and industrial development area within the Colorado Springs Airport property.

**Annual Operating and Financial Plan (AOFPP)** – The annual plan that financially moves Springs Utilities toward achieving our strategic destination. The AOFPP provides financial data based on analysis of the current budget.

**Appropriation** – Sources and Uses of Funds approved through ordinance by City Council.

**Authorities** – A legal entity of two or more participants organized to accomplish a mutually advantageous goal. Springs Utilities currently participates in several Authorities created for the acquisition, collection, and/or storage of water.

**Authority debt service** – Off balance sheet principal and interest obligations related to the Authorities Springs Utilities currently participates in, such as the Fountain Valley Authority.

**Automated Meter Reading (AMR)** – Using wireless radio transmitters, AMR remotely reads customer meters and then transfers the data into the billing system. Springs Utilities utilizes AMR for meter reads for all services.

**Bond amortization expenses** – The recognition of bond expenses over the life of the issue.

**Bond interest** – Interest on bonds issued.

**Bond proceeds** – Monies that Springs Utilities receives when it sells bonds to fund major capital projects. The proceeds are normally net of bond issuance expenses.

**Bond proceeds applied** – Funds that are spent in an accounting period, such as a budget year, which are obtained through bond financing.

**Bond ratings** – A measure of the quality and safety of a bond, based on the issuer’s financial condition; more specifically, an evaluation from a rating agency indicating the likelihood that a debt issuer will be able to meet scheduled interest and principal repayments. Springs Utilities maintains a “Aa2” as rated by Moody’s, a “AA” as rated by Standard & Poor’s, and a “AA” as rated by Fitch Ratings.

**Capital expenditures** – Capital expenditures are those investments in property, plant, and equipment that have a useful life that is greater than one year (depreciable assets) and an expenditure threshold equal to or greater than \$5,000. They can be comprised of either constructed or purchased assets and are distinguished from Operation and Maintenance expense.

**Capital outlay** – Capital outlay is the amount used during a period to acquire or improve long-term assets such as property, plant, or equipment.

**Capitalized interest** – Interest payments on bonds that are capitalized over the life of a project rather than expensed in the current year. This applies primarily to the Southern Delivery System.

**CCF / ccf** – 100 cubic feet

**CF / cf** – Cubic feet

**Change in cash on hand** – A change in total cash position during a specific reporting period. As used in the sources and uses statement, this will define cash used as a source of funds or cash additions as a use of sources.

**City** – City of Colorado Springs

**City Charter** – The City of Colorado Springs is a Colorado home rule municipality operating under its City Charter. The Charter defines the basic legal requirements and process for approval of the budget, along with the annual appropriation ordinance, annual sources ordinance and any supplemental appropriations.

**City Code** – The Colorado Springs City Code encompasses any regulation or provision required and/or enforced within the City of Colorado Springs ([coloradosprings.gov](http://coloradosprings.gov)).

**City gate** – Point at which a local utility distribution system connects to the interstate pipeline. This facility reduces the pressure of the natural gas from its transmission rate (from 200 to 1,500 pounds per square inch) down to a rate more appropriate to consumer usage (as low as 3 psi). The city gate also adds sour-smelling Mercaptan to the naturally odorless gas to make it easier to quickly sniff out a natural gas leak.

**Colorado Renewable Energy Standard** – legislation signed on March 22, 2010, by Governor Bill Ritter ([HB 1001](http://leg.colorado.gov/bills/1001)) requiring that 30 percent of Colorado's electricity come from renewable energy sources by 2020. ([c2es.org](http://c2es.org))

**Common bond reserve fund** – Classified as a restricted investment, this fund is derived from a mixture of bond proceeds and customer revenues. This fund was established for the benefit of bondholders to prevent deficiencies in the payment of principal and interest on outstanding Senior Lien debt. Deposits are not required if the fund is not less than a minimum reserve as prescribed by the Bond Ordinance. Any excess may be transferred to the unrestricted fund (Income Fund).

