



Colorado Springs Utilities

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City of Colorado Springs, Colorado

\$275,720,000*

**Utilities System Improvement
Revenue Bonds
Series 2026A
(Tax-Exempt)**

\$125,745,000*

**Utilities System Improvement
Revenue Bonds
Series 2026B
(Taxable)**

Investor Presentation – October 2026

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Transaction Overview

	Utilities System Improvement Revenue Bonds Series 2026A (Tax-Exempt)	Utilities System Improvement Revenue Bonds Series 2026B (Taxable)
Par Amount*	\$275,720,000	\$125,745,000
Credit Ratings	Moody's: Aa2 (Stable) / S&P: AA+ (Stable)	
Security	Payable from Net Pledged Revenues of the System	
Use of Proceeds	▪ Capital improvements to the System ▪ Costs of Issuance ▪ Premium for the Surety Bond	▪ Utilities' fiber network project ▪ Costs of Issuance ▪ Premium for the Surety Bond
Amortization*	November 15, 2040 - 2056 (Excluding 2042-2044)	November 15, 2032 - 2045 (Excluding 2040-2041)
Tax Status	Federal & State Tax-Exempt	Federally Taxable
Interest	Semiannually on May 15 and November 15, commencing May 15, 2027	
Debt Service Reserve Fund	Reserve requirement equal to sum of total bond interest divided by number of full Fiscal Years beginning with the First Fiscal Year interest is paid and ending with the Fiscal Year the bonds mature; expected to be funded with Surety Bonds provided by Build America Mutual (BAM)	
Optional Redemption*	November 15, 20__ at Par	November 15, 20__ at Par; make-whole call prior
Pricing Date*	November 5, 2026	
Closing Date*	November 17, 2026	
Underwriters	BofA Securities (Bookrunner) Barclays and J.P. Morgan (Co-Managers)	

Summary of Credit

The Utilities' strong credit profile is supported by:



Strength and continuing growth of the service territory;

- *Colorado Springs average annual population growth of +1.1% since 2010*



Diversified enterprises with low historical revenue correlation between systems and varied customer base;

- *Military installations served include Fort Carson, Peterson Space Force Station, United States Air Force Academy, and Cheyenne Mountain Space Force Station*



Thorough plan to continue transition to low carbon generation and meet growing energy needs;

- *By 2030, Utilities expects 400 MW of new utility-owned natural gas generation and 300 MW of new renewables to be operating, plus 100 MW of new battery energy storage in 2028*



Active management of water supply;

- *Shortage Response Plan targets 1.5 years of customer demand in system-wide storage; ~2.9 years of demand in storage as of May 2026*



Sound rate setting and Board policies result in stable financial metrics and strong liquidity

- *Five-year rate case approved November 2024 with annual base rate increases through 2029*



Consistently strong financial metrics

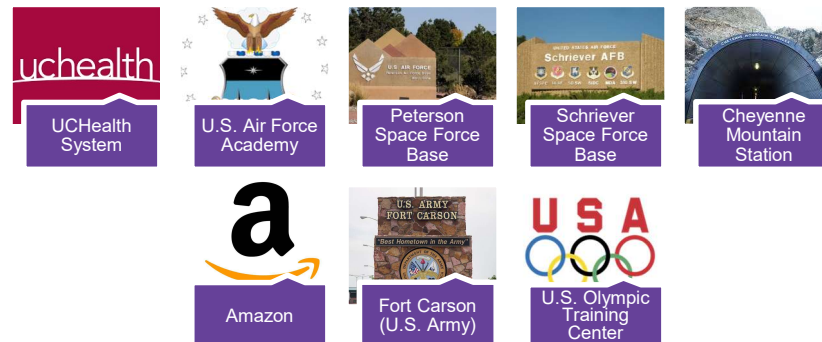
- *Debt service coverage ratio above 1.7x and 180 (as of year-end 2025) adjusted days liquidity on hand*

