



COLORADO SPRINGS UTILITIES BOARD
MS Teams and Blue River Board Room
Plaza of the Rockies
121 S. Tejon Street
South Tower, 5th Floor

AGENDA
Wednesday, May 20, 2026
1:00 p.m. – 5:00 p.m.
[Join the meeting now](#)
Dial-in by phone
[+1 719-733-3651,,578767546#](tel:+17197333651)

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- | | | |
|------------------|---|---|
| 1:00 p.m. | 1. Call to Order | Chair Donelson |
| 1:05 p.m. | 2. Invocation and Pledge of Allegiance | Chair Donelson |
| 1:10 p.m. | 3. Executive Session | Renee Congdon,
Utilities Division
Chief, Office of the
City Attorney |
| | <p>In accordance with City Charter art. III, § 3-60(d) and its incorporated Colorado Open Meetings Law, C.R.S. § 24-6-402(4)(b) and Utilities Board Bylaws Rules 10(c)(2), the Utilities Board, in Open Session, is to determine whether it will hold a Closed Executive Session on two issues. The first issue to be discussed involves conferences with the City Attorney’s Office regarding the Application for Water Rights Case No. 25CW3010. The second issue to be discussed involves conferences with the City Attorney’s Office involving an employment contract.</p> <p>The City Attorney’s Office, on behalf of the Chair of the Utilities Board, shall poll the Utilities Board members, and, upon consent of two-thirds of the members present, may conduct a Closed Executive Session. In the event any Utilities Board member is participating electronically or telephonically in the Closed Executive Session, each Utilities Board member participating electronically or telephonically in the Closed Executive Session shall affirmatively state for the record that no other member of the public not authorized to participate in the electronic Closed Executive Session is present or able to hear the matters discussed as part of the Closed Executive Session. If consent to the Closed Executive Session is not given, the item may be discussed in Open Session or withdrawn from consideration.</p> | |
| 1:55 p.m. | 4. Consent Agenda | Chair Donelson |
| | <p>These items will be acted upon as a whole unless a specific item is called for discussion by a Board Member or a customer wishing to address the Utilities Board. (Any items called up for separate consideration shall be acted upon following Compliance Reports.)</p> | |

- **Approval of April 22, 2026, Utilities Board meeting minutes**
- **Approval of the Excellence in Governance Policy Manual Revisions: I-8 and I-13**

2:00 p.m.	5. Recognition <ul style="list-style-type: none"> • 2026 J.D. Power Water Utility Award – #1 in the West Mid-Sized Segment • Wildland Firefighter Recognition 	<p>Leslie Smith, Supervisor of Customer Insights and Programs</p> <p>Presenter TBD</p>
2:10 p.m.	6. Customer Comments <ul style="list-style-type: none"> • During the customer comment period, comments are accepted for any topic not on the agenda. • Comments for specific agenda items will be taken following the presentation of the item and the Board’s discussion. • Comments will be limited to three minutes per speaker, per item. • Following the comments from customers who have signed up to speak, an announcement will be made seeking additional comments and the Board will accept all those wishing to comment. 	<p>Chair Donelson</p>
2:30 p.m.	7. Compliance Reports: <ul style="list-style-type: none"> • I-2 Financial Conditions and Activities (to include Contracts over \$500,000) G-7 (Quarterly October through December) • CEO/Board Partnership Responsibilities – CEO Responsibilities <ol style="list-style-type: none"> 1. Electric Cost Adjustment/Gas Cost Adjustment 2. Water Outlook 	<p>Travas Deal, Chief Executive Officer</p>
2:40 p.m.	8. Items Called Off Consent Agenda	<p>Chair Donelson</p>
2:45 p.m.	9. A Resolution for the Acquisition of Property from the heirs of Teresa Pallas and Eugene D. Oddone and Josephine Ida Brenners Necessary for the Kelker to South Plant Transmission Line <u>Vote</u> to recommend approval of a resolution authorizing the acquisition of certain real property with a purchase price in excess of \$100,000, in accordance with the City Real Estate Manual sections 4.1 and 9.6.	<p>Jessica Davis, Manager of Facility and Land Resource Services</p>
2:55 p.m.	10. Resolution Approving an Intergovernmental Agreement Regarding Twin Lakes and Turquoise Lake Aquatic Nuisance Species Mitigation <u>Vote</u> to recommend a resolution approving an intergovernmental agreement regarding aquatic nuisance species mitigation in Twin Lakes and Turquoise Lake in accordance with C.R.S. section 29-1-203.	<p>Lisa Walters, Water Resource Planner III</p>
3:10 p.m.	11. Resolution Approving an Intergovernmental Agreement with the Southeastern Water Conservancy District (SECWCD) <u>Vote</u> to recommend a resolution approving an intergovernmental agreement regarding the applicability of certain provisions of a contract	<p>Jenny Bishop, Resource Planner IV</p>

between Colorado Springs Utilities' and the United States Bureau of Reclamation to water service areas outside SECWCD's boundaries in accordance with C.R.S. section 29-1-203.

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|------------------|--|--|
| 3:25 p.m. | 12. Resolution Approving a Special Contract with Cheyenne Mountain Space Force Station for Water Augmentation Service
<u>Vote</u> to approve a special contract for water augmentation service with Cheyenne Mountain Space Force Station. | Jenny Bishop,
Resource Planner IV |
| 3:35 p.m. | 13. Resolution Authorizing the Abandonment Sugarloaf Conditional Water Rights
<u>Vote</u> to recommend approval of a resolution authorizing the abandonment of certain water rights known as the Sugarloaf Conditional Water Rights. | Jenny Bishop,
Resource Planner IV

Nathan Endersbee,
City Attorney's Office |
| 3:45 p.m. | 14. Contract Amendment
<u>Vote to approve</u> a contract amendment for the Chief Executive Officer, pursuant to City Code 12.1.104 and UBA-1 of the Excellence in Governance Policy Manual. | Renee Adams, Chief
Human Resources
Officer

Tara Russell,
Manager of Human
Resources |
| 4:00 p.m. | 15. Board Member Updates | Chair Donelson |
| 4:05 p.m. | 16. Summary of Board Actions | Anna Bingman,
Utilities Board
Administrator |
| 4:10 p.m. | 17. Adjournment | Chair Donelson |



Minutes
Wednesday, April 22, 2026
1:00 p.m. – 5:00 p.m.
Blue River Board Room

1. Call to Order

Chair Dave Donelson called the meeting to order at 1:01 p.m.

Ms. Anna Bingman, Utilities Board Administrator, called roll.

Present – Chair Dave Donelson, Board Member Ken Casey, Board Member Lynette Crow-Iverson, Board Member Kimberly Gold, Board Member Nancy Henjum, Board Member Brian Risley, Board Member Roland Rainey and Vice Chair Brandy Williams.

Excused – Board Member David Leinweber

2. Invocation and Pledge of Allegiance

Reverend Carrie West of First United Methodist Church offered the invocation, and Chair Donelson led the Pledge of Allegiance.

3. Consent Agenda

- **Approval of the March 18, 2026, Utilities Board Meeting Minutes**
- **Approval of the April 6, 2026, Special Utilities Board Meeting Minutes**

Board Member Gold made a motion to approve the items on the Consent Agenda. Board Member Rainey seconded the motion. The motion to approve the Consent Agenda passed unanimously.

4. Customer Comments

Ms. Linda Day, a Colorado Springs Utilities customer, shared frustration in her belief that Colorado Springs Utilities does not value their solar customers and the contributions they provide to the grid. She said she and her husband installed solar on their home in an effort to reduce load on the grid and be more environmentally friendly, only to be treated as if they were misinformed on solar in doing so.

Ms. Carolyn Dickerson, a Colorado Springs Utilities customer, thanked Utilities staff for their professional and friendly service and thanked the Utilities Board for their service as well. Next, Ms. Dickerson said had been following the net metering conversation, and believed there was a disconnect between Utilities and solar customers. Ms. Dickerson emphasized

that the Board directed Springs Utilities to engage the solar community and have focused mostly on solar rates rather than what the community is asking for, which is input on the broader question of how solar fits in the makeup of the grid at large. Ms. Dickerson suggested taking input on the upcoming Electric Integrated Resource Plan on how the community views these resources, and deferring action on a rooftop solar case until this input has been collected.

Ms. Jan Netzer, a Colorado Springs Utilities customer, urged the Board and Colorado Springs Utilities to continue their promise of emissions reductions. She stated that Utilities is alone in demanding that it cannot fulfill this promise, though other utility companies statewide are doing so.

Mr. Rick Lynch, a Colorado Springs Utilities customer, informed the Board that the Pikes Peak Community Foundation recently conducted a survey with the community that placed the outdoor natural environment as a top priority. While he is not a solar user, Mr. Lynch said he understood the importance of environmental stewardship and urged Colorado Springs Utilities to look into ways to help solar customers finance batteries to have more efficient systems.

Mr. Tom Harrington, a Colorado Springs Utilities customer, commented on the recent focus groups that were held to gather feedback on net metering. He said three solutions had been presented: a net metering charge, a grid access fee, and battery storage. He said the first two options try to address the issue without addressing the underlying problem to adopt different rates to push different behaviors.

Ms. Debra Fortenberry, a Colorado Springs Utilities customer, said she believed having rooftop solar installed was a common sense move for her. She stated she was startled to hear a comment during the April Working Committee meeting that rooftop solar is of no benefit to Colorado Springs Utilities. After hearing this comment, she did some research into how other utility companies work with solar customers, and said this research led to her concluding that Colorado Springs Utilities is a hostile partner to rooftop solar.

Vice Chair Williams thanked everyone who had made comments but wanted to make it clear that the Board values all of the feedback and wouldn't have continued to engage in this process if they believed Colorado Springs Utilities to be a hostile partner to solar customers.

Mr. Graeme Cloutte, a Colorado Springs Utilities customer, said he understood that there is often a resistance to new technology, and can see that happening as the solar revolution is becoming more prevalent. He said Colorado Springs Utilities should embrace this new technology rather than continuing to rely on fossil fuels.

5. Recognition

- **Diamond Level Safety Award from American Public Power Association (APPA)**

Ms. Renee Adams, Chief Human Resources Officer, informed the Board that Colorado Springs Utilities had recently received a Diamond Level Safety Award from the American Public Power Association (APPA). Ms. Adams stated that this award represents the entire organization and the commitment to safety, emphasis on safety and safety maturity, and the diligence of every employee. Ms. Adams introduced Ms. Sara Akins, Safety and Health Manager, to tell the Board more about this designation.

Chair Donelson thanked Ms. Akins, and the staff members present for their outstanding job in achieving this award.

- **Water and Wastewater Worker Appreciation and National Association of Clean Water Agencies Peak Performance Award**

Ms. Tara Kelley, Treatment Plants Manager, and Mr. Michael Myers, Manager of Water and Wastewater Operations, informed the Board about Water and Wastewater Worker Appreciation Week, and that the Las Vegas Street Water Resource Recovery Facility and J.D. Phillips Water Resource Recovery Facility had been recognized for two Peak Performance Awards by the National Association of Clean Water for outstanding performance in their state-issued discharge permits.

Ms. Somer Mese, Chief Operations Officer, complimented these employees on their wonderful work. Mr. Travas Deal, Chief Executive Officer, also noted that these crews uphold the highest commitment to safety for themselves, the organization, and the community, so it was great that these two recognition items are at the same meeting. Ms. Mese then read a proclamation from Governor Polis dedicating April 5 to April 11 as National Wastewater Appreciation Week.

Board Member Henjum said she has been on a wastewater system tour and said the value of the work and the pride that the employees take in their work is very palpable. Board Member Rainey agreed with this sentiment and thanked the employees in attendance for their tremendous service to the community. Chair Donelson echoed these comments and thanked the employees on behalf of the Board.

6. Compliance Reports:

- **I-12 Environmental Stewardship**
- **E-2 CEO/Board Partnership Responsibilities – Electric Cost Adjustment/Gas Cost Adjustment**

There were no presentations on these items.

- **E-2 CEO/Board Partnership Responsibilities – Water Outlook**

Mr. Justin Zeisler, Supervisor of Water Resource Planning, presented the Board with the Water Outlook for April 2026. Mr. Zeisler noted that March had above average precipitation, and we are still above average for precipitation for the year. However, Mr. Zeisler noted that

the temperatures are quite higher than average. Mr. Zeisler detailed the ongoing drought conditions for much of the United States, as well as the current snowpack condition, which is seeing record lows. Mr. Zeisler said that water yields are expected to be lower this year, with above average temperatures predicted for the coming months with below average precipitation. However, given this forecast, system storage remains above average. There may be some challenges to operate river exchanges, and some storage may need to be used to meet demands this year.

Board Member Henjum commented that water is a hot topic right now given drought conditions, and asked Mr. Zeisler what is to be expected this year and the coming years, since water restrictions are not yet in place. Mr. Zeisler responded that his team does projections for two-year periods and said there will certainly be a need to dip into storage, however our teams work to be able to recapture and reuse water in various ways so there is less impact. Mr. Zeisler said demands will still be met next year based on the demand charts right now. However, he stated that it is always important to remind customers of the importance of using water wisely, which they do a great job of.

Board Member Rainey noted that Mr. Zeisler said the current height of the water in Pueblo Reservoir may need to be brought down and asked about the process and where that water is disseminated. Mr. Zeisler answered that the water would be brought upstream through the major transmission systems, such as the Homestake Pipeline. The water would be pumped up through two pipelines, the Fountain Valley Authority Pipeline and the Southern Delivery System.

7. Items Called Off Consent Agenda

No items were called off consent.

8. North Slope Recreation Area Plan

Ms. Lisa Walters, Water Resource Planner III, and Ms. Abigail Ortega, General Manager of Infrastructure and Resources Planning, provided an informational presentation on the North Slope Recreation Area Plan. This presentation included the background on the project and community engagement efforts, and the concept plan recommendations.

Chair Donelson announced that customer comments on this item would take place before Board Member comments.

Mr. Rocco Blasi, a Colorado Springs Utilities customer, is a volunteer for the Friends of Ute Pass Trails. Mr. Blasi shared significant concerns about the potential closure of the Crystal Creek Trail, and said this plan fails to address the concepts of community, neighbors, and fairness as it is currently written. Mr. Blasi added that he was disappointed in the coordination with stakeholders and the lack of opportunity for community input. Mr. Blasi claimed that the trail predated any Utilities infrastructure and provides no threat to the assets in the area.

Ms. Ortega commented that there were several public meetings to engage the public on the North Slope Recreation Area Plan. Additionally, staff met with staff from Green Mountain Falls three separate times. The trail being discussed is solely on Utilities property and the section mentioned in the plan goes straight up to the face of the dam, posing safety risks, both to hikers and to the infrastructure. Ms. Ortega reminded the Board that protection of source water and infrastructure is the top priority for her team. Ms. Ortega added that, in the plan, the part of the trail on Utilities property is the only portion being decommissioned while more sustainable alternatives are discussed with Green Mountain Falls and other stakeholders.

Mr. Jae Kita, a Colorado Springs Utilities customer, is a volunteer with two local trail groups. When work was being done on the Crystal Reservoir Dam, Mr. Kita and a hundred or more volunteers would assist where they could. He stated that competent hikers enjoy the Crystal Creek Trail due to its steep nature and challenging terrain. Mr. Kita reiterated Mr. Blasi's claim that the trail had been in place much longer than Utilities infrastructure.

Mr. Gordon Wines, a Colorado Springs Utilities customer, provided arguments regarding the validity of points made in the plan. Mr. Wines noted that there are similar trails around infrastructure near Rampart Reservoir that are open to hikers. While he said he understood closing the Crystal Creek Trail is an easy and safe answer for Utilities, it is not beneficial to the surrounding community of users.

Ms. Susan Jarvis, a Colorado Springs Utilities customer, said she believed Utilities does not want the public to use the North Slope Area, despite it being a Leave No Trace Gold Standard Award site thanks to the efforts of its users. While Mr. Jarvis stated that she was in support of the improvements, she felt the public was being blamed for it being a difficult space to maintain. Ms. Jarvis asked why this plan is replacing the agreed upon 1992 plan.

Ms. Becky Leinweber, Director of the Pikes Peak Outdoor Recreation Alliance, said she was excited to see this plan moving forward. Her organization identified the North Slope Recreation Area Plan as a top priority to move forward and appreciated Utilities taking the lead. She said she understood the disappointment shared by those who spoke before her, as well as the challenges of maintaining the area. Ms. Leinweber shared that the North Slope Recreation Area will receive \$315,000 from her organization for these trail realignments as part of the bigger regional partnership for the Ring the Peak Trail. She encouraged staff to continue the conversations and public engagement around the Crystal Creek Trail as an alternative is found.

Mr. Caleb Patterson, Town Manager for Green Mountain Falls, said his community is not feeling heard on the issue of the Crystal Creek Trail closure. Mr. Patterson shared a letter in which he details the relationship between Utilities and Green Mountain Falls, which has been positive overall, but felt the public engagement was lacking on this process. Mr. Patterson said the closure of the Crystal Creek Trail would be a significant loss to the community. He suggested conducting a site visit with Utilities staff to assess the area

together and offered that there could be a maintenance agreement between the two entities in an effort to keep this trail open.

Ms. Samantha Spencer, a Colorado Springs Utilities customer, said she didn't believe the Board had the true facts behind the North Slope Recreation Area Plan and the shared public land. She stated that the Crystal Creek Trail predated Utilities infrastructure. Ms. Spencer stated that Green Mountain Falls had offered partnership on how to keep the trail open, which was refused.

Ms. Ortega thanked those who commented on this item and said she understood that there is not a desire to look at alternative routes for the Crystal Creek Trail. Ms. Ortega stated that the plan explicitly provides direction to continue working with Green Mountain Falls and the Forest Service on trail alignments. She thanked Ms. Leinweber for her collaboration on this and committed to continuing to work with the public on next steps.

Board Member Henjum thanked the customers who spoke about this item, adding that Ms. Ortega's team has always been trustworthy in making the best decisions to protect resources while allowing for recreation. Board Member Henjum encouraged staff to understand the different perspectives, and work to come to a resolution that all parties can feel positive about.

Ms. Pattie Benger, Senior Public Affairs Specialist with Community Engagement, detailed the various ways that feedback was obtained on this plan, and how that feedback was considered in the final plan.

Board Member Casey asked staff to reiterate the reason for closing the trail aside from what is documented in the plan. Ms. Ortega responded that the slope on the Crystal Creek Trail is very steep, which causes a lot of erosion. Ms. Ortega clarified that the entire trail would not be decommissioned, just the portion on Utilities-owned property. Board Member Casey said he would be interested in seeing pictures of the current trail.

Board Member Rainey asked if there were common threads of positive or negative comments within the three opportunities for public comment. Ms. Benger answered that there were common but not decisive threads. While some responses wanted Utilities to maintain the Crystal Creek Trail as it is, some responses didn't want to see any recreation on the North Slope. Staff looked at the comments collectively and moved forward on decisions.

9. Resolution Allowing Commercial Recreation Use on Utilities-Controlled Watershed

In conjunction with the previous presentation, Ms. Walters and Ms. Ortega presented the Resolution Allowing Commercial Recreation Use on Utilities-Controlled Watershed for the North Slope Recreation Area. This resolution will allow for recreation use that is legally allowable and consistent with maintenance, health, safety and fire protection conservation standards. This resolution would be for a one-year pilot period and managed through Pikes Peak – America's Mountain.

Board Member Henjum commented that she believed Board Member Leinweber, who is absent, would be speaking in support of this resolution, as it provides for the larger economic benefit of recreation in the region and allows the community to use a resource while still maintaining and protecting it.

Board Member Henjum made the motion to move to recommend approval of a resolution allowing commercial recreation on Utilities-controlled watershed properties pursuant to City Charter § 15-120 and City Code § 12.4.804 forward to the April 28, 2026, Regular City Council meeting. Board Member Gold seconded the motion. The motion passed unanimously.

10. Southwest Power Pool Regional Transmission Organization Update

Mr. Alex Baird, General Manager of Fuels and Purchase Power, presented the Board with the Southwest Power Pool (SPP) Regional Transmission Organization (RTO) update. This presentation included the milestone of entering the SPP RTO on April 1, 2026, stakeholder process, the resource mix, expansion footprint load, transmission planning cycle, and the first seven days net cash flows.

Board Member Risley commented that he was pleased that Colorado Springs Utilities joined the SPP, as it is a way to maintain cost effectiveness for ratepayers, but also addresses reliability, which is critical to the region.

Board Member Rainey echoed Board Member Risley's comments, then asked if being a part of the SPP alters any type of operations on how we manage, offer or purchase power. Mr. Baird said this transition will help Utilities remain competitive, make repairs strategically, and follow any mandates.

11. Board Member Updates

Board Member Rainey thanked Colorado Springs Utilities for their Cone Zone safety campaign, especially working with the City and Public Works.

Board Member Crow-Iverson commented that she attended the tour of the Horizon campus and potential new location of 10 natural gas units at Williams Creek. She attended the tour with multiple staff members and said it was very helpful in understanding next steps.

Vice Chair Williams thanked staff for being quick to assist in constituent requests in her district and thanked those who attended her Town Hall meeting recently.

Mr. Wayne Williams, Chief of Staff for the City of Colorado Springs, also thanked Colorado Springs Utilities for their coordination with 2C projects.

12. Summary of Board Actions

Ms. Bingman provided a summary of Board Actions:

- Approved the March 18, 2026, Utilities Board meeting minutes.

- Approved the April 6, 2026, Special Utilities Board meeting minutes.
- Recommended approval of a resolution allowing commercial recreation on Utilities-controlled watershed properties pursuant to City Charter § 15-120 and City Code § 12.4.804.

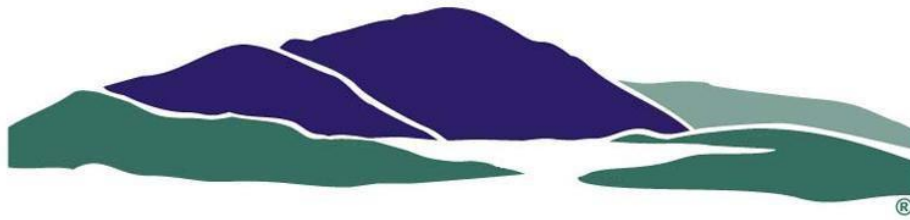
13. Adjournment

Chair Donelson adjourned the meeting at 3:03 p.m.

Board Memo Agenda Item

Staff Report

Date: (Date of Utilities Board Meeting)	May 20, 2026		
To:	Utilities Board		
From:	Travas Deal, Chief Executive Officer		
Subject:	Excellence in Governance Policy Manual Revisions		
NARRATIVE:			
Desired Action: Choose only one	<input checked="" type="checkbox"/> Approval <input type="checkbox"/> Discussion <input type="checkbox"/> Information		
Executive Summary:	<p>Colorado Springs Utilities is recommending two minor revisions to the Instructions to the Chief Executive Officer (CEO) to ensure alignment with internal policy and to support efficient use of Utilities Board Members' time.</p> <p>The first proposed revision updates the review cycle in the I-8 Asset Protection policy from bi-annual to annual, reflecting that the report's content changes minimally throughout the year and aligning the reporting cadence with the audit schedule.</p> <p>The second proposed revision removes section five from the I-13 Community Investment policy, as of November 2024, an internal policy now directs the Community Focus Fund budget allocation to be administered through the Colorado Springs Utilities Foundation for the Project COPE program, rendering that section obsolete.</p> <p>Revisions to the Excellence in Governance Policy Manual require formal approval by the Utilities Board. The proposed redlined updates are submitted for the Board's review and consideration. These changes were reviewed at the April Working Committee meeting.</p>		
Benefits:	N/A		
Board Policy: If this impacts one of the board policies, indicate that here.	I-8, Asset Protection and I-13, Community Investment		
Cost / Budget: Include the projected cost or budget here.	N/A		
Affected Parties: This could include community groups, specific City Council Districts, other utilities, nonprofit organizations, certain neighborhoods, Colorado Springs Utilities employees, etc.	N/A		
Alternatives:	Propose alternative language or deny request		
Submitter:	Bethany Schoemer	Email Address:	bschoemer@csu.org
Division:	Administration and Human Resources	Phone Number:	719-668-3811
Department:	Regulatory, Environmental and Public Affairs	Date Submitted:	May 1, 2026
SPG Staff Use Only:	Consent Calendar <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		Item Number 04b



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

EXCELLENCE IN GOVERNANCE POLICY MANUAL

Revised: [May 20, 2026](#)~~[February 18, 2026](#)~~

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**COLORADO SPRINGS UTILITIES BOARD
EXCELLENCE IN GOVERNANCE POLICY MANUAL**

EXECUTIVE SUMMARY EXCELLENCE IN GOVERNANCE

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

COLORADO SPRINGS UTILITIES MISSION

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

COLORADO SPRINGS UTILITIES VISION

Ready for today, prepared for a sustainable future.