**Construction funds applied** – These are unspent construction funds borrowed in previous time periods or use of fund balance (reserve to meet contingencies and unforeseen events). Funds applied are carried forward into the new budget year.

**Contribution in Aid of Construction (CIAC)** – These are tariff-based fees, fees that offset construction costs and developer contributed plant. These can also be cash and non-cash contributions from developers for specific projects. A primary example is the development charge on new water and wastewater connections to Springs Utilities' system. A development charge is assessed for connection to the water and wastewater systems to compensate existing customers for the costs of developing the current system and to help pay for the growth of the system caused by new customers.

**Critical Infrastructure Protection (CIP)** – Coordinated efforts to improve and sustain physical and cyber security especially regarding the bulk power system of North America and reliability, i.e., standards development, compliance enforcement, assessments of risk and preparedness, disseminating critical information via alerts to industry, and raising awareness of key issues. ([nerc.com](http://nerc.com))

**Customer rebates** – Springs Utilities offers several rebates for energy and water efficiency updates to customers to help them conserve resources and save money, including but not limited to windows, furnace, and irrigation controllers.

**Days of cash on hand** – This metric is an indication of Springs Utilities' ability to fund Operations & Maintenance expenditures at any given time. It is calculated as follows: Unrestricted cash and cash equivalents/ (Average Annual Net Cash Expense /# of days in the year).

**Debt** – To raise cash for a portion of capital improvements, Springs Utilities sells bonds to investors. The timing and the size of the bond issue is determined by the amount of capital spending identified in financial forecasts, for the following budget year. Debt service includes both the principal and interest payments to investors.

**Depreciation** – Depreciation represents the use of capital assets over their expected useful life. Eventually all physical assets wear out or become obsolete. Depreciation recognizes this fact but does not represent either an actual cash outflow or cash inflow.

**Derivatives** – Contracts which derive their value from underlying assets, such as commodities and bonds. Buyers and sellers often hedge against uncertainty about future price by making a contract for future trading at a specified price. The contract is a financial instrument called a derivative. An interest rate swap contract is a current example of a Utilities derivative instrument.

**Distribution Integrity Management Regulations (DIMP)** – Integrity management regulation to identify, prioritize and mitigate risks to the gas distribution system.

**Electric Cost Adjustment (ECA)** – Mechanism that tracks and passes through to customers the actual cost of purchased fuel or purchased electricity. Adjustments can be decreases or increases.

**Electric Integrated Resource Plan (EIRP)** – Long-term strategic plan which establishes the planning goals and principles and identifies the preferred future electric resource portfolio.

**Federal Energy Regulatory Commission (FERC)** – An independent agency which regulates the interstate transmission of electricity, natural gas, and oil. ([ferc.gov](http://ferc.gov))

**Financial metrics** – Springs Utilities sets financial targets to measure performance in specific areas which enable the organization to financially sustain a “AA” bond rating.

**Fixed cost coverage ratio** – Total fixed costs coverage is the ratio of net pledged revenues to debt service on long-term debt including fixed Operations & Maintenance contracts and fixed capacity payments. Fixed cost coverage ratio is calculated as: (Net pledged revenues available for Debt Service + Authority Debt Service + Electric Capacity Payment)/(Springs Utilities’ Debt Service + Authority Debt Service + Electric Capacity Payments).

**Franchise fees (taxes)** – Springs Utilities pays a franchise fee to other cities to provide electric and natural gas service within their municipal boundaries.

**Gallons per day (gpd)** – Measurement of fluids.

**GASB** – Governmental Accounting Standards Board. Springs Utilities financial statements are prepared in accordance with accepted accounting principles in the United States of America as applied to units of local government, which are promulgated by GASB.

**Gas Cost Adjustment (GCA)** – Mechanism that tracks and passes through to customers the actual cost of the purchased natural gas. Adjustments can be decreases or increases.

**Gas Integrated Resource Plan (GIRP)** - Long-term strategic plan which establishes the planning goals and principles and identifies the preferred future gas resource portfolio.