Regional Economy Continues to Grow

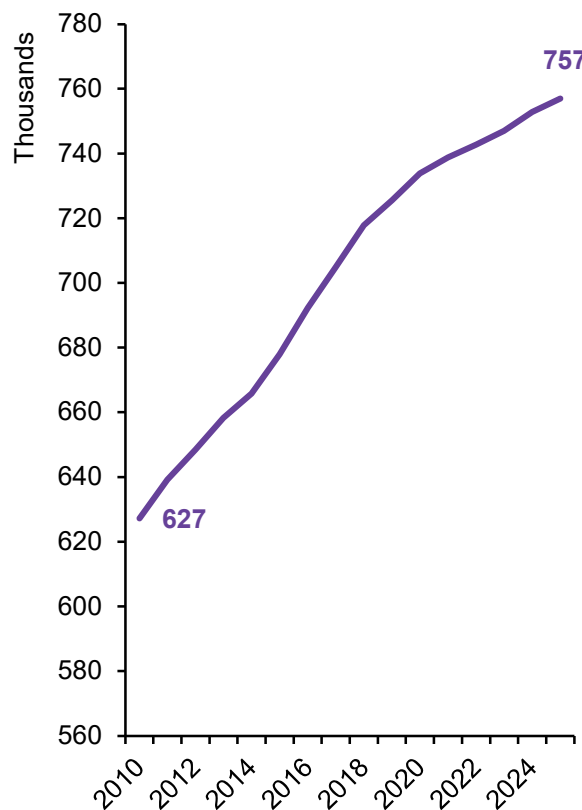
Development

- The Colorado Springs Metro Area continues to see strong expansion:
 - 1.1% average annual population growth since 2010
 - 110% increase in retail sales between 2011 and 2025
- Colorado Springs and El Paso County have experienced lower unemployment than the national average for most of the last decade

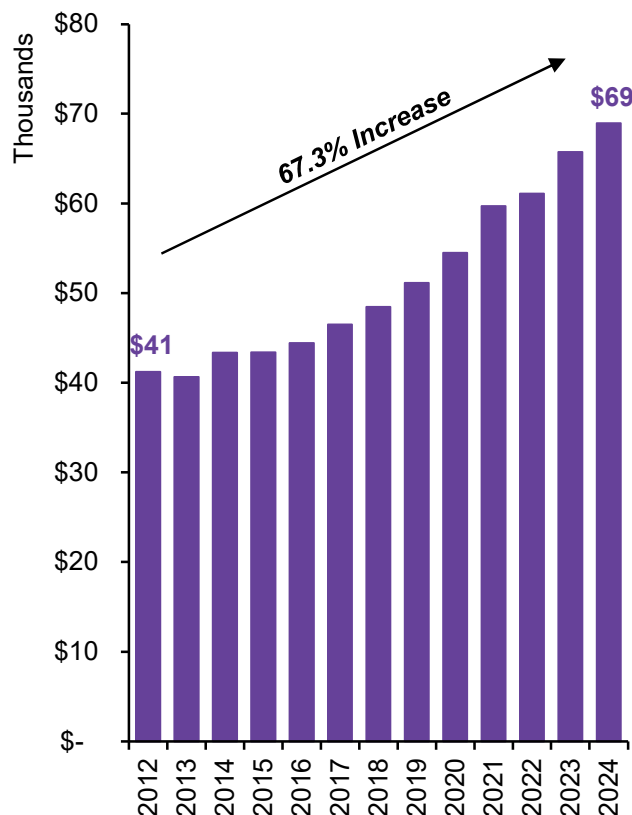
The Utilities Benefits from Several Stable, Local Institutions