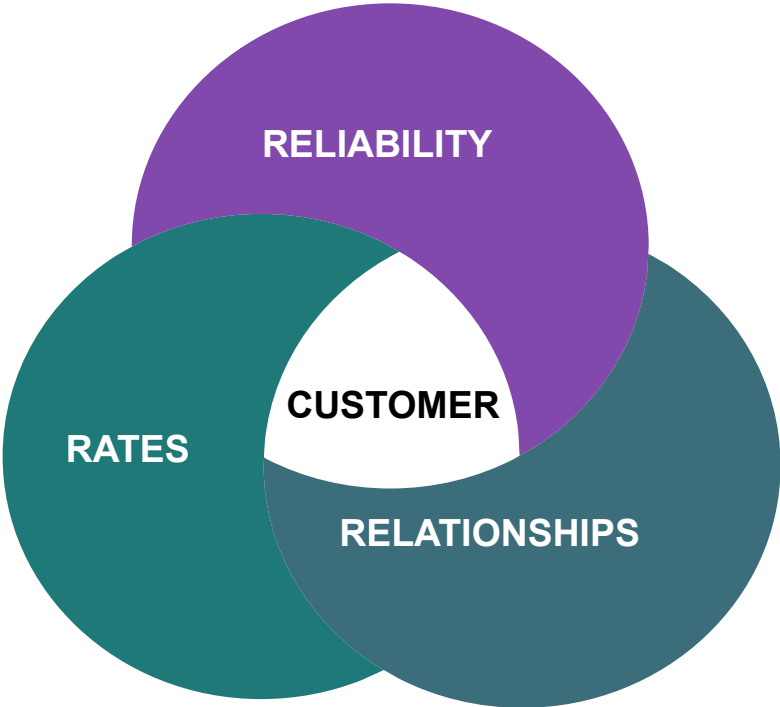
UTILITIES BOARD STRATEGIC FOCUS

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

ORDER OF PRECEDENCE

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

and Regulations, (3) Utilities Board By-Laws, and (4) the Excellence in Governance Policy Manual.



UTILITIES BOARD DUTIES, RESPONSIBILITIES, AND ADMINISTRATIVE AUTHORITIES

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

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

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

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

UTILITIES BOARD DUTIES, RESPONSIBILITIES AND ADMINISTRATIVE AUTHORITIES

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

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

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

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

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

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

UTILITIES BOARD DUTIES, RESPONSIBILITIES AND ADMINISTRATIVE AUTHORITIES

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

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

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

UBA-2: Appoint Utilities Policy Advisory Committee members and customer advisory group members.

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

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

CITY COUNCIL AUTHORITIES

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

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

CCA-1: Pass Ordinances.

CCA-2: Issue Revenue Bonds.

CCA-3: Institute Eminent Domain Proceedings.

CCA-4: Appropriate Funds and Adopt Annual Budgets.

CCA-5: Approve Intergovernmental Agreements.

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

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

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

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

UTILITIES BOARD COMMITMENTS AND PRACTICES

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

Utilities Board actions that promote excellence in governance.

C-1 Utilities Board Ethics and Norms

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

C-2 Utilities Board Evaluation

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

C-3 Limits of Individual Authority

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

C-4 Utilities Board Development

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

C-5 Utilities Board Decisions

1. The Utilities Board uses the expertise and diversity of viewpoints of Utilities Board Members, Utilities Policy Advisory Committee and customer advisory group recommendations, staff recommendations, external expert opinions and public input to make effective decisions.

C-6 Utilities Board Policies

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

UTILITIES BOARD COMMITMENTS AND PRACTICES

Category:	Utilities Board Practices for Excellence in Governance	Date of Adoption:	May 16, 2018
Policy Number:	P: 1-5	Revision Date:	August 20, 2025
Guidelines	Committee Purpose, Structure and Operation (G-2)	Revision Number:	2

Utilities Board practices that promote excellence in governance.

P-1 Utilities Board Meetings

1. Utilities Board meetings are open to the public, conducted in an orderly, efficient and productive manner and adhere to the Colorado Open Meetings Law, the Utilities Board Bylaws and Parliamentary Law and Practice for Nonprofit Organizations and Utilities Board Bylaws.

2. Utilities Board meetings follow agendas that are developed using an approved Utilities Board Annual Agenda Planning Calendar, include public comment and focus discussions on Utilities Board responsibilities.

P-2 Chief Executive Officer Excellence

1. The Utilities Board establishes leadership excellence by hiring an effective Chief Executive Officer.

2. The Utilities Board supports the Chief Executive Officer and provides strategic counsel and leadership development opportunities.

3. The Chief Executive Officer is under the authority of and accountable to the Utilities Board; all other staff are under the authority of and accountable to the Chief Executive Officer.

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

1. Only the full Utilities Board, operating during open publicly-noticed meetings, has the authority to direct the Chief Executive Officer.

2. Only the Utilities Board acting as a majority through formal motions can set strategic direction, make administrative and policy decisions, establish Board Expectations, evaluate the Chief Executive Officer’s performance or assign resource-intensive tasks.

P-4 Role of the Chair

1. The Utilities Board Chair is responsible for upholding Utilities Board Commitments and Practices.

2. The Utilities Board Chair sets the meeting agendas, runs meetings and appoints

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

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

P-5 Committees

1. Utilities Board Committees and Subcommittees are established and disbanded by Utilities Board vote, do not make decisions, do not have authority over operations or staff and may not act or speak for the Utilities Board.
2. Utilities Board Committees review, analyze and provide recommendations and policy alternatives for consideration by the entire Utilities Board. A dissenting recommendation may be provided.
3. Utilities Board Subcommittees review, analyze and provide recommendations and policy alternatives to Utilities Board Committees. A dissenting recommendation may be provided.
4. Utilities Board Committees and Subcommittees follow Board-Approved Work Plans and Committee Purpose, Structure and Operation Guidelines, if applicable.
5. Colorado Springs Utilities Board has established one standing Committee of the Board, the Working Committee, which is comprised of all current Board members. The Board may establish other Committees on an ad hoc basis and only by a vote of the Utilities Board. The Board will establish the purpose and authority of each Committee. Committees are authorized to provide information and recommendations to the Utilities Board, but do not have approval authority over operations or activities.
6. Ad hoc Utilities Board Committees are comprised of Utilities Board Members appointed by the Chair.
7. Utilities Board Subcommittees may include citizens and customers appointed by the Utilities Board.
8. The Utilities Board Utilities Policy Advisory Committee is established and disbanded by Utilities Board vote and is comprised of citizens and customers appointed by the Utilities Board.
9. Utilities Board ad-hoc customer advisory groups are established and disbanded by Utilities Board vote and are comprised of Utilities Board Members appointed by the Chair and citizens and customers appointed by the Utilities Board. Unless otherwise stated, an ad-hoc customer advisory group ceases to exist upon completion of its task.

EXPECTATIONS

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

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

E-1 Utilities Board/Chief Executive Officer Strategic Collaboration

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

E-2 Chief Executive Officer Responsibilities

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

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

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

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

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

INSTRUCTIONS

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

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

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

INSTRUCTIONS

Category:	Utilities Board Instructions to the Chief Executive Officer	Date of Adoption:	May 16, 2018
Policy Title (Number):	Financial Condition and Activities (I-2)	Revision Date:	February 18, 2026
Monitoring Type:	Internal; City Auditor	Revision Number:	4
Monitoring Frequency:	Quarterly, Annual		
Guidelines:	Local Vendor (G-7)		

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

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

INSTRUCTIONS

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

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

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

INSTRUCTIONS

Category:	Utilities Board Instructions to the Chief Executive Officer	Date of Adoption:	May 16, 2018
Policy Title (Number):	Risk Management (I-4)	Revision Date:	February 18, 2026
Monitoring Type:	Internal; City Auditor	Revision Number:	1
Monitoring Frequency:	Semi-Annual, Annual		

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

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

INSTRUCTIONS

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

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

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

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

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

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

INSTRUCTIONS

Category:	Utilities Board Instructions to the Chief Executive Officer	Date of Adoption: May 16, 2018
Policy Title (Number):	Water Supply Management/Regional Water and Wastewater Service (I-7)	Revision Date: March 19, 2025
Monitoring Type:	Internal	Revision Number: 6
Monitoring Frequency:	Annual	

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

1. Defend Springs Utilities’ water rights against claims and filings by others if these would in any way injure, hinder or decrease Colorado Springs’ current or future yield or use.
2. Conduct periodic evaluations of Springs Utilities’ existing decreed water rights and take legal and administrative actions necessary to optimize the water system.
3. Provide a reliable water supply to existing and future customers, including requests for regional service contracts and annexations, by planning for, developing and managing water resources and infrastructure in accordance with City Code section 12. 4.305 and the Integrated Water Resource Plan as updated from time to time.
4. Utilize Springs Utilities’ dedicated water acquisition account to fund expenditures that enable timely acquisitions and participation in supply projects that increase raw water system yield.
5. Plan for and implement water use efficiency and demand management measures to support and enhance water system reliability.
6. Use Denver Basin groundwater in Springs Utilities’ exclusive water service territory only for emergency supplemental supply, limited non-potable uses, aquifer storage and recovery, or periodic exercising of groundwater infrastructure for operation and maintenance purposes. In all cases development of the Dawson Aquifer is prohibited.
7. Not reserve Springs Utilities’ water supplies, infrastructure or capacity for any person, organization, property or development regardless of whether that entity is inside or outside the city limits or Springs Utilities’ exclusive water service territory, except that the Utilities Board may evaluate and approve such a reservation to ensure that Springs Utilities can meet the reasonably anticipated water and wastewater demands of the Pikes Peak Region’s military installations on a case by case basis.
8. All regional service contracts must be approved by the Utilities Board and City Council. Springs Utilities may deny any service request, modify the type of service to be provided, request mitigation to offset

water system impacts and risks or impose terms and conditions on the provision of service necessary to offset impacts and risks.

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

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

INSTRUCTIONS

Category:	Utilities Board Instructions to the Chief Executive Officer	Date of Adoption: May 16, 2018
Policy Title (Number):	Asset Protection (I-8)	Revision Date: February 21, 2024 May 20, 2026
Monitoring Type:	Internal; City Auditor	Revision Number: 21 21
Monitoring Frequency:	Semi-Annual; Annual	

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

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

INSTRUCTIONS

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

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

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

INSTRUCTIONS

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

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

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

INSTRUCTIONS

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

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

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

INSTRUCTIONS

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

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

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

INSTRUCTIONS

Category:	Utilities Board Instructions to the Chief Executive Officer	Date of Adoption: May 16, 2018
Policy Title (Number):	Community Investment (I-13)	Revision Date: February 21, 2024 May 20, 2026
Monitoring Type:	Internal	Revision Number: 21 21
Monitoring Frequency:	Annual	
Guidelines:	Affordable Housing (G-10) Community Support (G-11) Wastewater Backup Assistance Program (G-13)	

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

1. Maintain community involvement that is in alignment with Springs Utilities’ strategic objectives and that provides a benefit to the citizens and customers.
2. Encourage and support employee volunteerism within the communities served by Springs Utilities.
3. Communicate to customers and provide student and adult education programs on the safe and efficient use of utility services.
4. Allow philanthropic support of community-oriented organizations only in the service territories or localities impacted by Springs Utilities’ operations.
- ~~5. Only allow funding of community-oriented organizations that complete an application describing how the funds will be used in alignment with Springs Utilities’ strategic objectives.~~
- ~~6.~~5. Allow funding of community-oriented organizations with Political Action Committees (PACs) only if they demonstrate independent PAC revenue and decision-making.
- ~~7.~~6. Consider partnerships with other funding entities to leverage resources and maximize impact.
- ~~8.~~7. Inform the community of the enterprise’s corporate citizenship and employee volunteerism.
- ~~9.~~8. Develop programs intended to support affordable housing within the City.
- ~~10.~~9. Advance services and programs that achieve customer interests, community goals and enterprise objectives.

GUIDELINES

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

Utilities Board Evaluation

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

GUIDELINES			
Guideline:	Committee Purpose, Structure and Operation (G-2)	Date of Adoption:	January 18, 2017
Applicable Policy Title (Number):	Operational Resources (P-5)	Revision Date:	August 20, 2025
		Revision Number:	2

Committee Purpose, Structure and Operation

Purpose:

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

Structure and Operating Guidelines:

1. All Utilities Board members shall serve on the Working Committee. For ad hoc Board Committees, Utilities Board Committee Members will be appointed from among members of the Utilities Board by the Utilities Board Chair and serve two-year terms concurrent with the municipal election cycle. All ad hoc Board Committees shall have a minimum of three Board Members. Committee Members may be removed by the Utilities Board Chair.
2. The Committee Chair for each ad hoc Committee is appointed from among members of the Committee by the Utilities Board Chair and serves a two-year term concurrent with the municipal election cycle. In the absence of the Committee Chair during any Committee meeting, the Committee may designate a Chair.
3. Board Subcommittee Members are appointed from among members of the Utilities Board. Board Subcommittees may include citizens and customers appointed by the Utilities Board, but must have a minimum of two Board Members. Members of Subcommittees serve two-year terms concurrent with the municipal election cycle. Subcommittee Board Members may be removed by the Utilities Board Chair. Citizen and customer Subcommittee Members may be removed by the Utilities Board.

4. The Subcommittee Chair is selected by the Board Members on the Subcommittee and serves a two-year term concurrent with the municipal election cycle. In the absence of the Subcommittee Chair during any Subcommittee meeting, the Subcommittee may designate a Chair.
5. The Chief Executive Officer provides Springs Utilities staff support for Committees and Subcommittees. The Chief Executive Officer or designee is responsible for preparing draft agendas for review and approval by the Committee Chair or Subcommittee Chair and for keeping minutes of all Committee and Subcommittee meetings. Copies of the Committee and Subcommittee minutes shall be provided to the Utilities Board and to relevant committees.
6. Board Committees and Subcommittees will meet as often as may be deemed necessary or appropriate. Public notice of all Committee and Subcommittee meetings shall meet governing legal requirements. All Board Committees and Subcommittees, Utilities Policy Advisory Committee and customer advisory group meetings are open to the public.
7. At the discretion of the Chair, or the majority of Subcommittee Members present, public comment will be taken at meetings. Individual comments are limited to three minutes each unless time is extended by the Committee Chair or majority of the Subcommittee Members present. Additionally, Springs Utilities staff, City staff, including staff of the City Auditor's Office, members of the Utilities Policy Advisory Committee (UPAC) and invited guests may participate in such Subcommittee meetings. The Utilities Board establishes and maintains written bylaws fully describing the operation of the Utilities Policy Advisory Committee.
8. Citizen and customer Board Subcommittee Members:
 - a. Are subject to provisions of the City of Colorado Springs Code of Ethics.
 - b. Serve without compensation for their services but may be reimbursed for actual expenses in accordance with Springs Utilities policies and procedures.
 - c. Are expected to attend Subcommittee meetings regularly in order for the Subcommittee to function effectively. Upon recommendation by the Subcommittee, the Utilities Board may remove any members of the Subcommittee who fail to attend three or more regular meetings in any year.
 - d. Shall notify the Chief Executive Officer and the Utilities Board if they choose to seek employment with Springs Utilities. The Subcommittee Member applying for employment shall be excused from attending Subcommittee meetings and participating in recommendations while the employment application is pending. If the Subcommittee Member is not selected for employment with Springs Utilities, that member shall be reinstated to full Subcommittee participation. If the Subcommittee Member accepts employment with Springs Utilities, that member shall promptly resign or be removed by the Utilities Board from the Subcommittee.

- e. Committee Members are not precluded from offering or providing products and services to Springs Utilities under Springs Utilities' applicable procurement procedures or from offering or supplying products or services to contractors providing products or services to Springs Utilities. Subcommittee members should not offer or contract to supply products or services to Springs Utilities or Springs Utilities' contractors that conflict with the Subcommittee Member's work on the Subcommittee. Subcommittee Members shall not use their position on a Subcommittee to influence Springs Utilities or Springs Utilities' contractor's procurement decisions. In the event any Subcommittee Member desires to provide products or services to Springs Utilities or a contractor for Springs Utilities, that Subcommittee Member shall notify the Chief Executive Officer of the proposed offering. The Chief Executive Officer shall consult with the Chair of the Utilities Board concerning the proposed offering. Provided that the Chief Executive Officer, after consultation with the Chair of the Utilities Board, determines that the proposed products or services offering does not conflict with the Subcommittee Member's work on the Subcommittee or the City's Code of Ethics, the Subcommittee Member may proceed with offering the products or services and may contract to provide such products or services to Springs Utilities if selected under Springs Utilities' applicable procurement procedures or to a contractor for Springs Utilities. If the Chief Executive Officer, after consultation with the Chair of the Utilities Board, determines that the proposed products or services offering does conflict with the Subcommittee Member's work on the Subcommittee or the City's Code of Ethics, the Subcommittee Member may choose to resign from the Subcommittee and to continue to pursue the offering of the Subcommittee Member may choose to refrain from pursuing the offering, in which case the Subcommittee Member may continue participation on the Subcommittee. This restriction shall apply to Subcommittee Members and any company or organization employing the Subcommittee Member.

GUIDELINES

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

Compliance Report Frequency and Method

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

GUIDELINES

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

Evaluating the Chief Executive Officer's performance:

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

GUIDELINES			
Guideline:	Rate Design (G-5)	Date of Adoption:	September 19, 2014
Applicable Policy Title (Number):	Pricing of Services (I-1)	Revision Date:	February 21, 2024
		Revision Number:	3

Rate Design

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

A proposed rate may be designed based on the ability of a customer class to influence system efficiency and maintain high load factor usage that result in deferring capital costs for added capacity.

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

GUIDELINES

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

Electric and Gas Cost Adjustments

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

GUIDELINES

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

Local Vendor

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

GUIDELINES

Guideline:	Water Reserve (G-8)	Date of Adoption:	May 16, 2018
Applicable Policy Title (Number):	Financial Planning and Budgeting (I-3)	Revision Date:	February 21, 2024
		Revision Number:	2

Water Reserve

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

GUIDELINES

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

At-Will Senior Management Severance

1. At the discretion of the Chief Executive Officer, senior managers may be offered severance, in accordance with this guideline, upon the termination of such individual's at will employment with Springs Utilities.
2. Employees on probation or having less than one year of service are not eligible for severance.
3. Severance may include base pay compensation and/or Medical Premium Benefit Continuation. For purposes of this guideline, Medical Premium Benefit Continuation means a lump sum amount that equals Springs Utilities' then-current monthly percentage share of the health plan premiums using the Consolidated Omnibus Budget Reconciliation Act of 1985 ("COBRA") premium for the group health plan option in which the employee participates at the time of separation or, if the employee does not participate in a group health plan in which Springs Utilities is a participating employer at the time of separation, a lump sum amount that equals Springs Utilities' then-current monthly percentage share of health plan premiums based on the COBRA premium for the group health plan option in which the majority of the Springs Utilities' employees participate. Eligibility is determined by anniversary date.
4. Severance amounts are:
 - A. One to five years of continuous service - may be offered up to 11 weeks base pay and/or three months Medical Premium Benefit Continuation.
 - B. Five to ten years of continuous service - may be offered up to 13 weeks base pay and/or three months Medical Premium Benefit Continuation.
 - C. Ten to 15 years of continuous service - may be offered 17 weeks base pay and/or four months Medical Premium Benefit Continuation.
 - D. 15-20 years of continuous service - may be offered up to 22 weeks base pay and/or five months Medical Premium Benefit Continuation.
 - E. 20 or more years of continuous service - may be offered up to 26 weeks base pay and/or six months Medical Premium Benefit Continuation.

GUIDELINES

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

Affordable Housing

1. Springs Utilities will promote affordable housing through multiple methods, such as coordination with the City, providing funding, rebates and credits, recommending changes to the tariff and implementing procedures that incentivize affordable housing. All affordable projects receiving funding, credits, rebates or deferrals from Springs Utilities must meet specified energy and water conservation criteria.
2. Springs Utilities will develop and promote energy and water savings audit and installation programs for low-income households. Allocate a minimum of ten percent (10%) of the total Energy Demand Side Management budget to support the Home Efficiency Assistance Program (HEAP).

GUIDELINES

Guideline:	Community Support (G-11)	Date of Adoption:	May 16, 2018
Applicable Policy Title (Number):	Community Investment (I-13)	Revision Date:	February 21, 2024
		Revision Number:	5

Community Support

1. Springs Utilities will allow the expenditure of no more than 0.1 percent (0.1%) of budgeted operating revenues on direct monetary support of community-oriented economic development and charitable organizations. The 0.1 percent (0.1%) limitation set forth in this guideline shall not include the matching dollars provided by Springs Utilities to the Project COPE utilities bill assistance program. Operating revenues are revenues from charges to customers for sales and services for Electric, Streetlight, Gas, Water, Wastewater and products and services. All other revenue sources not meeting this definition are reported as nonoperating revenues.

2. Springs Utilities will allocate 100 percent (100%) of Community Focus Fund grant dollars to nonprofit organizations in support of programs addressing issues that have been identified as important to our customers:
 - Affordable Housing
 - Community
 - Education
 - Environment
 - Safety and Health
 - Seniors
 - Youth

3. Springs Utilities will fully match customer donations to the Project COPE (Citizens Option to Provide Energy) utilities bill assistance program up to \$500,000 annually.

GUIDELINES

Guideline:	Water Acquisition Account (G-12)	Date of Adoption:	July 20, 2022
Applicable Policy Title (Number):	Financial Planning and Budgeting (I-3)	Revision Date:	February 21, 2024
		Revision Number:	1

Water Acquisition Account

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

GUIDELINES

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

Determination to Construct Water and/or Wastewater Extensions

1. As provided in Utilities Rules and Regulations, Springs Utilities may design and construct water distribution and/or wastewater collection systems when, in Springs Utilities sole discretion, it is in the best interest to protect water and/or wastewater service to existing customers, to allow for the continued development within the service area(s), and/or to provide benefit to the entire service area(s). Springs Utilities will recover the costs of such facilities, with interest, through a Recovery Agreement Charge and/or an Advance Recovery Agreement Charge.