**Green Mountain Falls** – A community located west of Colorado Springs.

**Heating degree days** – The number of days times the number of degrees that the average temperature is below 65 degrees Fahrenheit.

**Hedging (or price hedging)** – Method to reduce the risk of loss caused by price fluctuation. It consists of the purchase or sale of equal quantities of the same or similar commodities in two different markets at the same time, with the expectation that a future change in price in one market will be offset by an opposite change in the other market.

**Inter-service eliminations** – Deduction of revenue and operating expense generated internally and between services. These amounts are reflected when each service is reported, but “eliminated” when consolidated results are reported to prevent double counting of internal revenues and their corresponding operating and maintenance expense.

**Integrated resource plan** – A long-term strategic plan that combines technical analysis and public participation for business development in the various services.

**Interest expense** – Interest expense is the cost of borrowing funds. It is shown as a financial expense item within the income statement.

**Interest income** – Springs Utilities invests certain cash assets to receive interest earnings until that cash is needed. All interest earned is recorded as interest income.

**Joint venture** – A contractual agreement that joins two or more parties for the purpose of executing a business undertaking. All parties agree to share in the profits and losses of the enterprise.

**Kilovolt (kV / KV)** – A unit of potential equal to 1,000 volts.

**Kilowatt (KW)** – A unit of potential equal to 1,000 watts.

**Kilowatt hour (kWh)** – The work performed by one kilowatt of electric power in one hour. A kWh is the unit on which the price of electrical energy is based. Example: a 1000-watt light bulb operating for one hour will use one kWh.

**Liquidity** – Liquidity refers to how quickly an asset can be turned into cash, used up, or expires; used in reference to assets, which are listed on the balance sheet in the order of their liquidity.

**Mcf** – 1,000 cubic feet

**Manitou Springs** – A community located four miles west of Colorado Springs.

**Mark-to-Market valuations** – An accounting procedure by which assets are "marked," or recorded, at their current market value, which may be higher or lower than their purchase price or book value.

**Measure** – Statement of how success in achieving an objective will be measured and tracked. Measures are written statements of what we will track and trend over time, not the actual targets such as direction and speed.

**Megawatt (MW)** – 1,000 watts

**Megawatt hour (MWh)** – A unit of energy, especially electrical energy, equal to the work done by one watt acting for one hour and equivalent to 3,600 joules.

**mgd** – Millions of gallons per day

**Mission** – A statement that defines the reason an organization exists. Springs Utilities' mission is to provide safe, reliable, competitively priced electric, natural gas, water, and wastewater services to our citizen-owners and customers.

**Non-Fuel, Non-Labor Operations & Maintenance** – See Operations & Maintenance expense.

**Nonpotable** – Water not suited for drinking.

**North American Electric Reliability Corporation (NERC)** – The electric reliability organization (ERO) certified by the Federal Energy Regulatory Commission to establish and enforce reliability standards for the bulk power system. ([nerc.com](http://nerc.com))

**Off-system sales** – Electric sales outside of the system.

**OPEB** – Other Postemployment Benefits.

**Operating cash** – Operating cash, classified as unrestricted cash, is derived from customer revenues and excess earnings from restricted funds. These funds are used to pay for operating and maintenance expenses and the portion of capital activities not covered by bond proceeds. The major accounts included are the operating checking, savings, petty cash, and excess cash in deposit accounts linked to an investment safekeeping institution.

**Operating income** – Operating revenues less operating expense.

**Operations & Maintenance expense** – Day-to-day expenses that Springs Utilities incurs to produce and deliver electricity, natural gas, water, and wastewater treatment. The major categories of Operations & Maintenance expenses are (1) labor, (2) purchased fuel, power, and gas, and (3) operating and maintenance expense (all other Non-Fuel and Non-Fuel expenses).

**Operating revenue** – Revenue which Springs Utilities receives from customers for the sale of electricity, natural gas, water, wastewater, and streetlight use. Miscellaneous revenues are also included in this category.