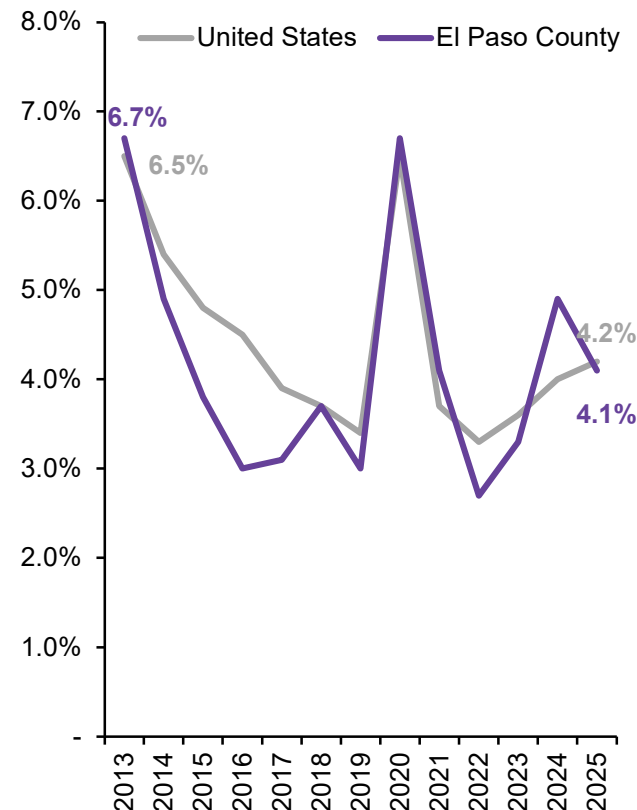
El Paso County Population



El Paso County Per Capita Personal Income



Unemployment Rate

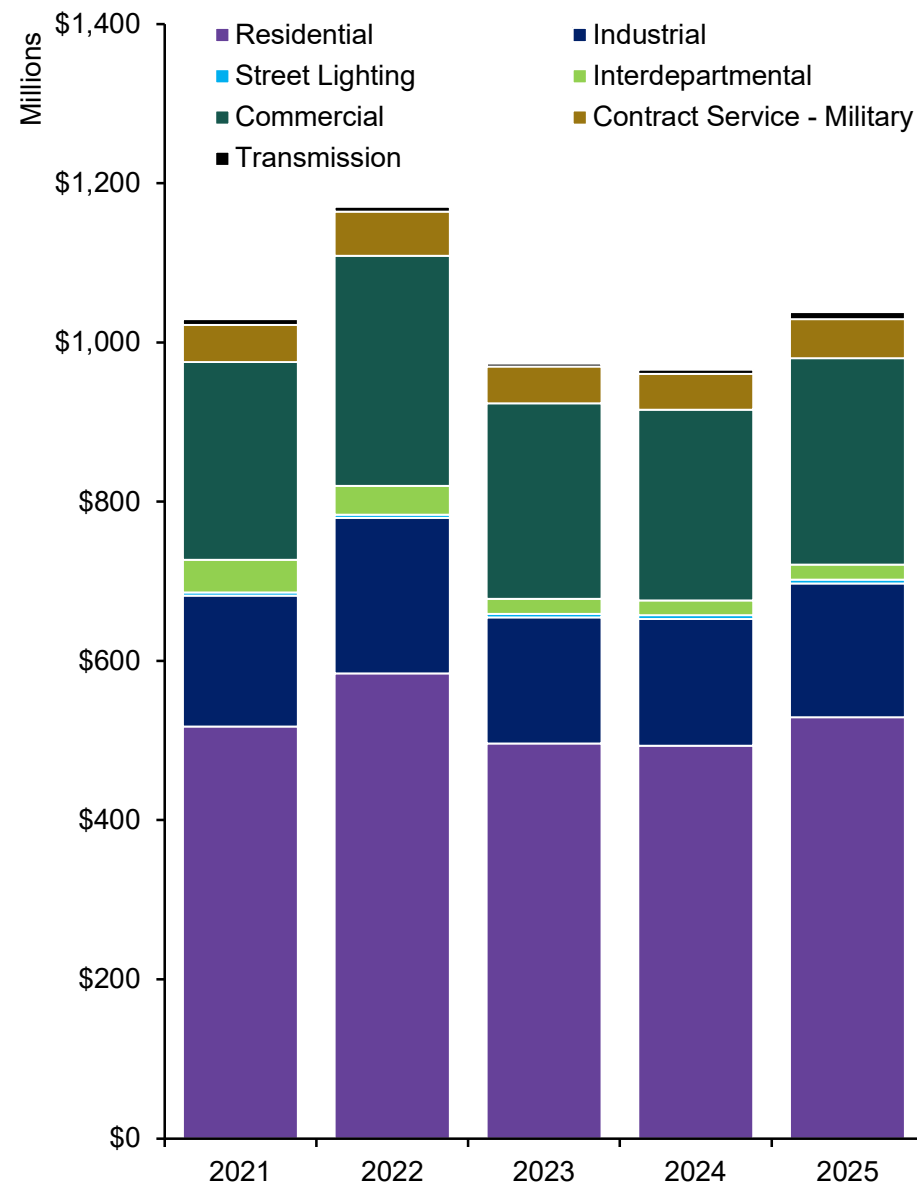


The Utilities is Diversified

- The Utilities benefits from a diversified customer base with four system enterprises plus a streetlight system
- Low correlation between revenues across systems

Enterprise	% of Utilities Revenue (FY25)	Number of Customer Accounts / Active Meters
Electric System	53.0%	264,106
Gas System	18.6%	229,917
Water System	20.7%	161,205
Wastewater System	7.3%	155,659
Streetlight System	0.4%	1 (City of Colorado Springs)

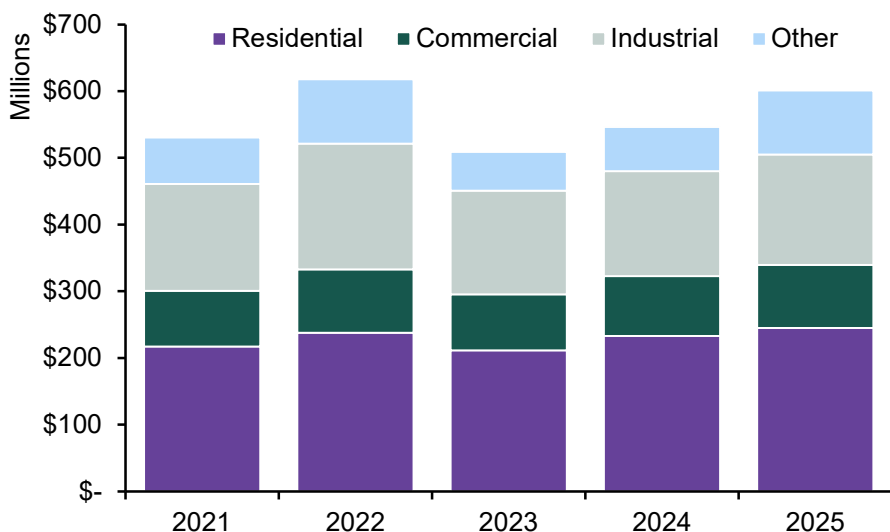
Total System Revenue by Customer Class



Electric System

- 2025 sales revenue of \$542.5 million⁽¹⁾
 - 45% residential and 48% commercial/industrial by revenue
- Ten largest electric customers account for only 9.7% of 2025 electric system revenue
- Evolving energy mix; Colorado SB26-182 (May 2026) allows the Utilities' last coal unit, Nixon Unit #1, to operate through December 31, 2032
- A large number of capital projects planned and in process to address growth and to replace aging infrastructure, invest in new technologies and meet regulatory and compliance requirements

