

AGENDA

May 19, 2025

9:00 a.m. – 11:00 a.m.

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9:00 a.m.	Call to Order Pursuant to the Colorado Open Meetings Law and the City Charter, since three or more members of the Utilities Board may be attending this public meeting, it is noticed and open to the public. Pursuant to the Utilities Board Bylaws, this Committee of the Utilities Board will not accept public comments at this meeting.	Board Chair Donelson
9:05 a.m.	Acceptance of Minutes March 17, 2025 Working Committee Minutes	Committee
9:10 a.m.	Safety Moment: National Mental Health Month	Renee Adams, Chief Human Resources Officer
9:15 a.m.	Compliance Reports: - I-2 Financial Condition and Activities (to include Contracts Over \$500K**) G-7 (Quarterly Oct-Dec) - I-2 Financial Condition and Activities - Annual City Auditors Report G-7 (Annual external) - I-8 Asset Protection – Annual City Auditor’s Report (Annual External) E-2 CEO / Board Partnership Responsibilities - Electric Cost Adjustment / Gas Cost Adjustment Update	Tristan Gearhart, Chief Planning and Financial Officer Scott Shirola, Pricing and Rates Manager
9:30 a.m.	Integrated Resource Planning	David Longrie, Energy Resource Planning and Innovation Manager Justin Zeisler, Supervisor, Water Resource Planning Emily Magnuson, Supervisor, Wastewater Planning
10:15 a.m.	North Slope Recreation Area Overview	Lisa Walters, Watershed Planning Project Manager

10:30 a.m.	Economic Development Update	Jared Miller, Strategic Customer Relations Manager
10:40 a.m.	Brainstorm Topics for Next Utilities Policy Advisory Committee (UPAC) Assignment	Committee
11:00 a.m.	Adjournment	Board Chair Donelson

MINUTES
Working Committee
March 17, 2025

Committee members present via Microsoft Teams or Rosemont Conference Room:

Dave Donelson, Yolanda Avila, Lynette Crow-Iverson, Randy Helms, Nancy Henjum, David Leinweber and Michelle Talarico

Committee members excused:

Mike O'Malley

Staff members present via Microsoft Teams or Rosemont Conference Room:

Travas Deal, Lisa Barbato, Mike Francolino, Tristan Gearhart, Jay Anderson, Alex Baird, Kerry Baugh, Kevin Binkley, Rachelle Broz, Gabe Caunt, Nick Chamberlin, Mark Christiansen, Andy Colosimo, Jeff Courtright, David Dalton, Jessica Davis, Steve Duling, Jennifer Franceschelli, Fredrick Garcia, Jason Green, Kelly Guisinger, Adam Hegstrom, Eddie Howard, Jennifer Jordan, JerrieAnn LaLond, Birgit Landin, Brian Leach, Amy Lewis, Emily Magnuson, Nicole Means, Jared Miller, Michael Myers, Danielle Nieves, Rich Norton, Jacqueline Nunez, Chris Olney, David Padgett, Gail Pecoraro, Nick Peters, Joseph Rasmussen, Kathryn Rozwod, Bethany Schoemer, Eric Shea, Scott Shirola, Kevin Shrewsbury, Leslie Smith, April Speake, Bill Sunderland, Lauren Swenson, Matthew Thieme, Alex Trefry, Amy Trinidad, Natalie Watts, Chris Welch, Al Wells and Michelle Wills-Hill

City of Colorado Springs staff present via Microsoft Teams or Rosemont Conference Room:

David Beckett, Chris Bidlack, Victoria Classen, Renee Congdon, Rhea Hendrixson, Natalie Lovell and Matthew Vanlandingham

Citizens present via Microsoft Teams:

Tom Bailey, Kimberly Gold and Parth Melpakam

1. Call to Order

Board Chair Dave Donelson called the meeting to order at 9:03 a.m. Ms. Gail Pecoraro, Utilities Board Administrator, read a statement regarding the Colorado Open Meetings Law and City Charter and stated that public comment would not be a part of the meeting.

Those present in the Rosemont Conference Room introduced themselves.

2. Review of Minutes

The Feb. 18, 2025 Working Committee meeting minutes were accepted for posting, after a motion by Board Member Helms and a second by Board Member Henjum.

3. Safety Moment: National Nutrition Month

Mr. Michael Myers, Manager of Safety and Health, explained that nutrition is the process by which our body takes in and uses food for growth, energy and maintenance. Good nutrition is essential for overall health, preventing chronic diseases and promoting longevity.

A balanced diet includes a variety of foods in the right proportions to provide the necessary nutrients. Food groups include fruits, vegetables, grains, protein foods and dairy. A balanced

diet supports immune function, maintains healthy weight and reduces the risk of chronic diseases.

Tips for eating right include portion control, hydration, variety in the foods consumed, and limited processed foods, and meal planning.

4. Compliance Reports

ER: I-3 Utilities Board Expected Results Year-End

Ms. Natalie Watts, Manager of Strategic Planning and Governance, said the Utilities Board monitors achievement of organizational results through Utilities Board Expected Results. The reporting period for this report was Jan. 1 through Dec. 31, 2024. The 2024 Year-End Balanced year-end overall score was 3.76 on a scale of 1 to 5. This is a rating of “exceeds expectations.”

Seven measures were rated as “Far Exceeds Expectations,” six measures were rated “Exceeds Expectations,” seven measures were rated at “Meets Expectations,” three measures were rated “Partially Meets Expectations,” and one measure was rated “Does Not Meet Expectations.”

Mr. Tristan Gearhart, Chief Planning and Financial Officer, explained the Adjusted Debt Service Coverage- Current Year rating of Does not Meet Expectations. There was additional capital spend due to the outage at the Front Range Power Plant towards the end of 2024, this included additional repairs that were not allocated for in the budget. The organization has adjusted to be in a better place moving forward.

Board Member Henjum asked how the weighted ratings are determined. Mr. Gearhart answered the weight the overall weight multiplied by the score. Board Member Henjum asked about the industrial nationwide comparison. Mr. Gearhart said this rating compares Springs Utilities to comparable large industrial companies across the country. If the organization scores within a 5% to 10%, that would be a rating of meets expectations. Mr. Travas Deal, Chief Executive Officer, stated that the organization will compare well to other Colorado companies due to the rules/ regulations within Colorado, but does not compare as well nationwide due to the requirements within the State.

As part of next steps, leadership is working with their teams to improve the four measures that either partially met expectations or did not meet expectations. The 2025 mid-year scorecard results will be presented to the Utilities Board toward the end of the third quarter.

Board Chair Donelson asked what the expectation is for those scores of “Partially Meets Expectations” and “Does Not Meet Expectations.” Mr. Deal said that plans are in place to improve these ratings. Mr. Gearhart said that some of the financial ratings are based on a 3-year average, so it may take some time to bring those scores up.

Board Member Helms asked what last year’s overall rating was. Ms. Watts said that the overall rating was “Exceeds Expectations.”

Mr. Mike Francolino, Chief Customer and Enterprise Services Officer, said that the small business category on the scorecard is the main item that affects the Customer Services ratings. He said that there are tools in place to implement a small business team that will focus on small business accounts.

Board Member Leinweber shared his personal experience owning a small business but using the same email address for both his business and residential accounts, which makes it very confusing to access the correct account. Mr. Francolino said that it is easiest for separate emails to be set up to differentiate between accounts.

Board Member Helms recommended using previous ratings, to help put the ratings into context, by including a 3-year rolling average.

Board Member Henjum asked if the target range for residential water service is meets expectations. Mr. Gearhart said that because of the cost of moving water from the Western Slope, the target is meets expectations.

A copy of this report was included in the meeting materials packet.

I-4 Risk Management – Auditor’s Report

Mr. Gearhart reviewed the I-4 Risk Management – Auditor’s Report which concluded that Springs Utilities was compliant with the Utilities Board Instructions to maintain a Risk Management Committee, operate under, and maintain an Enterprise Risk Management Plan that includes Energy Risk Management, Investment, and Financial Risk Management Plans. This report indicated no real findings were found.

A copy of this report was included in the meeting materials packet, and no questions were asked.

I-8 Asset Protection

Mr. Gearhart said that the reporting period for the I-8 Asset Protection compliance report was July 1 through Dec. 31, 2024. This report requires enterprise assets are protected, adequately maintained and not unnecessarily risked.

The first requirement is to protect enterprise assets including, but not limited to, water rights, real property interests, physical assets, cyber assets, intellectual property, records and information from loss or significant change. This requirement was met.

The second requirement is to allow real estate transactions that comply with the City of Colorado Springs Procedure Manual for the Acquisition and Disposition of Real Property Interests. This requirement was met.

The third requirement is to only sell, dispose of or allow use of assets at fair market value, except for de minimis contributions to community-oriented organizations. This requirement was met.

The fourth requirement is to protect the enterprise’s public image and reputation. This requirement was met.

Board Member Henjum asked about the requirements for physical security. Mr. Gearhart said the main focus of physical security is the use of employee badges to control Springs Utilities worksites. Mr. Gearhart stated that the policy is reviewed on a 5-year basis to keep the organization up to date with practices but may be reviewed more frequently based on the individual item.

Board Chair Donelson asked for any highlights, and Mr. Gearhart said that cybersecurity remains a focus and action taken appropriately.

I-12 Environmental Stewardship

Ms. Lauren Swenson, Manager of Environmental Services, stated that the reporting period for this report was Jan. 1 through Dec. 31, 2024. There are ten requirements included in this report.

The first requirement is to provide customers with educational materials and solutions to promote energy and water conservation and renewable energy technologies. This requirement was met with an increase in the number of events offered and the number of participants in these events. There was an increase.

Ms. Swenson said that since 2023, there has been an increase in the number of classes, tours, events and participants.

The second requirement is to promote efficient energy and water consumption in new buildings and landscapes. This requirement was met.

The third requirement is to ensure emissions from operations meet or surpass air quality regulations. This requirement was met.

The fourth requirement is to ensure local ground and surface water discharges from operations meet and surpass surface water and groundwater quality standards. This requirement was met. Ms. Swenson said that compliance improvements have been made at the JD Phillips plant.

The fifth requirement is to maintain or enhance the visual appeal of utility operations were cost effective. This requirement was met.

Board Member Henjum asked how the organization receives public input to meet this requirement. Ms. Lisa Barbato, Chief System Planning and Projects Officer, said that there are numerous ways to get feedback, these include sending information to customers, town hall meetings, and open houses to notify customers.

Board Member Henjum asked how projects are prioritized. Ms. Barbato said that each request is reviewed and prioritized. If there is concern with existing facilities, the organization collaborates with involved parties.

Board Chair Donelson asked if once the Central Bluffs substation is operational, what will happen to the substation inside Palmer Park. Ms. Barbato said that the Palmer Park substation will be decommissioned although there will still be some infrastructure transmission systems that will route through Palmer Park.

Board Member Talarico asked when the old Wilson tank would be torn down. Ms. Barbato said that it is expected to occur by the end of the week.

The sixth requirement is to ensure the community received a portion of its electric needs from renewable sources. This requirement was met.

The seventh requirement is to strive to preserve and protect wildlife, wildlife habitat, and wetlands during construction and operation of facilities and infrastructure. This requirement was met.

The eighth requirement is to strive to preserve and protect cultural and historic sites during construction and operation of facilities and infrastructure. This requirement was met.

The ninth requirement is to engage the community in Utilities Board decisions on Colorado Springs Utilities' operations that affect the environment. This requirement was met.

The last requirement is to strive to minimize or reuse waste generated by Colorado Springs Utilities to reduce impact on the environment. This requirement was met.

Board Member Henjum asked if a ratepayer can easily access this report. Ms. Watts stated that this is part of the Working Committee meeting packet and is available to the public. Board Member Henjum asked that the report be more readily available to the community, Ms. Swenson said that she will work with the Public Affairs Department to make this an externally facing report available on the csu.org website.

Ms. Barbato explained that the minor violations affect the environmental rating on the environmental index portion of the scorecard, bringing the score down to 92. This rating begins at a rating of 100 each year, and each violation is taken from this initial rating.

5. Electric Cost Adjustment / Gas Cost Adjustment (ECA/GCA) Filing Discussion

Mr. Scott Shirola, Manager of Pricing and Rates, said that the current ECA rate is \$.0301 per kilowatt hour, and the current GCA rate is \$.1725 per Ccf. Both rates were effective Oct. 1, 2024.

The current recommendation is to maintain the current ECA rate, and to change the GCA rate to \$.2804 per Ccf. This recommendation, if approved, would be effective April 1, 2025. The average customer bill will increase by \$6.47 per month.

The March forecast reflects higher fuel prices through November 2025 and in line with the previous forecast through the next heating season. As of Feb. 28, 2025, the ECA under collection balance was \$6.8 million. This under collection balance changed by \$2.1 million from the \$4.7 million under collection balance reported last month.

Mr. Alex Baird, General Manager of Fuels and Purchase Power, said this winter was markedly colder than last, and usage increased during this time.

Board Member Henjum asked how dekatherms are converted to cubic feet of natural gas (Ccf). Mr. Baird said the wholesale market uses dekatherms to sell natural gas. The rough conversion is taking the Ccf number and multiplying by 11.7.

As of Feb. 28, 2025, the GCA under collection balance was \$7.9 million. This under collection balance changed by \$2.4 million from the \$5.5 million under collection balance reported last month.

Board Member Leinweber asked about the projections on GCA, how can he explain that gas will be much cheaper in the future, but the organization is asking for a rate increase. Mr. Baird

said that future gas prices have not been locked in. Mr. Deal said that infrastructure takes time, so although policy changes it may include an immediate infrastructure change.

Board Chair Donelson asked why the projection continues to increase in the future. Mr. Baird said that there is positive sentiment that the prices will go up. The supply and demand balances get volatile in the spring but levels out during summer months.

Board Member Helms suggested that Mr. Shirola and Mr. Baird attend the March 25 City Council to explain the rate change. Mr. Deal said that Mr. Shirola will be available to answer questions regarding the rate change.

Mr. Shirola said the average customer increase is 2.7%.

Customer assistance is available through the Low-Income Energy Assistance Program (LEAP), Project COPE and different payment options. Long-term assistance is available through the Home Efficiency Assistance Program (HEAP) and rebates offered through Springs Utilities.

Board Member Henjum asked if the water rate will increase, and Mr. Shirola said the water rate was included in the 5-year rate plan. Costs may increase due to usage.

Board Member Helms asked if help is available to small businesses. Mr. Gearhart said that energy used, and demand are taken into consideration. These are looked at through demand rates. Mr. Mike Francolino, Chief Customer and Enterprise Services Officer, said small business customers are communicated on the impact in advance.

Mr. Gearhart said that Energy Wise will be implemented in October 2025.

Next steps include approval at the March 19, 2025 Utilities Board Meeting to bring the item to the March 25, 2025 City Council Regular Meeting. If approved at City Council, the GCA rate of \$0.2804 per Ccf would be effective April 1, 2025.

6. Improvements on Streetlight Reporting

Mr. Alex Trefry, Public Relations Specialist, said that the City of Colorado Springs pays \$4,000,000 annually to operate and maintain more than 30,000 streetlights. More than 500 streetlight issues are responded to every month.

The current process includes six steps, which are initiated by a request being made through the GoCOS application. The new process will be only two steps. The new process was demonstrated. The customer makes the initial outage through the Streetlight Maintenance website and is also able to view the progress of the fix. The estimated savings is approximately 700 hours per year.

Board Member Helms asked why the expected “fix” date is so far in the future. Mr. Deal said that the City has a small budget for streetlights, and the streetlight crew is small. Mr. Deal said that the streetlight crew is also responsible for the upkeep of conduits, due to copper thefts. Mr. Nick Peters, General Manager of Operations, said that signs are put inside the conduits stating that the wires used are aluminum and not copper. The theft element of streetlights is also being tracked.

Board Member Henjum requested that Mr. Sam Friedman in the City Council offices be aware of this change. Mr. Trefry said that the team has been working with City Public Communications, but he will contact Mr. Friedman directly.

Ms. Henjum asked how streetlight repair is prioritized. Mr. Trefry said that streetlights are repaired on a first come / first served basis; however, there are exceptions to this.

7. Purchase of Finished Water Easement

Ms. Jessica Davis, Manager of Land Resources, said that this project is in conjunction with the City's Public Works. Springs Utilities' role is to identify easements needed for the future water project in this corridor. Public Works and Utilities worked together to only acquire property once from owners. The total cost of acquisition is \$250,900, Springs Utilities' easement price is \$143,310. The full Utilities Board will vote to move this item to the March 25, 2025 City Council Meeting at the March 19, 2025 Utilities Board meeting.

Board Members present approved this item to move forward to the Utilities Board consent agenda on March 19, 2025.

8. Economic Development Update and Large Commercial Customers

Mr. Francolino said that the Chamber and Economic Development Corporation launched an Economic Development Target Industry Study in the first quarter of 2024. The key target industries included aerospace and defense, cybersecurity and software development, advanced manufacturing and semiconductor technology, medical equipment and supplies manufacturing, hardware and springs manufacturing, and finance and insurance.

The City asked Springs Utilities for a shovel ready plan for Peak Innovation Park. This executive agreement was introduced in the fourth quarter of 2024. The infrastructure Investment Cost Sharing outlines the airport's responsibility at \$58,000,000 and Springs Utilities portion at \$165,000,000 to build the transmission line.

Board Chair Donelson asked if this is in the current budget, and Mr. Francolino said it is included.

Mr. Francolino said that the organization has had many requests for data centers. The impact of data centers is their large energy and water consumption but lack of high-paying jobs, market purchases of energy resources, adherence to strict sustainability measures, and water usage and implementation of water reuse systems.

Board Member Henjum asked if the organization is in alignment with the Chamber and Economic Development Corporation, and Mr. Francolino said that the organization is in alignment.

Mr. Deal said that he anticipates more questions around water usage for data centers. The City is actively looking at datacenters, but the Chamber is not.

Board Chair Donelson asked why the City continues to look at data centers, and Mr. Deal said that they are big revenue generators for the City. Most of the water usage for data centers is cooling. Mr. Francolino said that tariffs will be proposed around large usage for datacenters.

Board Member Henjum asked how the Utility Board will be notified as datacenters come on board. Mr. Chris Bidlack, City Attorney, said that the initial application approval is done through the City Auditor's Office. Once approved, Springs Utilities can proceed with the request. If there is any disagreement, it can be escalated to City Council.

Mr. Deal said that this is an informational presentation today, and policies are currently being developed.

9. Strategic Sourcing Methodology

Mr. Rich Norton, General Manager of Supply Chain, said that strategic sourcing involves data collection, spend analysis, market research, negotiation, contracting and implementation. It helps organizations align their procurement decisions with their business goals and strategy.

Market intelligence in strategic sourcing includes identifying reliable suppliers, cost optimization, risk management, improving negotiations, and enhancing procurement efficiency.

Board Chair Donelson asked what the organization is doing to address shortages. Mr. Deal said that there may increased prices, but it is better to onshore items to create stock. Mr. Deal said that the purpose of today's presentation is to keep the utilities board aware, the board does not have to take any action at this time.

The benefits of strategic sourcing include cost reduction, improved quality, increased efficiency, innovation, and supplier performance.

Historically Springs Utilities approached capital and operational programs of work as independent sourcing projects. Strategic Sourcing at the organization began in 2021. The leveraged methodology is to drive better business decisions and support the 5-year financial plan.

10. Adjournment

The meeting adjourned at 11:34 a.m.



Date: May 21, 2025

To: Utilities Board

From: Travas Deal, Chief Executive Officer

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

Desired Action: Monitoring

Compliance: The CEO reports compliance with the instructions.