**Other reserve funds** – Typically classified as restricted cash and investments, these funds are derived from bond proceeds. They are also established for the benefit of bondholders to prevent deficiencies in the payment of principal and interest on outstanding debt but are established for Subordinate Lien Bondholders when a Surety Bond has not been purchased for the same purpose.

**Overhead (OH)** – Electric distribution lines located above ground.

**Principal and interest funds** – Principal and interest funds, classified as restricted investment, are derived from operating or income funds and are used to pay debt service.

**PSIA** – Pounds per square inch (absolute pressure)

**Purchased fuel, power, and gas** – Springs Utilities purchases coal, natural gas, and other fuels for electric generation, natural gas for gas system distribution, and electricity from other suppliers. These expenses comprise purchased fuel, power, and natural gas.

**Public Utilities Commission (PUC)** – Operated in each state, the Colorado PUC is a Colorado entity which has full economic and quality of service regulatory authority over intrastate telecommunication services, and investor-owned electric, natural gas, and water utilities, as well as partial regulatory control over municipal utilities and electric associations.

**Purchased Power** – Electricity purchased by Springs Utilities from other suppliers; a component of purchased fuel, power, and natural gas.

**Purchased Power Agreement (PPA)** – A long-term contract between an electricity generator and a customer, usually a utility, government, or company. PPAs may last anywhere between 5 and 20 years, during which time the power purchaser buys energy at a pre-negotiated price.

**Rebate funds** – Typically classified as restricted investments, these funds are derived from customer revenues and excess earnings from restricted funds. They are subject to First Lien Bond provisions and may be required to be remitted to the U.S. Treasury because of arbitrage calculations.

**Regional Haze Rules** – In 1999, the U.S. Environmental Protection Agency finalized the Regional Haze Rule which calls for state, tribal and Federal agencies to work together to improve visibility in 156 national parks and wilderness areas; including the 21 Class I Wilderness areas managed by the U.S. Fish and Wildlife Service.

**Regional Transmission Organization (RTO)** – The [United States](#) is an [electric power transmission system operator](#) (TSO) that coordinates, controls, and monitors a multi-state electric [grid](#). The transfer of electricity between states is considered interstate commerce, and electric grids spanning multiple states are therefore regulated by the [Federal Energy Regulatory Commission](#) (FERC).<sup>11</sup>

**Remarketing, liquidity, and other financing fees** – Various fees including those paid to a Remarketing Agent for computing rates applicable to variable rate bonds, and for arranging the remarketing (re-selling) of any variable rate bonds tendered for purchase by the bond owners and fees paid to a Liquidity Provider (usually a bank) for agreeing to purchase any variable rate bonds tendered. It also includes the costs for the line of credit, rating agency annual review costs, arbitrage expenses, the cost of swap valuations, disclosure expenses, and miscellaneous financing costs.

**Restricted cash and investments** – A distinction are made between restricted and unrestricted funds when managing cash and investments. Restricted cash and investments consist of acquisition funds, principal and interest funds, common bond reserve funds, other reserve funds, and rebate funds.

**Sedimentation** – The process of depositing sediment (matter that settles to the bottom of a liquid), settling.

**Single Family Equivalent (SFE)** – Single family household.

**Sources of funds** – The origination of cash received by Springs Utilities to pay for various activities of the organization. There are three major categories of cash sources: operations, financing and investments/other. The primary source of cash is from operations; customers paying for the utility services provided to them. The second largest source is from financing. As needed, Springs Utilities generates cash from selling bonds to investors to pay for capital improvements of the system. The remaining cash receipts include cash from interest on investments, contributions-in-aid, and customer deposits.

**Southwest Power Pool (SPP)** – A nonprofit corporation mandated by the Federal Energy Regulatory Commission to ensure reliable supplies of power, adequate transmission infrastructure and competitive wholesale electricity prices on behalf of its members.

**Supervisory Control and Data Acquisition (SCADA)** – A process control system that is used in myriad applications, including manufacturing, communications, distribution (water, gas, power) and heating, cooling, and security in buildings. A SCADA system collects data from sensors in local and remote locations and sends them to central computers to control local machinery.