2. Springs Utilities informs Utilities Board of determinations to construct water distribution and/or wastewater collection system. Information provided to Utilities Board will be dependent on the specific characteristics of the applicable project, which may be subject to other rules, requirements, and policies. When applicable, information provided by Utilities will include the following:
 - a. System and operational considerations
 - Design capacity
 - Complexity of design and construction
 - Land and easement acquisition
 - b. Financial estimates
 - Cost and schedule
 - Recovery Agreement Charge and/or Advance Recovery Agreement Charge
 - Water and wastewater rate impacts
 - c. Environmental considerations
 - Regulatory and permitting requirements
 - Identified impacts to waterways
 - d. Community support considerations
 - Regional significance
 - Impact to growth and economic development

GUIDELINES

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

Wastewater Backup Assistance Program

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

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

RESULTS

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

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

2025 Board Expected Results

1. Reliability:

- A. Electric – SAIDI – Interruptions in minutes per year will be in the target range of 52.50 – 47.51 minutes
- B. Natural Gas – Failures per 100 miles of pipe will be in the target range of 6.00 – 4.00 failures
- C. Water – Failures per 100 miles of mainline will be in the target range of 12.00 – 10.00 failures
- D. Wastewater – Failures per 100 miles of mainline will be in the target range of 0.75 – 0.51 failures

2. Rates:

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

3. Relationships:

- A. Customer Satisfaction – Residential will be in the target range of 2.50 – 3.49
- B. Customer Satisfaction – Business will be in the target range of 2.50 – 3.49
- C. Environmental Index will be in the target range of 75.00 – 85.99
- D. Safety: Occupational Injuries and Illnesses Rate will be in the target range of +/- 10% of Benchmark
- E. Workforce Index – Workforce Index will be in the target range of 2.70 – 3.49

Appendix

APPENDIX

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

Board Memo Agenda Item

Staff Report

Date: (Date of Utilities Board Meeting)	May 20, 2026		
To:	Utilities Board		
From:	Travas Deal, Chief Executive Officer		
Subject:	JD Power 2026 U.S. Water Utility Residential Customer Satisfaction Study		
NARRATIVE:			
Desired Action: Choose only one	<input type="checkbox"/> Approval <input type="checkbox"/> Discussion <input checked="" type="checkbox"/> Information		
Executive Summary:	<p>In 2026, Colorado Springs Utilities earned the J.D. Power Water Utility Residential Customer Satisfaction Award for the West Midsize Utility Region, ranking #1 overall among regional peer utilities. Customers rated the utility highest in four critical satisfaction dimensions—Quality and Reliability, Problem Resolution, Ease of Doing Business, and People—underscoring strong performance in delivering safe and reliable water service, and positive, efficient and empathetic interactions. Achieving this top ranking in a highly competitive western peer group affirms the success of cross-functional investments in infrastructure, operations, customer service, and employee engagement; and reinforces Utilities’ reputation as a trusted, high-performing public service.</p>		
Benefits:	<p>This recognition supports the Strategic Plan objectives: Operational Excellence; Focus on the Customer; and Support our Community affirming Colorado Springs Utilities’ ability to deliver reliable, high-quality water service while providing responsive, respectful, and effective customer interactions. Earning the top ranking in customer satisfaction strengthens customer trust, reinforces Utilities’ role as a valued community asset, and contributes to the long-term confidence and quality of life in the Pikes Peak region. This award recognizes the dedication and professionalism of employees across the organization, reinforcing pride in their collective efforts to serve customers and the community with professional excellence.</p>		
Board Policy: If this impacts one of the board policies, indicate that here.	N/A		
Cost / Budget: Include the projected cost or budget here.	N/A		
Affected Parties: This could include community groups, specific City Council Districts, other utilities, nonprofit organizations, certain neighborhoods, Colorado Springs Utilities employees, etc.	All Colorado Springs Utilities customers and employees		
Alternatives:	N/A		
Submitter:	Leslie Smith	Email Address:	llsmith@csu.org
Division:	Administrative and Human Resources Division	Phone Number:	719-668-8923
Department:	Regulatory, Environment and Public Affairs Department	Date Submitted:	May 8, 2026
SPG Staff Use Only:	Consent Calendar <input type="checkbox"/> Yes <input type="checkbox"/> No		Item Number 05

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



Date: May 20, 2026

To: Utilities Board

From: Travas Deal, Chief Executive Officer

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

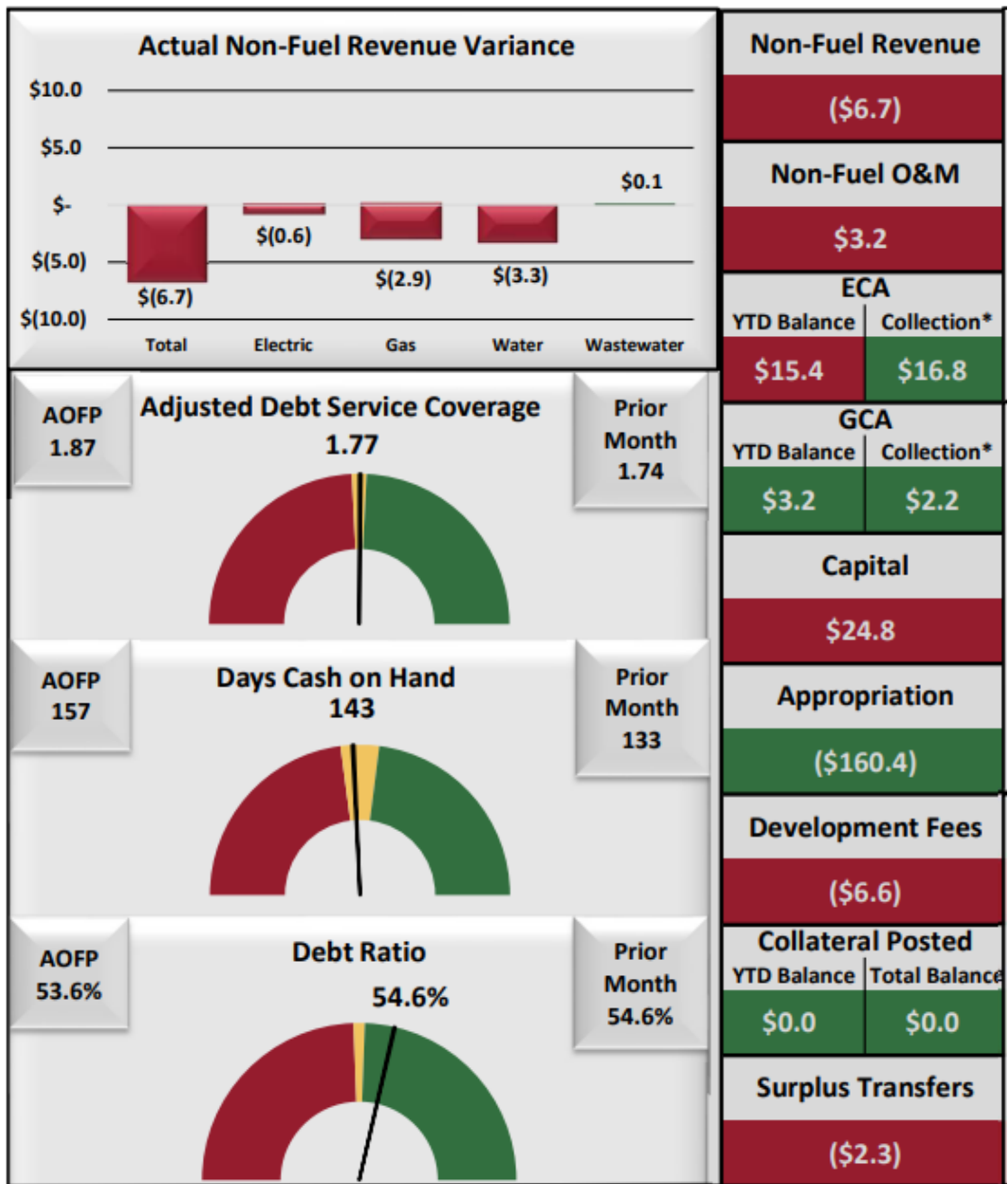
Desired Action: Monitoring

Compliance: The CEO reports compliance with the instructions.

INSTRUCTIONS			
Category:	Utilities Board Instructions to the Chief Executive Officer	Reporting Timeframe:	October 1, 2025 – December 31, 2025
Policy Title (Number):	Financial Condition and Activities (I-2)	Reviewing Committees:	Working Committee
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*
 - 2025 Total Use of Funds \$1.67 billion a decrease of \$(160.4) million or (8.8)% from the 2025 Approved Budget of \$1.83 billion. This meets the I-2 objective to operate within the appropriation.
 - Fuel expenses are \$(188.8) million or (38.2)% under the approved budget primarily due to lower actual 2025 natural gas prices than those projected at the time of the 2025 budget appropriation.
 - Operating revenues are \$(192.5) million or (14.6)% under the approved budget due to a decrease in fuel costs that are reflected in lower ECA/GCA revenue.
 - Capital expenses are \$24.8 million or 4% over the approved budget primarily related to Horizon Power Plant accelerated payments forward from 2026.



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

	O&M	Capital
Electric	\$ (70,529)	\$ 103,075
Gas	\$ (104,712)	\$ 7,280
Water	\$ (1,456)	\$ (47,537)
Wastewater	\$ 3,756	\$ (21,227)
A&G and Common	\$ (12,612)	\$ (16,751)
Utilities Total	\$ (185,552)	\$ 24,839

Note: O&M is both fuel and non-fuel, non-fuel is over by \$3.2 million

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

Project Over/Under Runs						
Activity #	Project Name	Service Line	Investment Type	2025 AAFP	Change	New Budget
193952	Operational Fiber Network	Electric	Regulatory	\$63,045,000	\$29,824,767	\$92,869,763
495436	EWSE Phase 1 - New Lift Stations and Force Mains	Wastewater	Growth	\$18,871,906	(\$13,787,760)	\$5,084,146
194037	APIP - Horizon Substation - Add New (34.5kV) Transformer, Switchgear, and Feeders	Electric	Growth	\$9,600,000	(\$8,554,366)	\$1,045,634
394749	Highline Pressure Zone Extension and Redundant Supply	Water	Growth	\$13,699,398	(\$7,552,393)	\$6,147,005
193877	SEP Kelker-South Plant New 115kV Transmission Line	Electric	Regulatory	\$8,604,232	(\$7,270,194)	\$1,334,038
193880	SEP MW-KE Transmission Line	Electric	Growth	\$19,242,704	\$6,825,286	\$26,067,990
193898	Front Range CT1 & CT2 Rotor Replacement	Electric	Reliability	\$6,750,000	(\$6,524,005)	\$225,995
193884	APIP - Claremont Substation - Add Transformer, Switchgear, and Feeders	Electric	Regulatory	\$260,000	\$5,918,729	\$6,178,729
193874	SEP Kelker Substation Rebuild-Expansion	Electric	Regulatory	\$31,485,002	\$5,599,526	\$37,084,528
394652	WOLF and UBG Pressure Zone Interconnection - North Segment, Phase 1 of 2	Water	Regulatory	\$5,589,000	(\$4,925,289)	\$663,711
394476	Rosemont Pipeline Replacement	Water	Reliability	\$4,854,879	(\$4,558,701)	\$296,178
394696	N. Slope - South Catamount Dam Rehabilitation	Water	Reliability	\$6,000,000	\$4,451,547	\$10,451,547
193975	Tesla TIV Replacement & Stanley Canyon Repair Project	Electric	Reliability	\$2,920,500	\$4,144,880	\$7,065,380
596710	MAXimize	Common	Reliability	\$4,935,000	(\$3,818,123)	\$1,116,877
495307	LVSRRF Aeration System Modifications	Wastewater	Reliability	\$10,960,000	(\$3,704,686)	\$7,255,314
293170	Marksheffel Connector GPAP expansion	Natural Gas	Growth	\$2,000,000	\$3,685,290	\$5,685,290
293182	DIMP - Gas Projects	Natural Gas	Regulatory	\$220,000	\$3,604,934	\$3,824,934
293179	DIMP - Gas High-Pressure Distribution System Renewals	Natural Gas	Regulatory	\$7,433,144	(\$3,548,238)	\$3,884,906
193970	Manitou Units 1&2 Turbines & Generators Rehabilitation Project	Electric	Reliability	\$3,500,000	(\$3,498,845)	\$1,155
193407	Front Range General Electric Hot Gas Path Replacement	Electric	Reliability	\$6,201,347	\$3,451,917	\$9,653,264
193974	System Additions for New Development	Electric	Growth	\$2,400,000	\$3,345,862	\$5,745,862
495363	LVSRRF Influent Junction Box Replacement	Wastewater	Reliability	\$4,000,000	(\$3,073,761)	\$926,239
193642	Central Bluffs Substation	Electric	Growth	\$16,000,000	(\$3,064,759)	\$12,935,241
394587	Potable Pumping Station Replacement Program	Water	Reliability	\$6,000,000	\$2,897,565	\$8,897,565
495435	EWSE Phase 1 - Upper and Lower Crosstown Interceptor	Wastewater	Growth	\$2,689,052	\$2,641,288	\$5,330,340
596761	Vac Material Processing Wash Plant Recovery System	Common	Reliability	\$2,600,000	(\$2,592,287)	\$7,713
394669	AMI Project - Water	Water	Reliability	\$3,700,000	(\$2,549,200)	\$1,150,800
596712	Data Analytics and Strategy - Storage & Access	Common	Regulatory	\$4,500,000	(\$2,454,111)	\$2,045,889
495437	EWSE Phase 1 - Milton Proby Interceptor	Wastewater	Growth	\$481,584	\$2,324,925	\$2,806,509
394744	Finished Water Linear Asset Program	Water	Reliability	\$11,312,000	\$2,300,102	\$13,612,102
194103	Airport & Powers - Electric Relocation - CDOT T&M	Electric	Reliability	\$300,000	\$2,060,015	\$2,360,015
194029	Santa Fe Substation - Add New Transformer, Switchgear, and Feeders	Electric	Growth	\$1,150,000	\$1,978,680	\$3,128,680
293181	DIMP - Gas Vintage Plastic Renewals	Natural Gas	Regulatory	\$500,000	\$1,924,540	\$2,424,540
180283	Public Improvements-Electric	Electric	Reliability	\$253,003	\$1,812,863	\$2,065,866
192296	Underground 12.5kV Distribution to New Residential Customers	Electric	Growth	\$4,900,359	\$1,739,101	\$6,639,460
192347	Electric Meters - Base Requirements	Electric	Growth	\$2,359,948	(\$1,729,009)	\$630,939
293178	DIMP - Gas Bare Steel Replacements	Natural Gas	Regulatory	\$600,000	\$1,691,269	\$2,291,269
293183	Gas Unplanned Maintenance	Natural Gas	Regulatory	\$1,605,533	\$1,645,999	\$3,251,532
596758	BRDS02 Data Center PDU/UPS Upgrade	Common	Reliability	\$1,500,000	(\$1,489,046)	\$10,954
495356	Northern Monument Creek Interceptor	Wastewater	Growth	\$4,000,000	(\$1,390,974)	\$2,609,026
596759	Network TIL Redesign	Common	Growth	\$1,500,000	(\$1,388,964)	\$111,036
380109	Water Service Vehicles & Equipment	Water	Reliability	\$5,367,337	(\$1,341,355)	\$4,025,982
596544	Network Enterprise Services Program	Common	Reliability	\$2,000,000	(\$1,253,510)	\$746,490
495331	CSRRRF Biogas Utilization Project	Wastewater	Regulatory	\$0	(\$1,235,264)	(\$1,235,264)
293180	DIMP - Gas Coated Steel Renewals	Natural Gas	Regulatory	\$2,000,000	(\$1,234,318)	\$765,682
596754	MESA01 Boiler Replacement Project	Common	Reliability	\$194,750	\$1,213,461	\$1,408,211
192297	Underground 12.5kV Commercial Distribution	Electric	Growth	\$2,073,081	\$1,196,249	\$3,269,330
194045	Fontanero Substation - Add Second 115/12.5 kV Transformer, Switchgear, Feeders, and retire Yampa Sub	Electric	Growth	\$4,000,000	(\$1,168,220)	\$2,831,780

Project Over/Under Runs						
Activity #	Project Name	Service Line	Investment Type	2025 AOFF	Change	New Budget
495343	CSRRRF Electrical Upgrades Project	Wastewater	Reliability	\$2,300,000	\$1,132,692	\$3,432,692
394675	Homestake 72" Inline Valve on Discharge Line	Water	Reliability	\$1,500,000	\$1,126,661	\$2,626,661
193224	Electric Underground Infrastructure Preventative Maintenance	Electric	Reliability	\$1,890,000	\$1,097,992	\$2,987,992
193745	Atmel Substation - Add New Transformer, Switchgear, and Feeders	Electric	Growth	\$458,543	(\$1,026,306)	(\$567,763)
Total				\$320,307,302	\$4,902,456	\$325,209,754

Cancelled / Delayed Projects						
Activity #	Project Name	Service Line	Investment Type	2025 AOFF	Change	New Budget
193784	SEP EIRP Implementation	Electric	Growth	\$42,120,000	(\$42,120,000)	\$0
394683	Water Acquisition	Water	Growth	\$33,000,000	(\$33,000,000)	\$0
194133	SEP EIRP Implementation - Transmission	Electric	Reliability	\$25,000,000	(\$25,000,000)	\$0
394790	Ruxton 24" and 30" Raw Water Main Replacement/Rehabilitation	Water	Reliability	\$3,500,000	(\$3,500,000)	\$0
300905	Water Manager Reserve	Water	Reliability	\$2,872,469	(\$2,872,469)	\$0
194028	Fuller Substation - Add Two New Feeders	Electric	Growth	\$2,385,000	(\$2,385,000)	\$0
394722	Pine Valley & McCullough DOVE Disinfection Improvements	Water	Reliability	\$2,250,000	(\$2,250,000)	\$0
596651	GIS Technology Modernization Project	Common	Reliability	\$2,000,000	(\$2,000,000)	\$0
400905	WWater Manager Reserve	Wastewater	Reliability	\$1,544,144	(\$1,544,144)	\$0
394771	Reduced Briargate Tank (2021 FWSP)	Water	Reliability	\$1,186,086	(\$1,186,086)	\$0
586280	BRDS02 Halon Replacement	Common	Reliability	\$1,050,446	(\$1,050,446)	\$0
Total				\$116,908,145	(\$116,908,145)	\$0

New or Advanced Projects						
Activity #	Project Name	Service Line	Investment Type	2025 AOFF	Change	New Budget
194144	SEP - Horizon Power Plant	Electric	Reliability	\$0	\$117,849,761	\$117,849,761
194147	Front Range High Energy Piping Insulation & Heat Trace Replacement Emergency	Electric	Regulatory	\$0	\$8,960,899	\$8,960,899
194179	Rock Island Relocation Land Acquisition	Electric	Reliability	\$0	\$7,290,806	\$7,290,806
394802	South Suburban Reservoir Emergency Repairs	Water	Regulatory	\$0	\$6,077,722	\$6,077,722
193889	Kettle Creek 12.5kV Feeder Addition	Electric	Regulatory	\$0	\$2,168,361	\$2,168,361
394793	SDS I&C Pump Station Upgrades	Water	Reliability	\$0	\$1,803,184	\$1,803,184
394755	Arkansas Basin Storage - Clear Creek	Water	Reliability	\$0	\$1,600,978	\$1,600,978
495475	LVTPO6 Complete Interior Renovation Project	Wastewater	Growth	\$0	\$1,500,000	\$1,500,000
394807	FLCC Shares Acquisition	Water	Growth	\$0	\$1,402,243	\$1,402,243
394787	Penrose Water Supply	Water	Reliability	\$0	\$1,079,152	\$1,079,152
Total				\$0	\$149,733,106	\$149,733,106

Summary			
Category	2025 AOFF	Change	New Budget
Total I-2 Reportable Changes	\$437,215,447	\$37,727,417	\$474,942,860
Total Other Changes	\$191,536,731	(\$12,887,998)	\$178,648,737
Grand Total	\$628,752,178	\$24,839,419	\$653,591,597

5-year Capital Outlook (in thousands)					
Category	2025	2026	2027	2028	2029
AOFP Budget*	\$628,752	\$697,046	\$997,463	\$985,384	\$602,274
I-2 Forecast	\$653,592	\$986,610	\$837,001	\$714,504	\$631,943
Variance	\$24,839	\$289,564	(\$160,462)	(\$270,880)	\$29,670
5-year Total Variance					(\$87,269)

* Based on 2025 approval

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 2025, there were 26.50 of DSO. This is an improvement from fourth quarter of 2024 which was 30.48.

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

These conditions have been achieved as of this monitoring report.

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

These conditions have been achieved as of this monitoring report.

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

Colorado Springs Utilities maintains written purchasing regulations that assure legal and fiscal compliance with competitive acquisition practices, avoid conflicts of interest, avoid favoritism, and promote procurement from local vendors. Total spending associated with purchase orders and contracts with local area addresses at 22.8% 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 2025, there were no significant financial impacts on the Municipal Government.

Surplus transfers for 2025 were \$34.8 million, which is below the budget by \$2.3 million or 6.3%.



Date: May 20, 2026

To: Utilities Board

From: Travas Deal, Chief Executive Officer

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

Desired Action: Monitoring

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

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

Electric Cost Adjustment (ECA)

On March 24, 2026, City Council approved the ECA rate of \$0.0233 per kWh effective April 1, 2026. As of March 31, 2026, the ECA over collection balance was \$17.3 million. The over collection balance changed by \$0.2 million from the \$17.1 million over collection balance reported last month. Springs Utilities will continue to provide regular updates to the Utilities Board as appropriate.

Gas Cost Adjustment (GCA)

On March 24, 2026, City Council approved the GCA rate of \$0.1994 per Ccf effective April 1, 2026. As of March 31, 2026, the GCA over collection balance was \$8.9 million. The over collection balance changed by \$5.2 million from the \$3.7 million over collection balance reported last month. Springs Utilities will continue to provide regular updates to the Utilities Board as appropriate.

Water Outlook

April 2026 Water Outlook: Data as of April 30, 2026

Local Conditions: April brought above normal temperatures and below average precipitation to the region.

Water Demands: April water use averaged 60.1 million gallons per day (MGD), which was about 17.8% more than last April. Year-to-date water use averaged 5.6 billion gallons (BG), which was about 0.29 billion gallons more than 2025. Total system storage is

currently at 77% of capacity, equating to approximately 3 years of demand in storage, based on the past 3 years of demand. Local storage currently holds enough water to meet approximately 225 days of demand, based on average usage.

Climate Summary: Temperatures in April were average at 50.2 degrees Fahrenheit. Total precipitation for April was 0.93 inches, which is below normal.

Current Reservoir Levels: Local storage is currently at about 41,686 acre-feet (70% of capacity). The 1991-2020 average is 80% of capacity. Rampart Reservoir is at 85% of capacity, and Pikes Peak storage is at 47% of capacity. System wide, total storage is about 200,900 acre-feet (77% of capacity). Last year at this time, total system wide storage was 79% of capacity. It was about 72% at this same time in 2023, about 73% of capacity in 2022, about 71% of capacity in 2021, and about 80% of capacity in 2020. The 1991-2020 normal system wide storage for the end of April is 72% of capacity.

Water Supply Outlook: The U.S. Drought Monitor indicates varying drought conditions across the country, with 25% of the U.S. experiencing no drought conditions. In Colorado, 0% of the state is currently free from drought conditions, a 39-percentage point decline since the beginning of 2025. There have been some notable increases in the drought conditions across the state over the 2025 calendar year.

Looking ahead, the Seasonal Drought Outlook predicts drought persistence is likely in Northwestern Colorado with drought development likely in Central and Southern Colorado between now and April 30, 2026. The three-month climate outlook predicts Central and Southern Colorado have a slightly higher chance of above normal temperatures. The three-month outlook is also forecasting near normal precipitation across most of the state, with a small portion of southeast Colorado showing a slightly reduced likelihood of precipitation.

Operational Notes: Mason Reservoir capacity remains restricted for maintenance.