INSTRUCTIONS			
Category:	Utilities Board Instructions to the Chief Executive Officer	Reporting Timeframe:	October 1, 2024 – December 31, 2024
Policy Title (Number):	Financial Condition and Activities (I-2)	Reviewing Committees:	Finance; Program Management Review
Monitoring Type:	Internal; City Auditor	Monitoring Frequency:	Quarterly, Annually
Guidelines:	Local Vendor (G-7)		

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

1. Operate within total appropriations for the fiscal year and inform the Utilities Board of:

a. Significant financial variances

- 2024 Total Use of Funds to be \$1.40 billion, a decrease of \$(106.2) million or (7.1)% from the 2024 Approved Budget of \$1.50 billion.
- Fuel expenses are \$170.1 million or 40% under the approved budget primarily due to lower actual 2024 natural gas prices than those projected at the time of the 2024 budget appropriation.
- Operating revenues are \$162.1 million or 13.8% under the approved budget due to a decrease in fuel costs that are being reflected in lower ECA/GCA revenue.
- Capital expenses are \$29.8 million or 7% over the approved budget primarily related to Horizon Power Plant as part of the Sustainable Energy Plan (SEP).
- Non-fuel operating expenses are \$35.1 million or 9% over the approved budget. This is most significantly influenced by bad debts true-up and emergency power plant outage and maintenance work.
- Debt Service, Surplus Transfers, and Franchise Fees are \$0.2 million or 0.06% under the approved budget.

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

As of the end of the fourth quarter of 2024:

- Operating and maintenance expenses exceeded the approved budget by \$1.3 million or 5% in Wastewater and \$16.7 million or 8% in Administrative and General
- Capital expenditures exceeded the approved budget by \$31.4 million or 14% in Electric, \$7.0 million or 17% in Gas, and \$7.2 million or 7% in Water

- c. *Budget transfers and canceled major capital projects over \$500,000 in the Approved Budget or new major capital projects not funded in the Approved Budget.*

In the fourth quarter of 2024, there were three canceled capital projects, one in Water and two in Common:

- Water Acquisition - Temp Use (394683) - \$6,800,000
- Las Vegas Treatment Plant Boiler Replacement Project (596735) - \$773,211
- ArcGIS Upgrade for Utility Net (596651) - \$500,136

In the fourth quarter of 2024, there were six new capital projects, three in Electric, two in Water and one in Common:

- Front Range High Energy Piping Insulation Replacement (194147) - \$14,919,095
- Mesa Water Treatment Plant Upgrade Program (394536) - \$10,031,108
- Fleet Insourcing Project (596743) - \$719,156
- Northslope Caretaker House Upgrade (394794) - \$567,336
- Transmission & Distribution System Hardening (194138) - \$545,683
- SEP EIRP Implementation - Substations (194134) - \$530,000

2. *Inform the Utilities Board of contracts that have been issued over \$500,000.*

In the fourth quarter of 2024, there were 48 new contracts initiated over \$500,000.

Service	Description	Type	Contract Amount
Electric Service	Horizon Power Plant - Proenergy EPC	STANDARD	\$593,378,022
Electric Service	Fiber Network Construction Services_COS_D	RELEASE	\$31,302,882
Electric Service	Fiber Network Construction of Fiber Hut Region 3 COSB	RELEASE	\$27,209,024
Electric Service	Fiber Network Construction Services_COSE	RELEASE	\$21,818,756
Water Service	Highline Pressure Zone Extension and Redundancy Project	STANDARD	\$5,540,544
Electric Service	Fiber Optic Build Materials	RELEASE	\$4,801,859
Electric Service	Substation Transformer Products and Service	RELEASE	\$3,083,035
Electric Service	72.5kV, 115kV, and 230kV SF6 Circuit Breaker Alliance	RELEASE	\$2,948,363

Service	Description	Type	Contract Amount
Water Service	Purchase Vac trucks for 2025	RELEASE	\$2,774,859
Waste Water Service	2024 LCERP 137 CIPP	RELEASE	\$2,523,162
Multi Service	Auto Parts - Fleet Locations NAPA	RELEASE	\$2,500,000
Multi Service	Mythics Exadata X-10 Upgrade Hardware	RELEASE	\$2,123,501
Electric Service	Front Range Power Plant Long Term Service Agreement	RELEASE	\$2,114,433
Electric Service	Substation Transformer Products and Service	RELEASE	\$1,978,013
Waste Water Service	Sanitary Sewer Creek Crossing Program Construction	RELEASE	\$1,976,371
Water Service	Design Services for Wolf Pressure Zone Interconnect	STANDARD	\$1,920,055
Electric Service	Arc Resistant Switchgear	RELEASE	\$1,751,155
Electric Service	Arc Resistant Switchgear	RELEASE	\$1,687,426
Water Service	Uintah & San Rafael Service Reconnections	RELEASE	\$1,686,547
Waste Water Service	Las Vegas Street Water Resources Recovery Facility Sludge Pump Replacement - Pump Procurement	STANDARD	\$1,669,654
Electric Service	Arc Resistant Switchgear	RELEASE	\$1,577,770
Waste Water Service	Task Order_JD Phillips UV Control System Upgrade	RELEASE	\$1,334,992
Multi Service	2024 EOY CAT equipment	RELEASE	\$1,306,893
Gas Service	Task Order_Mesa to Manitou Phase 4 Gas Main Replacement_Distribution Integrity Management Program (DIMP) Gas 150p System Renewals	RELEASE	\$1,221,654
Gas Service	Marksheffel Connector GPAP Expansion Air Compressors	STANDARD	\$1,026,963
Water Service	Costilla Street Water Main Replacement	RELEASE	\$893,766
Electric Service	Amendment 003 - Front Range Upgrade	RELEASE	\$881,990
Electric Service	Arc Resistant Switchgear	RELEASE	\$879,498
Water Service	Rosemont Pipeline DB	STANDARD	\$876,149
Electric Service	Kelker Substation 115kV Substation Disconnect Switch Alliance Blanket	RELEASE	\$864,760
Multi Service	Infor SaaS Solution - 2024 License Renewal	RELEASE	\$864,000
Waste Water Service	Purchase of Closed Circuit Television (CCTV) Vans and Related Equipment	RELEASE	\$846,997
Multi Service	ESRI Enterprise License Agreement 2015-18	RELEASE	\$824,000
Multi Service	Pre-cast Concrete Products	RELEASE	\$801,686
Water Service	Tollefson Water Treatment Plant Upgrades	STANDARD	\$796,650
Electric Service	N NEVADA AVE FROM COMMERCE ST TO E POLK ST - HARRISON DUCT. NO. 3	RELEASE	\$701,818
Water Service	Cathodic Protection General Construction - Broadmoor Bluffs, Farthing, Neal Ranch, Star Ranch	RELEASE	\$700,233

Service	Description	Type	Contract Amount
Electric Service	Cable & Wire Alliance Held at Irby	RELEASE	\$676,218
Water Service	Wilson Tank Demolition	RELEASE	\$652,170
Electric Service	72.5kV, 115kV, and 230kV SF6 Circuit Breaker Alliance	RELEASE	\$644,521
Electric Service	LYSC, stock and for w/o 3805157-SG	STANDARD	\$637,524
Electric Service	2025 Thermostat Program Fees	RELEASE	\$606,000
Multi Service	Wagner Construction Equipment And Services	RELEASE	\$600,000
Multi Service	2025 Dataraker Renewal - Oracle Master Agreement & Cloud Services Schedule	RELEASE	\$589,105
Electric Service	Cable & Wire - Alliance Held at Irby	RELEASE	\$584,880
Electric Service	Power Line Clearing Services - Map SE-1	RELEASE	\$524,115
Electric Service	Nixon 3 Combustion Inspection and Parts	RELEASE	\$513,256
Waste Water Service	J.D. Phillips Water Resource Recovery Facility Hydrocyclones Engineering Services	RELEASE	\$512,607

In the fourth quarter of 2024, there were 12 existing contracts increasing to over \$500,000.

Service	Description	Type	Contract Amount	
			Prior Qtr. Amount	Q2 Amount
Electric Service	Jackson Fuller Substation Expansion	RELEASE	\$173,819	\$3,164,611
Electric Service	Tesla TIV Valve Engineering & Procurement	STANDARD	\$235,000	\$2,795,484
Electric Service	Central Bluffs Substation Construction Project	RELEASE	\$96,460	\$1,368,885
Electric Service	Tesla Spherical Valve Investigation And Alternatives Study	RELEASE	\$212,950	\$960,002
Electric Service	Front Range Main Steam Stop Check Valves Replacement	RELEASE	\$352,488	\$917,768
Water Service	Lower Skyway Pump Station CMGC Construction Services	STANDARD	\$149,878	\$912,554
Water Service	FVA Widefield Tank Defective Lining and Coating Repair	STANDARD	\$499,639	\$908,035
Water Service	Penrose Dam Emergency Repairs	STANDARD	\$325,671	\$873,877
Electric Service	Front Range Heat Trace Audit	STANDARD	\$300,000	\$733,596
Water Service	Homestake Collection System Pipeline Repair and Rehabilitation- Design	RELEASE	\$482,762	\$709,443
Multi Service	2024 Blanket Tires And Tire Repair And Replacement Services	RELEASE	\$450,000	\$650,000
Waste Water Service	CSRRRF Electrical and Controls Upgrade (Engineering/Project Management	RELEASE	\$390,000	\$587,977

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

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

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

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

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

Days Sales Outstanding (DSO) is the average number of days receivables remain outstanding before being collected. At the end of the fourth quarter of 2024, there is 30.48 of DSO.

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

These conditions have been achieved as of this monitoring report.

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

These conditions have been achieved as of this monitoring report.

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

Colorado Springs Utilities maintains written purchasing regulations that assure legal and fiscal compliance with competitive acquisition practices, avoid conflicts of interest, avoid favoritism, and promote procurement from local vendors. Total spending associated with purchase orders and contracts with local area addresses is at 30.3% for the fourth quarter, with a target of 30%.

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

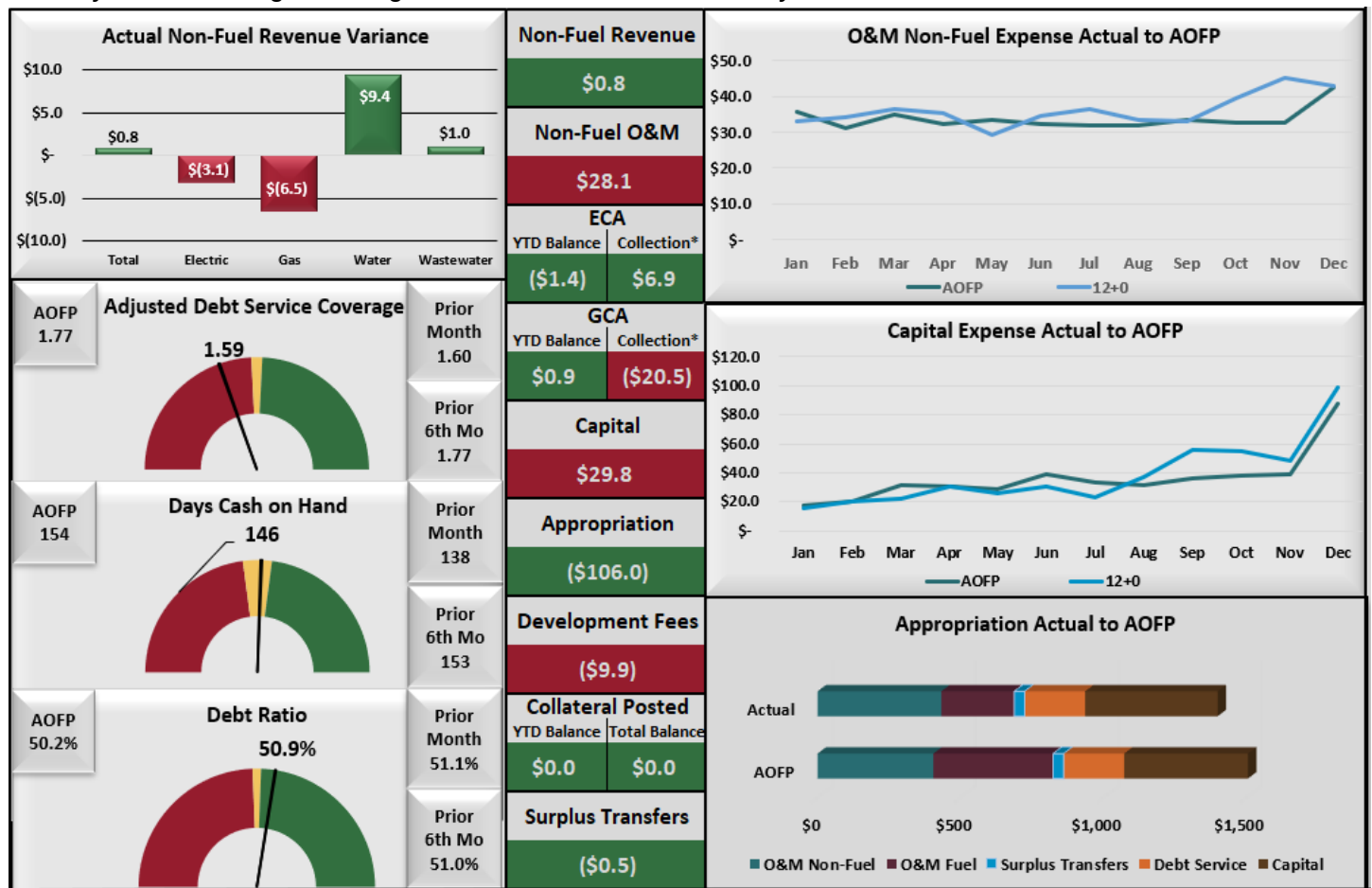
During the fourth quarter of 2024, there were no significant financial impacts on the Municipal Government.

Colorado Springs Utilities Executive Summary - Variance Analysis For the 12+0 Year-End December 31, 2024

The Executive Summary - Variance Analysis is intended to serve as an objective, easily readable analysis of the significant financial activities for year-end December 31, 2024.

2024 Financial Forecast Dashboard (12+0)

This Financial Forecast Dashboard and analysis is provided to the Utilities Board Finance Committee monthly. The following is the high-level financial results for the year end 2024:



- **Non-Fuel Revenue** - Non-Fuel Revenue is \$0.8 million or 0.1% over the AOF. Electric is under \$3.1 million; Gas is under \$6.5 million due to warm weather; Water is over \$9.4 million due to warm dry summer and Wastewater is over \$1.0 million.
- **ECA & GCA** - ECA over collection is \$6.9 million, GCA is an under collection of \$20.5.
- **Metrics** - Adjusted Debt Service Coverage & Days Cash on Hand levels were driven by managed under collection of fuel balances of \$13.7M and \$28.1M of Non-Fuel O&M overages. Debt Ratio finished higher than AOF by 0.7%.
- **Development Fees** - Development fees are under AOF \$9.9 million. This is due to a lower tap permits due to high interest rates and economic conditions that have slowed building.
- **Surplus Payments to the City** - Surplus transfers under AOF in 2024 by \$0.5M or 1.4%, this is within the +/- \$1.0 million targeted range.

Budget Summary (in thousands)

	2024 Approved Budget	2024 Year-end	Increase/ (Decrease)	% Change
Capital Projects	\$ 433,018	\$ 462,835	\$ 29,818	6.9%
Fuel Operations & Maintenance	418,721	254,949	(163,772)	-39.1%
Non-Fuel Operations & Maintenance	404,749	432,864	28,115	6.9%
Debt Service	211,061	211,389	328	0.2%
Surplus Payments to the City	36,381	35,886	(495)	-1.4%
Franchise Fees	387	401	14	3.5%
Total Uses of Funds	\$ 1,504,318	\$ 1,398,325	\$(105,993)	-7.0%

The 2024 Total Uses of Funds is \$1.4 billion, a **decrease** of \$(106.0) million or (7.0)% from the 2024 Approved Budget. This **decrease** is a result of lower Fuel Operations & Maintenance and Surplus Payments to the City.

Capital Projects

The 2024 Capital Projects expenditure is \$462.8 million, an **increase** of \$29.8 million or 6.9% from the 2024 Approved Budget. Capital Projects represent 33.1% of the total year spend and (28.1)% of the total year-end variance.

- \$31.7 million Horizon Power Plant increase for a slot reservation and down payment on the turbines and other long lead equipment. Power Plant needs to be fully commissioned in summer of 2028. A partial offset of \$4.8 million within EIRP Implementation project. [Variance code: Type 14 – Strategic]
- \$(1.9) million net decreases, most significantly influenced by the cancelled EIRP Implementation project

Operations & Maintenance - Fuel

The 2024 Operations & Maintenance - Fuel is \$254.9 million, a **decrease** of \$(163.8) million or (39.1)% from the 2024 Approved Budget. Operations & Maintenance - Fuel represents 18.2% of the total year spend and 154.5% of the total year-end variance.

- \$(141.1) million contingency (budgeted 1 Standard Deviation (SD) due to price volatility in the fuels market)
- \$6.3 million Inter-Service Eliminations due to changes in fuel costs, Utilities pays these as well for internal operations, therefore eliminated higher inter-service revenue than planned
- \$(29.0) million net decreases, most significantly influenced by price changes in the natural gas market

Operations and Maintenance - Non-Fuel

The 2024 Operations & Maintenance - Non-Fuel is \$432.9 million, an **increase** of \$28.1 million or 6.9% from the 2024 Approved Budget. Operations & Maintenance - Non-Fuel represents 31.0% of the total year spend and (26.5)% of the total year-end variance.

- \$13.3 million Bad Debts True -up
- \$12.8 million Labor and Benefits
- \$10.6 million Emergency power plant outage and maintenance work
- \$(7.0) million Inter-Service Eliminations

- \$(1.6) million net decreases, most significantly influenced by Governmental Accounting Standards Board (GASB) 96: Subscription-based information technology arrangements (SBITAs)



OFFICE OF THE CITY AUDITOR COLORADO SPRINGS, COLORADO

Sally Barber
Audit Manager, CPA, CIA, CFE

25-09 Colorado Springs Utilities Board Instruction 2, Financial Conditions and Activities, and Instruction 8, Asset Protection

May 2025

Purpose

The purpose of this high level compliance review was to determine whether Colorado Springs Utilities (Utilities) complied with Utilities Board Instructions to the Chief Executive Officer, Policies I-2, Financial Condition and Activities, and I-8, Asset Protection. In addition to verifying management's 2024 quarterly and semi-annual monitoring reports, our objectives included assurance that any known violations were reported to the Utilities Board.

Highlights

Based on our review, we conclude that Colorado Springs Utilities and the Chief Executive Officer were in compliance with Utilities Board Instructions to the Chief Executive Officer, Policies I-2, Financial Condition and Activities, and Policy I-8, Asset Protection.

The Office of the City Auditor (OCA) completed our review as directed by the Utilities Board. Under Policy Guidelines - G-3, Compliance Report Frequency and Method, the OCA is required to monitor compliance with Policies I-2, Financial Condition and Activities, and I-8, Asset Protection, annually.

Policy I-2 states, "The Chief Executive Officer shall direct that financial condition and activities, and actual expenditures are consistent with Board expected results." Policy I-8 states, "The Chief Executive Officer shall direct that enterprise assets are protected, adequately maintained, and not unnecessarily risked." Our audit included verification of the accuracy and reliability of statements made in the monitoring reports prepared by Colorado Springs Utilities for the Utilities Board. Procedures included obtaining supporting documents, policies, reports, and data recalculations.

We would like to thank Utilities staff for their cooperation during this review.

This audit was conducted in conformance with the International Standards for the Professional Practice of Internal Auditing, a part of the Professional Practices Framework promulgated by the Institute of Internal Auditors.