Electric System Annual Revenues⁽²⁾



Potential Summer 2026 Resources by Energy Source

	Owned Resources (MW)	Purchases (MW)	Total (MW)	Pct.
Coal	208	-	208	14%
Natural Gas and Oil	670	-	670	47%
Hydro Generation	35	76	111	8%
Other Renewables	-	349	349	24%
Energy Storage	-	100	100	7%
Total	913	525	1,438	100%

(1) Excluding interdepartmental, wheeled power, and miscellaneous revenue

(2) Other includes military contract, street lighting, transmission, and miscellaneous revenues. Excludes interdepartmental revenues. Increase in Electric revenue from 2021-2022 primarily due to an increase in fuel prices passed on to customers through the Utilities' Electric Cost Adjustments

Sustainable Energy Update

Fossil Fuel Reliance Reduction

- Nixon Unit #1, the final coal-fired asset; Colorado SB26-182 (May 2026) allows operation through December 31, 2032
- GHG emissions reduction goals relative to 2005 levels
 - 80% for Clean Energy Plan; SB26-182 allows deadline extension from 2030 to 2033
 - 90% statewide goal by 2050

Investing in the Future

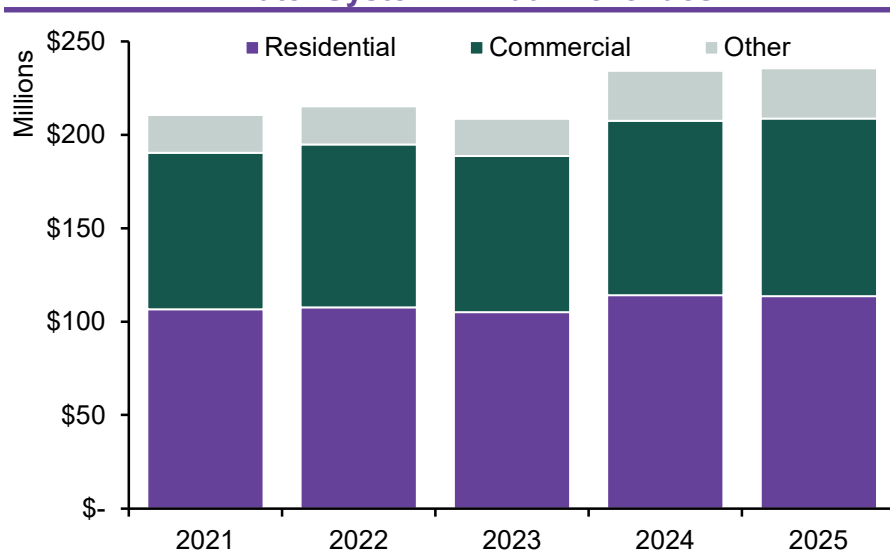
- Clean Heat Plan submitted to CDPHE in July 2023:
 - Seeks to reduce GHG emissions from retail gas sales 22% below 2015 levels by 2030
- The Utilities expects the following new resources to be operating or accessible via PPA by 2030:
 - 400 MW of utility-owned natural gas generation
 - 300 MW of new renewables
 - 100 MW of new battery energy storage in 2028 (PPA executed in 2025)
- A significant amount of additional generation is expected to be acquired through power purchase agreements
- Utilities continues to make progress on citywide fiber network
 - Plans to spend \$354.3 million over the next five years to finish ~2,000 miles of fiber-optic lines
 - Cash funded through 2025; Series 2026B Bonds to fund a portion of the project
 - In October 2026, the Utilities approved a replacement anchor lessee; the new contract commences in April 2027



Water System

- 2025 sales revenue of \$225.4 million⁽¹⁾
 - 50% residential and 42% commercial
- Diversified customer base with ten largest water customers by sales volume accounting for 12.2% of 2025 water system revenue⁽¹⁾
- Estimate sufficient water to meet growing needs of area served by Water System for the foreseeable future
- Water Resource Plan and Shortage Response Plan with goal of maintaining 1.5 years of customer demand in system-wide storage 9 out of 10 years and 1 year of demand 100% of the time
- In 2026, the snowpack in the Utilities' mountain watersheds trended at or near historic lows
 - As of April 2026, the yield forecast predicts 41% of total system average yield in 2026, which is modeled as sufficient to keep water storage above 1.5 years of demand
- In addition to 236,300 acre-feet of owned raw water storage capacity, the Water System also has a long-term contract for up to 28,000 acre-feet of raw water storage in the Fryingpan-Arkansas Project
- The Water System also has covered treated water storage capacity of approximately 118 million gallons