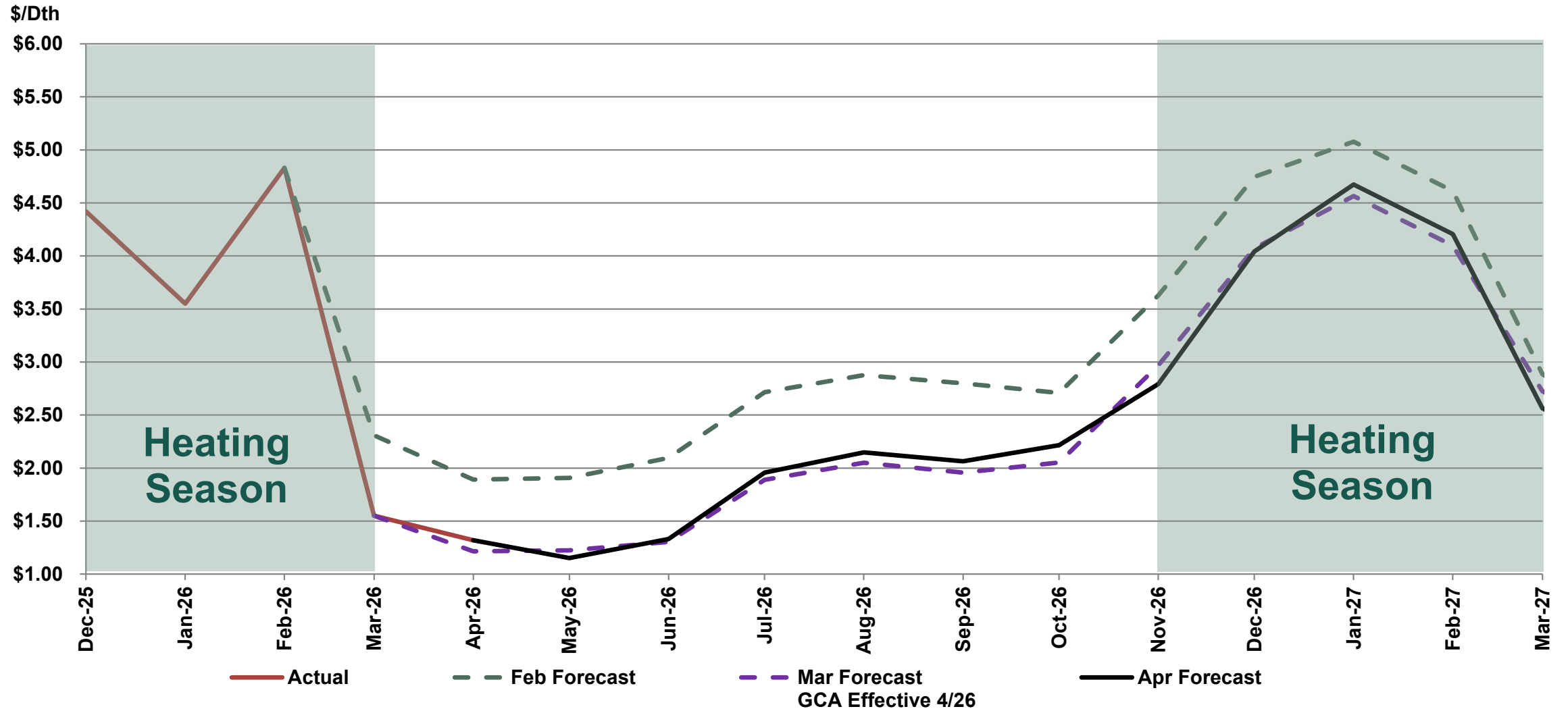
Colorado Springs Utilities
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Electric Cost Adjustment Gas Cost Adjustment

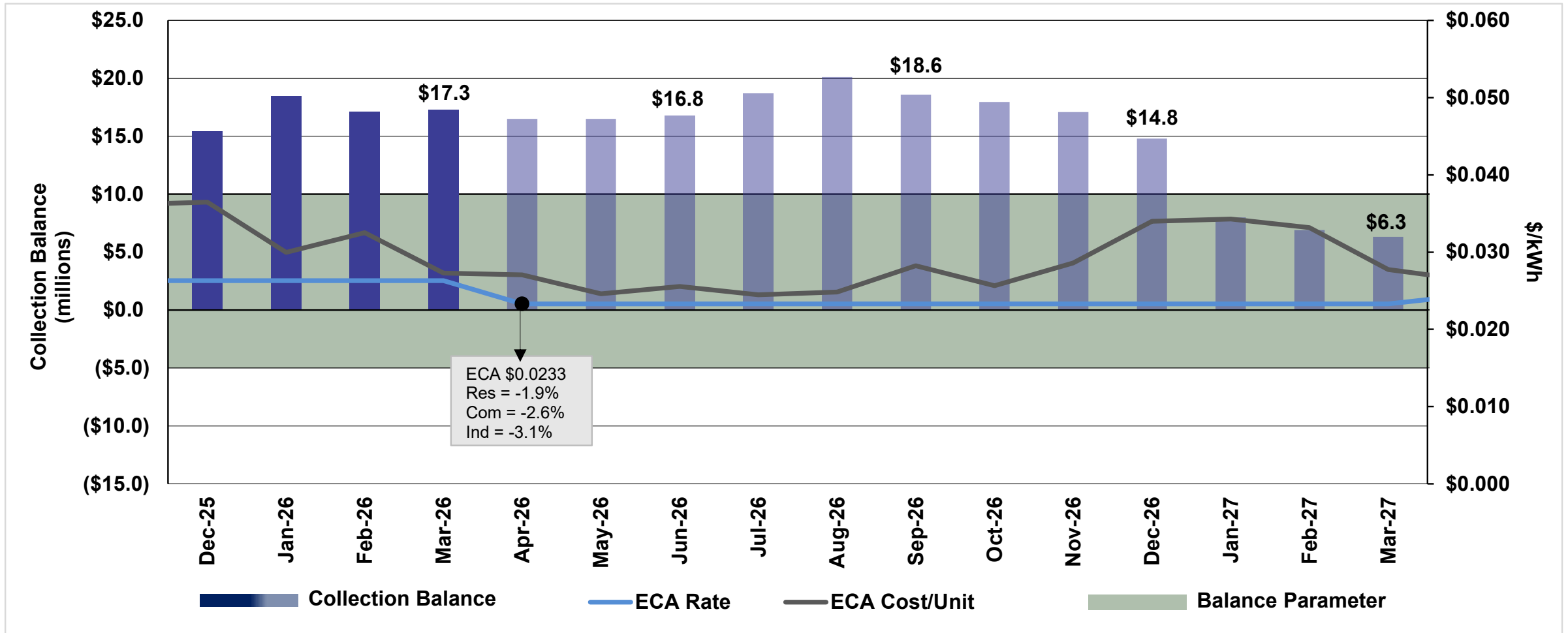
Scott Shirola, Pricing and Rates Manager

May 20, 2026

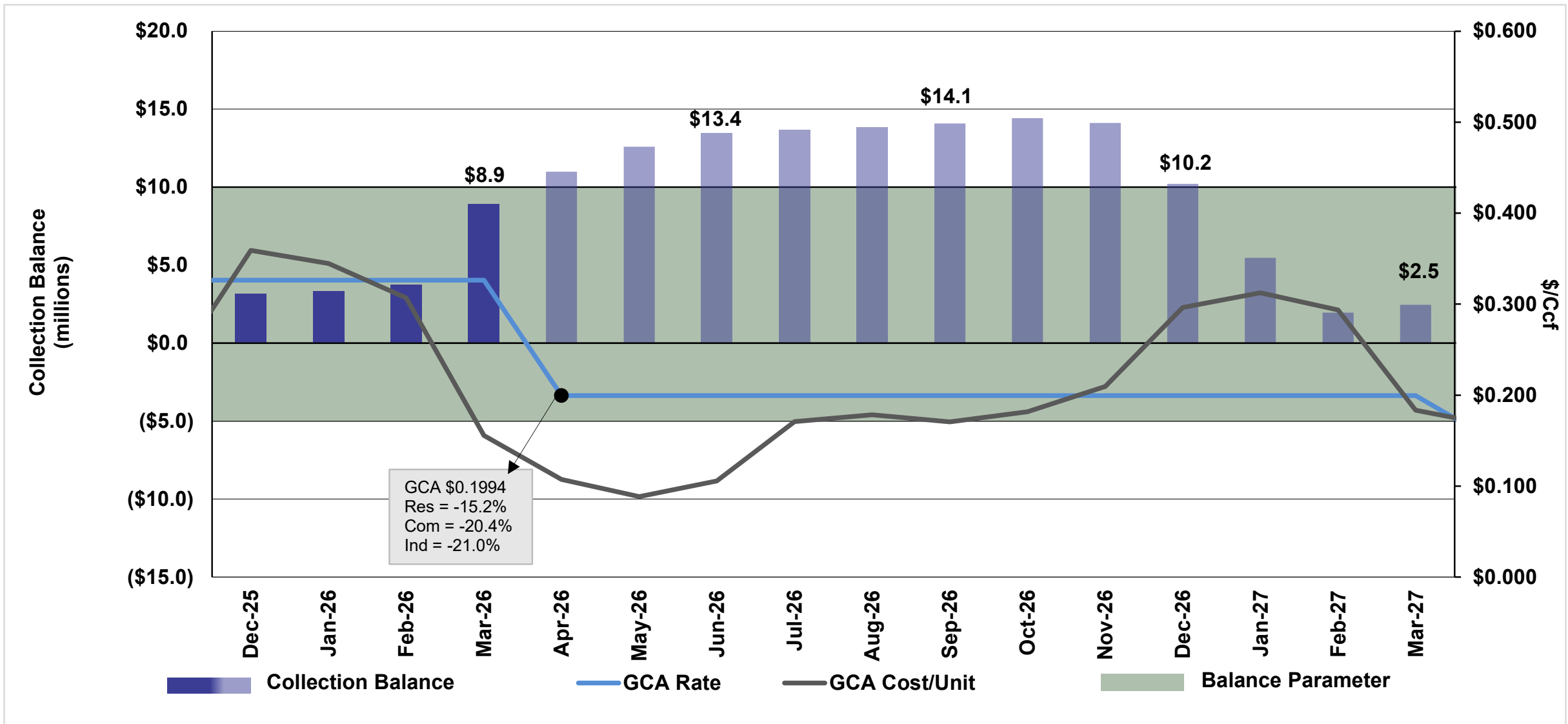
Natural Gas Prices as of April 1, 2026



ECA Projections April 2026



GCA Projections April 2026





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Water Outlook

Justin Zeisler, P.E.

Supervisor, Water Resource Planning

May 20, 2026

Local Weather Conditions as of April 30, 2026

Precipitation (Inches of Moisture)

- April 2026 – 0.93 in. (64% of normal)
- 2026 YTD Total – 3.03 in. (106% of normal)

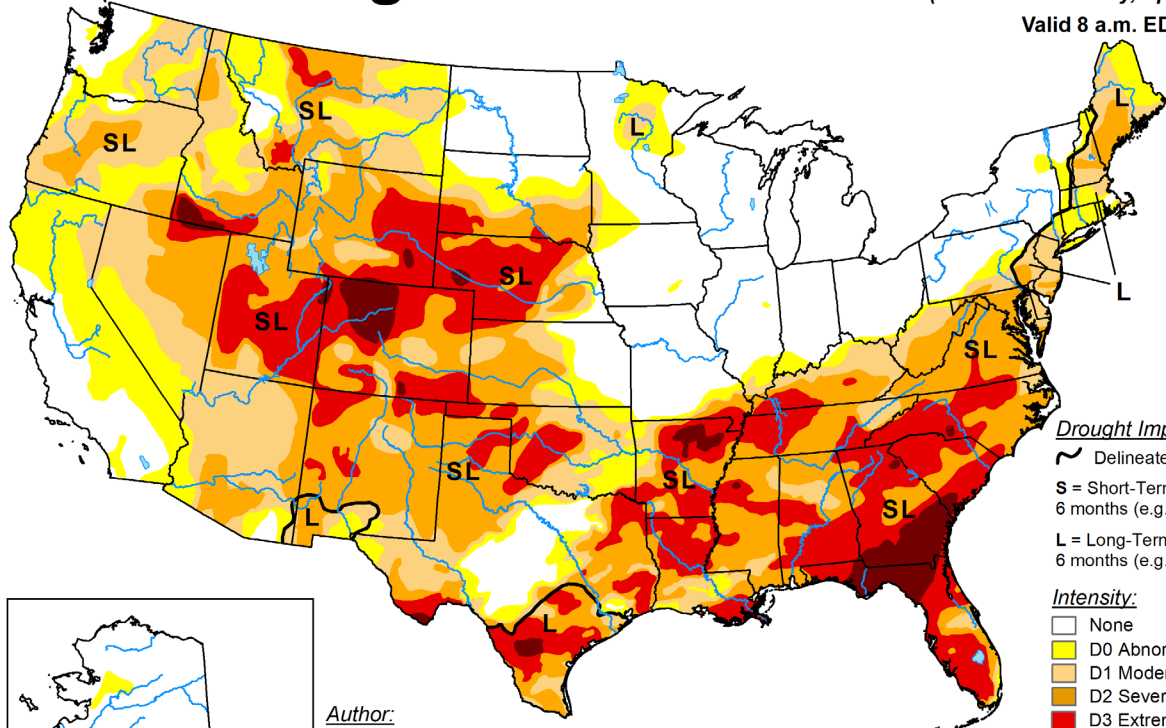
Average Temperature

- April 2026 – 50.2 °F (2.7 °F above normal)
- 2026 YTD Average – 43.7 °F (5.2 °F above normal)



U.S. Drought Monitor

April 28, 2026
 (Released Thursday, Apr. 30, 2026)
 Valid 8 a.m. EDT



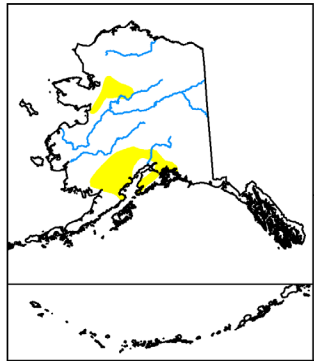
Drought Impact Types:
 ~ Delineates dominant impacts
 S = Short-Term, typically less than 6 months (e.g. agriculture, grasslands)
 L = Long-Term, typically greater than 6 months (e.g. hydrology, ecology)

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

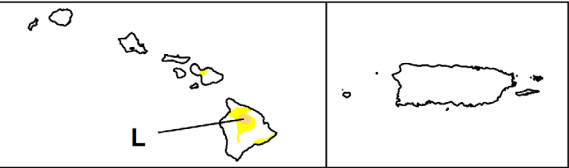
The Drought Monitor focuses on broad-scale conditions. Local conditions may vary. For more information on the Drought Monitor, go to <https://droughtmonitor.unl.edu/About.aspx>



droughtmonitor.unl.edu

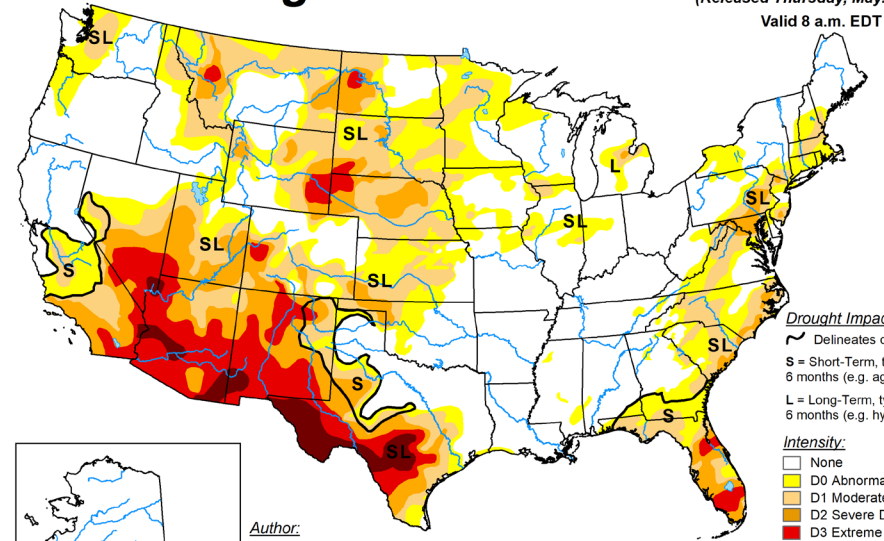


Author:
 Brad Rippey
 U.S. Department of Agriculture



U.S. Drought Monitor

April 29, 2025
 (Released Thursday, May 1, 2025)
 Valid 8 a.m. EDT



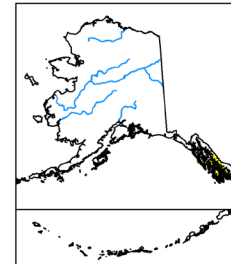
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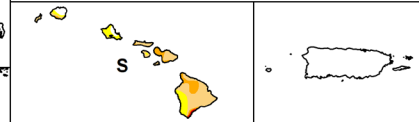
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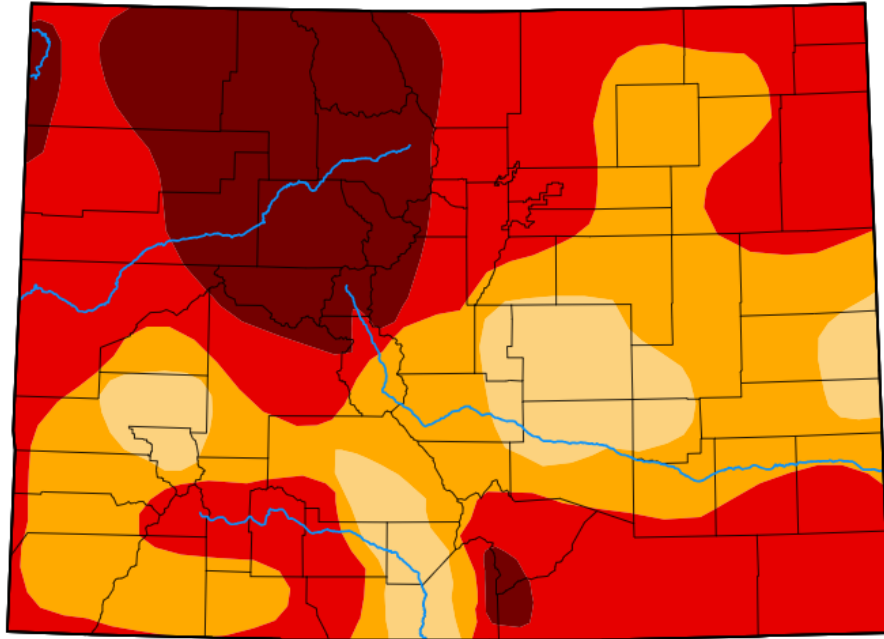
droughtmonitor.unl.edu



Author:
 Richard Tinker
 CPC/NOAA/NWS/NCEP










Colorado



Map released: Thurs. April 30, 2026

Data valid: April 28, 2026 at 8 a.m. EDT

Intensity

-  None
-  D0 (Abnormally Dry)
-  D1 (Moderate Drought)
-  D2 (Severe Drought)
-  D3 (Extreme Drought)
-  D4 (Exceptional Drought)
-  No Data

Authors

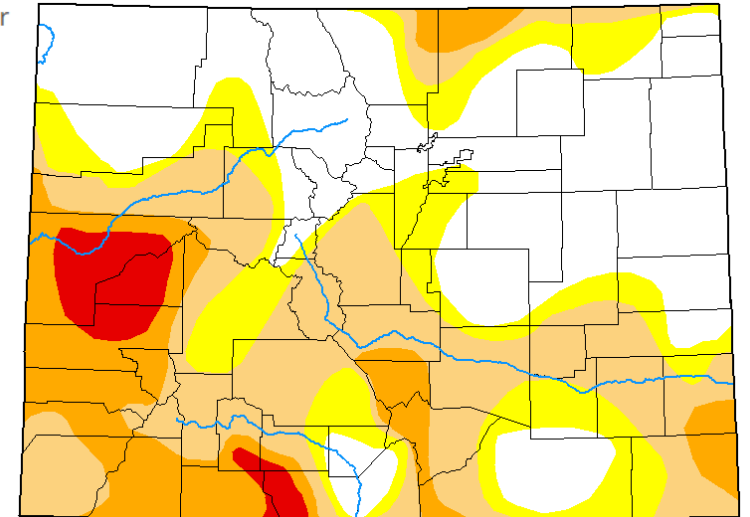
United States and Puerto Rico Author(s):

[Brad Rippey](#), U.S. Department of Agriculture

Pacific Islands and Virgin Islands Author(s):

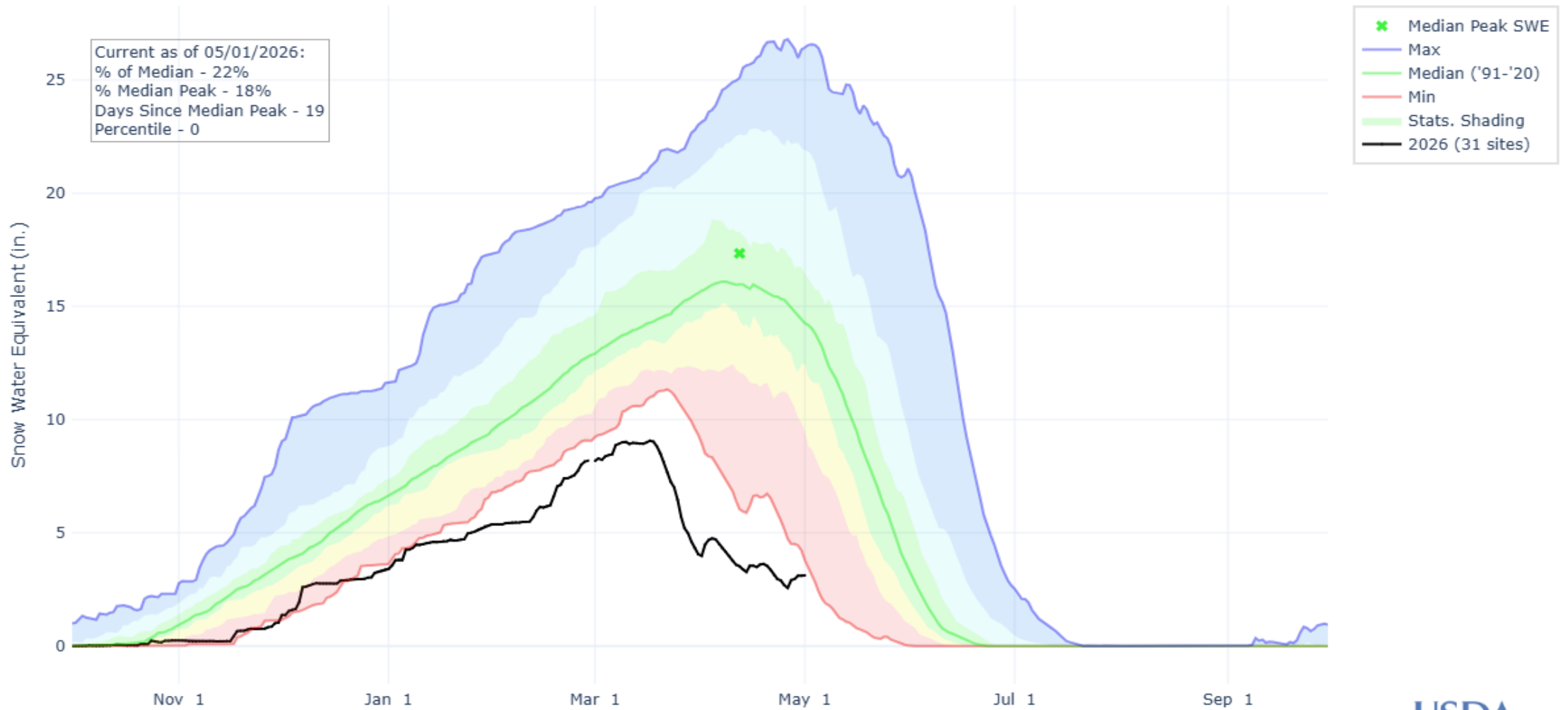
[Daniel Whitesel](#), National Drought Mitigation Center

April 2025



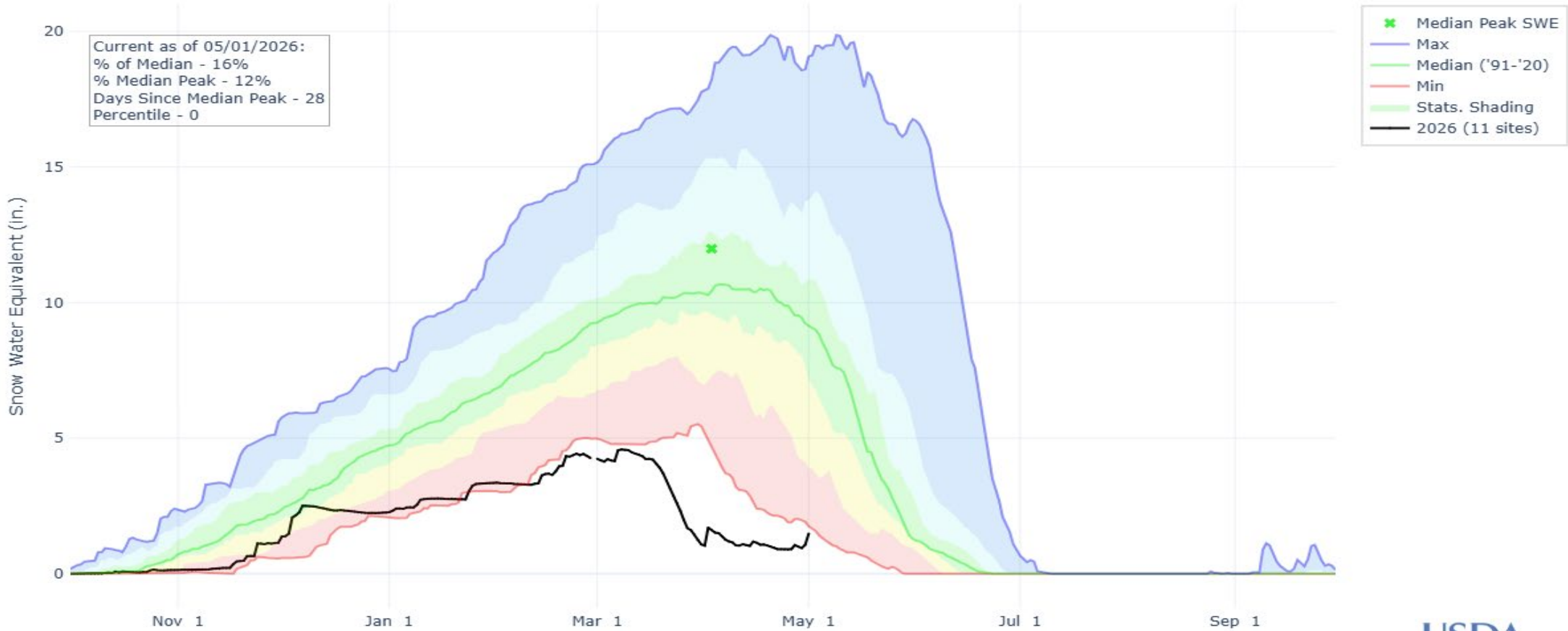
Snowpack in the Colorado River Headwaters Basin is 22% of normal as of May 1, 2026