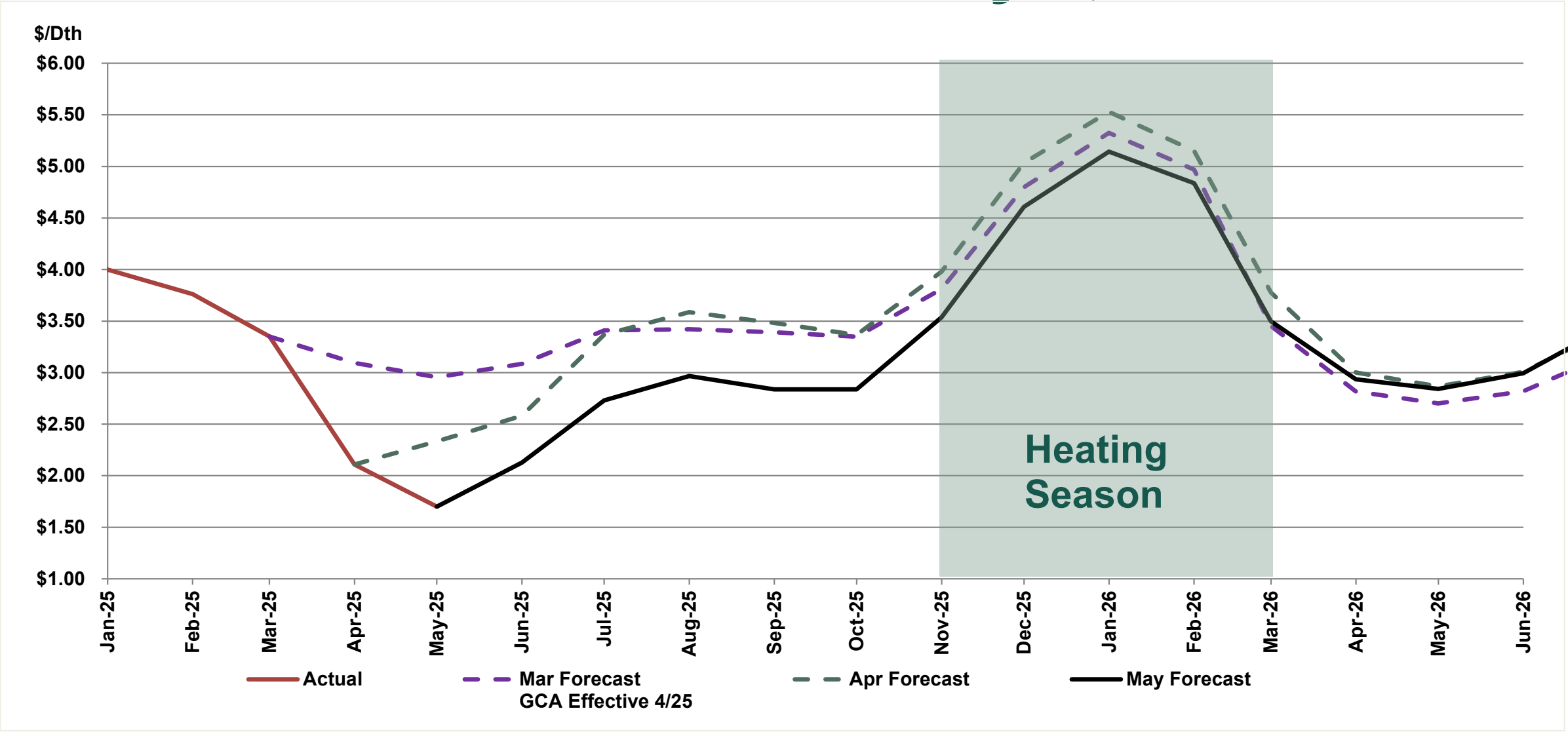
City Council's Office of the City Auditor
City Hall, 107 North Nevada Ave. Suite 205, Mail Code 1542, Colorado Springs CO 80901-1575
Tel 719-385-5991 Fax 719-385-5699 Reporting Hotline 719-385-2387
www.ColoradoSprings.gov/cityauditor



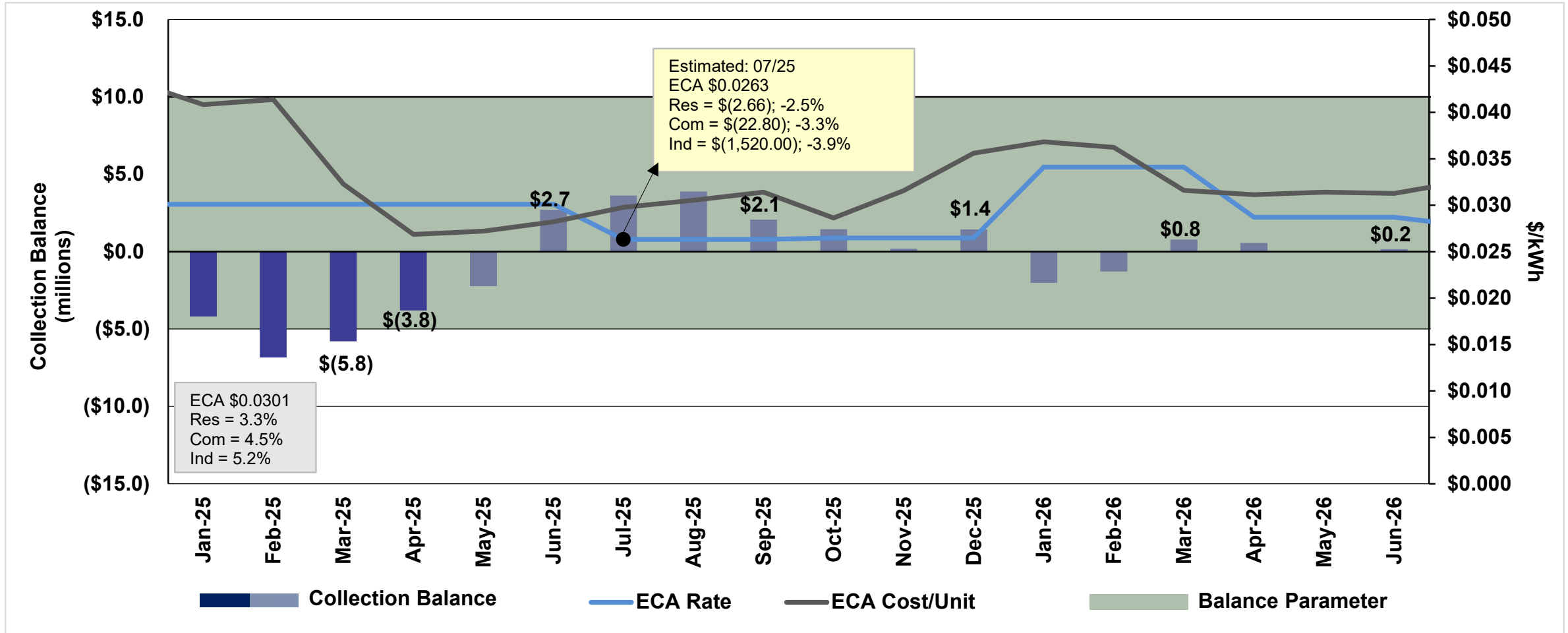
Electric Cost Adjustment Gas Cost Adjustment

Scott Shirola, Pricing and Rates Manager
May 19, 2025

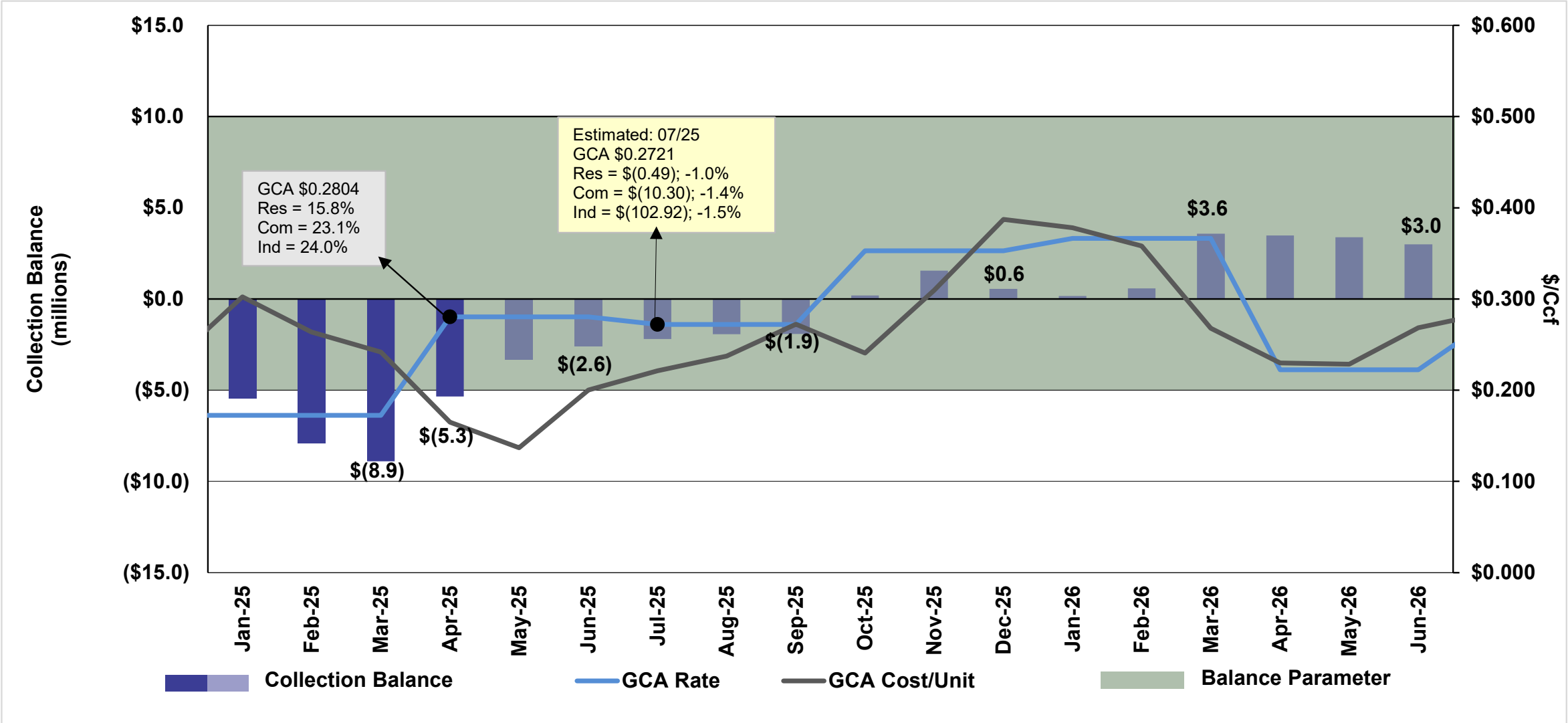
Natural Gas Prices as of May 1, 2025



ECA Projections May 2025



GCA Projections May 2025





Colorado Springs Utilities[®]

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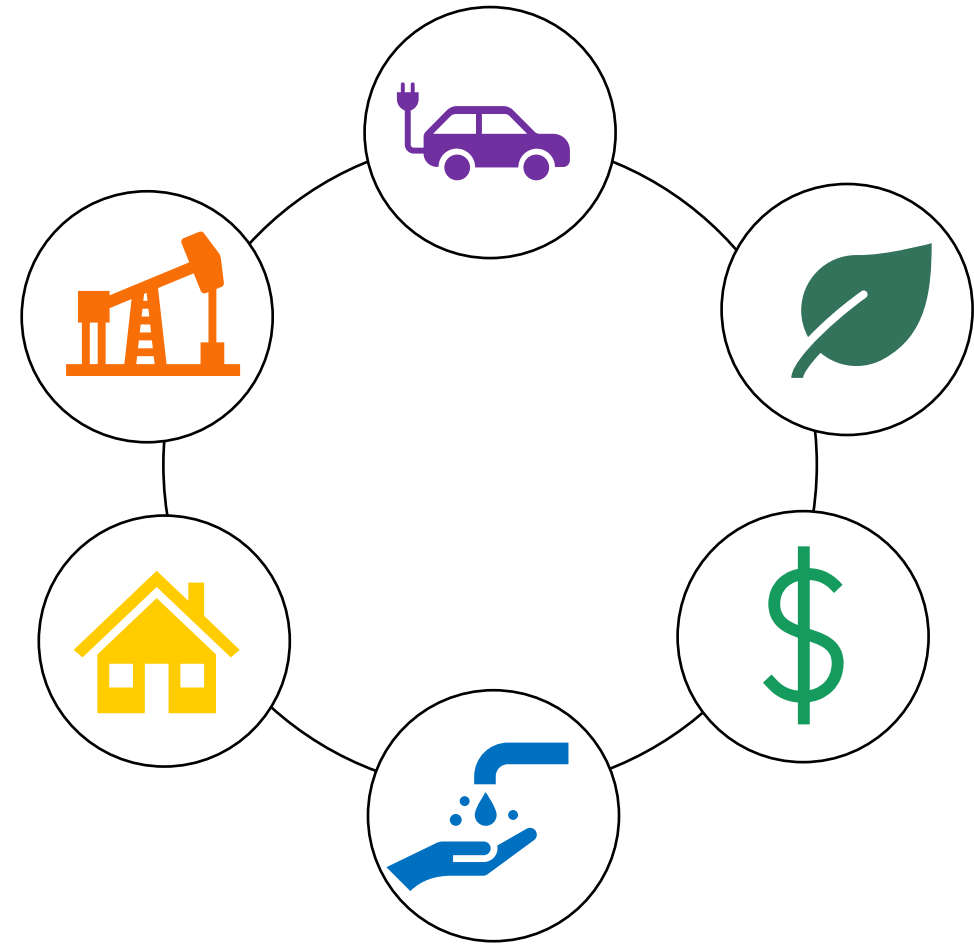


Integrated Resource Planning

Strategic Initiatives Update
UB Working Committee
May 19, 2025

Resource Planning 4 Services

How do we responsibly plan for the future of our community in light of resource constraints?



Integrated Resource Plan Basis

Purpose of Resource Plans

- Long-term strategy
- Guidance and policy direction
- Addresses supply and demand
- Portfolio to develop/implement
- System reliability and performance



Integrated Resource Plan by Service Line

Water

- 50-year planning horizon
- 7-10 year full and comprehensive update – variable drivers.
- Water Efficiency Plan every 7 years per regulation

Wastewater

*(Facility Plan)

- 80% capacity requires planning new facilities
- The water resource plan informs portions of the wastewater planning hierarchy

Electric

- 20 – 30-year planning horizon
- Submit every 5 years
- Regulatory requirements
- Stakeholder process

Gas

- Complete with Electric
- No regulatory requirement

Common Planning and Policy Drivers



Regulation



Reliability



Growth



Cost



Resource Availability



Risk Tolerance



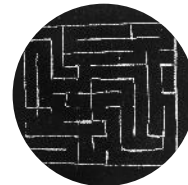
Environmental



Timing

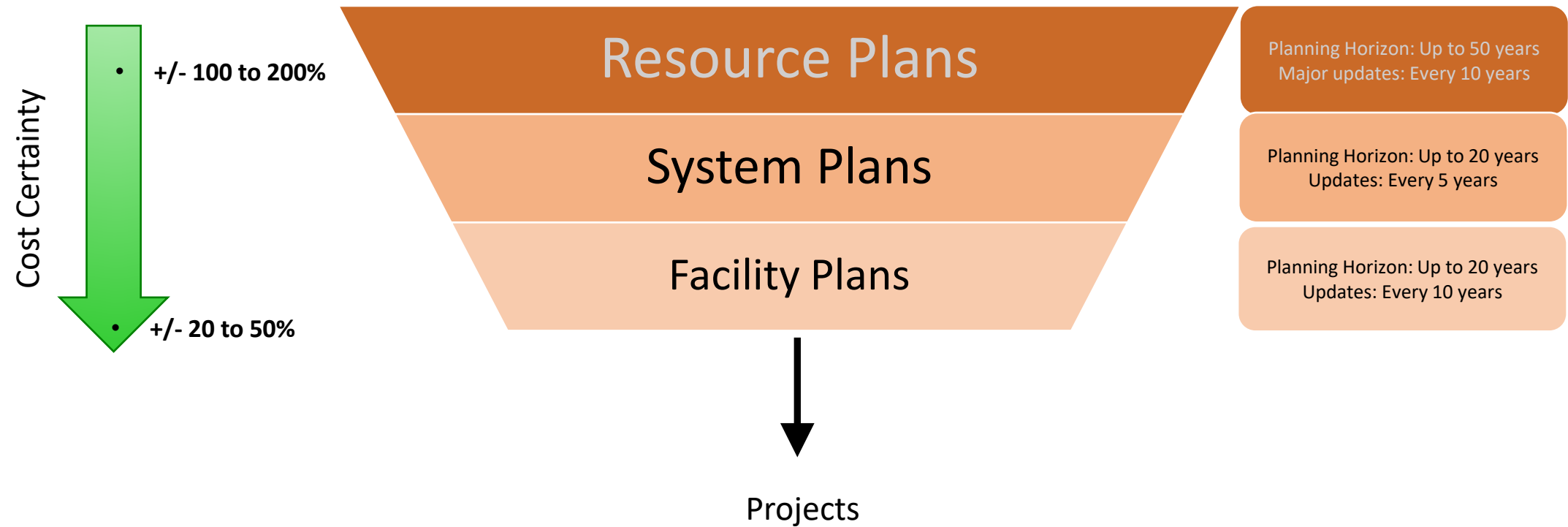


Social/Political



Unknown unknowns

Planning Hierarchy



Resource Planning Process

What problem are we trying to solve?