Water System Annual Revenues⁽²⁾



Water Storage

Storage Capacity	Acre Feet	% of Total
Owned Storage (25 Reservoirs)	236,300	89%
Contracted Storage (Fryingpan-Arkansas Project)	28,000	11%
Total	264,300	100%

(1) Excluding interdepartmental, non-potable and miscellaneous revenues

(2) Other includes military contract sales, non-potable revenues, and miscellaneous revenues. Excludes interdepartmental revenues

Drought Management & Water Planning

- The Utilities has identified water storage and supply as a key focus:
 - Colorado, along with most of the western US, experiences recurring cycles of drought
 - Approximately 70% of the Utilities' total water supply (including reuse) comes from the Colorado River Basin
 - The Utilities' water supply system is designed and operated to withstand recurring cycles of drought through its complex network of storage reservoirs, water delivery systems, and related water infrastructure
 - Approximately 2.9 years of demand in system-wide storage as of May 2026
- The Utilities closely monitors its water supply situation and will continue to rely on a combination of water in storage, water system inflows, and effective management of these supplies
 - Planning an 8,100 acre-foot Montgomery Reservoir enlargement, adding 4,000 acre-feet of average annual yield
 - Actively pursuing the acquisition of storage reservoirs on the Arkansas River and will seek to acquire additional local and Arkansas River water rights
 - IWRP balanced portfolio raises Reliably Met Demand from 95,000 to 136,000 acre-feet/year at buildout
 - Continues to be actively involved in numerous planning efforts and studies and the ongoing discussions that are occurring between the Upper and Lower Basin States, the Federal Government, and other stakeholders on issues involving the Colorado River



Wastewater & Gas System Overview

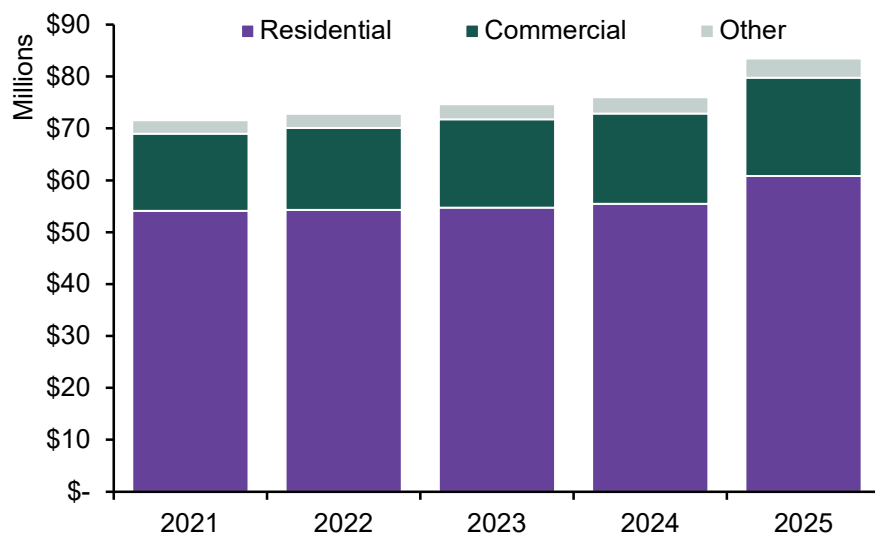
Wastewater System Highlights

- 2025 sales revenue of \$80.0 million⁽¹⁾
- The Utilities owns and operates over 1,850 miles of sewer main – an average of nearly 38 million gallons per day of wastewater is treated
- Revenue stability maintained despite decrease in per capita flow due to improvements in collection system, increased drought awareness and greater usage of water efficient appliances
- Capital needs forecasted at ~\$1.0 billion from 2026 to 2030