SNOW WATER EQUIVALENT IN COLORADO HEADWATERS



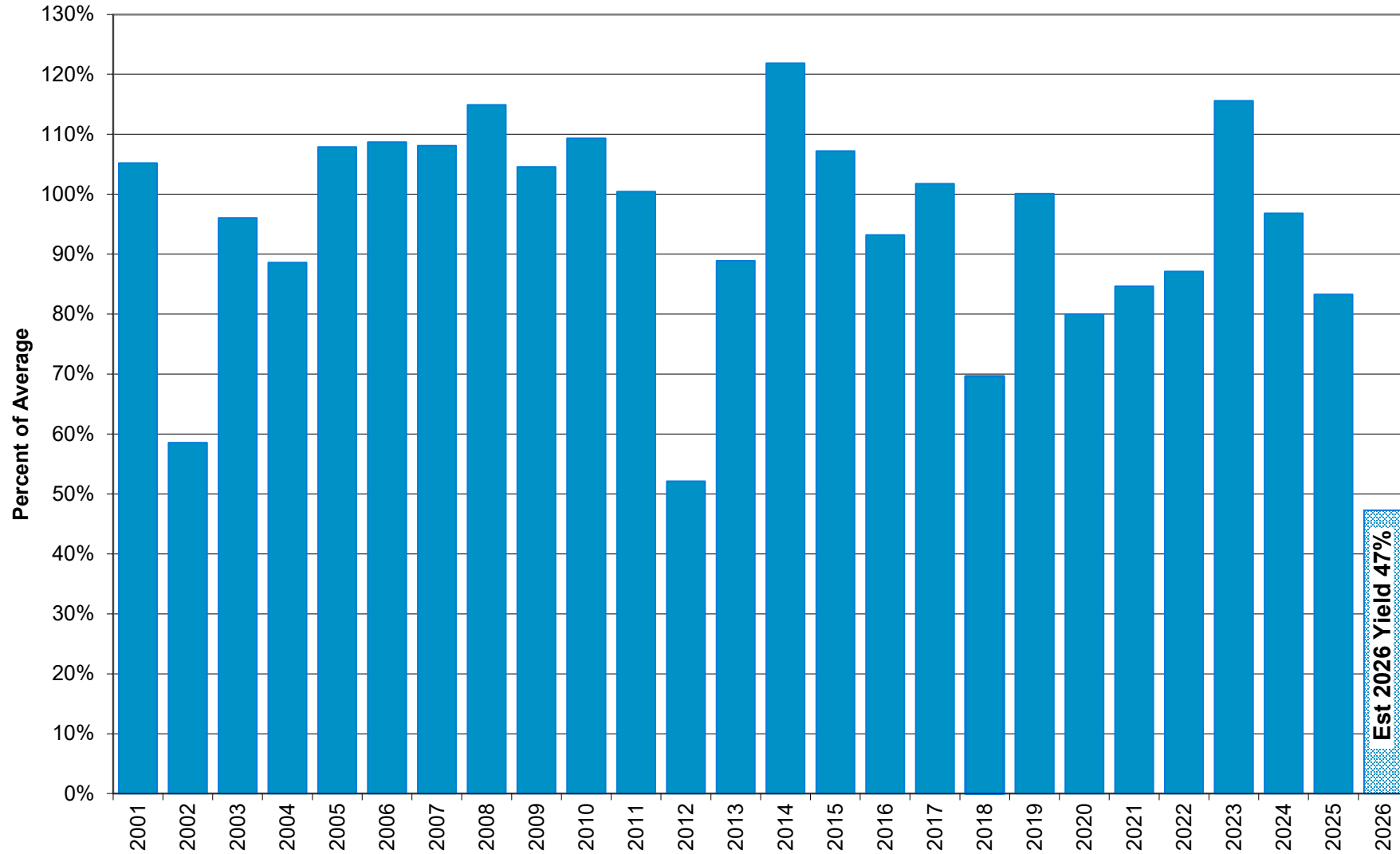
Snowpack in the Arkansas River Basin is 16% of normal as of May 1, 2026

SNOW WATER EQUIVALENT IN ARKANSAS



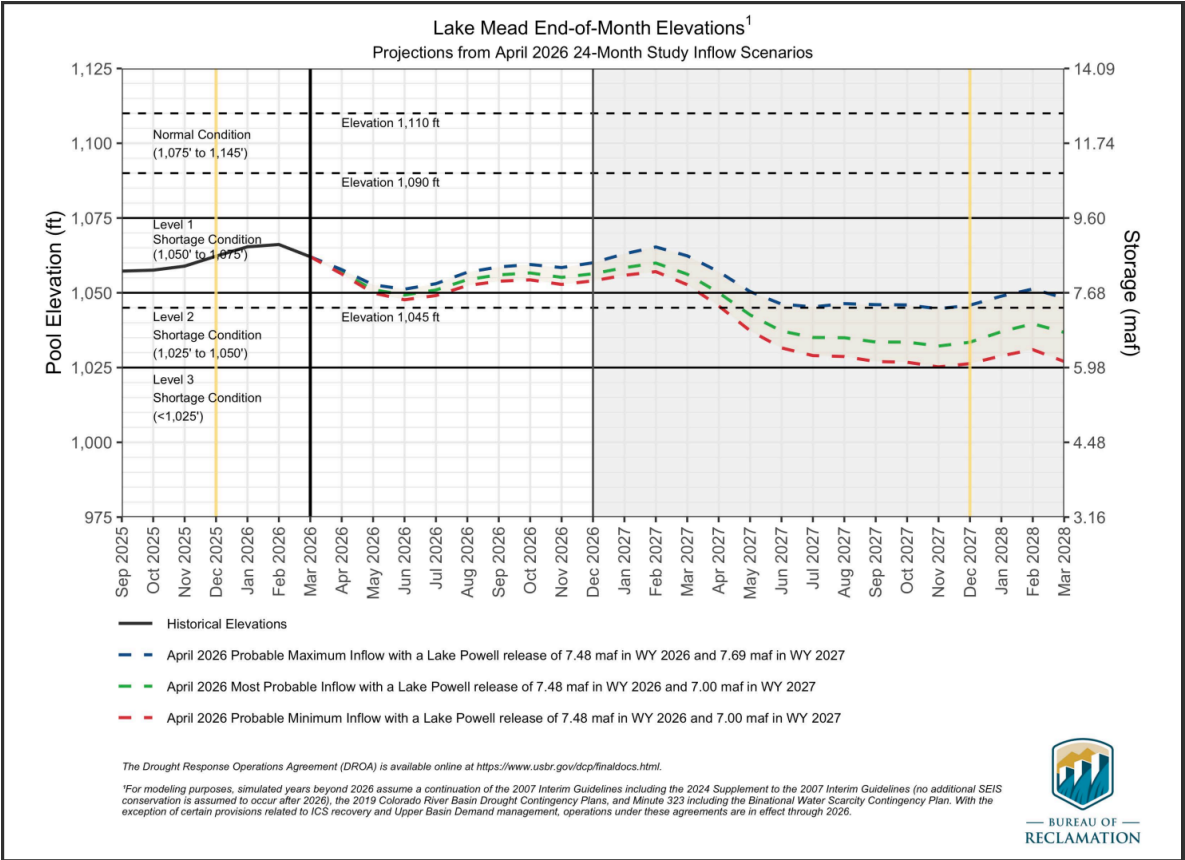
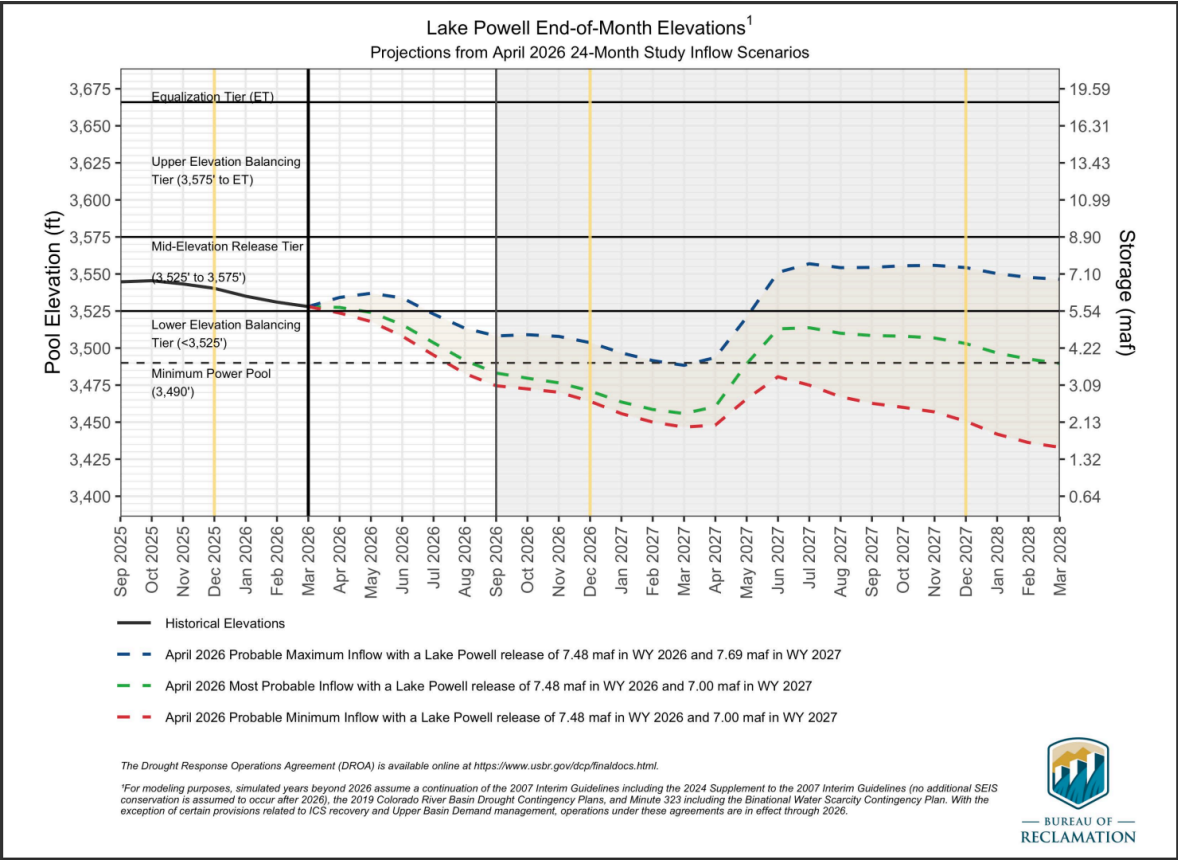
Colorado Springs Water Yields 2001 - 2026

Percent of Average Yield



Colorado River System Projections

Lake Powell & Lake Mead 24-Month Projections



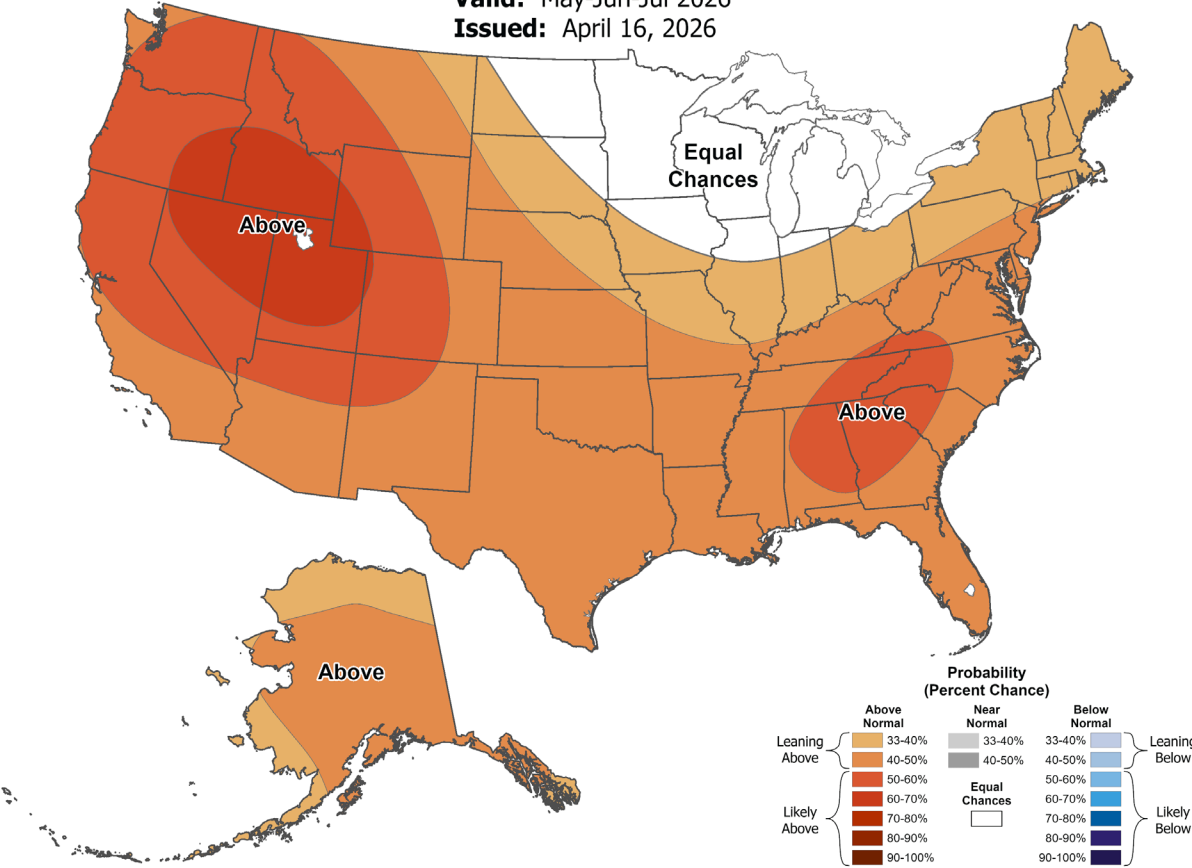
Seasonal Outlook

Climate Prediction Center



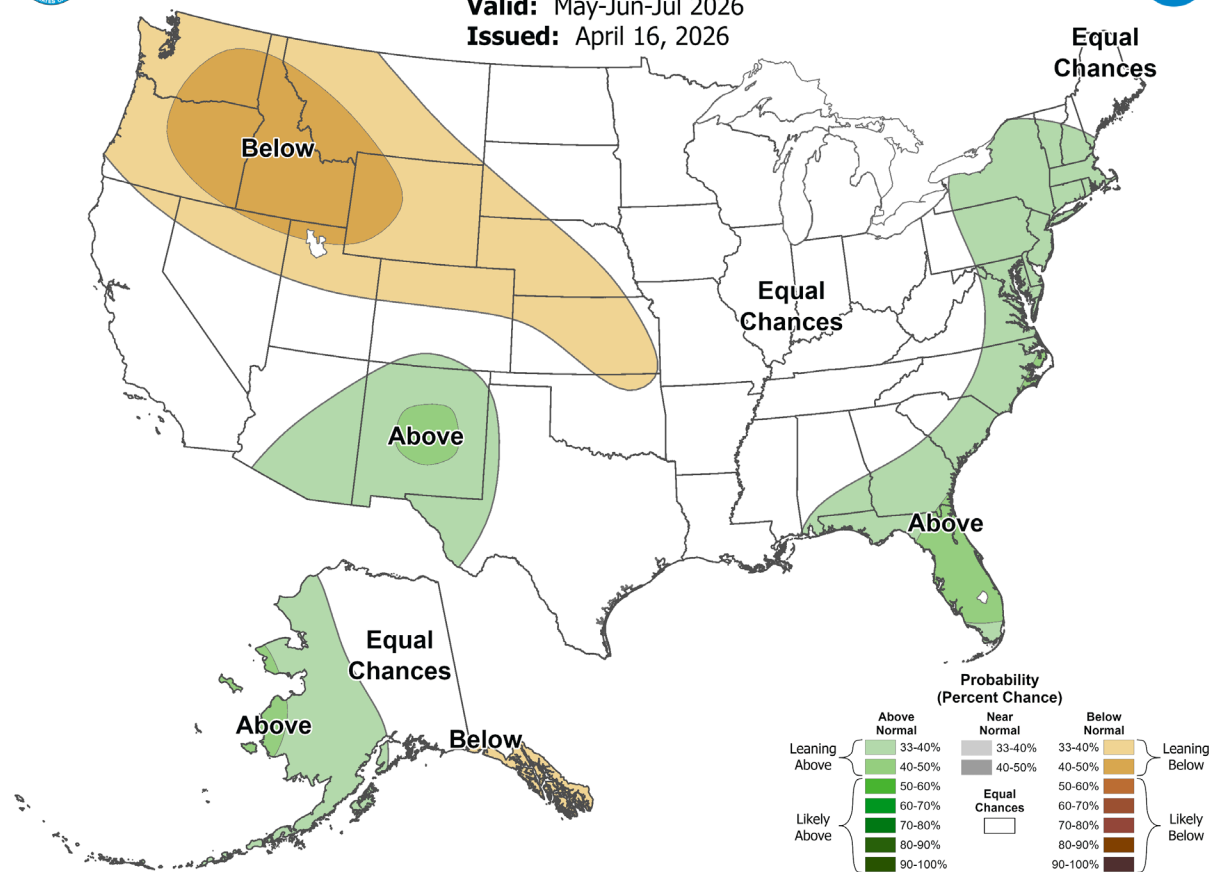
Seasonal Temperature Outlook

Valid: May-Jun-Jul 2026
Issued: April 16, 2026



Seasonal Precipitation Outlook

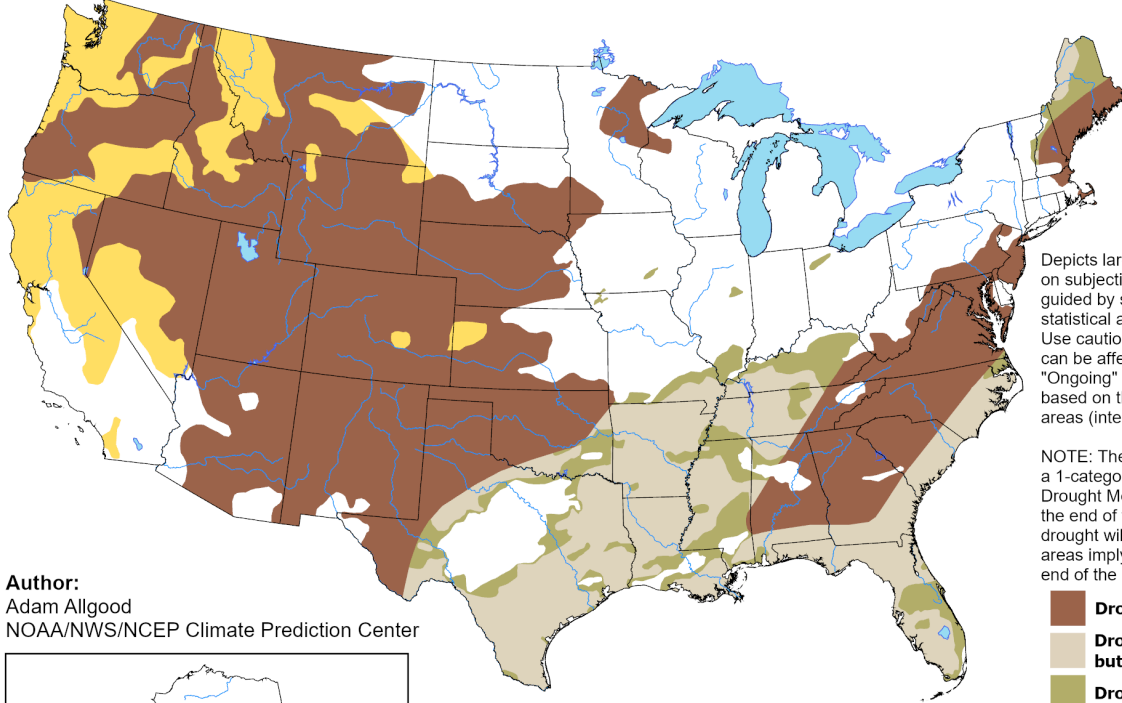
Valid: May-Jun-Jul 2026
Issued: April 16, 2026



U.S. Seasonal Drought Outlook

Drought Tendency During the Valid Period

Valid for April 16 - July 31, 2026
Released April 16, 2026



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

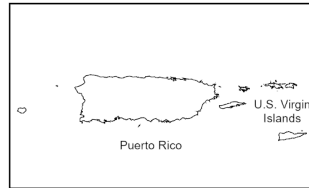
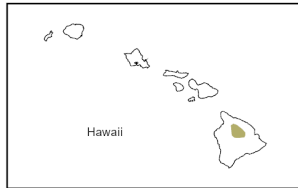
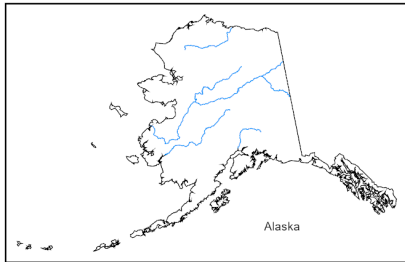
NOTE: The tan areas imply at least a 1-category improvement in the Drought Monitor intensity levels by the end of the period, although drought will remain. The green areas imply drought removal by the end of the period (D0 or none).