Basic Resource Planning Questions

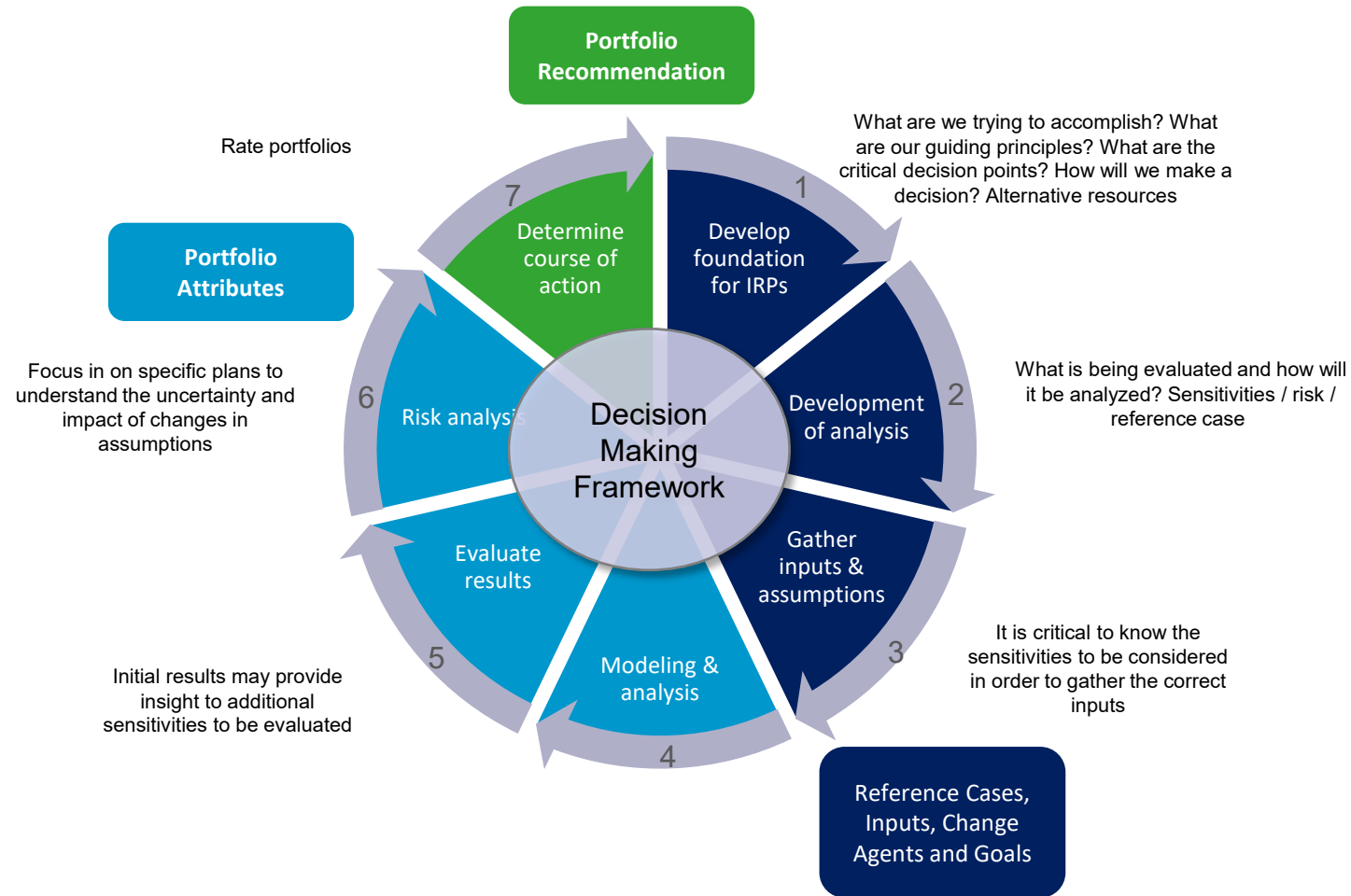
How much

When

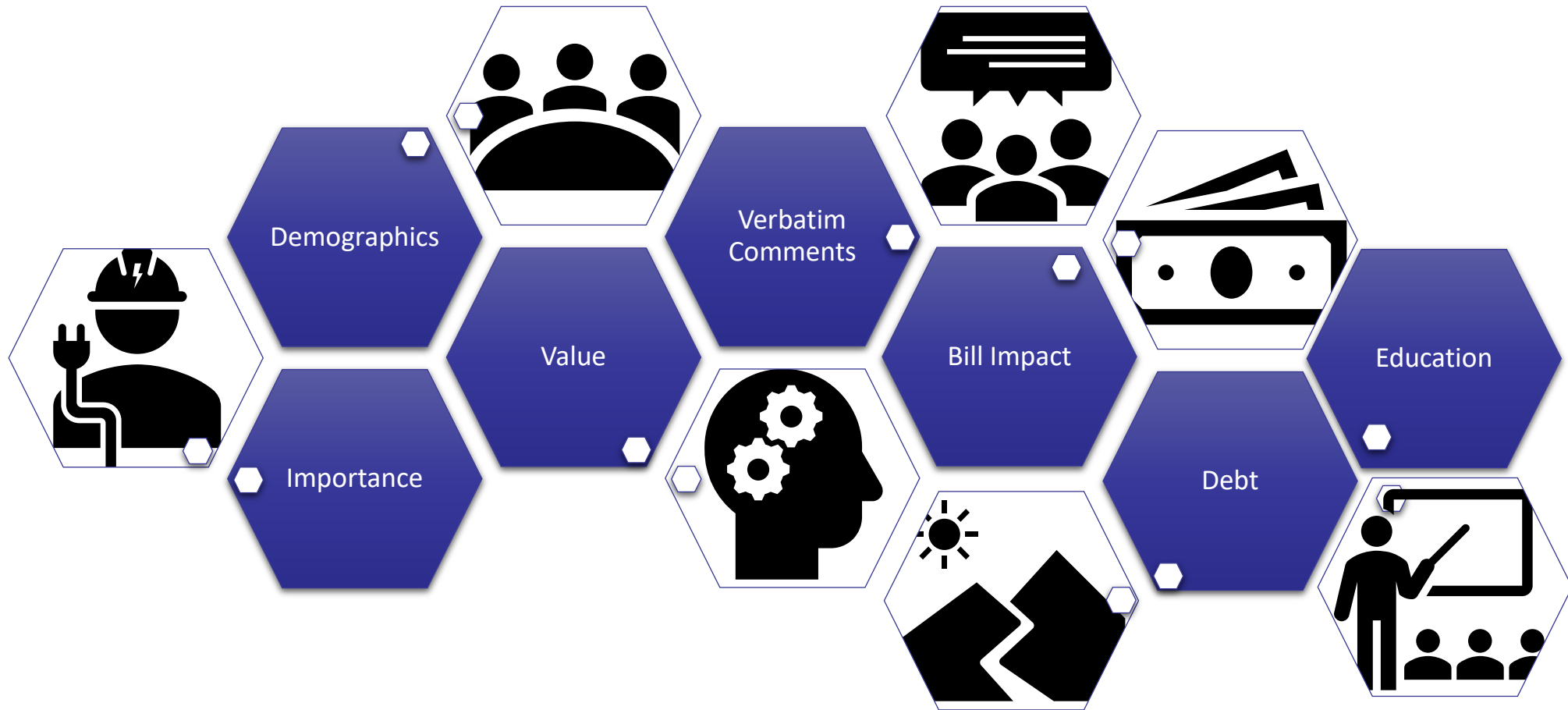
Where is it needed

How does it get delivered

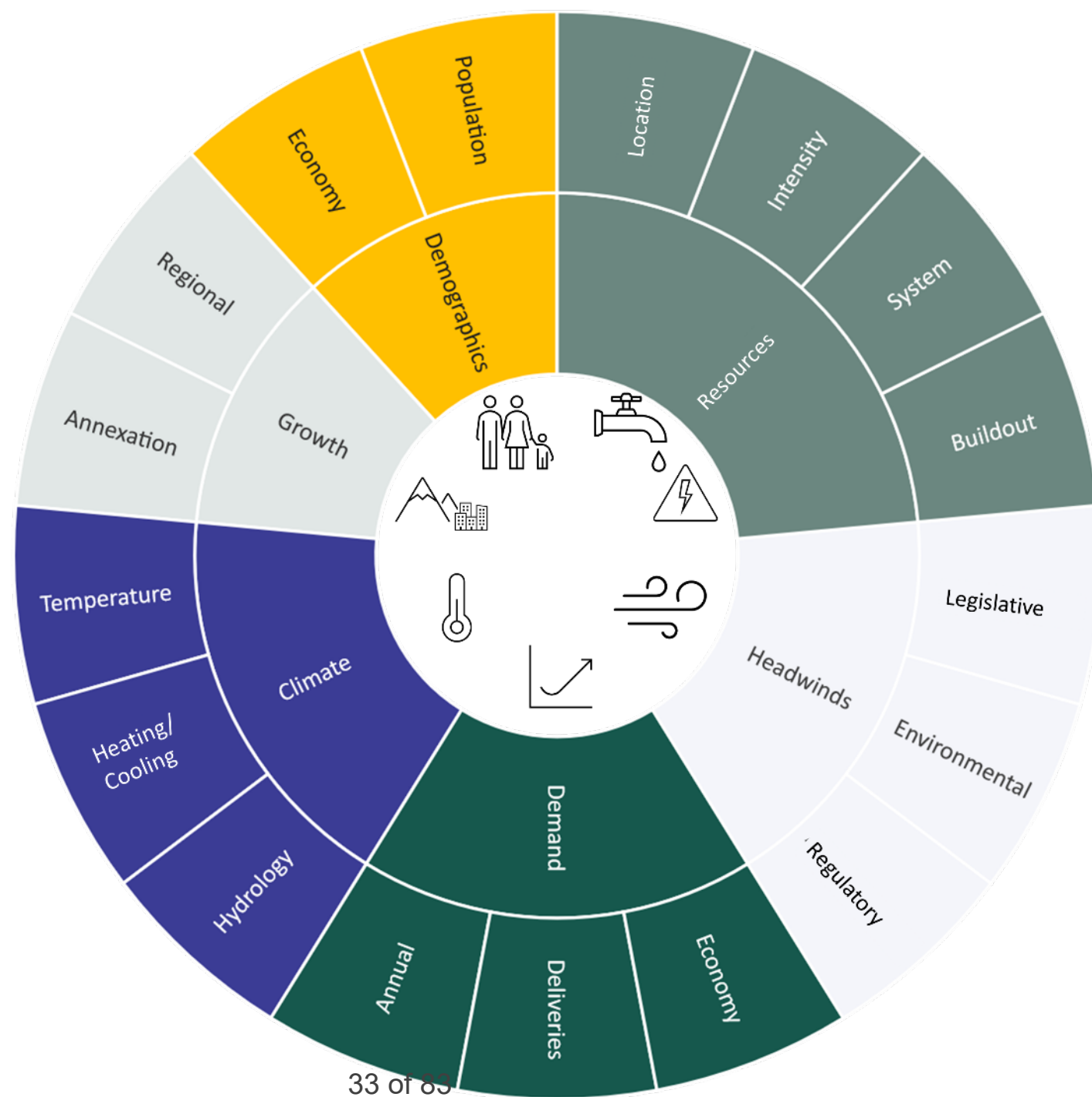
How to manage risk



Stakeholder Feedback



Signposts



Integrated Resource Planning Hierarchy

IRP with Stakeholder Engagement and Policy Adoption

5 yr. Strategic Implementation Plan

Annual Signpost evaluation and true-up

- Annually, key indicators of change and risks are tracked to inform projects, policies, demand management and supply development. This allows for adaptive processes, tools and management strategies to meet long-range objectives.



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Water Integrated Resource Plan Update

Justin Zeisler, Supervisor – Water Resource Planning

Planning Considerations

Conservation Potential Study

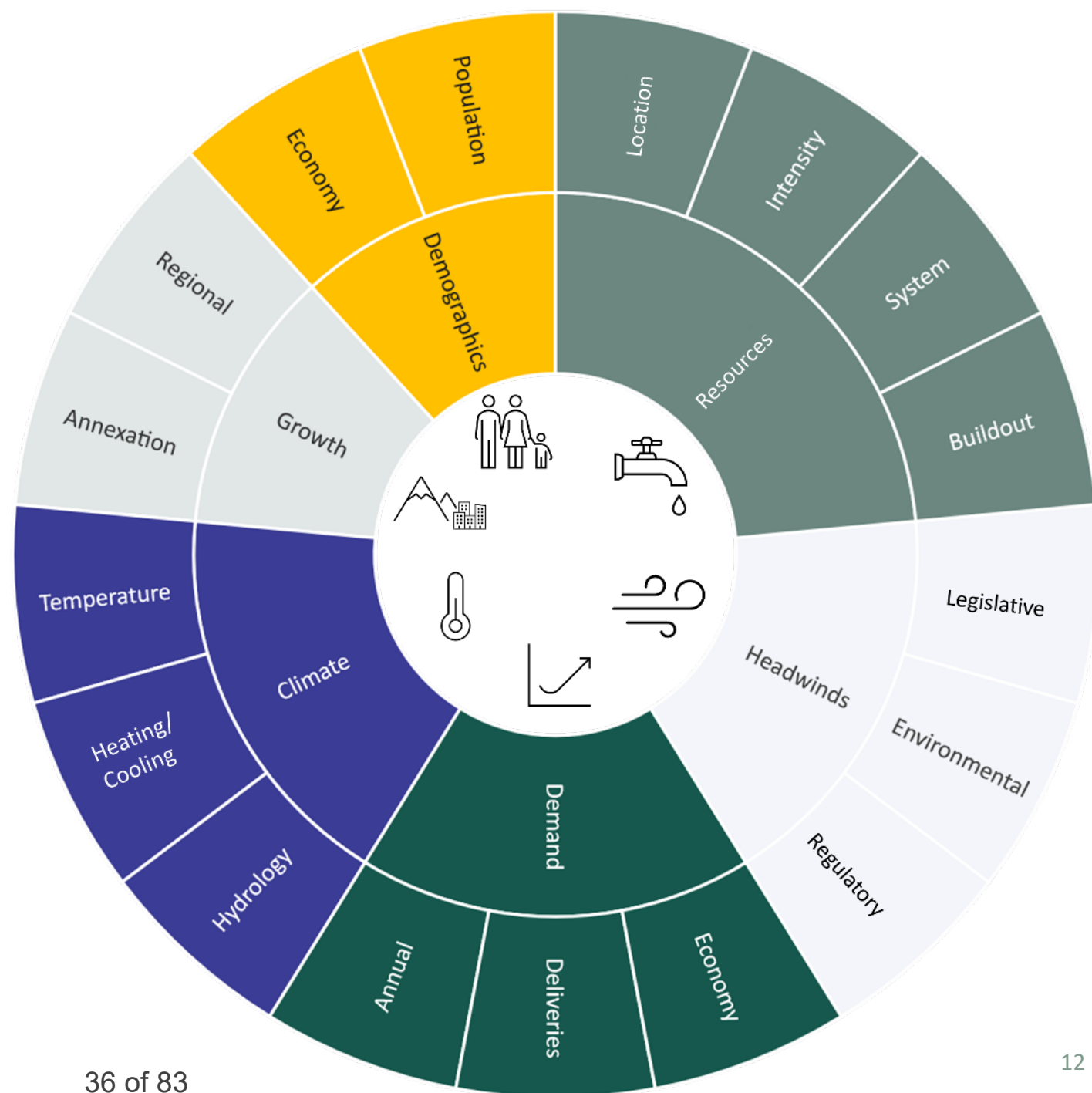
- Achievable savings of 7,900 AF through 2070
- Significant demand hardening after 2040
- State regulation is on the rise for water loss control and turf prohibition

Colorado river issues

- Negotiations leading up to expiration of 2026 Interim Guidelines related to Lake Powell and Mead management

Annexations

- City Council has approved 11 annexations in 2024/25
- Annexations are considered additive to the long-range buildout demand



Water - Integrated Resource Plan

50 Year Planning Window

Colorado
River

Water
Sharing

Conservation

Storage

Reuse

Why an integrated plan?

- Complex system
- Risk based planning
- Climate and hydrology uncertainty
- Buildout versus population growth

How do we adapt the plan?

- Diverse portfolio of options
- Less of one means more of another
- Developed a 5-, 10- and 20-year Capital Improvement Plan and roadmap
- Annual status reports to adaptively manage changing conditions.

What is in the plan?

- Water sharing with agriculture
- Storage projects – different functional storage options
- Conservation and Water Efficiency
- Reuse – Indirect Potable Reuse for the Pikes Peak region

4,000 AF/yr
on Average
by 2030

Continental Hoosier System Permitting

Purpose and Need

- Raw water redundancy to other delivery systems
- Storage to manage collection and conveyance
- Efficient management of existing infrastructure and water resources
- Manage capacity constraints of Blue River pipeline
- Economically address life cycle rehabilitation
- Increase average annual yield from the Blue River system



15,000 to
25,000 AF by
2070

Water Sharing Program

Lower Arkansas Water Management Association (LAWMA)

- Acquired 2,500 LAWMA shares
- Take delivery in 5 of every 10 years
- Approximate 10-year yield 10,000 acre-feet

Fort Lyon Canal Company (FLCC)

- Acquired 3,292 FLCC Shares for “Center Pivot” program
- Take delivery every year
- Approximate 10-year yield of 32,000 acre-feet
- Received FLCC and Bent County approval in 2024



Exchanges

- Also filed water rights applications to exchange LAWMA and FLCC water to Pueblo Reservoir

90,000 to
120,000 AF

Storage

Potential Storage Solutions

- Miskel and Bostrom Reservoirs permitted for SDS
- Haynes Creek Reservoir concept for Restoration of Yield (ROY)
- On-farm Storage study to manage Water Sharing Program
- John Martin Reservoir Pilot Project
- Clear Creek Reservoir enlargement Intergovernmental Agreement with Pueblo Water

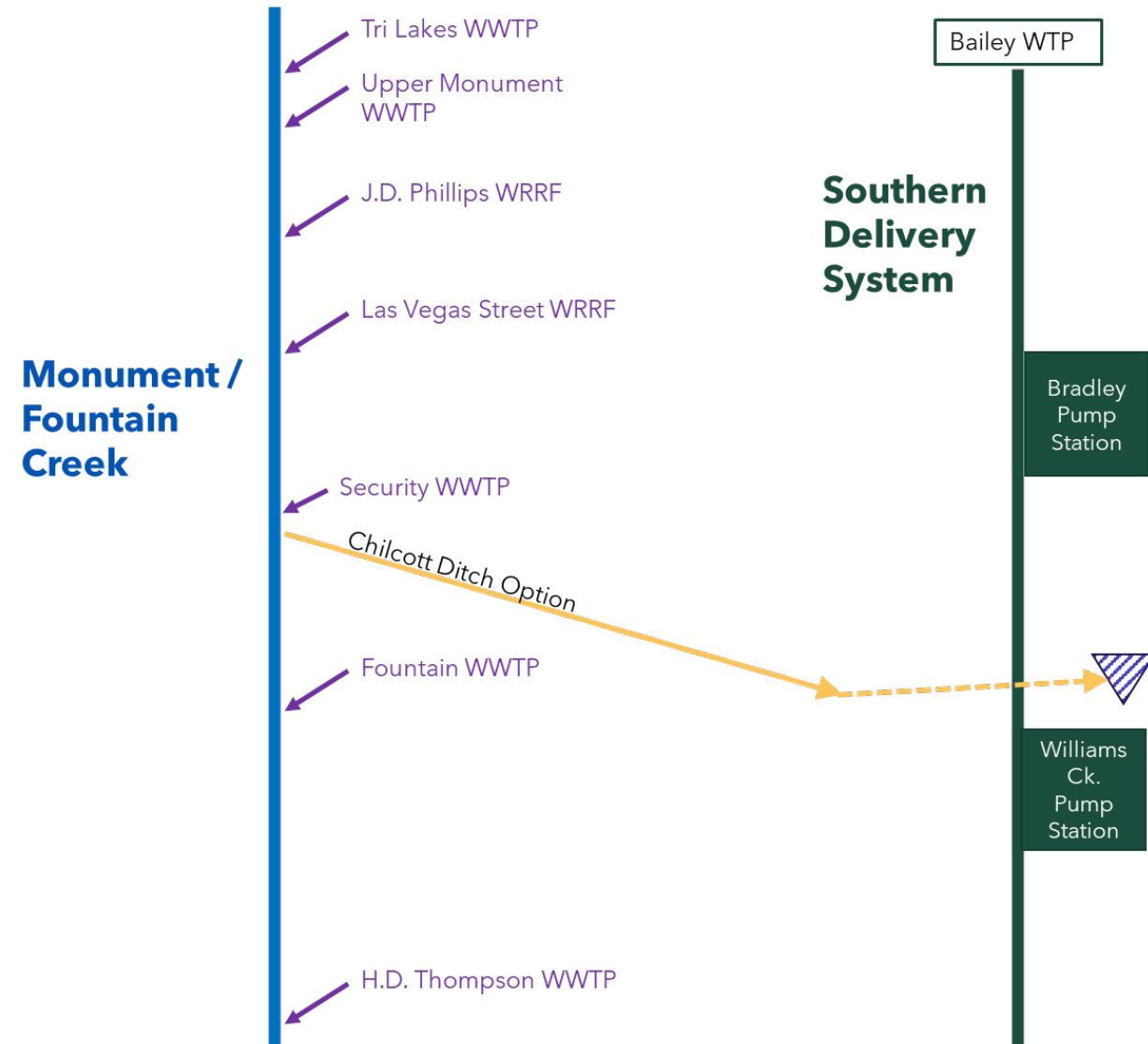




Water Reuse

Indirect Potable Reuse Study

- Regional collaboration to study and develop design for Chilcott Ditch alternative
- Recapturing reusable return flows from Fountain Creek, storing and delivering through SDS system
- Received CWCB Grant, project kick off!