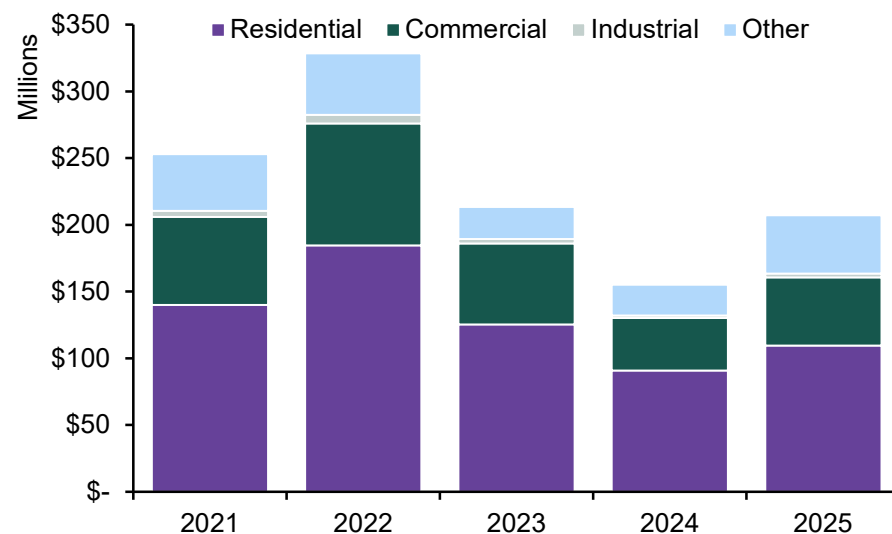
Gas System Highlights

- 2025 sales revenue of \$171.7 million⁽¹⁾
- The Gas System operates a local distribution system which supplied natural gas to approximately 228,000 customers in 2025 in a 527 square mile service area
- Maintain diversified portfolio of contracted supplies and assets, actively pursue opportunities to reduce costs and realize value from its gas supply assets
- Facilities consist of approximately 2,800 miles of natural gas pipe mains and approximately 185,250 tied in service lines

Wastewater Annual Revenues⁽²⁾



Gas Annual Revenues⁽²⁾⁽³⁾



(1) Excluding interdepartmental, miscellaneous, and transportation revenues

(2) Other includes military contract sales, gas transportation revenue, and miscellaneous revenues. Excludes interdepartmental revenues

(3) Increases / decreases in Gas revenue from 2021-2023 due primarily to increases / decreases in fuel prices passed on to customers through the Utilities' Gas Cost Adjustments

Utility Rates

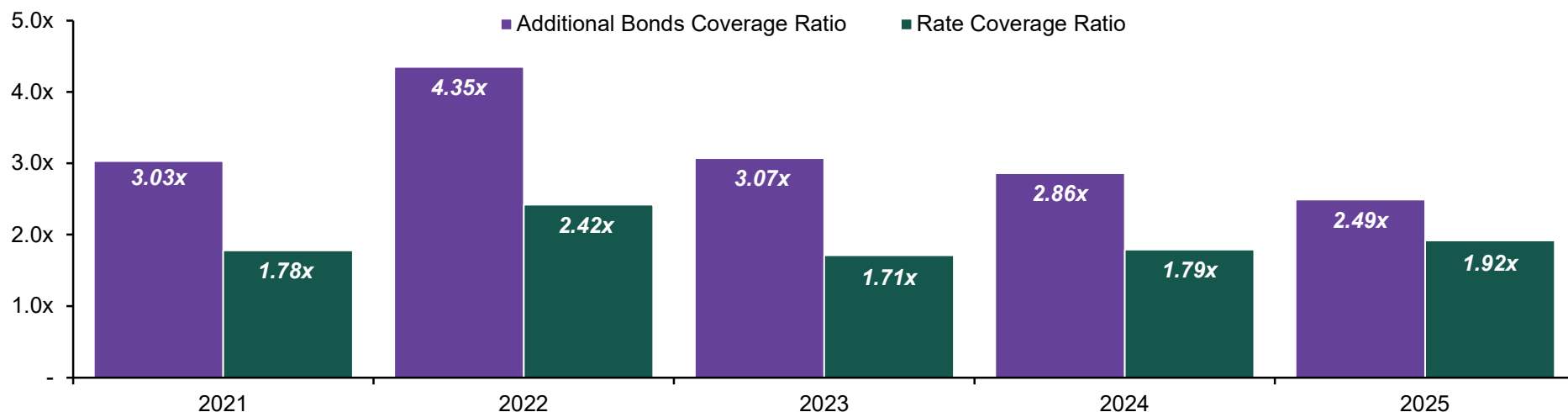
Utilities has demonstrated an ability and willingness to pass through costs to maintain financial metrics, providing affordable rates and efficient cost recovery without significant customer burden

Governance	■ City Council has all rate making authority and the Mayor has no veto authority over rate decisions
Base Rate Adjustments	■ While many of the Utilities' costs are variable and will fluctuate with variance in commodity use, fixed cost recovery is embedded in the Utilities' base (and fixed) rate components ■ The Utilities has historically addressed variances between fixed cost components and variable revenue structure by periodic base rate adjustments (and using cash reserves as necessary) ■ Under state statute, City Council is ordinarily required to give at least 30 days' notice prior to holding a public hearing to consider proposed base rate changes ■ On November 12, 2024, City Council approved a five-year rate case with annual base rate increases each January 1 from 2025 through 2029: electric 6.5%, gas 4%, water 6.5%, and wastewater 9%
ECA/GCA Fuel Rates	■ As a nonprofit, community-owned utility, increases <i>or</i> decreases in fuel costs incurred by the Utilities are passed on directly to the customers ■ In addition to base electric and natural gas rates, the Utilities charges customers an electric cost adjustment ("ECA") and gas cost adjustment ("GCA") ■ Electric cost adjustments and gas cost adjustments may be changed as frequently as monthly to pass actual costs to customers on a timely basis

Financial Performance

- **Debt Service Coverage:** The Utilities has maintained a strong debt service coverage ratio above 1.7x
- **Liquidity:** The Utilities has achieved robust liquidity with 180 adjusted days liquidity on hand at the end of 2025⁽¹⁾