**Surplus Payments to the City** – Springs Utilities provides for surplus payments to the City based on a fixed rate per kWh of electricity, Mcf at 14.65 psi of natural gas delivered and cf water delivered within the City limits, without exclusion for interdepartmental deliveries.

**Sustainable Energy Plan (SEP)** – A set of projects necessary to achieve the Utilities Board’s direction as set forth in the 2020 Electric and Gas Integrated Resource Plans.

**Territorial generation** – Electric generation within Springs Utilities’ certificated service territory.

**Third-Party Billing** – A form of billing where an intermediary manages the invoicing and payment between a purchaser and a vendor.

**Time and materials** – Time and materials accounts include revenues and expenses applicable to operations which are non-utility in character but nevertheless constitute a distinct operating activity. Specifically, damages to utility equipment by third parties and Springs Utilities subsequent billing to those third parties for reimbursement of repair work are recorded to time and materials accounts.

**Underground (UG)** – Electric transmission, distribution lines located below/under the ground.

**Use of funds** – Springs Utilities budgeted expenditure for cash received. The use of cash is reported using the same major categories: operations, financing and investments/other. The largest use of cash is for operational expenses; labor, fuel, and other expenses related to the day-to-day operation and maintenance of Springs Utilities’ systems. The amount of operating cash used to pay for capital projects is also identified. Financing costs represent the principal and interest payments for the outstanding bond issues. Investments/other include purchase of investments, payments for joint ventures, and other cash expenses.

**WRRF** – Water Resource Recovery Facility

**Watershed** – A region or area bounded peripherally by a divide, and draining ultimately to a particular watercourse or body of water.



**Watt** – The absolute meter-kilogram-second unit of power equal to the work done at the rate of one joule per second or to the power produced by a current of one ampere across a potential difference of one volt:  $\frac{1}{746}$  horsepower.

**Western Area Power Administration (WAPA)** – One of four power marketing administrations within the U.S. Department of Energy whose role is to market and transmit electricity from multi-use water projects. WAPA's mission is to market and deliver reliable, renewable, cost-based hydroelectric power and related services within a 15-state region of the central and western United States.

**Wheeling** – Refers to the ability of an energy consumer to select their own energy supplier, or "wheel in" energy from one of two or more different suppliers. Springs Utilities primarily wheels electricity from WAPA to local military bases and charges for the use of the transmission system.

**Working capital** – Current assets minus inventories minus prepaids minus current liabilities.

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## APPENDIX

### ORDINANCE NO. 25 - 79

AN ORDINANCE APPROVING THE ANNUAL BUDGET FOR COLORADO SPRINGS UTILITIES AND APPROPRIATING MONIES FOR THE SEVERAL PURPOSES NAMED IN THE COLORADO SPRINGS UTILITIES' ANNUAL BUDGET FOR THE YEAR ENDING DECEMBER 31, 2026

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

Section 1. The Chief Executive Officer of Colorado Springs Utilities having prepared and presented to this City Council an annual budget for Colorado Springs Utilities for the year ending December 31, 2026 in the amount of \$2,239,135,867 which proposed annual budget is in such detail as to the aggregate sum and the items thereof allowed to each department as the Colorado Springs Utilities Board of Directors has deemed advisable ("the Budget").

Section 2. Pursuant to Charter, the Council hereby adopts the Budget and upon the basis of the Budget, the sum of money hereinafter specified is hereby appropriated out of the revenues and fund balance of the Colorado Springs Utilities for the year 2026 to meet the expenses of the Colorado Springs Utilities for the year 2026:

Colorado Springs Utilities: of \$2,239,135,867

Section 3. The Council President and the City Clerk are directed to sign the Budget as herein adopted, and to file the same with the City Controller and the Chief Planning and Finance Officer of Colorado Springs Utilities.

Section 4. All ordinances or parts of ordinances in conflict herewith are hereby repealed and all statutes of the State of Colorado or parts thereof in conflict herewith are hereby superseded.