Conservation
8,000
to 10,000
AF Savings

Conservation

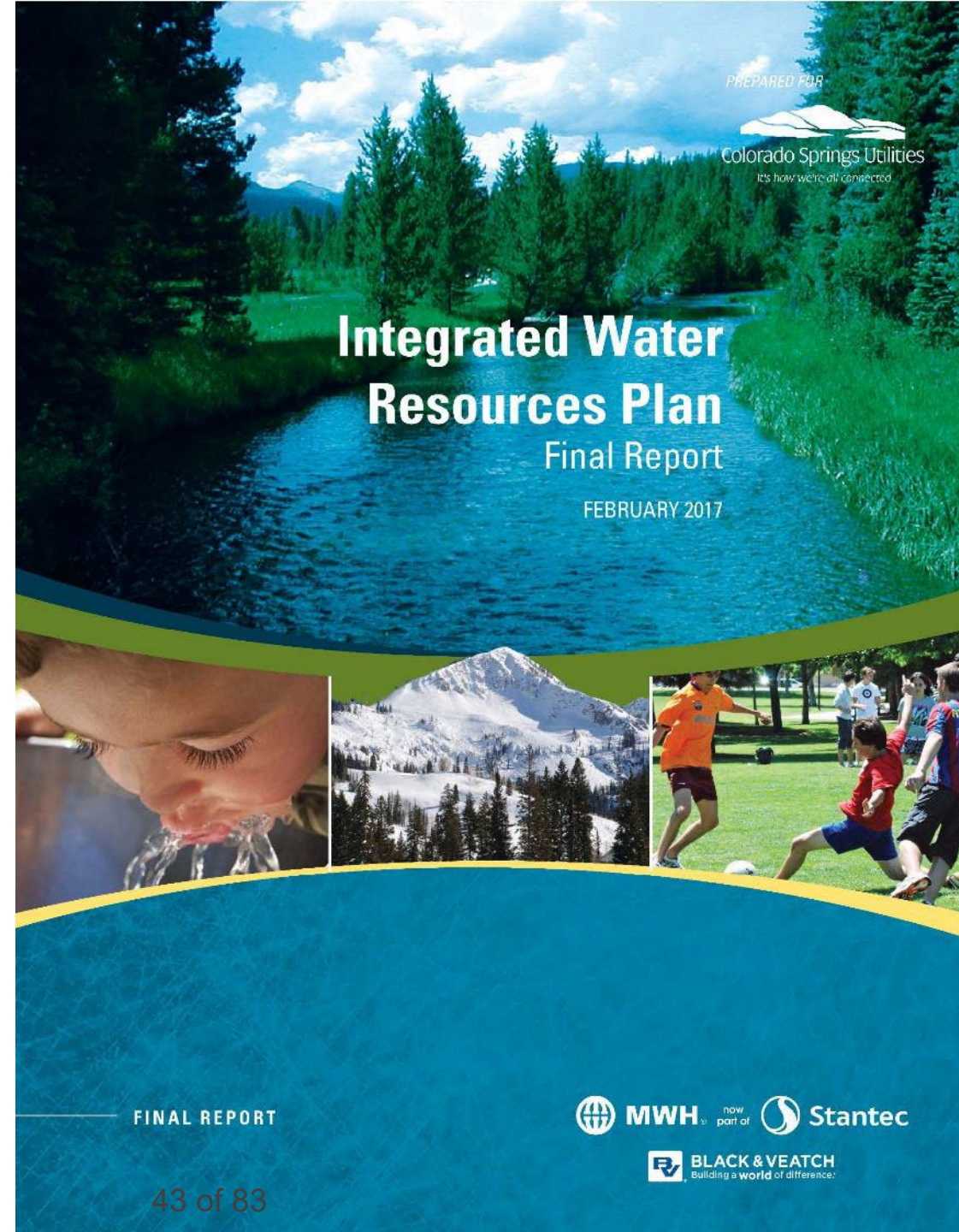
2024 efforts gained 276 AF of annual savings

- Proactive leak detection reached 40 AF of water savings, surveying 9.9% of the system
- Commercial Irrigation Direct Retrofits Program saved 40 AF and nearly doubled the goal; Commercial Irrigation Audits covered 134 acres which led to 14.2 AF saved
- 1,252 letters sent for excess water use, 21 indoor water audits, and 5 irrigation audits saved an estimated 88 AF
- Residential Turf Replacement Program participants saved 3 AF with 63 homes converting to native grass
- 827 UHET toilets replaced in affordable housing, non-profit agencies, or rebated for residential and commercial customers
- Supported nearly 3,000 visitors at Conservation Center for tips on landscaping, indoor water use and energy management
- 33 subject matter expert presentations to statewide stakeholder groups
- Water-wise Rules at ~90% customer efficacy



IWRP Update

2025 Project Scoping
2026 Baseline Modeling
2027 Risk Analysis
2028 Public Process





Electric Integrated Resource Plan Update

David Longrie, Manager Energy Resource Planning

Integrated Resource Plan

Strategic Objectives

- Operational Excellence
- Focus on the Customer
- Financial Accountability
- Support Our Community

Public Engagement

Overview, Goals
and Inputs

*Workshop
May 2025*

Draft Portfolio

*Recommendation to
Utilities Board
January 2026*

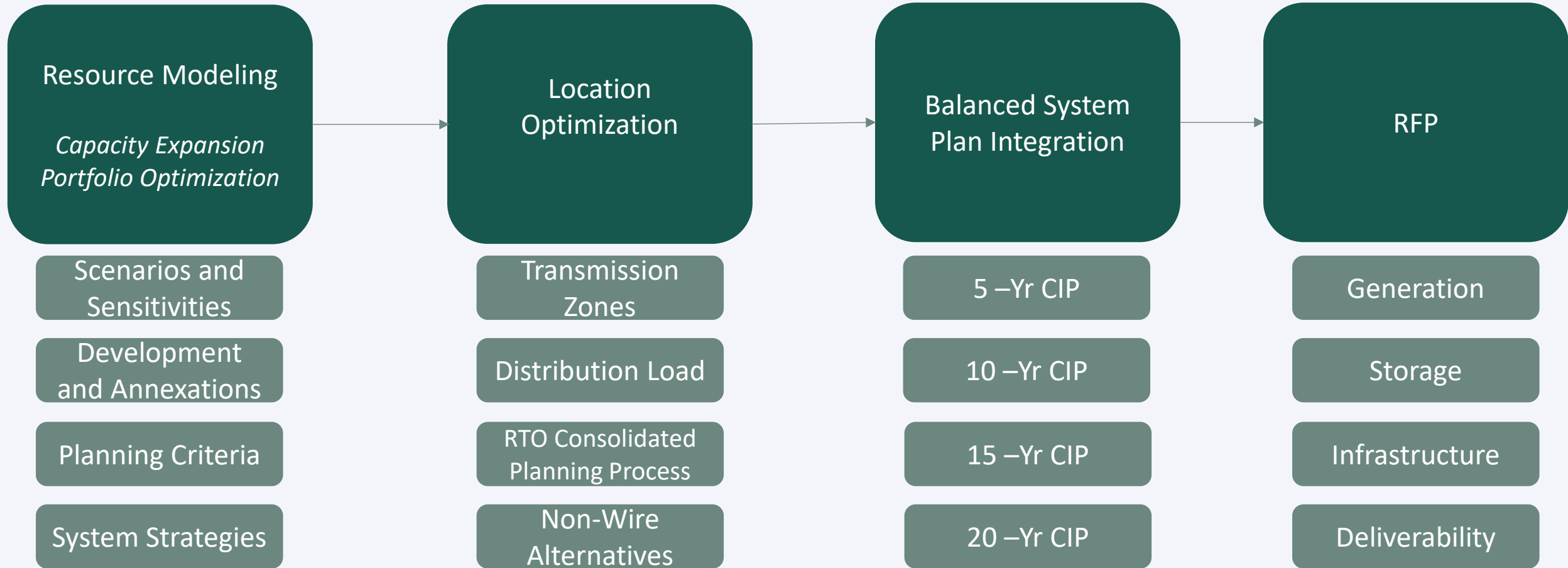
Approved Plan

*Utilities Board Approval
April 2026*

Outputs

- Balanced Capital Plan
- System Strategies
- Action Plan

Planning Steps



Resource Modeling

Inputs

Load Forecast

Existing Generators

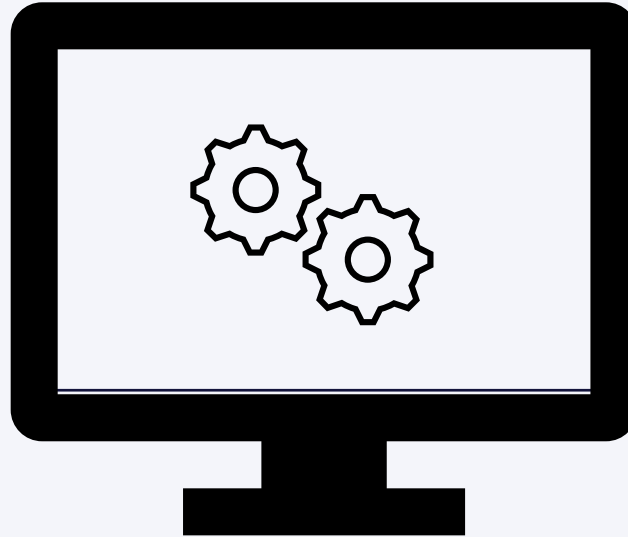
Technology Assessment

System Strategies

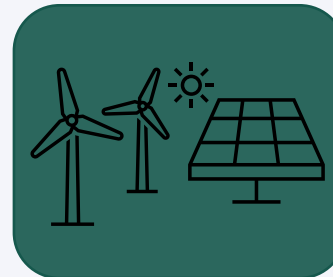
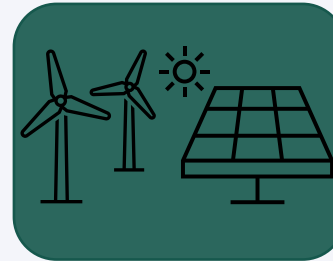
Planning Assumptions

Emissions Limits

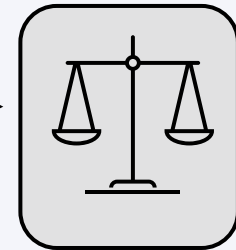
Resource Modeling



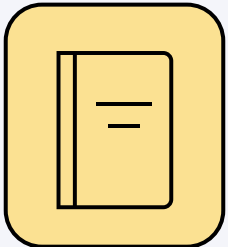
Portfolios



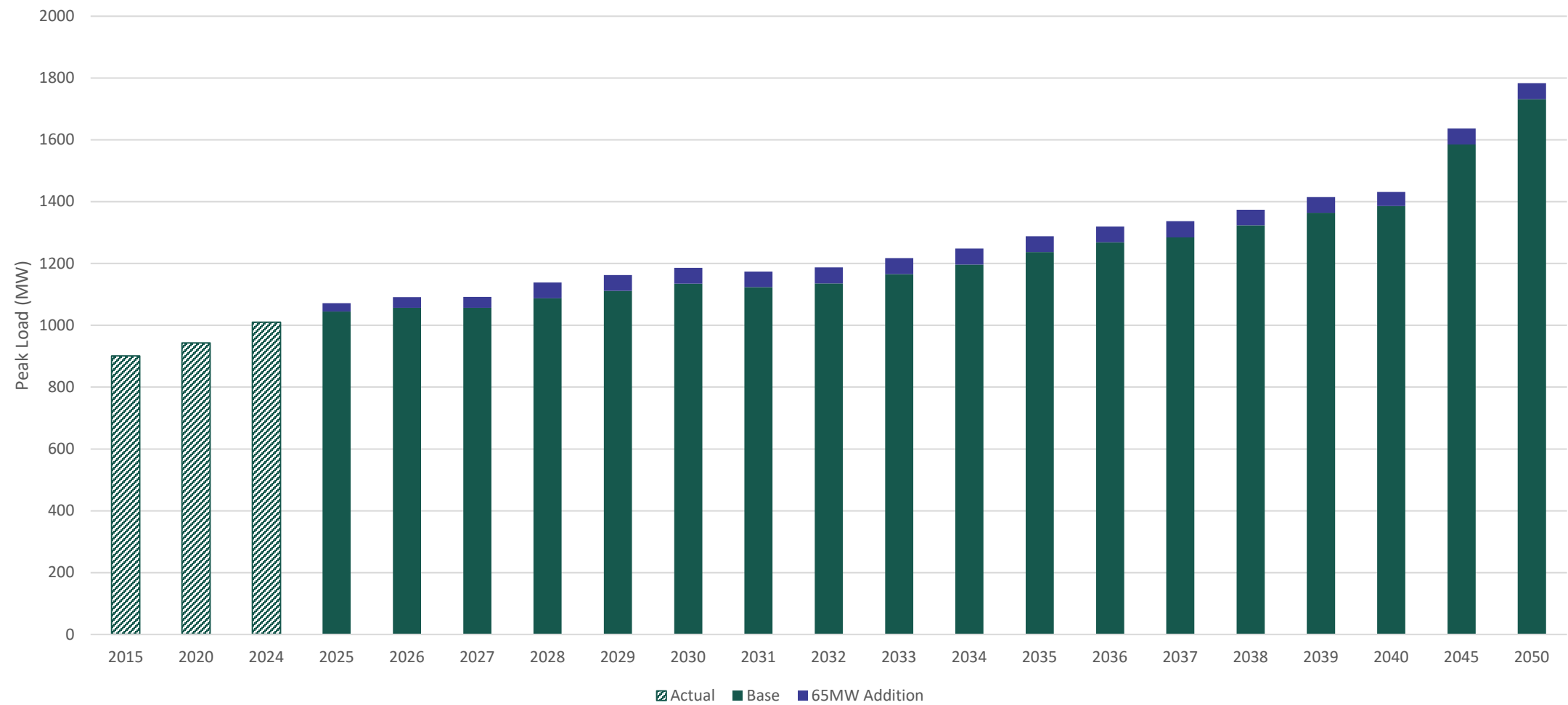
Analysis



Recommended Plan



Electric Peak Load Forecast



Electric Planning Policies and Drivers



Decarbonization



Energy Wise



Renewable
Generation



Large Load and
Annexations



Distributed
Resources



Supply Chain
Constraints



Regional Market



Technological
Innovation



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Gas Integrated Resource Plan Update

David Longrie, Manager Energy Resource Planning

Gas Planning Policies and Drivers



Load Growth



Policy and Regulation



Reliability



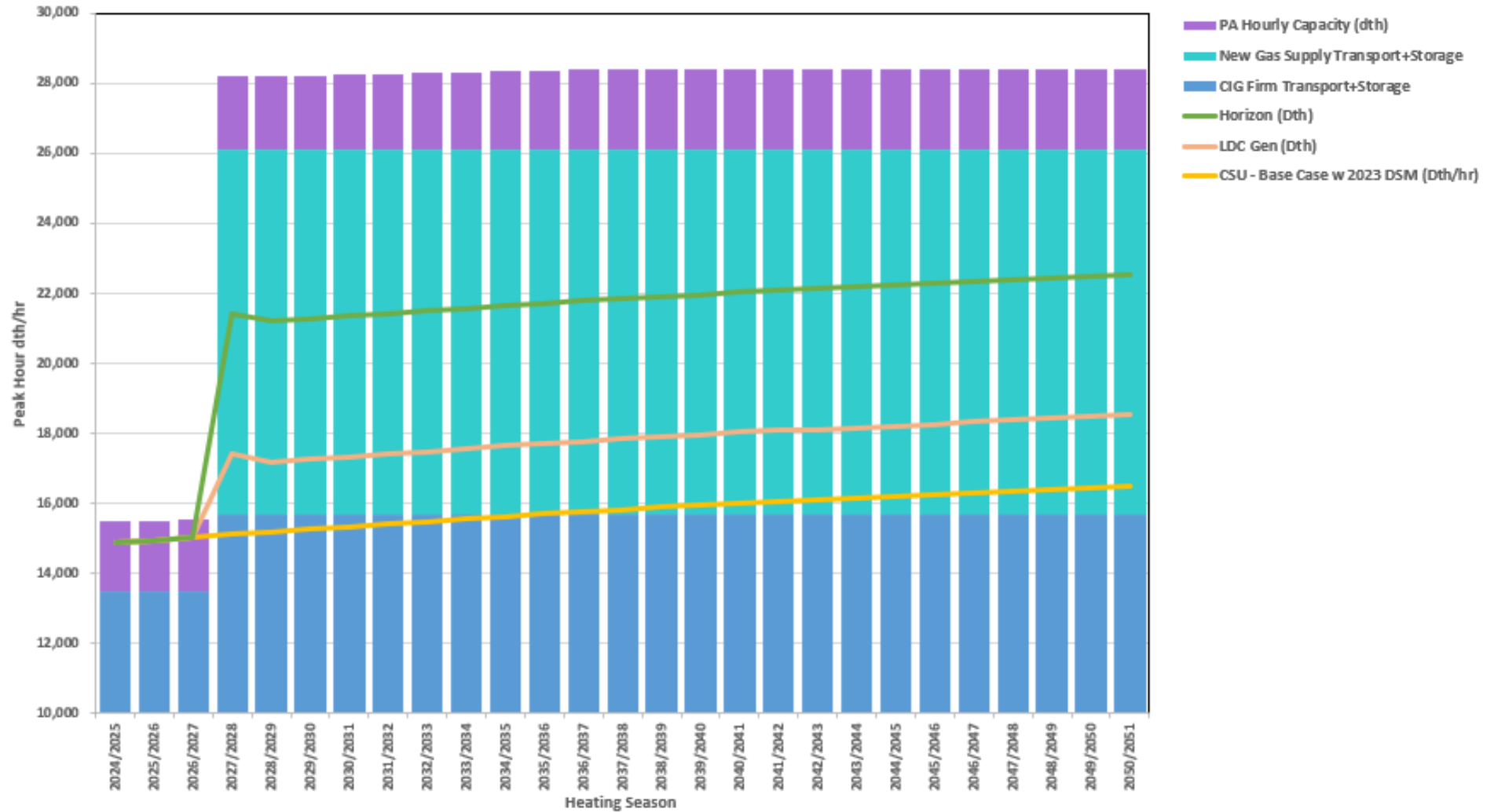
Capacity



Technological
Innovation

Gas Resource Forecast

Peak Hour vs Supply Capacity By Heating Season
CSU Peak Hour Adjusted (2024 Base Case w CHP)
Current Gas Supply Portfolio