	Fiscal Year Ended December 31				
USD in 000s	2021	2022	2023	2024	2025
Operating Revenues	\$1,065,754	\$1,234,497	\$1,005,708	\$1,012,680	\$1,127,435
Operating Expense	(925,538)	(872,239)	(853,133)	(855,839)	(950,460)
Noncash pension and OPEB expense	(21,372)	(78,836)	(15,873)	(35,392)	(4,475)
Depreciation and Amortization	163,748	168,235	181,917	202,416	208,380
Operating Revenues Available For Debt Service	\$282,592	\$451,657	\$318,619	\$323,864	\$380,881
Interest Earnings (excl. interest on bonds)	6,266	9,165	16,019	17,391	14,102
Development Fees	47,174	36,456	32,609	36,592	48,234
Net Pledged Revenues	\$336,032	\$497,278	\$367,248	\$377,848	\$443,216
Average Annual Principal and Interest Requirements	110,797	114,315	119,688	131,906	177,939
Fiscal Year Debt Service	188,729	205,752	214,473	211,389	231,358
Additional Bonds Coverage Ratio	3.03x	4.35x	3.07x	2.86x	2.49x
Rate Coverage Ratio	1.78x	2.42x	1.71x	1.79x	1.92x

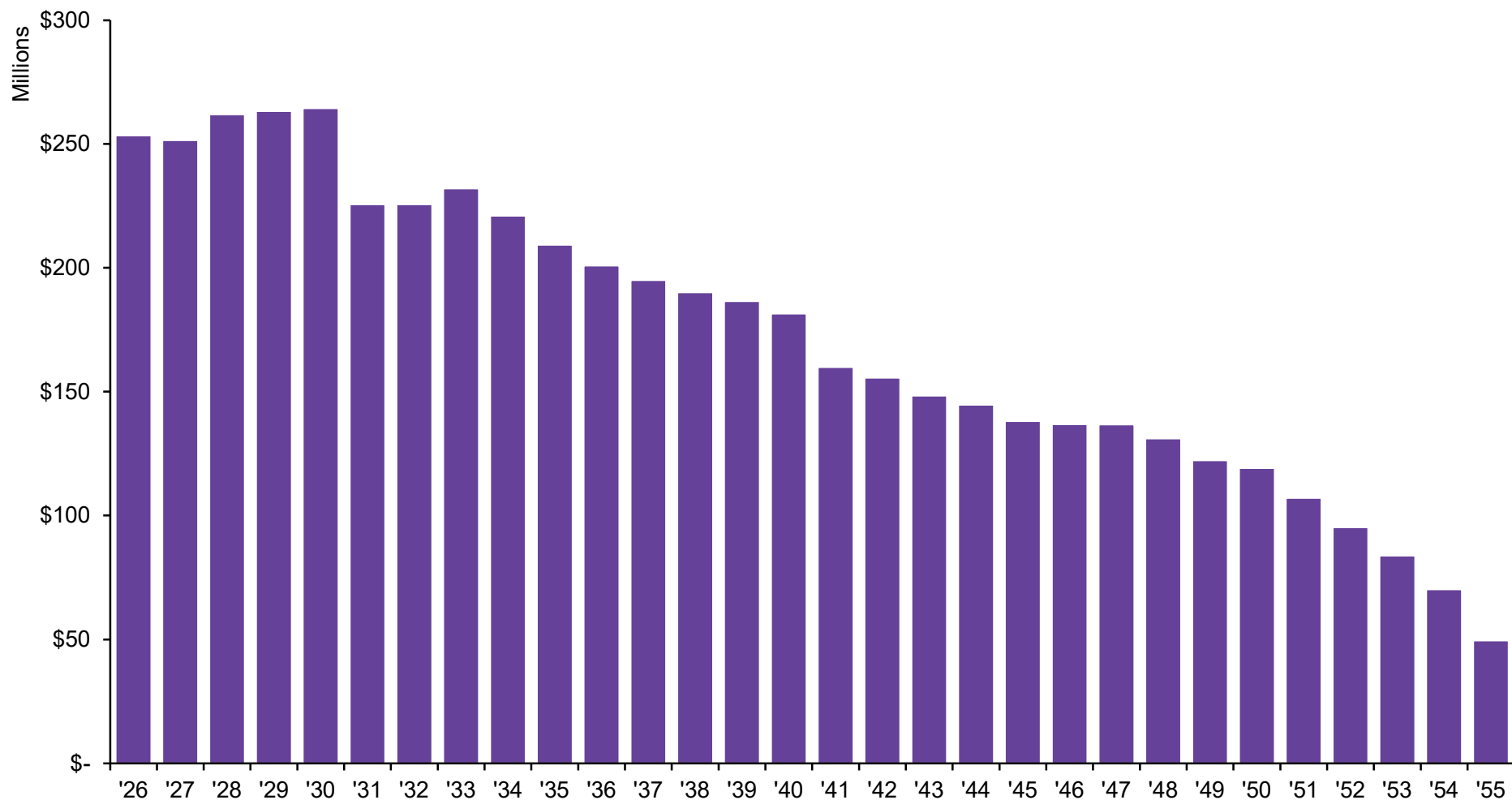


(1) [Unrestricted cash + Available Lines of Credit] / [Net Cash Operating Expenses / 365]. Note: 2022 and 2023 restated for implementation of GASB 96 and GASB 101, respectively