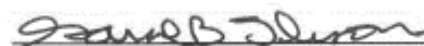
Section 5. This ordinance approving the Budget and appropriating monies shall be in full force and effect on effect on January 1, 2026.

Introduced, read, and passed on first reading and ordered published this 14<sup>th</sup> day of October 2025.

**Finally Passed:** October 28, 2025

  
Lynette Crow-Iverson, Council President

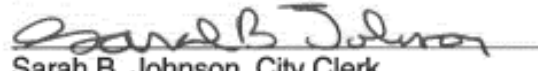
ATTEST:

  
Sarah B. Johnson, City Clerk



I HEREBY CERTIFY that the foregoing ordinance entitled **"AN ORDINANCE APPROVING THE ANNUAL BUDGET FOR COLORADO SPRINGS UTILITIES AND APPROPRIATING MONIES FOR THE SEVERAL PURPOSES NAMED IN THE COLORADO SPRINGS UTILITIES' ANNUAL BUDGET FOR THE YEAR ENDING DECEMBER 31, 2026"** was introduced and read at a regular meeting of the City Council of the City of Colorado Springs, held on **October 14, 2025**; that said ordinance was finally passed at a regular meeting of the City Council of said City, held on the **28<sup>th</sup> day of October 2025**, and that the same was published by title and in summary or in full, in accordance with Section 3-80 of Article III of the Charter, a newspaper published and in general circulation in the Gazette, at least ten days before its passage.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of the City, **28<sup>th</sup> day of October 2025**

  
Sarah B. Johnson, City Clerk

1<sup>st</sup> Publication Date: **October 17, 2025**

2<sup>nd</sup> Publication Date: **October 31, 2025**

Effective Date: **November 5, 2025**

Initial:   
City Clerk



ORDINANCE NO. 25 - 80

AN ORDINANCE IDENTIFYING AND APPROVING  
COLORADO SPRINGS UTILITIES' ANNUAL SOURCES OF  
FUNDS FOR THE YEAR ENDING DECEMBER 31, 2026

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

Section 1. Based upon the annual budget for Colorado Springs Utilities for the year ending December 31, 2026, previously presented by the Chief Executive Officer of Colorado Springs Utilities (the "Budget"), this City Council hereby accepts the aggregate sources of funds identified by the Chief Executive Officer of Colorado Springs Utilities for the year 2026 as shown:

Colorado Springs Utilities: \$2,289,384,501

Section 2. That City Council hereby finds, determines and declares that the amount of money necessary to fund Colorado Springs Utilities' operation, taking into account the amounts available from other sources to meet the expenses of Colorado Springs Utilities for the ensuing year, is the sum of \$2,289,384,501.

Section 3. All ordinances or parts of ordinances in conflict herewith are hereby repealed and all statutes of the State of Colorado or parts thereof in conflict herewith are hereby superseded.

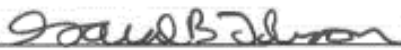
Section 4. This ordinance approving the Budget and appropriating monies shall be in full force and effect on effect on January 1, 2026.

Introduced, read, and passed on first reading and ordered published this 14<sup>th</sup> day of October 2025.

**Finally Passed:** October 28, 2025

  
Lynette Crow-Iverson, Council President

**ATTEST:**

  
Sarah B. Johnson, City Clerk



I HEREBY CERTIFY that the foregoing ordinance entitled **"AN ORDINANCE IDENTIFYING AND APPROVING COLORADO SPRINGS UTILITIES' ANNUAL SOURCES OF FUNDS FOR THE YEAR ENDING DECEMBER 31, 2026"** was introduced and read at a regular meeting of the City Council of the City of Colorado Springs, held on **October 14, 2025**; that said ordinance was finally passed at a regular meeting of the City Council of said City, held on the **28<sup>th</sup> day of October 2025**, and that the same was published by title and in summary or in full, in accordance with Section 3-80 of Article III of the Charter, a newspaper published and in general circulation in the Gazette, at least ten days before its passage.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of the City, **28<sup>th</sup> day of October 2025**

  
Sarah B. Johnson, City Clerk

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