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



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

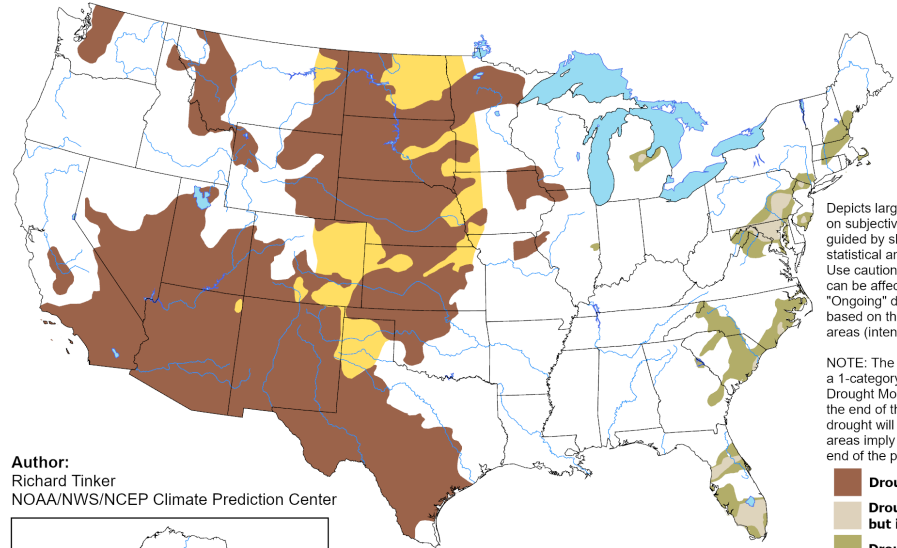
Author:
Adam Allgood
NOAA/NWS/NCEP Climate Prediction Center



U.S. Seasonal Drought Outlook

Drought Tendency During the Valid Period

Valid for April 17 - July 31, 2025
Released April 17, 2025

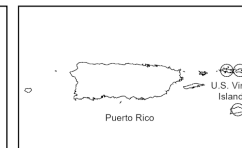
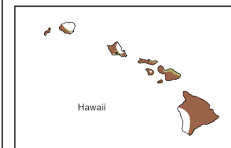
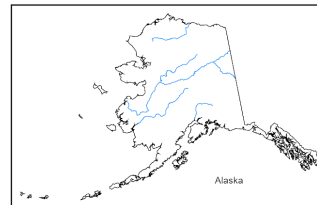


Depicts large-scale trends based on subjectively derived probabilities guided by short- and long-range statistical and dynamical forecasts. Use caution for applications that can be affected by short lived events. "Ongoing" drought areas are based on the U.S. Drought Monitor areas (intensities of D1 to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

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

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

Author:
Richard Tinker
NOAA/NWS/NCEP Climate Prediction Center



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

2026 Demands

April 2026

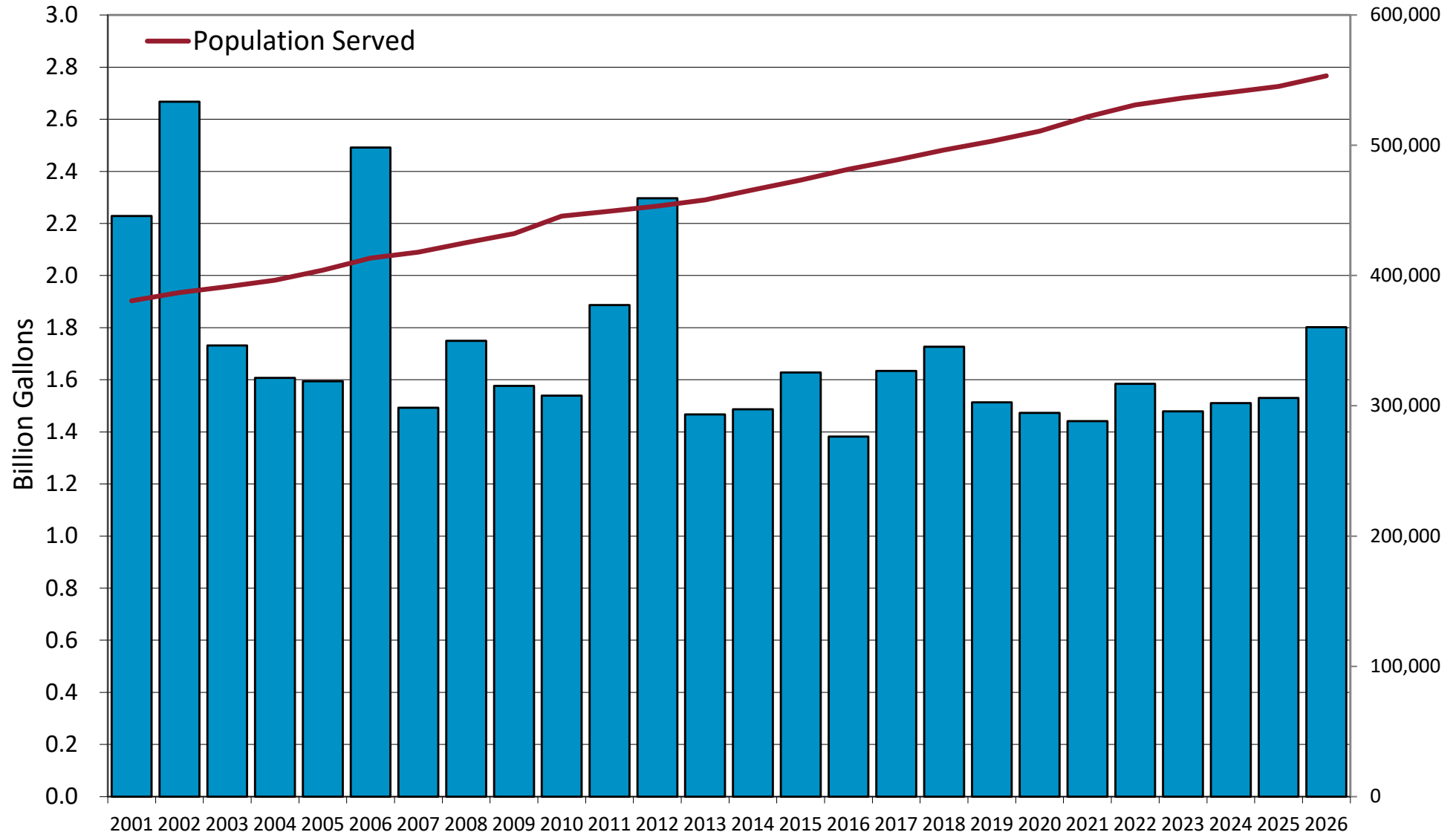
- Averaged 60.1 MGD
- 17.8% more than April 2025

2026 Year to Date through April 30

- Averaging 46.1 MGD, 5.6 BG total
 - 5.5% higher compared to the same time in 2025
 - 0.29 Billion Gallons more than 2025



Monthly Water Use for April



Reservoir Levels

April 30, 2026

- Pikes Peak 47 %
 - 91-20 Avg. 67 %
- Rampart 85 %
 - 91-20 Avg. 89 %
- Local Total 70 %
 - 91-20 Avg. 80 %
- System Total 77%
 - 91-20 Avg. 72 %



Colorado Springs' System Wide Storage:

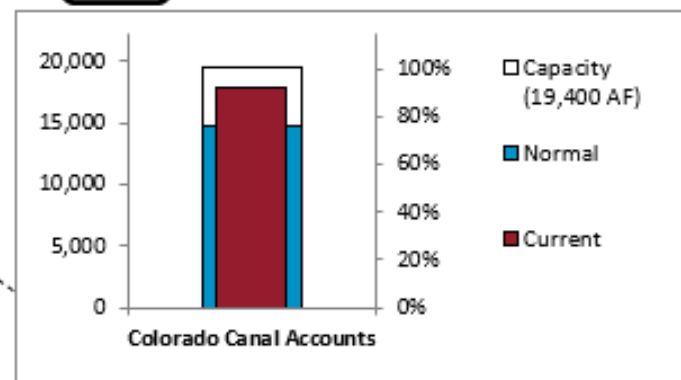
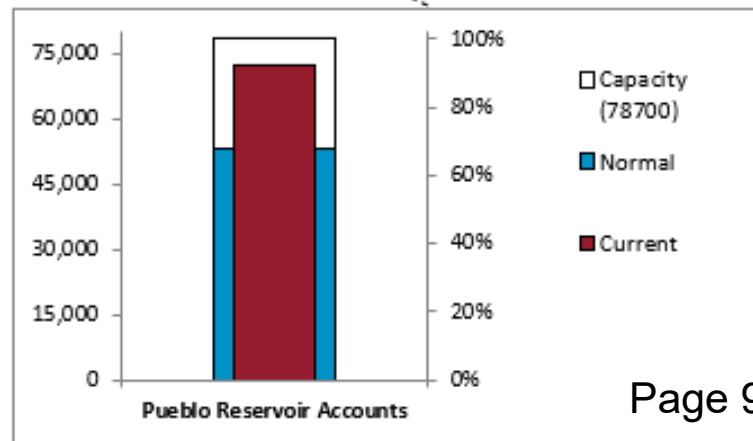
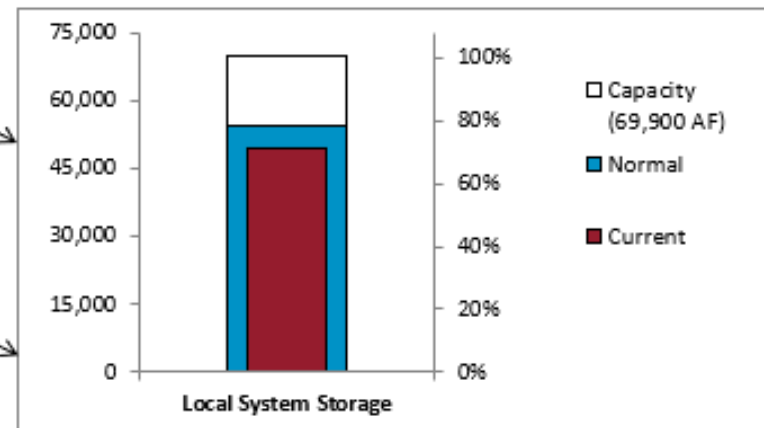
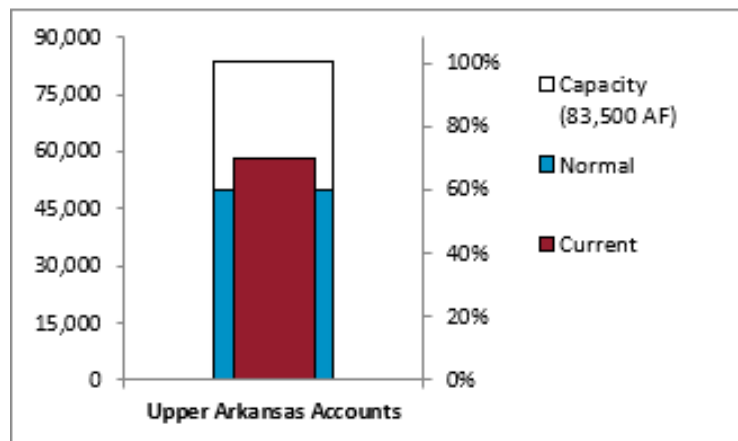
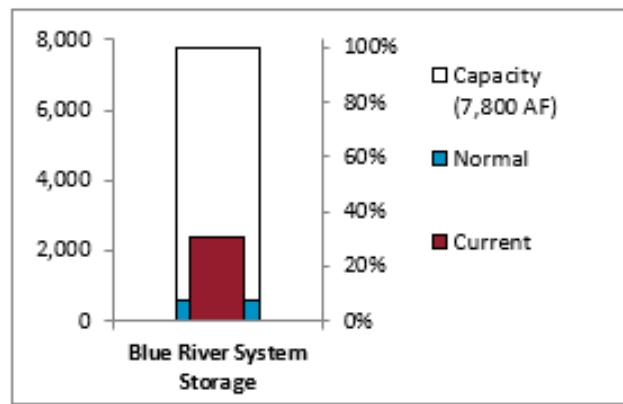
April 30, 2026 200,900 af

77.0 %

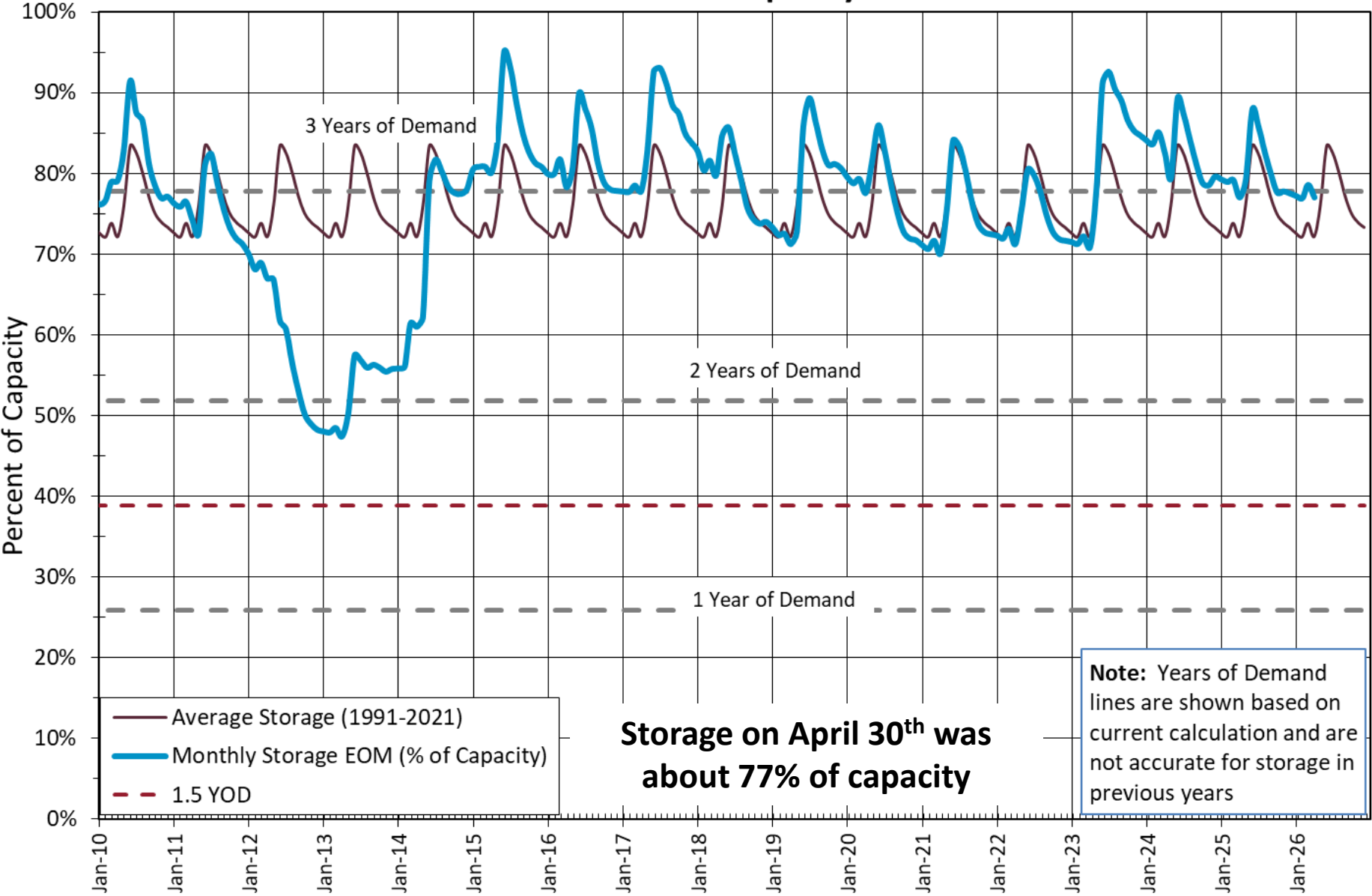
2001-2022 avg 173,200 af

66.4 %

Average YTD Demand 46.5 MGD



Monthly Storage Percent of Capacity



Storage on April 30th was about 77% of capacity

Note: Years of Demand lines are shown based on current calculation and are not accurate for storage in previous years

Water Outlook

Situation Outlook Summary

- System-wide storage is at 77.0% of capacity which equates to about 3.0 years of demand in storage
- Snowpack in our mountain watersheds is at record lows
- Soil moisture conditions remain below normal in the Colorado and Arkansas River basins
- We expect significantly below average runoff this season

Three-month outlook predictions

- Across the state of Colorado, there is an elevated likelihood of experiencing above normal temperatures and increased chances of below normal precipitation in the northern part of the state

We continue to monitor snowpack, demand, and storage to maximize available water supply

Operational Notes

Storage Conditions

- Mason Reservoir, South Suburban Reservoir, and Crystal Reservoir remain restricted for maintenance.

Colorado River Update

- Seven basin states did not reach agreement on new operating rules
- The Bureau of Reclamation is moving forward with a federal guideline proposal
- Springs Utilities continues submitting input through the Front Range Water Council
- We maintain that any solution must reflect hydrologic reality: less water in, means less water out



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Board Memo Agenda Item

Staff Report

Date: (Date of Utilities Board Meeting)	May 20, 2026
To:	Utilities Board
From:	Travas Deal, Chief Executive Officer
Subject:	The Acquisition of Real Property Owned by the Heirs or Devisees of Teresa Pallas Eugene D. Oddone, deceased, subject to administration by the Personal Representative of the estate of each decedent; and the heirs or devisees of Josephine Ida Brenner, as their interest may appear to be used for the Kelker to South Plant Transmission Project
NARRATIVE:	
Desired Action: Choose only one	<input checked="" type="checkbox"/> Approval <input type="checkbox"/> Discussion <input type="checkbox"/> Information
Executive Summary:	<p>Utilities is seeking approval to purchase land owned by the heirs or devisees of Teresa Pallas and Eugene D. Oddone, deceased, subject to administration by the Personal Representative of the estate of each decedent; and the heirs or devisees of Josephine Ida Brenner, as their interest may appear for the Kelker to South Plant Transmission Project.</p> <p>The Kelker to South Plant Transmission Project is for a new overhead single circuit 115kV transmission line from Kelker Substation to South Plant Substation.</p> <p>Pursuant to the provisions of the Colorado Springs City Charter, the City is empowered to acquire real property necessary for Utilities' projects. Sections 4.1 and 9.6 of <i>The City of Colorado Springs Procedure Manual for the Acquisition and Disposition of Real Property Interests, Revised 2021</i> (the "RES Manual") provides that if the total acquisition amount is greater than \$100,000, City Council must approve the acquisition amount and if the property is to be used for Utilities-purpose, Utilities Board must review and make a recommendation on the purchase.</p> <p>Utilities is requesting authorization from Utilities Board and City Council to acquire the real property owned by the heirs or devisees of Teresa Pallas and Eugene D. Oddone, deceased, subject to administration by the Personal Representative of the estate of each decedent; and the heirs or devisees of Josephine Ida Brenner, as their interest may appear for a purchase price of \$116,200, which is supposed by a real estate appraisal conducted by an independent real estate appraiser.</p>
Benefits:	Utilities is modernizing the electric grid for sustainability and system resiliency and reliability.
Board Policy: If this impacts one of the board policies, indicate that here.	N/A
Cost / Budget: Include the projected cost or budget here.	The total acquisition amount is \$116,200.
Affected Parties: This could include community groups, specific City Council Districts, other utilities, nonprofit organizations, certain neighborhoods, Colorado Springs Utilities employees, etc.	Staff have been working with several private property owners, Colorado Department of Transportation, Union Pacific and BNSF Railroads, and City departments to acquire the property rights needed for the project.

Alternatives:		N/A	
Submitter:	Jessica Davis	Email Address:	jedavis@csu.org
Division:	EWO Operations	Phone Number:	719-668-7581
Department:	Facilities and Land Resources	Date Submitted:	May 8, 2026
SPG Staff Use Only:	Consent Calendar <input type="checkbox"/> Yes <input type="checkbox"/> No		Item Number 09
ITEMS SUBMITTED AFTER THE DEADLINE WILL BE POSTPONED UNTIL THE NEXT UTILITIES BOARD MEETING.			



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A Resolution Authorizing the Acquisition of Real Property to be Used for the Kelker to South Plant Transmission Project

Jessica Davis

Land Resource Manager

May 20, 2026

Kelker-South Plant Transmission Project

- Single circuit 115kV transmission line
 - ~5 miles long
- Supports Drake decommissioning
- Ensure reliability of system



Vicinity Map



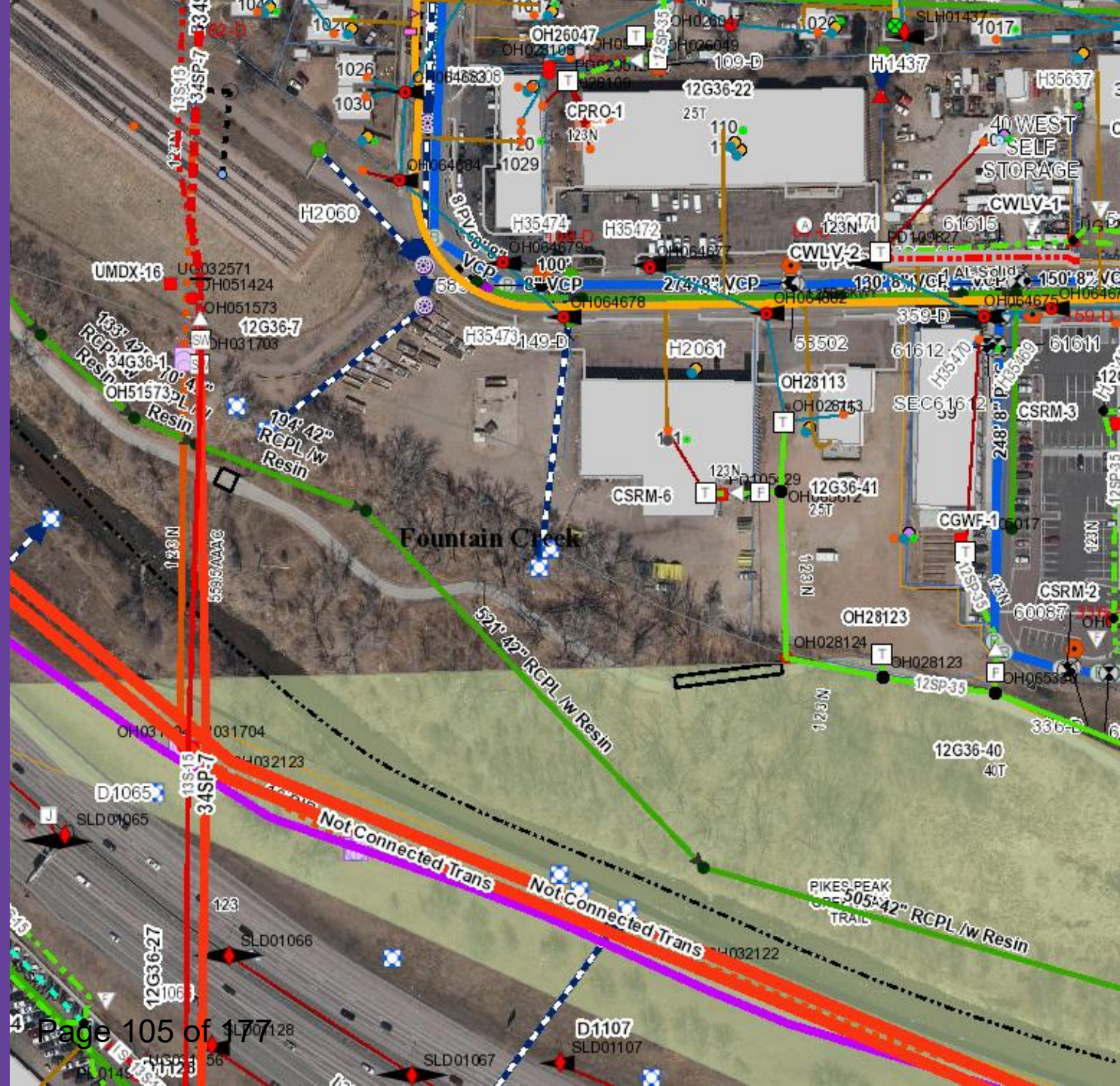
Property Information

- Owner: The heirs or devisees of Teresa Pallas and Eugene D. Oddone, deceased, subject to administration by the Personal Representative of the estate of each decedent; and Josephine Ida Brenner, as their interest may appear.
- APN: Unknown
- 5.187 acres
- Appraisal value: \$116,200



Background

- History of Parcel
 - Property boundary lost over time.
- Title Research
 - Discovered heirs to the unknown parcel.
- City Infrastructure on Property
 - Park trail
 - Wastewater line
 - Transmission line
 - Future Kelker to South Plant line



Action Requested

- Request for item to be added to the June 9, 2026 Formal City Council agenda for a vote.



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A RESOLUTION AUTHORIZING THE ACQUISITION OF REAL PROPERTY FROM THE HEIRS OR DEVISEES OF TERESA PALLAS AND EUGENE D. ODDONE, DECEASED, SUBJECT TO ADMINISTRATION BY THE PERSONAL REPRESENTATIVE OF THE ESTATE OF EACH DECEDENT; AND JOSEPHINE IDA BRENNER, AS THEIR INTERESTS MAY APPEAR TO BE USED FOR THE KELKER TO SOUTH PLANT TRANSMISSION PROJECT

WHEREAS, certain real property located in the southwest quarter of Section 19, Township 14 South, Range 66 West of the 6th PM, El Paso County, as more particularly described in attached Exhibit A ("Property") located in the City of Colorado Springs and owned by the heirs or devisees of Teresa Pallas and Eugene D. Oddone, deceased, subject to administration by the Personal Representative of the estate of each decedent; and Josephine Ida Brenner, as their interests may appear, has been identified as necessary for the Kelker to South Plant Transmission Project ("Project"); and

WHEREAS, the City of Colorado Springs on behalf of its enterprise Colorado Springs Utilities ("Utilities") desires to purchase the Property, which is approximately 5.187 acres, and the property owner desires to sell the Property to the City for a purchase price of \$116,200, which is supported by a real estate appraisal conducted by an independent real estate appraiser; and

WHEREAS, the acquisition of the Property is in the public interest and is necessary for the Project; and

WHEREAS, pursuant to Sections 4.1 and 9.6 of *The City of Colorado Springs Procedure Manual for the Acquisition and Disposition of Real Property Interests, Revised 2021* ("RES Manual"), City Council approval is required for acquisition of real property interests if the purchase price exceeds \$100,000; and

WHEREAS, Utilities requests the approval of City Council to purchase the Property for a purchase price of \$116,200.