Current Debt Service

- Upon issuance of the Bonds, the Utilities will have approximately \$3.4 billion of debt outstanding*
 - Includes \$290.99 million of variable rate debt
 - The Utilities does not have any unhedged variable rate debt

Current Debt Service



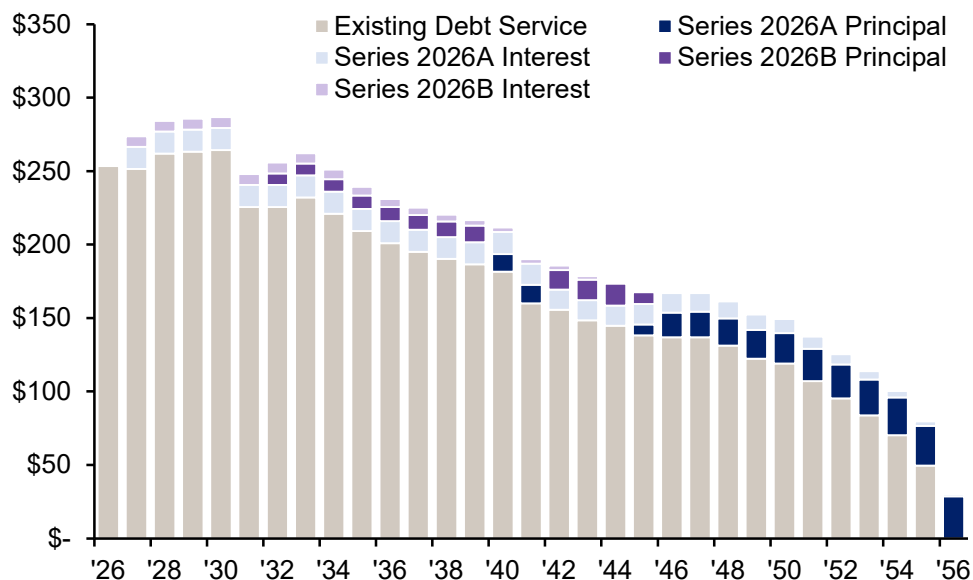
* Preliminary, subject to change.
Note: Debt service shown prior to Series 2026AB financing.

2026 Plan of Finance*

Summary of Structure

- Series 2026A (Tax-Exempt)
 - \$275,720,000
 - Maturities from 11/15/2040 through 11/15/2041 & 11/15/2045 through 11/15/2056
 - Callable at par on or after 11/15/20__
- Series 2026B (Taxable)
 - \$125,745,000
 - Maturities from 11/15/2032 through 11/15/2039 & 11/15/2042 through 11/15/2045
 - Callable at par on or after 11/15/20__; make-whole call prior

Projected Series 2026AB Debt Service



Projected Amortization

Maturity (11/15)	Series 2026A	Series 2026B	Aggregate
2027	\$-	\$-	\$-
2028	-	-	-
2029	-	-	-
2030	-	-	-
2031	-	-	-
2032	-	7,745,000	7,745,000
2033	-	8,160,000	8,160,000
2034	-	8,605,000	8,605,000
2035	-	9,080,000	9,080,000
2036	-	9,585,000	9,585,000
2037	-	10,125,000	10,125,000
2038	-	10,710,000	10,710,000
2039	-	11,330,000	11,330,000
2040	12,005,000	-	12,005,000
2041	12,605,000	-	12,605,000
2042	-	13,235,000	13,235,000
2043	-	14,040,000	14,040,000
2044	-	14,900,000	14,900,000
2045	7,595,000	8,230,000	15,825,000
2046	16,735,000	-	16,735,000
2047	17,615,000	-	17,615,000
2048	18,580,000	-	18,580,000
2049	19,605,000	-	19,605,000
2050	20,685,000	-	20,685,000
2051	21,820,000	-	21,820,000
2052	23,020,000	-	23,020,000
2053	24,285,000	-	24,285,000
2054	25,620,000	-	25,620,000
2055	27,030,000	-	27,030,000
2056	28,520,000	-	28,520,000
Total	\$275,720,000	\$125,745,000	\$401,465,000

Financing Timeline and Key Contacts

Anticipated Financing Schedule

■ Monday, October 26th

— *Post POS and Investor Roadshow*

■ Wednesday, November 4th

— *Indications of Interest on Taxable Bonds*

■ Thursday, November 5th

— *Bond Pricing*

■ Tuesday, November 17th

— *Bond Closing*

November 2026

S	M	T	W	Th	F	S
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30					

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