Clean Heat Plan

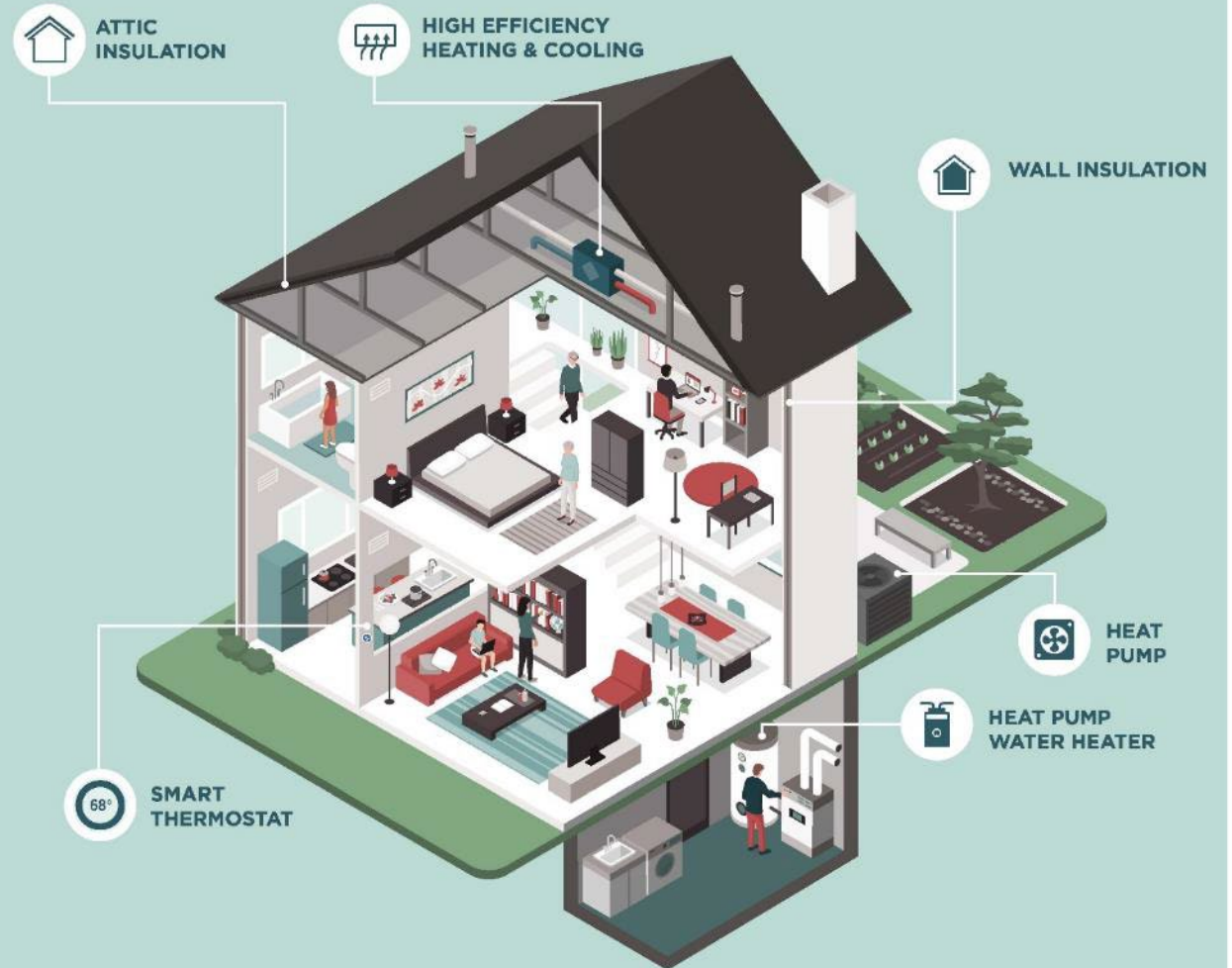
- Requires gas utilities to adopt programs to reduce greenhouse gas emissions
- 4% carbon emission reduction by 2025 with 2% cost cap
- 22% carbon emission reduction by 2030 with 2.5% cost cap of retail sales



Demand Side Management (DSM) Programs for Clean Heat Plan (CHP)

- Increased rebate values for gas savings programs to promote customer adoption
- Added Heat Pump and Heat Pump Water Heaters to rebate offerings
- Launched successful marketing campaign (1M+ impressions)
- Hosted inaugural Trade Ally event
- CHP funding for low-income housing through Home Energy Assistance Program (HEAP)

Energy Efficient Rebates



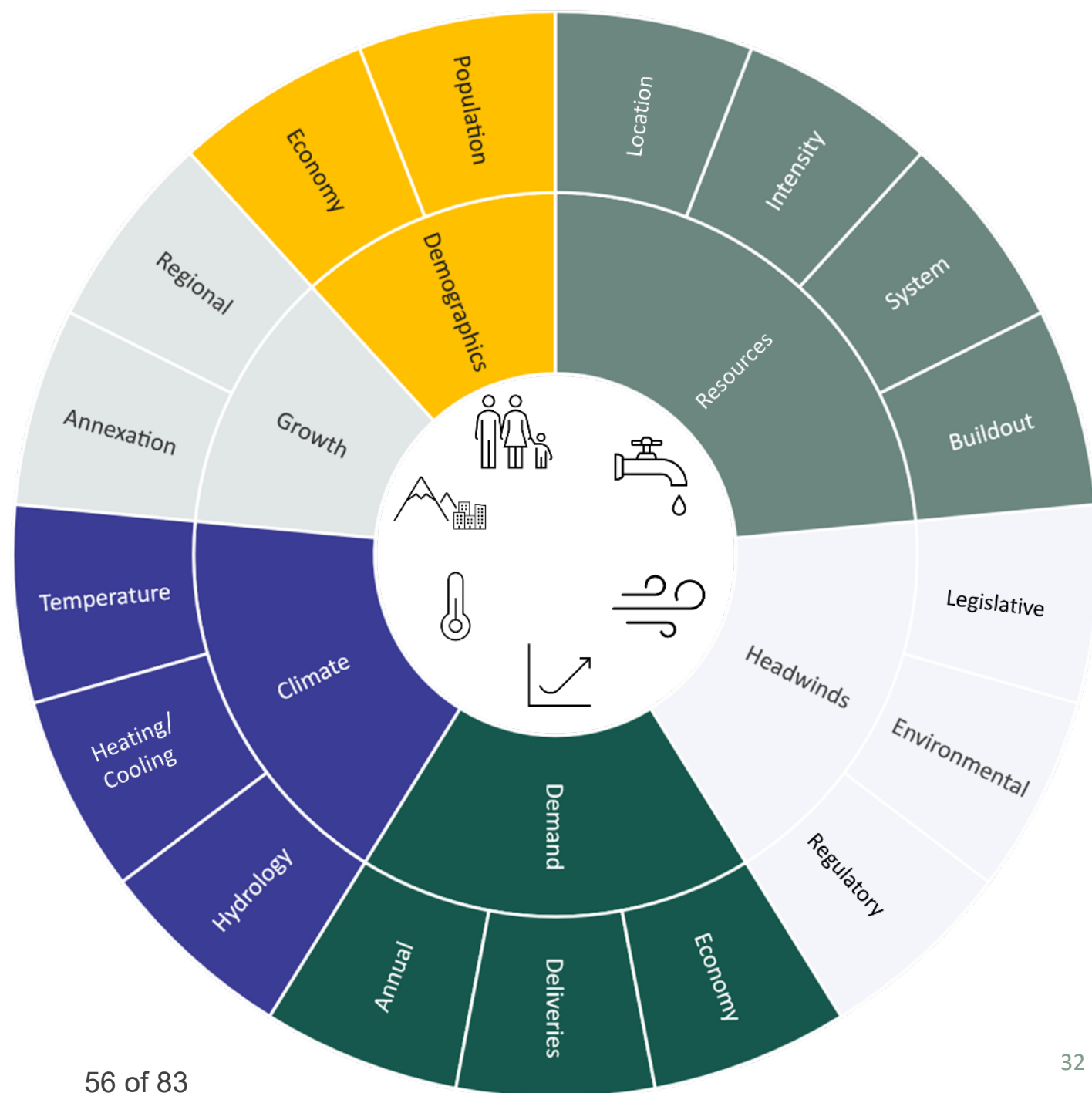


Wastewater Integrated Resource Plan Update

Emily Magnuson, Supervisor – Wastewater Planning

Planning Considerations

- Monitoring future regulations when planning and executing projects (Water Resource Recovery Facilities)
 - Nutrient Regulation 31
 - Effluent temperature regulations
 - Potential PFAS regulations
- More stringent regulations may drive IPR/DPR
- Resource recovery could significantly change the mode under which Utilities operates in the future by shifting the focus to more economically efficient resource recovery to meet or stay ahead of regulatory drivers.

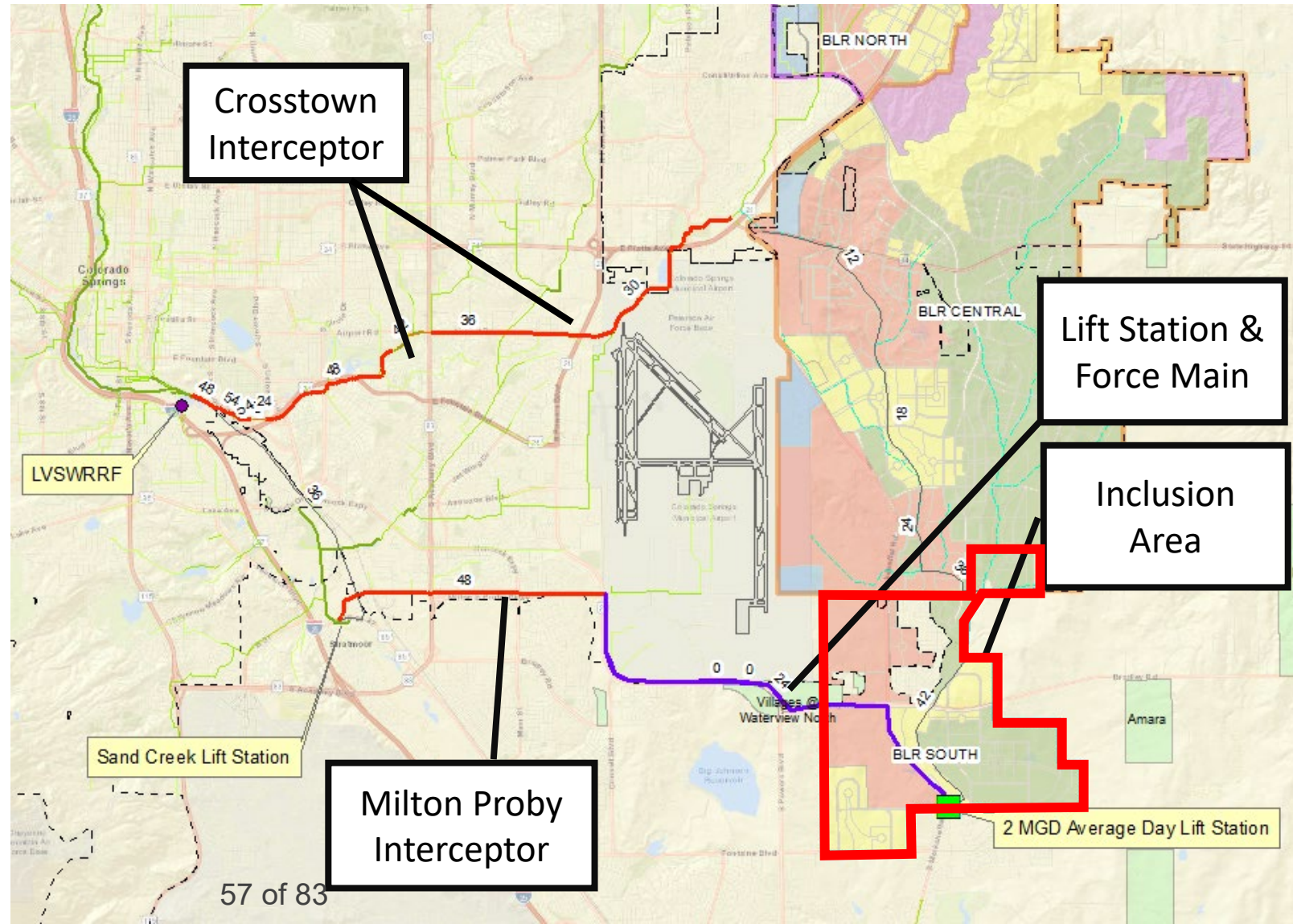


17.5 MGD
growth by
2070

Eastern Wastewater System Expansion Design

Purpose and Need

- Significant demand projected from eastern expansion
- 50-year planning horizon
- Charts the course for the future wastewater system
- 2023 SAA determined the following benefits of this solution:
 - Leverages existing infrastructure (LVSWRRF)
 - Fastest Initial Implementation
 - Congruent with Reuse Plans



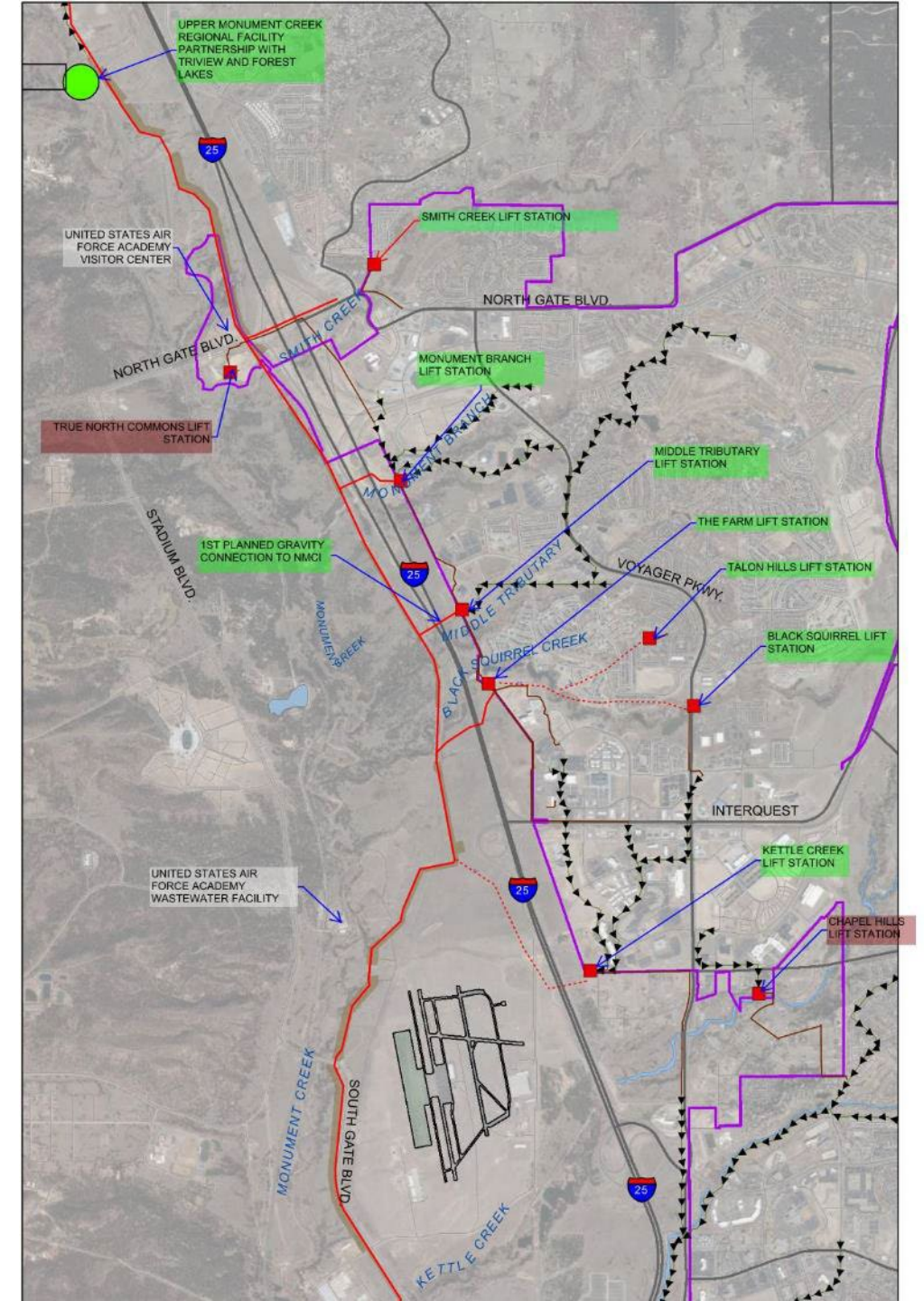
J.D. Phillips Water Resource Recovery Facility Upgrades

- Biological Nutrient Removal Infrastructure Upgrades
 - Supports and improves existing treatment process
 - Needed to meet Colorado Department of Public Health and Environment nutrient regulations
 - Efficiency in releasing effluent to adjacent Monument Creek, within regulatory compliance
- Hydrocyclone Design
 - Supports settling and thickens sludge to improve treatment process
 - Needed to promote a more efficient treatment process, reduce costs and meet regulatory compliance to discharge treated effluent to Monument Creek

1.2 MGD
Regional
Contribution
& 1.3 MGD from
City of Colorado
Springs

Northern Monument Creek Interceptor

- Current Status:
 - Project is currently in design phase and contracted to 90% design and cost estimation.
- Regional Partnerships:
 - TriView and Forest Lakes Metropolitan Districts share project costs
 - As this project moves to final design & construction, the Districts will collaborate with Utilities for providing service to Northern Entities





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Questions?

2024 Energy Demand Management Performance Report



Colorado Springs Utilities
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EXECUTIVE SUMMARY

Colorado Springs Utilities offers electric and natural gas demand side management solutions for business and residential customers to save money, use less energy, and contribute to a sustainable future.

Demand side management (DSM) is a strategy that enables utilities to influence the time and use of energy, demand, or carbon intensity of customer activities. DSM programs can include energy efficiency, demand response, renewable energy systems, energy storage, and decarbonization measures. DSM measures can reduce the need for peak capacity, energy generation, and purchase costs which helps reduce long-term utility revenue requirements.

In 2021, the Colorado General Assembly passed requirements for natural gas distribution utilities to reduce greenhouse gas emissions by 4% by 2025 and 22% by 2030, using year 2015 as a baseline. As a natural gas distribution utility, Colorado Springs Utilities (Springs Utilities) filed a Clean Heat Plan 2023, outlining methods to meet these targets using a mix of supply side and demand side resources. These “clean heat resources” include energy efficiency programs, recovered methane, green hydrogen, and beneficial electrification.

For 2024, Colorado Springs Utilities focused on expanding the scope and scale of demand-side management programs to support of the Clean Heat Plan goals. The following programs are eligible to contribute towards the Clean Heat Plan:

- Builder Incentive Program
- Engineering Design Assistance
- HVAC Equipment Rebates
- Water Heater Rebates
- Home Efficiency Assistance Program (HEAP)
- Insulation & Air Sealing Rebates
- Smart Thermostat Rebates



Additionally, in 2024 Utilities worked to implement a new platform to streamline the interconnection process for customer-owned distributed generation resources, with an online portal set to go live in 2025.