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

Section 1. That City Council hereby finds the acquisition of the Property to be in compliance with the RES Manual, the City Charter, City Code, and all other applicable laws.

Section 2. That in accord with the RES Manual, the City Council hereby authorizes the acquisition of the Property for the purchase price of \$116,200.

Section 3. That Utilities and the City's Real Estate Services Manager are authorized to execute all documents necessary to complete the acquisition of the Property as contemplated herein.

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

DATED at Colorado Springs, Colorado, this _____ day of _____, 2026.

ATTEST:

Lynette Crow-Iverson, Council President

Sarah B. Johnson, City Clerk

EXHIBIT A
Legal Description of the Property

PARCEL I:

All that portion of the Southwest Quarter (SW1/4) of the Southwest Quarter (SW1/4) of the Northwest Quarter (NW1/4) of Section 19, Township 14 South, Range 66 West of the 6th P.M., El Paso County, Colorado described as follows, to wit:

Beginning at the Southwest corner of the Northwest Quarter of said Section 19;
thence North on the West line of said Northwest Quarter of said Section 19, a distance of 474.2 feet;
thence South 67°40' East 675.7 feet to a point;
thence South, parallel to the first course, a distance of 236.7 feet to a point on the South line of said Northwest Quarter of said Section 19;
thence West on the South line of said Northwest Quarter of said Section 19, a distance of 625 feet to the place of beginning.

EXCEPT that part conveyed to The Department of Highways, State of Colorado by Special Warranty Deed recorded January 3, 1957 in [Book 1609 at Page 129](#).

PARCEL II:

The South 198 feet of the East 660 feet of the Southwest Quarter of the Northwest Quarter of Section 19, Township 14 South, Range 66 West of the 6th P.M., County of El Paso, State of Colorado,

EXCEPT that part conveyed by Deed recorded October 1, 1953 in [Book 1400 at Page 53](#).

Board Memo Agenda Item

Staff Report

Date: (Date of Utilities Board Meeting)	May 20, 2026
To:	Utilities Board
From:	Travas Deal, Chief Executive Officer
Subject:	Intergovernmental Agreement (“IGA”) with Colorado Parks and Wildlife, Colorado Springs Utilities (“Springs Utilities”), Southeastern Colorado Water Conservancy District, Board of Water Works of Pueblo, City of Aurora, and Pueblo West Metropolitan District (collectively the “Water Entities”) for aquatic nuisance species (“ANS”) inspection and decontamination program (“ANS Program”).
NARRATIVE:	
Desired Action: Choose only one	<input checked="" type="checkbox"/> Approval <input type="checkbox"/> Discussion <input type="checkbox"/> Information
Executive Summary:	<p>Springs Utilities water system includes water storage in Twin and Turquoise Lakes reservoirs, where motorized boating recreation occurs. There is a potential that the reservoirs could be subject to infestation of Zebra and/or Quagga Mussels and other aquatic nuisance species collectively referred to as “ANS” to the detriment of water works facilities, boats, marinas, and fisheries.</p> <p>The IGA has a five-year term and provides the terms and conditions for CPW’s operation of the ANS Program and the Water Entities’ cost-sharing obligations for CPW personnel, public education, and the inspection and decontamination of all public watercraft entering and exiting Twin and Turquoise Lakes reservoirs as part of the ANS Program. Springs Utilities requests that the Utilities Board authorize it to bring a resolution approving and authorizing the Chief Executive Officer of Springs Utilities to enter the IGA to City Council for consideration at its May 26, 2026 meeting.</p>
Benefits:	Prevents the spread of aquatic nuisance species (ANS) to waterbodies in Twin and Turquoise Lakes reservoirs
Board Policy: If this impacts one of the board policies, indicate that here.	Board Instruction 7, Water Supply Management/Regional Water and Wastewater Service
Cost / Budget: Include the projected cost or budget here.	\$13,500 per year of the 5-year agreement
Affected Parties: This could include community groups, specific City Council Districts, other utilities, nonprofit organizations, certain neighborhoods, Colorado Springs Utilities employees, etc.	Colorado Parks and Wildlife, Southeastern Colorado Water Conservancy District, Board of Water Works of Pueblo, City of Aurora, and Pueblo West Metropolitan District

Alternatives:		Approve Springs Utilities taking the resolution authorizing the Chief Executive Officer to enter into the IGA to City Council for consideration; (2) not approve taking the resolution to City Council; (3) modify the resolution or the IGA; or (4) refer the matter back to Springs Utilities.	
Submitter:	Kim Gortz	Email Address:	kgortz@csu.org
Division:	System Planning and Projects	Phone Number:	719-668-8575
Department:	Infrastructure and Resource Planning	Date Submitted:	May 4, 2026
SPG Staff Use Only:	Consent Calendar <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		Item Number 10
ITEMS SUBMITTED AFTER THE DEADLINE WILL BE POSTPONED UNTIL THE NEXT UTILITIES BOARD MEETING			



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Intergovernmental Agreement Cost Share for Aquatic Nuisance Species Program at Twin and Turquoise Reservoirs

May 20, 2026

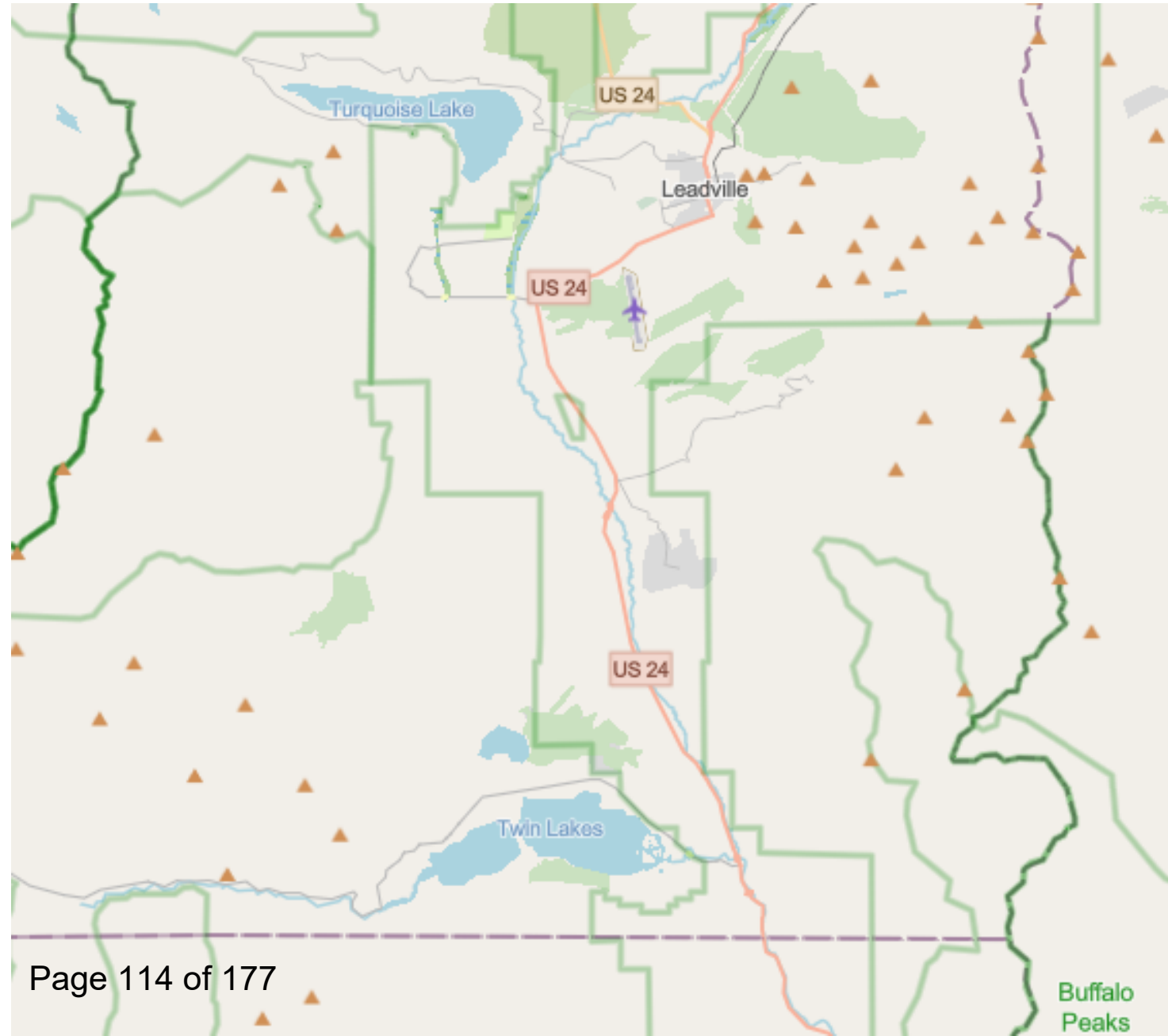
Lisa Walters, Watershed Planning

Background

Aquatic Nuisance Species (ANS) are non-native plants and animals (e.g. quagga or zebra mussels) that can impact water works facilities, boats, marinas, and fisheries

- The ANS programs began in Colorado in 2009
- Requires inspection and decontamination of motorized boats.
- Colorado Parks and Wildlife administers and manages the ANS program

Location Map: Twin and Turquoise Reservoirs



Intergovernmental Agreement Provisions

- Five-year agreement with Colorado Parks and Wildlife details cost-sharing for personnel, public education, and the inspection and decontamination of all public watercraft entering and exiting Twin and Turquoise reservoirs as part of the ANS Program
- Springs Utilities' share of the annual costs is \$13,500
- Other parties to the agreement include Southeastern Colorado Water Conservancy District, Board of Water Works of Pueblo, City of Aurora, and Pueblo West Metropolitan District

Next Steps

May 26 – Resolution
to City Council

Agreement Finalized
Between all Parties





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COOPERATION AGREEMENT

This Cooperation Agreement (“Agreement”) is entered into this ____ day of _____, 2026, by and among the Southeastern Colorado Water Conservancy District (“SECWCD”), the City of Colorado Springs, by and through its enterprise Colorado Springs Utilities (“Springs Utilities”), the Board of Water Works of Pueblo, Colorado (“Pueblo Water”), the City of Aurora, Colorado, a home rule municipal corporation of the counties of Adams, Arapahoe, and Douglas, acting by and through its Utility Enterprise (“Aurora”), Pueblo West Metropolitan District (“Pueblo West”), and the State of Colorado, acting by and through the Department of Natural Resources, for the use and benefit of the Parks and Wildlife Commission and the Division of Parks and Wildlife (“CPW”).

RECITALS

- A. CPW provides recreation opportunities which include fishing and boating at Twin Lakes and Turquoise Lake (collectively referred to as the “Reservoirs”) in Lake County, Colorado, for the citizens of the State of Colorado and visitors to Colorado.
- B. There is a potential that the Reservoirs could be subject to infestation of Zebra and/or Quagga Mussels and other aquatic nuisance species collectively referred to as (“ANS”) to the detriment of water works facilities, boats, marinas, and fisheries.
- C. Pueblo Water, SECWCD, Aurora, Pueblo West, and Springs Utilities (individually “Water Entity”, collectively “Water Entities”) own, lease or otherwise control water storage space in the Reservoirs. The Water Entities and CPW will be collectively referred to as the “Parties”.
- D. CPW has established a program to address ANS at the Reservoirs (“ANS Program”) and is willing to accept the funds from the Water Entities to support the Program as provided herein.
- E. The Water Entities have determined that it is in their best interests to support CPW’s ANS Program and share in the cost thereof to manage the effort to keep ANS out of the Reservoirs.

NOW THEREFORE, in consideration of the above and the mutual covenants and commitments made herein, the Parties agree as follows.

- 1. This Agreement shall become effective upon the date of the last signature (“Effective Date”) and shall remain in effect until December 31, 2031 (the “Term”), unless terminated as set forth herein.
- 2. Notwithstanding the five-year Term, SECWCD’s commitment shall be structured as an initial one-year term, with four (4) successive one-year options to renew under the same terms

specified in this Agreement. To exercise each option, SECWCD shall provide written notice to the Parties in a form substantially equivalent to Exhibit A. The withdrawal or non-renewal of SECWCD shall not terminate the Agreement as to the remaining Parties, provided the essential purposes of the Agreement can still be met.

3. CPW will inspect trailered motorized watercraft entering the Reservoirs and decontaminate watercraft as necessary in accordance with C.R.S §33-10.5-101, et seq., in an effort to prevent the spread of aquatic nuisance species in the Reservoirs by following state watercraft inspection and decontamination procedures at all times boat ramps at the Reservoirs are open for public use. CPW will inform and educate the public about the problems posed by ANS and steps that can be taken to prevent their spread. CPW shall execute this obligation in the manner and with the means deemed appropriate by CPW in its sole discretion. CPW will comply with all state and federal rules and regulations relating to the use, storage, treatment or disposal of hazardous materials in performing its obligations under this Agreement including, but not limited to, chemicals and petroleum products. CPW shall be solely responsible for obtaining and complying with all administrative or judicial approvals necessary for it to meet its obligations under this Agreement. The Water Entities will cooperate as reasonably requested by the CPW in the approval process. For all purposes under this Agreement, CPW is an independent contractor and not an employee or agent of the Water Entities.
4. The Water Entities agree to participate in funding for personnel, equipment, signage, monitoring, reporting, operating costs, and physical improvements necessary and associated with public education and with the inspection and decontamination of all public watercraft entering and exiting the Reservoirs as part of the ANS Program.
5. For each year of the five-year Term, the total annual contribution payable to CPW for the ANS Program shall be Sixty-Seven Thousand Five Hundred Dollars (\$67,500.00). This total shall be funded by the Water Entities in equal shares of Thirteen Thousand Five Hundred Dollars (\$13,500.00) per Water Entity, per year. Each Water Entity shall pay its initial \$13,500.00 contribution within 30 days of the Effective Date. Payments shall be delivered to the following address:

Colorado Parks and Wildlife
Robert Walters
Invasive Species Program Manager
6060 Broadway
Denver, CO 80216

For all subsequent years of the Initial Term, CPW will invoice each Water Entity for its annual payment after January 1 of the then-current year.

The annual payments for SECWCD for years two through five are contingent upon SECWCD exercising its annual renewal option as set forth in this Agreement. Upon receipt of the executed Renewal Notice (Exhibit A), CPW shall invoice SECWCD in accordance with this Paragraph 5. In the event SECWCD does not exercise its annual renewal option for any

subsequent year of this Agreement, the total annual contribution payable to CPW shall be reduced to Fifty-Four Thousand Dollars (\$54,000.00), representing the combined \$13,500.00 annual shares of the remaining four Water Entities.

6. The provisions of this Agreement shall not be construed or interpreted as a waiver, express or implied by any Party hereto, of any of the immunities, rights, benefits, protection, or other provisions, of the Colorado Governmental Immunity Act, C.R.S. §24-10-101, et seq., or the Federal Tort Claims Act, 28 U.S.C. 2671, et seq., as applicable, as now or hereafter amended.
7. An individual Water Entity may terminate its participation in this Agreement by sixty (60) days written notice to the Parties pursuant to Section 13. In the event of such a withdrawal, this Agreement shall remain in full force and effect as to the remaining Parties. If a Water Entity terminates its participation, it shall only be obligated to pay its portion of the amount owed pursuant to Section 5, adjusted on a pro rata basis for the number of months the ANS Program was provided prior to the termination notice date. Following receipt of a termination notice from a Water Entity, the remaining Water Entities shall have thirty (30) days to elect to: (a) proportionally assume the withdrawing Party's financial obligations to maintain the ANS Program; (b) continue the ANS Program with reduced funding, with the scope of services adjusted as resources allow in light of the reduced contributions; or (c) if the remaining Water Entities deem the program unsustainable, terminate the Agreement in its entirety. If CPW terminates its participation, this Agreement shall terminate in its entirety, and the Water Entities shall be reimbursed for any overpayment, but in no event shall the reimbursement exceed the funds provided to CPW during the term of this Agreement.
8. CPW's performance of its obligations under this Agreement will be contingent upon the availability of funds required for the ANS Program above and beyond the funding provided by the Water Entities pursuant to this Agreement. Performance of CPW's obligations under this Agreement is expressly subject to available funds; in the event funds are not appropriated in whole or in part sufficient for performance of CPW's obligations under this Agreement, or appropriated funds may not be expended due to CPW spending limitations, then this Agreement will be terminated by CPW pursuant to Section 7 above. CPW will notify the other Parties as soon as reasonably practicable in the event of non-appropriation or in the event a spending limit becomes applicable.
9. In accord with the Colorado Springs City Charter, performance of Springs Utilities' obligations under this Agreement is expressly subject to appropriation of funds by the City Council. In the event funds are not appropriated in whole or in part sufficient for performance of Utilities' obligations under this Agreement, or appropriated funds may not be expended due to City Charter spending limitations, then this Agreement will thereafter become null and void by operation of law with respect to Springs Utilities, and Springs Utilities will thereafter have no liability for compensation or damages to the other Parties in excess of Springs Utilities' authorized appropriation for this Agreement or the applicable spending limit, whichever is less. Springs Utilities' will notify the other Parties as soon as reasonably practicable in the event of non-appropriation or in the event a spending limit becomes applicable.

10. Performance of Aurora's obligations under this Agreement is expressly subject to appropriation of funds by the Aurora City Council. In the event funds are not appropriated in whole or in part sufficient for performance of Aurora's obligations under this Agreement, or appropriated funds may not be expended due to City Charter spending limitations, then this Agreement will thereafter become null and void by operation of law with respect to Aurora, and Aurora will thereafter have no liability for compensation or damages to the other Parties in excess of Aurora's authorized appropriation for this Agreement or the applicable spending limit, whichever is less. Aurora will notify the other Parties as soon as reasonably practicable in the event of non-appropriation or in the event a spending limit becomes applicable.
11. Performance of Pueblo West's obligations under this Agreement is expressly subject to appropriation of funds by the Board of Directors of the Pueblo West Metropolitan District. In the event funds are not appropriated in whole or in part sufficient for performance of Pueblo West's obligations under this Agreement, or appropriated funds may not be expended due to Pueblo West budget limitations, then this Agreement will thereafter become null and void by operation of law with respect to Pueblo West, and Pueblo West will thereafter have no liability for compensation or damages to the other Parties in excess of Pueblo West's authorized appropriation for this Agreement or the applicable spending limit, whichever is less. Pueblo West will notify the other Parties as soon as reasonably practicable in the event of non-appropriation or in the event a spending limit becomes applicable.
12. Sole Obligation of Aurora's Utility Enterprise. This Agreement will never constitute a general obligation or other indebtedness of the City of Aurora, or a multiple fiscal year direct or indirect debt or other financial obligation whatsoever of the City of Aurora within the meaning of the Constitution and laws of the State of Colorado or of the Charter and ordinances of the City of Aurora.

In the event of a default by Aurora's Utility Enterprise of any of its obligations under this Agreement, no one will have any recourse for any amounts owed to it against any funds or revenues of the City of Aurora except for those revenues derived from rates, fees or charges for the services furnished by, or the direct or indirect use of, the Water System and deposited in the Water Enterprise Fund, as the terms "Water System" and "Water Enterprise Fund" are defined in City Ordinance No. 2003-18, and then only after the payment of all operation and maintenance expenses of the Water System and all debt service and reserve requirements of any bonds, notes, or other financial obligations of the Utility Enterprise secured by a pledge of the net revenues of the Water Enterprise Fund. Notwithstanding any language herein to the contrary, nothing in this Delegation will be construed as creating a lien upon any revenues of the Utility Enterprise or the City of Aurora.

13. Each individual identified below is the principal representative of the designating Party. All notices required to be given hereunder shall be hand delivered with receipt required or sent by certified or registered mail to such Party's principal representative at the address set forth below any Party may from time to time designate by written notice substitute addresses or persons to whom such notices shall be sent. Unless otherwise provided herein, all notices shall be effective upon receipt.

A.
Colorado Parks and Wildlife
Robert Walters
Invasive Species Program Manager
6060 Broadway
Denver, CO 80216

B.
Board of Water Works of Pueblo
Pueblo, Colorado
Executive Director
(mailing address)
P.O. Box 400
Pueblo, CO 81002

Board of Water Works of
Pueblo, Colorado
Executive Director
(physical address)
319 W. 4th Street
Pueblo, CO 81003

C.
Southeastern Colorado Water
Conservancy District
Executive Director
31717 United Avenue
Pueblo, CO 81001

D.
Colorado Springs Utilities
ATTN: General Manager
Infrastructure & Resources Planning
Mailing Address
P.O. Box 1103, Mail Code 1825
Colorado Springs, CO 80947-1825

City Attorney's Office
Attn: Utilities Division
Mailing Address
P.O. Box 1575, Mail Code 501
Colorado Springs, CO 80901

E.
City of Aurora
General Manager of Aurora Water
15151 E. Alameda Pkwy, Ste 3600

Aurora, CO 80012

City of Aurora
Attn: City Attorney
15151 E. Alameda Pkwy, Ste
5300
Aurora CO 80012

F.
Pueblo West Metropolitan District
Kevin Niles
Director of Utilities
63 E. Spaulding Ave.
Pueblo West, CO 81007

14. Breaches shall be governed by the following provisions:
 - a. In addition to any breaches specified in other sections of this Agreement, the failure of a Party to perform any of its material obligations hereunder in whole or in part or in a timely or satisfactory manner constitutes a breach. This Agreement is a contract to perform services, and the presence of aquatic nuisance species in the Reservoirs does not constitute a breach of this Agreement by CPW. The institution of proceedings under any bankruptcy, insolvency, reorganization or similar law, by or against a Party, or the appointment of a receiver or similar officer for a Party or any of its property, which is not vacated or fully stayed within 20 days after the institution or occurrence thereof, shall also constitute a breach.
 - b. In the event of a breach, notice of such shall be given in writing by the aggrieved Party to the other Parties in the manner provided in Section 13. If such breach is not cured within thirty (30) days of receipt of written notice, or if a cure cannot be completed within thirty (30) days, or if cure of the breach has not begun within thirty (30) days of notice and pursued with due diligence, the non-defaulting Parties may exercise any of the remedies set forth in Section 14 under this Agreement. In no case will CPW's liability exceed the amount of funds contributed to CPW by the Water Entities under this Agreement. Notwithstanding anything to the contrary herein, any Party, in its sole discretion, need not provide advance notice or a cure period and may immediately terminate this Agreement in whole or in part if reasonably necessary to preserve public safety or to prevent immediate public crisis.
15. In the event any Party defaults in the performance of any of its obligations under this Agreement, each non-defaulting Party will have all remedies available by law or equity.
16. In the event of an ambiguity in this Agreement, the rule of construction that ambiguities shall be construed against the drafter shall not apply, and the Parties hereto shall be treated as equals and no Party shall be treated with favor or disfavor.
17. Unenforceability of any provision of this Agreement, or a portion thereof, shall not affect or impair the validity of any other provision of this Agreement or portion thereof.
18. This Agreement is subject to public release through the Colorado Open Records Act, C.R.S. §24-72-101, et seq.
19. This Agreement may be executed in multiple identical original counterparts, all of which shall constitute one agreement.
20. This Agreement shall be construed in accordance with the laws of the State of Colorado (except for its conflict of law provisions). The place of performance and transaction of business shall be deemed to be in the County of Lake, State of Colorado. In the event of litigation, the exclusive venue and place of jurisdiction shall be the State of Colorado and, more specifically, Lake County, Colorado and, if necessary for exclusive federal questions, the United States District Court for the District of Colorado.
21. This Agreement represents the complete integration of all understandings between the Parties

and all prior representations and understandings, oral or written, are merged herein. Prior or contemporaneous additions, deletions, or other changes hereto shall not have any force or affect whatsoever, unless embodied herein.