BUDGET & BENEFIT RATIO

Category	Program	Budget	Actual Costs	Budget (CHP)	Actual Costs (CHP)	Utilities Benefit/Cost Ratio	Modified Total Resource Benefit/Cost Ratio
Electric Efficiency and Renewable Energy							
Residential	Home Energy Assistance Program	96,582	115,513	-	-	0.80	1.00
	Conservation Center Display Upgrades	0	17,613	-	-	-	-
	Net-metered Solar Additions	0	0	-	-	-	0.61
	Refrigerator Recycling (Program closed)	42,326	50	-	-	-	-
Business	Energy Custom Rebate	100,000	18,174	-	-	21.31	-
	Building Retrocommissioning	129,516	0	-	-	-	-
	Energy Design Assistance	129,516	0	-	-	-	-
	Builder Incentive Program	40,000	17,330	-	-	15.56	-
	High Efficiency Air Cooling	580,754	507,222	-	-	4.73	5.63
	<i>Electric Efficiency Total</i>	<i>1,118,694</i>	<i>675,903</i>			<i>4.66</i>	<i>5.78</i>
	<i>Electric Efficiency and Renewables Total</i>	<i>1,118,694</i>	<i>675,903</i>			<i>15.26</i>	<i>0.86</i>
Electric Demand Management							
Residential	Peak Energy Rewards	531,100	839,788	-	-	0.71	0.71
	EV Smart Charging Pilot	110,000	2,106	-	-	-	-
	<i>Demand Management Total</i>	<i>641,100</i>	<i>841,894</i>			<i>0.71</i>	<i>0.71</i>
	Electric Total	1,759,794	1,517,797				
Natural Gas Efficiency							
Residential	HVAC Equipment Rebate	475,000	481,500	475,000	481,500	1.04	2.05
	Water Heater Rebate	54,999	19,156	55,000	19,155	0.51	0.69
	Home Energy Assistance Program	830,210	1,020,942	715,210	855,402	0.18	0.66
	Insulation and Air Sealing	450,000	232,505	450,000	232,505	1.22	1.68
	Smart Thermostat Rebate	50,000	60,146	50,000	60,146	1.05	2.92
	Watersense Showerhead Exchange	13,066	8,667	13,066	-	10.66	33.79
	Clean Heat Plan marketing and education	150,000	141,000	150,000	141,000	-	-
Business	Builder Incentive Program	268,231	421,825	268,231	421,825	1.08	0.79
	Energy Custom Rebate	288,000	-	288,000	-	-	0.13
	Building Retrocommissioning	230,484	370,993	201,936	-	-	-
	Energy Design Assistance	230,484	-	-	-	-	-
	Watersense Showerhead Rebate	5,000	-	5,000	-	-	-
	High Efficiency Air Cooling	-	29,734	-	-	-	-
	Natural Gas Total	3,045,474	2,786,468	2,671,443	2,211,533	0.60	1.10
General and Administrative		366,502	245,700	-	-		
Home Energy Efficiency Program (Water)		4,000	411,141	-	-	-	-
	Total	5,175,770	4,961,105	2,671,443	2,211,533	2.54	0.89

New programs or program features shown in green.

Most natural gas activities are funded by the Clean Heat Plan rider.

EV Telematics pilot is expected to launch in mid-2025.

Refrigerator/Freezer Recycling was discontinued in late 2024.

Actual costs based on preliminary accounting close and may differ from final audited records.

SAVINGS

Category	Program	Demand Reduction Goal (MW)	Demand Reduction (MW)*	Lifetime Electric Energy Savings Goal (MWh)	Lifetime Electric Energy Savings (MWh)	Lifetime Gas Energy Savings Goal (Dth)	Lifetime Gas Energy Savings (Dth)	Lifetime Avoided CO2 Emissions (MT CO2)	Cost of Lifetime Energy or Demand Savings (\$/MWh, \$/kw-yr, \$/Dth)	Cost of Avoided Gas Emissions (\$/MT CO2)
Electric Efficiency and Renewable Energy									\$/MWh	
Residential	Home Energy Assistance Program	-	-	3,684	2,904	-	-	-	39.77	-
	Conservation Center Display Upgrades	-	-	-	-	-	-	-	-	-
	Net-metered Solar Additions	1.81	1.6	170,260	179,923	-	-	-	-	-
	Refrigerator Recycling (Program closed)	-	-	-	-	-	-	-	-	-
Business	Energy Custom Rebate	0.10	-	14,550	2,455	-	-	-	7.40	-
	Building Retrocommissioning	-	-	-	-	-	-	-	-	-
	Energy Design Assistance	-	-	-	-	-	-	-	-	-
	Builder Incentive Program	0.13	0.1	1,283	2,265	-	-	-	7.65	-
	High Efficiency Air Cooling	0.78	0.6	60,138	34,300	-	-	-	14.79	-
	<i>Electric Efficiency Total</i>	<i>1.0</i>	<i>0.7</i>	<i>79,654</i>	<i>41,924</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>16.12</i>	<i>-</i>
	<i>Electric Efficiency and Renewables Total</i>	<i>2.8</i>	<i>2.3</i>	<i>249,914</i>	<i>221,848</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>3.05</i>	<i>-</i>
Electric Demand Management									\$/kw-yr*	
Residential	Peak Energy Rewards	2.52	4.6	-	-	-	-	-	183	-
	EV Smart Charging Pilot	-	-	-	-	-	-	-	-	-
	<i>Demand Management Total</i>	<i>2.5</i>	<i>4.6</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>183</i>	<i>-</i>
Electric Total		5.3	6.9	249,914	221,848	-	-	-		
Natural Gas Efficiency									\$/Dth	
Residential	HVAC Equipment Rebate	-	-	-	-	201,841	298,745	14,439	2.35	32.90
	Water Heater Rebate	-	-	-	-	3,078	4,492	217	16.09	253.33
	Home Energy Assistance Program	-	-	-	-	76,680	109,240	5,280	11.65	157.24
	Insulation and Air Sealing	-	-	65	59	103,359	194,087	9,381	4.26	47.97
	Smart Thermostat Rebate	-	-	1,033	407	8,536	18,402	889	3.43	56.22
	Watersense Showerhead Exchange	-	-	236	4,870	11,439	46,653	2,255	0.35	5.79
	Clean Heat Plan marketing and education	-	-	-	-	-	-	-	-	-
Business	Builder Incentive Program	-	-	-	-	289,600	295,279	14,272	0.91	18.79
	Energy Custom Rebate	-	-	-	-	-	809	39	356.22	7,370.09
	Building Retrocommissioning	-	-	-	-	-	-	-	-	-
	Energy Design Assistance	-	-	-	-	-	-	-	-	-
	Watersense Showerhead Rebate	-	-	3	-	11,439	46,653	2,255	0.11	2.22
	High Efficiency Air Cooling	-	-	-	-	-	-	-	-	-
Natural Gas Total		-	-	1,336	5,335	705,970	1,014,360	49,027	3.00	62.12
General and Administrative		-	-	-	-	-	-	-	-	-
Home Energy Efficiency Program (Water)		-	-	-	-	-	-	-	-	-
Total		5.3	6.9	251,251	227,183	705,970	1,014,360	49,027		

* For demand management programs, long-duration (4-hour) event total summer capacities are shown. Additional capacity is provided for shorter event durations on hot days.

OBJECTIVES

The portfolio of programs is selected to meet multiple planning objectives. Some programs have multiple benefits, for example a showerhead may save on energy, water, and wastewater expense.

Not all objectives are always aligned within a single program. For example, an electrification program such as a heat pump rebate may help with gas energy efficiency and decarbonization, but may increase electric generation or capacity requirements.



Electric Energy Efficiency



Gas Energy Efficiency



Demand Reduction



Decarbonization



Resiliency



Equity

PROGRAM HIGHLIGHTS

Selected program highlights from 2024 are noted below. Where noted, “Utilities Net Benefit” is the present-value of long-term revenue requirement reductions created by the program, using estimates of avoided costs developed through the resource planning process. “Net Total Resource Cost Community Benefit” is the benefits identified by the modified Total Resource Cost (TRC) test which is described in the “Cost Effectiveness” portion of this document.

Clean Heat Plan Education

To make customers and contractors aware of our Clean Heat Plan related rebates, Colorado Springs Utilities implemented an extensive multi-channel marketing effort across earned and paid media including online, print, web, tv, streaming, and social media channels reaching over 1 million impressions. The communications included engaging content, such as the “Science with Sam” series that explored how Heat Pumps and Heat Pump Water Heaters work. This communication helped Colorado Springs Utilities be the first utility in Colorado to proactively launch the implementation a Clean Heat Plan.

Insulation and Air Sealing

Utilities increased rebate amounts for our long-running insulation rebate in 2024, and customer participation increased, with over 300 customers installing attic or wall insulation, representing approximately \$657,000 of customer investment.

Net Benefit to Utilities: \$284,000
Net TRC Community Benefit: \$1.1M

HVAC Equipment Rebates

Utilities added several categories of new equipment to our long-running furnace rebate program. Options for customers now include furnaces, ENERGY STAR heat pumps and the latest in cold-climate heat pump technology. Customers installed 173 efficient furnaces, 45 ENERGY STAR heat pumps, and 188 cold-climate heat pumps, representing a community investment of approximately \$867,000.

Net Benefit to Utilities: \$19,000
Net TRC Community Benefit: \$908,000

Home Energy Assistance Program (HEAP)

Utilities income-qualified home energy assistance program provided insulation, weatherization, water-saving measures to over 100 of our economically challenged customers. In 2024, HEAP accounted for 38% of our Clean Heat Plan activities. While the program does not score net positive on cost tests, it meets an important customer need and is a significant contributor to our Clean Heat Plan goals.

Net Benefit to Utilities: (\$864,600)
Net TRC Community Benefit: (\$760,000)

High Efficiency Air Cooling

Recognizing that some decisions about efficiency are made by contractors before even preparing a bid for customers, and that availability of equipment may limit installation of high-efficiency options, Utilities operates a mid-stream high efficiency air cooling program that encourages wholesale distributors to stock and sell efficient equipment. In 2024, nearly 400 pieces of highly efficient air conditioning equipment totaling over 3000 tons of cooling capacity were sold to customers through this program, affecting the long-term energy use and summer peak demand of over 200 buildings. The program included units as small as a hotel room A/C unit, up to large industrial chillers for industrial processes.

Net Benefit to Utilities: \$10M
Net TRC Community Benefit: \$4.8M

Peak Energy Rewards

Utilities program for active management of smart thermostats has grown to one of our most popular customer programs, with over 9,000 customers allowing Utilities to make limited adjustments to their thermostats on hot summer days to minimize expensive peak power production. For 2024, this program provided over 14 MW of short-duration (less than 2-hour) reduction in load, and 4.3 MW of sustained reduction over a four-hour window. Utilities will be re-evaluating this program for possible improvements, as the value of the 4-hour event capacity may not exceed the program administration costs. The popularity of the program does suggest that customers want to be a part of helping avoid expensive power generation if it is easy and automated.

Net Benefit to Utilities: (\$243,051)
Net TRC Community Benefit: (\$243,051)

Net Metered Solar Additions

Utilities no longer promotes photovoltaic generation systems, however, there is strong customer interest and participation in this technology. Customers interconnected over 4.6 megawatts of distributed solar generation in 2024, representing an approximate community investment of \$11.7 million net of tax credits. While there is identified cross-customer subsidy in the Net Metering tariff, these distributed generation systems help to reduce revenue requirements for utility generation and summer capacity. Summer capacity value from customer PV is expected to diminish after 2030 as the conventional generation peak moves into later evening hours.

Net Benefit to Utilities: \$7.1M
Net TRC Community Benefit: (\$4.6M)

COST-EFFECTIVENESS

A primary objective of integrated resource planning is to reduce the net present value revenue requirement for operating the Utility. The Utility Cost Test (UCT) measures the change in long-term revenue requirements from operation of a program. Costs and Benefits used in this test include:

This test includes the costs and benefits listed below and is highly sensitive to forecasts for avoided energy and capacity costs.

Costs:

- Incentives paid to customers
- Indirect costs paid by Utilities to third-party administrators
- Indirect administrative overhead costs

Benefits:

- Avoided energy purchases
- Avoided electric capacity expense
- Avoided natural gas purchases
- Avoided natural gas pipeline capacity

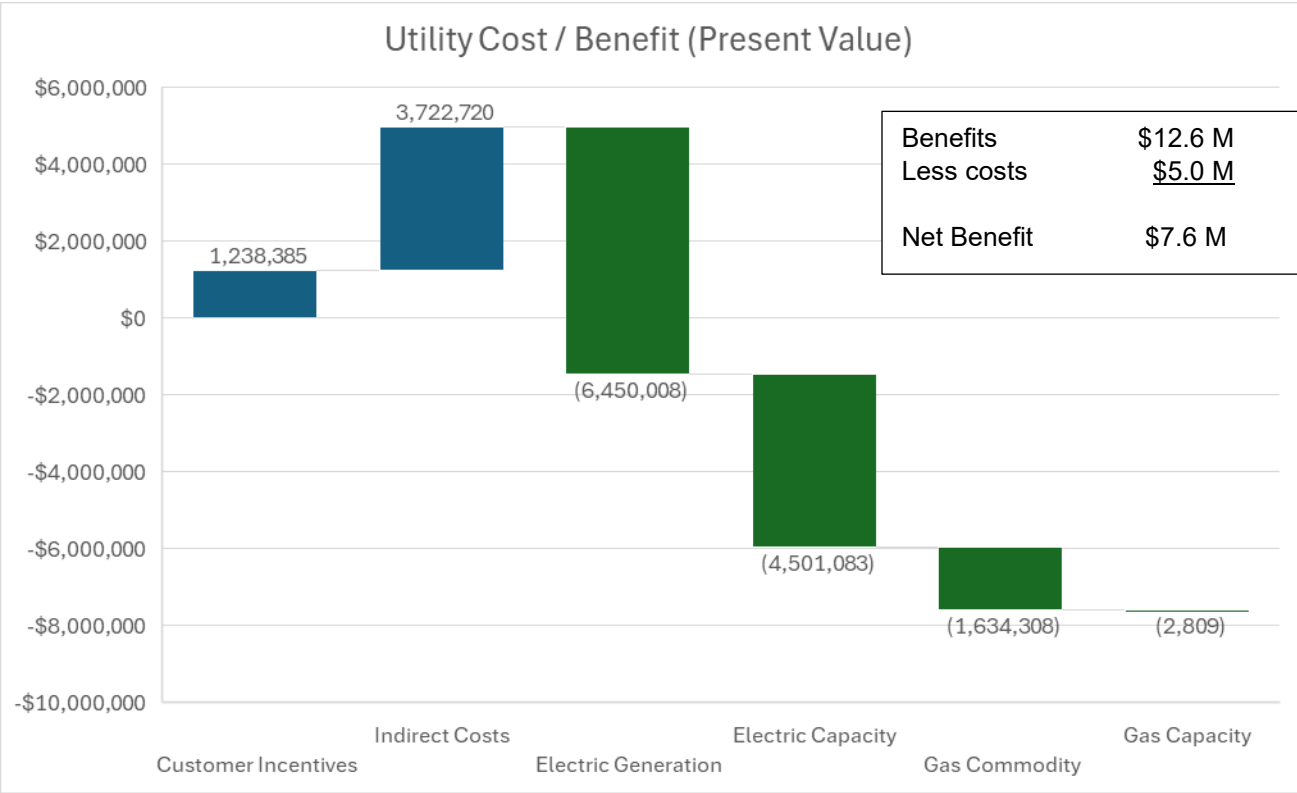


Figure 1: Present value of costs and benefits for the overall DSM portfolio, from the Utilities Cost Test perspective. For 2024, the portfolio of all DSM Programs, including effects of customer net-metered solar, achieved a long-term net benefit to Utilities of \$7.6M, or a benefit to cost ratio of 2.5. If the effects of distributed PV are not considered, the net utilities benefit would be \$0.5M.

Consistent with our Clean Heat Plan filing and Colorado’s evaluation of investor-owned demand side management programs, portfolio cost-effectiveness is reported using a modified Total Resource Cost test (mTRC). Colorado Springs Utilities’ mTRC test takes the combined perspective of the Utility and the participating customers to quantify the costs and benefits that accrue to either the utility or the participating customer. This test considers the following costs and benefits:

Costs:

- Incremental cost for customers to purchase the more efficient option
- Indirect costs paid by Utilities to third-party administrators
- Indirect administrative overhead costs

Benefits:

- Avoided energy purchases
- Avoided electric capacity expense
- Avoided natural gas purchases
- Avoided natural gas pipeline capacity
- Benefits Adder
- Social Cost of Carbon

The Benefits Adder is intended to quantify soft benefits that are hard to measure, such as improved air quality in a home, or a low-income customer not needing to skip on medications to pay their utility bill. Consistent with recent Colorado Public Utility Commission’s evaluations of investor-owned utilities’ DSM programs, Colorado Springs Utilities’ interpretation of the benefits adder is a 10% additional net benefit, except for low income which receives a 25% benefit. Social Cost of Carbon is applied to reduced emissions from use of natural gas, consistent with Colorado’s Clean Heat Plan rules, currently at \$77/short ton of avoided CO₂ emissions.

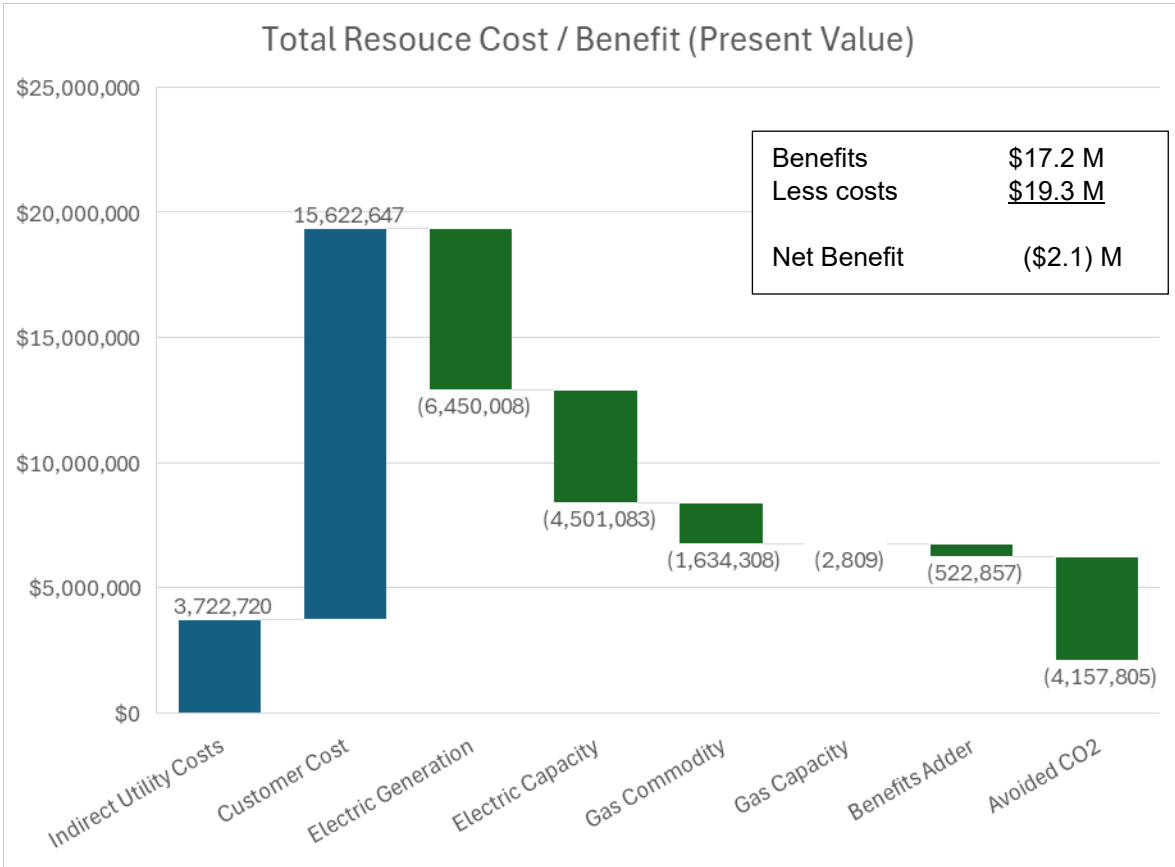


Figure 2: Present value of costs and benefits for the overall DSM portfolio, from the Total Resource Cost Test perspective. For 2024, the overall portfolio of programs, including customer rooftop PV activity, achieved a net mTRC benefit of (\$2.0M), with a benefit-to-cost ratio of 0.89. Estimated customer costs to install distributed PV were the major factor pushing this test below cost-effectiveness for the overall portfolio. If the costs and effects of distributed PV is excluded from the test, the net TRC benefit would be a positive \$2.5M.



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North Slope Recreation Area

Watershed Access and Recreation Planning Process

Lisa Walters, Source Water Protection

May 19, 2025

Agenda

- Project Overview
- Public Stakeholder Process
- Next Steps



South Catamount Dam Rehabilitation Project

Area trail closures: effective Fall 2023- Spring 2026

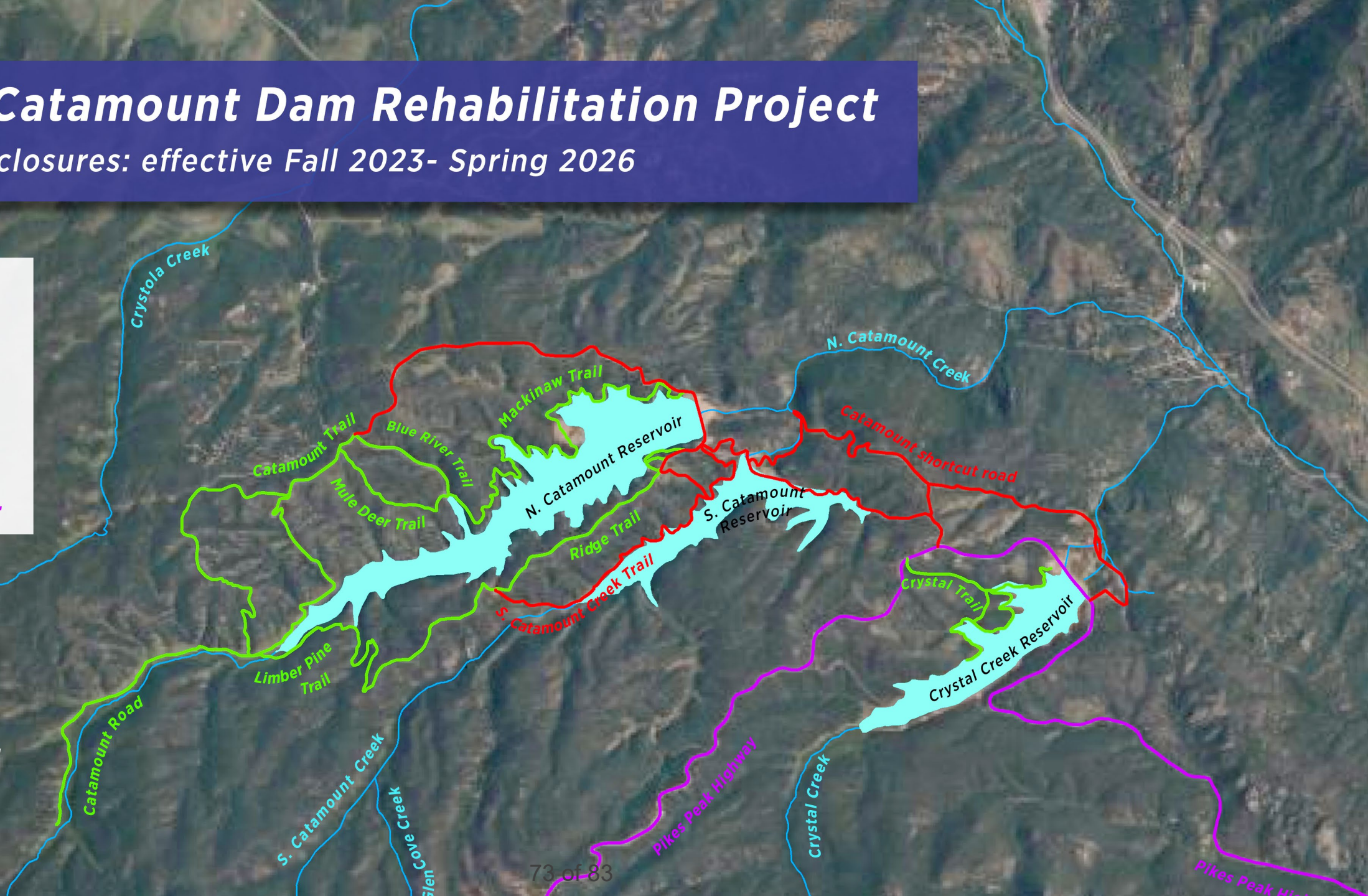
Open trail

Closed trail

Pikes Peak Hwy.



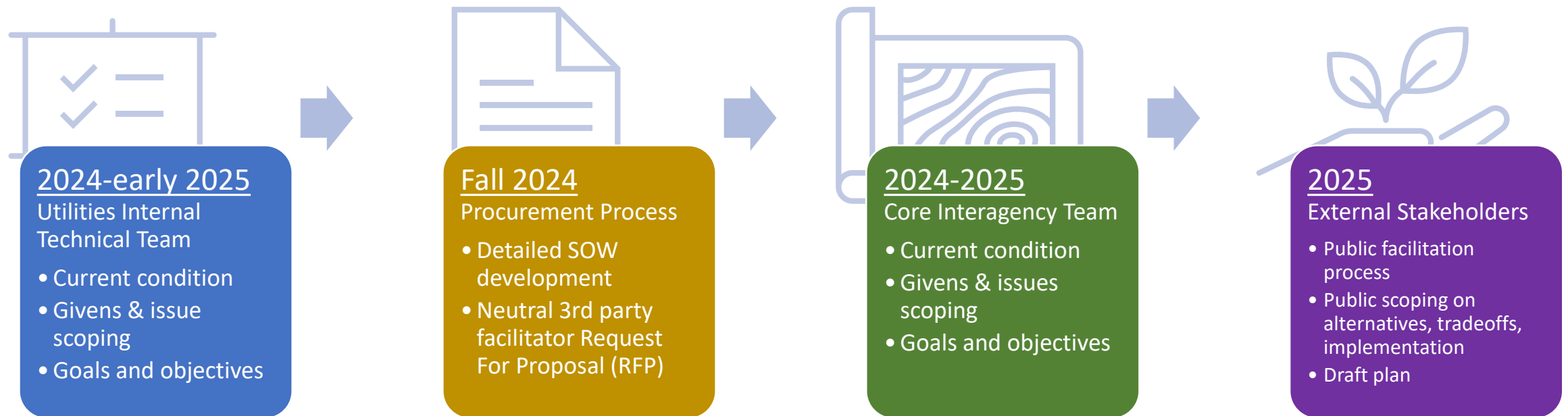
Scan the code
or visit [csu.org](https://www.csu.org)
to learn more



Project Scope

- Analysis of existing public access and recreation activities on North Slope Recreation Area.
- Recommendations regarding the current recreation access and trails.
- Address infrastructure protection and security, public safety, and sustainability.
- Develop alternatives for improved public access and recreational use of the North Slope Recreation Area.
- Minimize impacts of recreational activities on utilities–related operations and infrastructure, drinking water sources, and natural resources.

Planning Process and Schedule



Established Watershed Givens

1

Strengthen security and infrastructure protection.

Establish rules, regulations and methods to ensure the safety of the public, staff, and infrastructure.

2

Accommodate public access and recreation uses that are financially and environmentally compatible.

Ensure compatibility with Utilities' core business and operations.

3

Ensure that personnel and financial resources are sufficient to support safe recreational activities.

Ensure resources are sufficient to protect the North Slope Recreation Area and Utilities' operations.

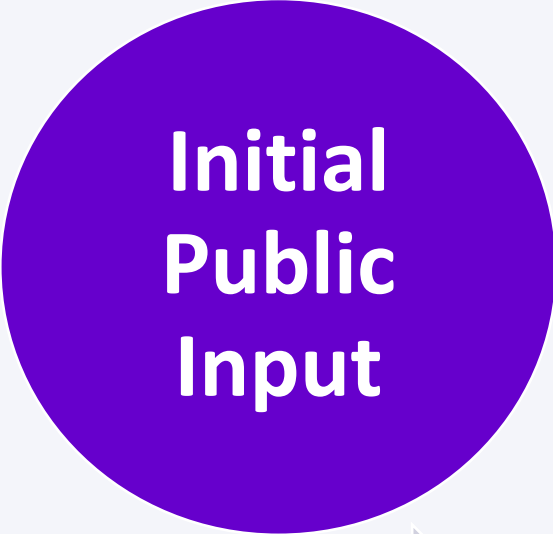
Public Engagement Schedule

May



- **Customer Counts Survey** –mid May
- **General Recreation Survey** – start around week of May 19 before Memorial Day and run until end of September.

June



- **Public Meeting #1 (IN PERSON)** early to mid June, focused on initial education on issues
- **Public Meeting #2 (VIRTUAL)** Focused on same content as meeting #1 for those unable to attend

October



- **Public Meeting #3 (IN PERSON)** Focused on alternatives from public input and survey results
- **Public Meeting #4 (VIRTUAL)** – Focused on same content as meeting #3 for those unable to attend

*All updates and available information will be updated and posted to csu.org project page.

North Slope Policy Considerations & Related Concerns

-  Consider new/expanded uses (commercial guided tours, winter seasonal access, etc.)
-  Improve security for water system infrastructure related to vehicle access
-  Re-route trails away from critical infrastructure to improve security related to foot access
-  Improve Ring the Peak Trail routing (reduce conflicts)
-  Assess and adopt or decommission non-system (social) trails
-  Facilitated process with land managers & public stakeholders

Questions?



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Economic Development Prospects

Select a Date Range
01/01/2025 - 04/30/2025

Prospects
27

Estimated Jobs
2,780

Rapid Response
2
Announcements
2

Business Retention Meetings - Virtual
27

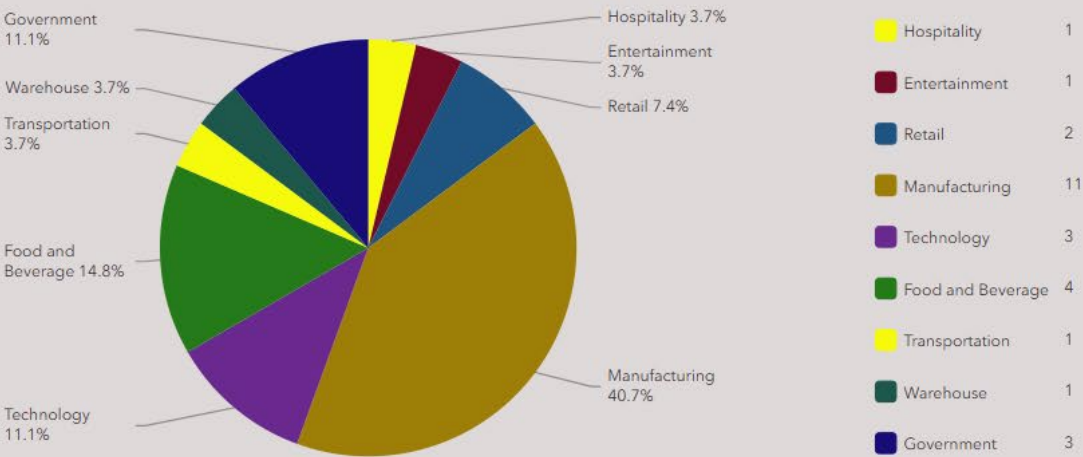
Business Retention Meetings - In Person
12

Estimated Capital Investment
3,156,700,000

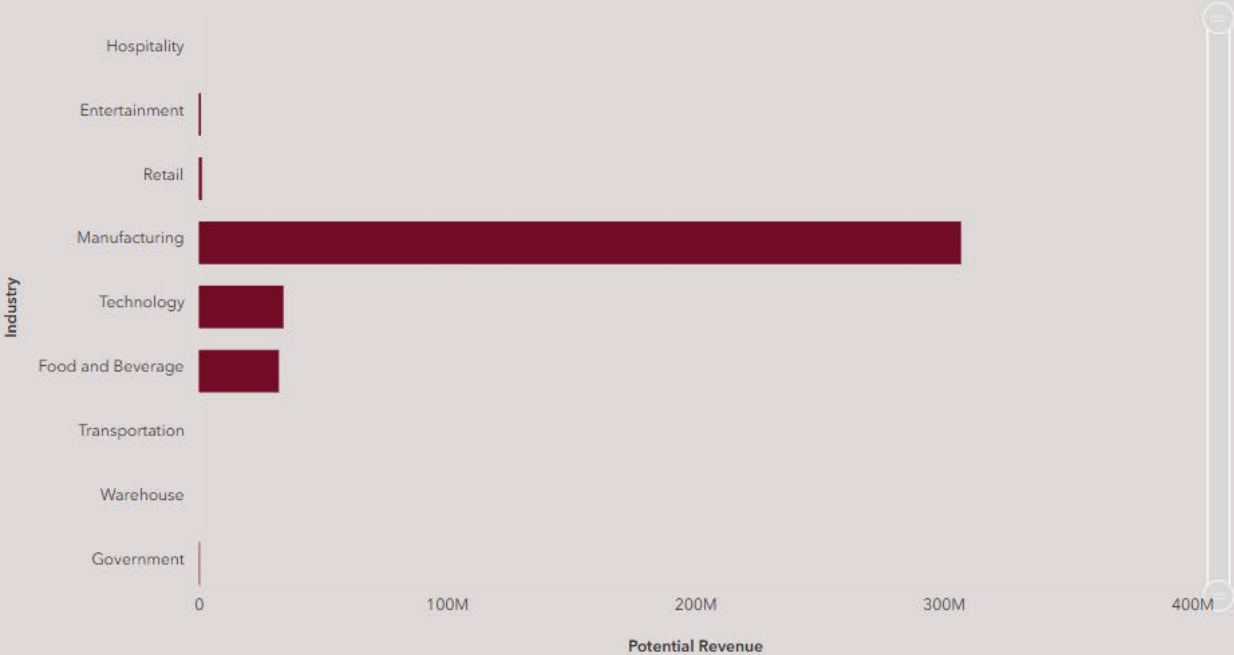
Prospect Status



Opportunities by Industry



Potential Revenue by Industry



Last update: 37 minutes ago

Economic Development Prospects

Select a Date Range
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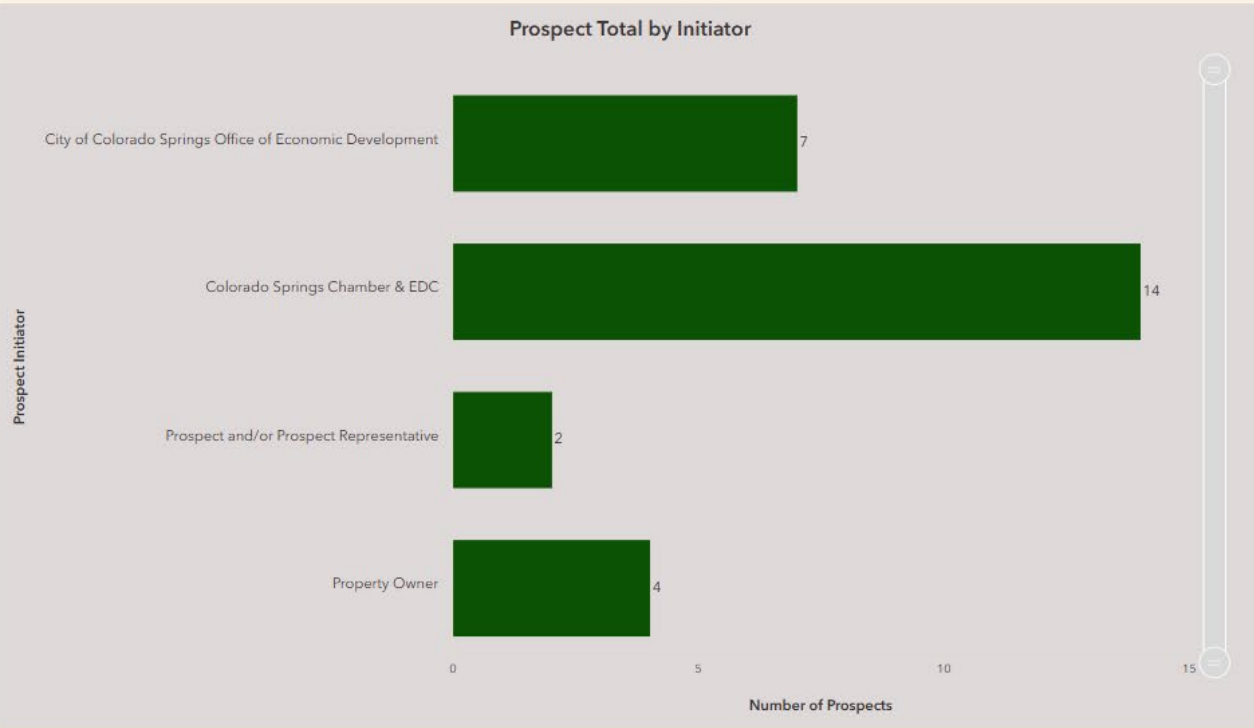
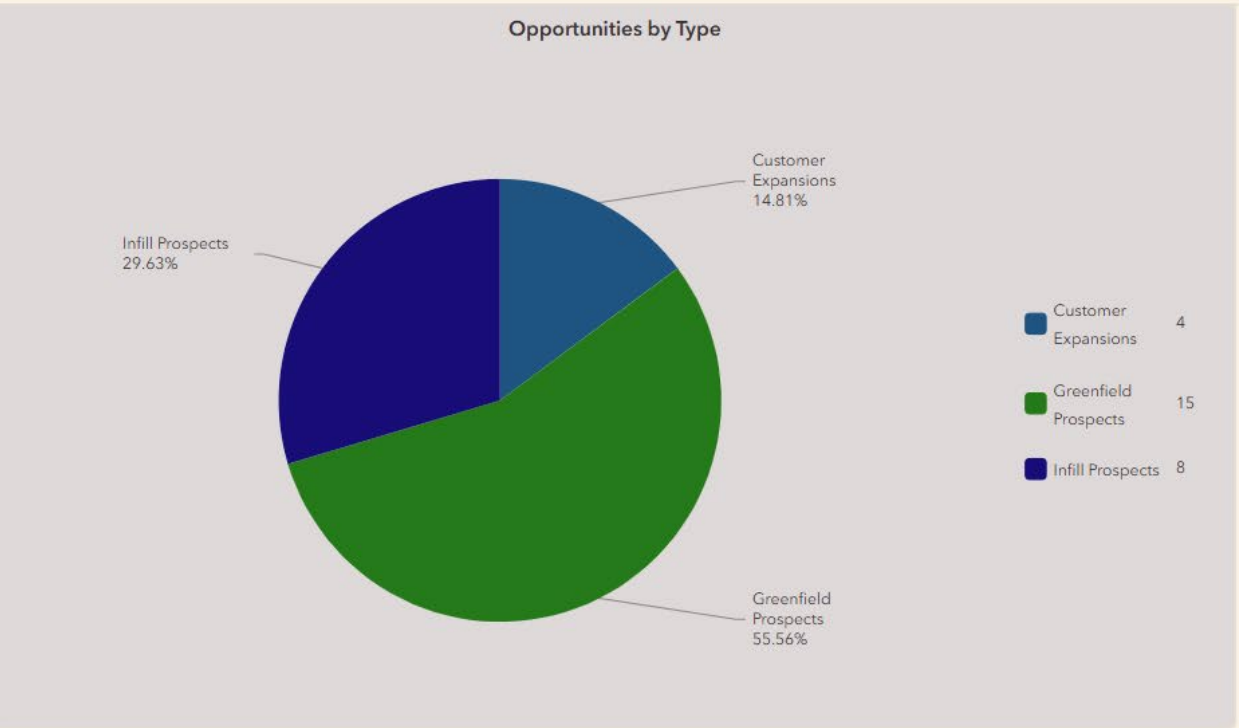
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Economic Development Prospects

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Estimated Jobs

2,780

Rapid Response

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Announcements

2

Estimated Capital Investment

3,156,700,000

Prospect Status



Potential Megawatts by Industry