22. No Party shall be liable for delays in performing its obligations to the extent the delay is caused by unforeseeable conditions beyond its reasonable control without fault or negligence including strikes, riots, wars, floods, fires, explosions, acts of nature, acts of government, or labor disturbance.
23. Modifications of this Agreement shall not be effective unless agreed to in writing by the Parties in an amendment to this Agreement, properly executed and approved in accordance with applicable Colorado State law, State Fiscal Rules, and Office of the State Controller Policies.
24. There shall be no assignment of the rights or obligations contained in this Agreement by any Party without the prior written consent by the other Parties, and any such assignment shall be null and void. Notwithstanding anything herein to the contrary, upon written notice to the other Parties, Springs Utilities may assign this Agreement without consent to the City of Colorado Springs, Colorado. Nothing herein shall be construed to give any rights or benefits hereunder to anyone other than the Parties.
25. This Agreement is subject to such modifications as may be required by changes in Federal or Colorado State law, or their implementing regulations. Any such required modification automatically shall be incorporated into and be part of this Agreement one hundred and eighty (180) days after notice of the new legal requirement is provided by one of the Parties to the other Parties. Any Party may terminate this Agreement pursuant to Section 7 after receipt of said notice.

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement as of the date first written above.

City of Colorado Springs, by and
and through its enterprise
Colorado Springs Utilities

Board of Water Works of Pueblo,
Colorado

By: _____
Travas Deal,
Chief Executive Officer

By: _____
Seth J. Clayton, Executive Director

Date: _____

Date: _____

Approved as to form:

By: _____

Date: _____

State of Colorado
Jared S. Polis, Governor
Colorado Department of Natural Resources
Dan Gibbs, Executive Director
Colorado Parks and Wildlife

Southeastern Colorado Water Conservancy
District

By: _____

By: _____

Printed Name: _____

Printed Name: _____

Title: _____

Title: _____

Date: _____

Date: _____

Pueblo West Metropolitan District

By: _____

Kevin Niles
Director of Utilities

Date: _____

**City of Aurora, Colorado,
acting by and through its
Utility Enterprise**

Marshall P. Brown,
General Manager Aurora Water

Date

Approved as to form for Aurora:

Assistant City Attorney

Date

ACS #

Exhibit A - SECWCD Annual Renewal Notice

In accordance with the ANS Cooperation Agreement dated [Original Execution Date], Southeastern Colorado Water Conservancy District ("SECWCD") hereby exercises its option to renew its participation in the Agreement for a one-year period.

1. **Renewal Term:** This renewal shall be effective from **January 1, 20__** through **December 31, 20__**.

2. **Terms and Conditions:** This renewal is made under the same terms and conditions as specified in the Agreement.

3. **Ratification:** Except as expressly provided herein, all other terms and conditions of the Agreement remain in full force and effect and are hereby ratified by SECWCD.

Southeastern Colorado Water Conservancy District

By: _____

Printed Name: _____

Title: _____

Date: _____

RESOLUTION NO. ____ - 26

A RESOLUTION APPROVING AN INTERGOVERNMENTAL AGREEMENT BETWEEN THE CITY OF COLORADO SPRINGS, COLORADO, ON BEHALF OF ITS ENTERPRISE COLORADO SPRINGS UTILITIES, THE CITY OF AURORA, COLORADO ACTING BY AND THROUGH ITS UTILITIES ENTERPRISE, THE BOARD OF WATER WORKS OF PUEBLO, COLORADO, THE PUEBLO WEST METROPOLITAN DISTRICT, THE SOUTHEASTERN COLORADO WATER CONSERVANCY DISTRICT, AND THE STATE OF COLORADO

WHEREAS, the City of Colorado Springs (the "City"), on behalf of its enterprise Colorado Springs Utilities ("Springs Utilities"), is authorized to enter into intergovernmental agreements with other Colorado governmental entities with the approval of City Council; and

WHEREAS, the City of Aurora, Colorado, acting by and through its Utility Enterprise ("Aurora Water"), the Board of Water Works of Pueblo, Colorado ("Pueblo Water"), the Pueblo West Metropolitan District ("Pueblo West"), the Southeastern Colorado Water Conservancy District ("SECWCD"), and the State of Colorado, acting by and through the Department of Natural Resources, for the use and benefit of the Parks and Wildlife Commission and the Division of Parks and Wildlife ("CPW") are Colorado governmental entities; and

WHEREAS, CPW provides recreation opportunities which include fishing and boating at Twin Lakes and Turquoise Lake (the "Reservoirs") for the citizens of the State of Colorado and visitors to Colorado; and

WHEREAS, Springs Utilities, Aurora Water, Pueblo Water, Pueblo West, and SECWCD (collectively "Water Entities") own, lease or otherwise control water storage space in the Reservoirs; and

WHEREAS, the Reservoirs could be subject to infestation of Zebra or Quagga Mussels and other aquatic nuisance species (collectively referred to as "ANS"); and

WHEREAS, CPW has established a program to address ANS at the Reservoirs ("ANS Program"); and

WHEREAS, the Water Entities have determined that it is in their best interests to support the ANS Program and share in the cost thereof; and

WHEREAS, CPW and the Water Entities have negotiated and now desire to enter into the attached intergovernmental agreement that memorializes the terms and

conditions for CPW’s operation and the Water Entities’ funding of the ANS Program (“ANS IGA”); and

WHEREAS, Springs Utilities requests that City Council approve and authorize the Chief Executive Officer of Springs Utilities to enter into the ANS IGA.

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

Section 1. The City Council hereby finds that the ANS IGA is in the best interests of the citizens of the City and the ratepayers of Springs Utilities and hereby approves the ANS IGA.

Section 2. The Chief Executive Officer of Springs Utilities is authorized and directed to enter into the ANS IGA in a form substantially similar to that attached hereto.

Section 3. This Resolution shall be in full force and effect immediately upon its adoption.

Dated at Colorado Springs, Colorado this ____ day of _____, 2026.

Lynette Crow-Iverson, Council President

ATTEST:

Sarah B. Johnson, City Clerk

Board Memo Agenda Item

Staff Report

Date: (Date of Utilities Board Meeting)	May 20, 2026
To:	Utilities Board
From:	Travas Deal, Chief Executive Officer
Subject:	Intergovernmental Agreement with Southeastern Colorado Water Conservancy District for Regional Service Agreements
NARRATIVE:	
Desired Action: Choose only one	<input type="checkbox"/> Approval <input checked="" type="checkbox"/> Discussion <input type="checkbox"/> Information
Executive Summary:	<p>The Southeastern Colorado Water Conservancy District (SECWCD) manages the Fryingpan-Arkansas Project, which includes Pueblo Reservoir. Colorado Springs Utilities' Southern Delivery System (SDS) connects to Pueblo Reservoir and is, in part, governed by Contract No. 11XX6C0005 with the U.S. Bureau of Reclamation.</p> <p>Colorado Springs Utilities has established a regional water service program that allows it to provide water treatment and conveyance services to entities both inside and outside SECWCD's boundaries, using SDS infrastructure to deliver water to these Regional Entities. As Springs Utilities continues to enter such Regional Service Agreements, certain provisions of its federal contracts—particularly Contract No. 11XX6C0005—become relevant to how regional water deliveries are managed.</p> <p>Colorado Springs Utilities and SECWCD have negotiated an intergovernmental agreement that formalizes their shared understanding of how these contract provisions apply to current and future Regional Service Agreements. The proposed agreement memorializes these terms and supports coordinated, compliant use of SDS infrastructure for regional water service.</p> <p>Pending Utilities Board approval, the Intergovernmental Agreement will be presented on the Consent Agenda at the May 26 City Council meeting.</p>
Benefits:	Provides clear approval mechanism with Southeastern Colorado Water Conservancy District and the Bureau of Reclamation for Regional Water Service Agreements.
Board Policy: If this impacts one of the board policies, indicate that here.	Board Instruction 7, Water Supply Management/Regional Water and Wastewater Service
Cost / Budget: Include the projected cost or budget here.	N/A
Affected Parties: This could include community groups, specific City Council Districts, other utilities, nonprofit organizations, certain neighborhoods, Colorado Springs Utilities employees, etc.	Current and future Regional Water Service Agreement participants

Alternatives:		Approve the item to move to City Council or deny	
Submitter:	Jenny Bishop	Email Address:	jbishop@csu.org
Division:	System Planning and Projects	Phone Number:	719-668-8575
Department:	Infrastructure and Resource Planning	Date Submitted:	May 4, 2026
SPG Staff Use Only:	Consent Calendar <input type="checkbox"/> Yes <input type="checkbox"/> No		Item Number 11
ITEMS SUBMITTED AFTER THE DEADLINE WILL BE POSTPONED UNTIL THE NEXT UTILITIES BOARD MEETING			



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

Intergovernmental Agreement with Southeastern Colorado Water Conservancy District for Regional Service Agreements

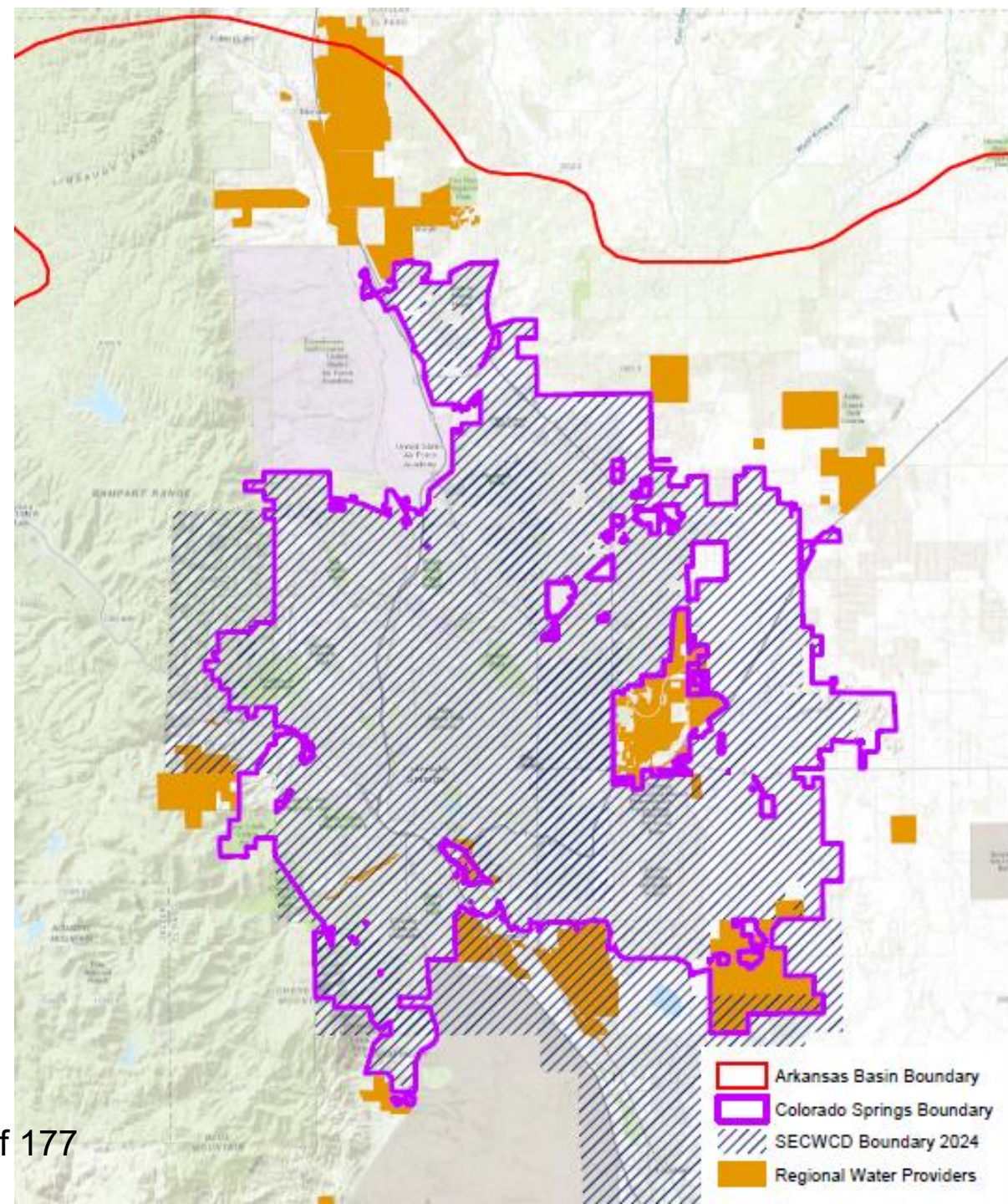
May 20, 2026

Jenny Bishop, P.E., Resource Planner IV

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Southeastern Colorado Water Conservancy District

- **SECWCD:** Manages the Fryingpan-Arkansas Project
- **Southern Delivery System**
 - Connects to Pueblo Reservoir
 - Governed, in part, by Bureau of Reclamation Contract No. 11XX6C0005
- **Intergovernmental Agreement:**
 - Shared understanding of how Regional Water Service agreements can be used to deliver water outside of SECWCD without violating Reclamation Contract



Reclamation Contract No. 11XX6C0005

- Paragraph 7d.

“The SDS Participants [including Springs Utilities] may use SDS Water conveyed under this Contract only in those areas that are within both the SDS Participants’ service areas and the boundaries of SECWCD for all lawfully decreed purposes that are consistent with Reclamation Laws and the laws of the State of Colorado and that are within the scope of the ROD and all other environmental documents, permits approvals, licenses and agreements required for the construction and OM&R of the SDS. Any sale, transfer, or assignment by any SDS Participant of the conveyance rights under this Contract or any portion thereof, to convey SDS Water is prohibited unless approved in advance and in writing by the Contracting Officer. Any such approval will require an appropriate level of environmental compliance prior to the Contracting Officer’s determination.”

Intergovernmental Agreement Provisions

Regional Entities that are not within the SECWCD boundary must:

- Receive written approval from Bureau of Reclamation
- Comply with all applicable environmental laws and regulations
- Pay applicable out-of-District rates and fees to SECWCD
- Obtain a Pueblo County 1041 Permit
- Deliver water only within Arkansas River basin boundaries

Next Steps

May 26 Resolution to City Council





Colorado Springs Utilities[®]

It's how we're all connected

**AGREEMENT BETWEEN
THE SOUTHEASTERN COLORADO WATER CONSERVANCY DISTRICT
AND THE CITY OF COLORADO SPRINGS, COLORADO**

This Agreement is entered into this ____ day of _____, 2026 (“Effective Date”), by and between the Southeastern Colorado Water Conservancy District (“SECWCD” or “District”) and the City of Colorado Springs, Colorado, acting by and through its enterprise, Colorado Springs Utilities (“Springs Utilities”). Each party may be referred to individually herein as a “Party” or, collectively, as the “Parties.”

RECITALS

A. Springs Utilities is a participant in the Southern Delivery System (“SDS”), a non-federal regional water delivery project that consists of infrastructure at Pueblo Reservoir, as more specifically described in Springs Utilities’ contracts with the Bureau of Reclamation (“BOR”) described below. Springs Utilities and BOR have entered into two contracts concerning Springs Utilities’ storage of water in Pueblo Reservoir and the delivery of water from Pueblo Reservoir through infrastructure associated with the SDS:

- i. Contract No. 11XX6C0002, dated May 4, 2011, which provides for Springs Utilities’ use of excess capacity in Pueblo Reservoir, a facility of the Fryingpan-Arkansas Project (“Project”), a multi-purpose project authorized under the Fryingpan-Arkansas Project Act (August 16, 1952; 76 Stat. 389); and
- ii. Contract No. 11XX6C0005, dated May 4, 2011, which permits Springs Utilities and the other SDS Participants to convey water through the North Outlet Works (“NOW”) and the Single Purpose SDS Works to their respective service areas.¹

B. Section 7(d) of Contract No. 11XX6C0005 provides that:

The SDS Participants [including Springs Utilities] may use SDS Water conveyed under this Contract only in those areas that are within both the SDS Participants’ service areas and the boundaries of SECWCD for all lawfully decreed purposes that are consistent with Reclamation Laws and the laws of the State of Colorado and that are within the scope of the ROD and all other environmental documents, permits approvals, licenses and agreements required for the construction and OM&R of the SDS. Any sale, transfer, or assignment by any SDS Participant of the conveyance rights under this Contract or any portion thereof, to convey SDS Water is prohibited unless approved in advance and in writing by the Contracting

¹ Capitalized terms used but not specifically defined herein shall have the same meaning as in Contract No. 11XX6C0005.

Officer. Any such approval will require an appropriate level of environmental compliance prior to the Contracting Officer's determination.

- C. Springs Utilities has developed a regional water service program under which it has and may in the future enter into agreements by which Springs Utilities provides water treatment and conveyance service to municipal water providers, quasi-municipal water providers, and private entities whose service areas are located outside of the city limits of Colorado Springs ("Regional Entities"), utilizing its water system, including the SDS and NOW infrastructure.
- D. The service areas of some, but not all, of these Regional Entities are or may be located within SECWCD's boundaries.
- E. As part of its regional water service program, Springs Utilities has entered into Regional Service Agreements with Triview Metropolitan District ("Triview")² and Donala Water and Sanitation District ("Donala")³ (each a "Regional Entity"), which serve areas located within El Paso County and the Arkansas River Basin but outside of the SECWCD's boundaries. Springs Utilities' Regional Service Agreements with Triview and Donala contemplate that Springs Utilities will use the SDS and NOW infrastructure to facilitate water deliveries to their respective service areas.
- F. As part of its regional water service program, Springs Utilities has entered into Regional Service Agreements with Security Water District ("Security") and Stratmoor Hills Water District ("Stratmoor") (each a "Regional Entity"), which serve areas located within El Paso County, the Arkansas River Basin, and the SECWCD's boundaries.
- G. SECWCD acknowledges that Springs Utilities anticipates entering into additional Regional Service Agreements with other Regional Entities that have not yet been identified or confirmed.
- H. The Parties desire to 1) confirm SECWCD's agreement that Springs Utilities' Regional Service Agreements with Regional Entities that serve areas within SECWCD's boundaries comply with Section 7(d) of Contract No. 11XX6C005; (2) confirm the terms and conditions under which SECWCD agrees to waive the applicability of Section 7(d) of Contract No. 11XX6C0005, such that Utilities may enter into Regional Service Agreements under which it delivers water to Regional Entities that serve areas outside of SECWCD's boundaries; and 3)

² Agreement between Colorado Springs Utilities and Triview Metropolitan District for Convey, Treat, and Deliver Regional Water Service, dated April 12, 2023, as amended by an Addendum dated March 4, 2024.

³ Agreement between Colorado Springs Utilities and Donala Water and Sanitation District for Convey, Treat, and Deliver Regional Water Service, dated April 14, 2023.

confirm that Utilities' existing Regional Service Agreements with Triview and Donala satisfy the applicable terms and conditions.

In consideration of the mutual promises and benefits contained in this Agreement, SECWCD and Springs Utilities hereby agree as follows:

1. **Service Within SECWCD's Boundaries.** The Parties hereby acknowledge and agree that Section 7(d) of Contract No. 11XX6C005 permits the use of SDS Water conveyed through the SDS within SECWCD's boundaries, as those boundaries may be revised from time to time. SECWCD agrees that Springs Utilities' Regional Service Agreements with Regional Entities that exclusively serve areas within SECWCD's boundaries, including those Regional Service Agreements with Security and Stratmoor, comply with Section 7(d) of Contract No. 11XX6C005. Springs Utilities agrees to provide SECWCD with copies of the Regional Service Agreements identified in Recital F within thirty (30) days of the Effective Date of this Agreement, and within thirty (30) days of execution of any future Regional Service Agreements with entities that exclusively serve areas within SECWCD's boundaries, for SECWCD's record-keeping purposes. The requirements of this Paragraph 1 shall not apply to an agreement between Springs Utilities and a Regional Entity that allows for deliveries of water by Springs Utilities to the Regional Entity for use within SECWCD's boundaries for a period(s) of thirty (30) days or less.
2. **Service Outside of SECWCD's Boundaries.** The Parties agree that upon the satisfaction of the following terms and conditions, Springs Utilities may contract with Regional Entities serving areas outside of SECWCD's boundaries for water treatment and conveyance service using the NOW and SDS infrastructure, and SECWCD agrees to waive any claims concerning the applicability of Section 7(d) of Contract No. 11XX6C0005 with regard to such Regional Service Agreements.

2.1 **Terms and Conditions for Utilities' Regional Service Agreements.**

- A. Prior to entering into a Regional Service Agreement with a Regional Entity that serves areas outside of SECWCD's boundaries, Utilities shall require the Regional Entity to request and receive all applicable approvals from BOR, as follows:
 - i. Regional Entities Seeking Long-Term Storage in Pueblo Reservoir. If the Regional Entity is seeking a Long-Term Excess Capacity ("LTEC") contract in Pueblo Reservoir for the storage of water that will be conveyed by Utilities, the Regional Entity must:
 1. Apply for and enter into an LTEC with BOR that:

- i. Does not require the inclusion of the Regional Entity’s service area in SECWCD’s boundaries to use capacity in the SDS infrastructure;
 - ii. Requires payment of all applicable out-of-District rates and fees to the SECWCD, as such rates may be adopted and amended at any time and at the sole discretion of SECWCD’s board; and
 - iii. Requires payment of a pro-rata share of maintenance and operation costs of the NOW infrastructure.
 2. Comply with all applicable environmental laws and regulations (including, but not limited to, any analysis required under the National Environmental Policy Act (“NEPA”)) for any non-Project water to be delivered through the SDS.
 3. Provide SECWCD with a copy of (i) its LTEC application at the time of submittal to BOR, (ii) a copy of any Record of Decision for its NEPA compliance (or any other final agency decision resulting from environmental compliance required by the BOR), and (iii) a copy of the final, fully executed LTEC when issued by BOR.
- ii. Regional Entities without Long-Term Storage in Pueblo Reservoir. If the Regional Entity is not seeking an LTEC contract in Pueblo Reservoir, the Regional Entity must:
 1. Request and receive written approval from BOR to enter into a Regional Service Agreement with Springs Utilities, which approval:
 - i. Does not require the inclusion of the Regional Entity’s service area in SECWCD’s boundaries;
 - ii. Requires annual reporting by the Regional Entity to SECWCD of the amount of non-Project water delivered to the Regional Entity through the SDS;
 - iii. Requires compliance with all applicable environmental laws and regulations (including, but not limited to, any analysis required under NEPA) for any non-Project water to be delivered through the SDS and NOW infrastructure; and
 - iv. Requires payment of all applicable out-of-District rates and fees to the SECWCD, as such rates may be adopted and amended at any time and at the sole discretion of SECWCD’s board.
 2. Springs Utilities shall require the Regional Entity to provide SECWCD with a copy of (i) its request for approval from the BOR at the time of submittal to BOR, (ii) a copy of any Record of Decision for its NEPA compliance (or any other final agency decision resulting from environmental compliance required by the BOR), and (iii) a copy of the final, fully executed approval when issued by BOR.

- B. The Parties acknowledge and agree that, prior to BOR's issuance of any approval described in Paragraphs 2.1(A)(i) or (ii) above, SECWCD shall have the opportunity to review and provide comments to BOR regarding such approval. Within sixty (60) days of the date that the Regional Entity submits its request for approval to BOR, SECWCD will provide written comments on such approval to BOR. SECWCD shall copy Utilities and the Regional Entity on any comments SECWCD provides to BOR pursuant to this Paragraph 2.1(B), and Utilities and the Regional Entity shall be afforded the right to provide written responses to those comments to both SECWCD and the BOR within sixty (60) days of receipt.
 - C. The requirements of this Paragraph 2.1 shall not apply to an agreement between Springs Utilities and a Regional Entity that allows for deliveries of water by Utilities to the Regional Entity for use outside of SECWCD's boundaries for a period(s) of thirty (30) days or less.
- 2.2 Prior to entering into a Regional Service Agreement with a Regional Entity, Springs Utilities shall require the Regional Entity to apply for and obtain a 1041 Permit from Pueblo County that permits the SDS and NOW infrastructure to be used to convey water to the Regional Entity's service area. The Regional Entity must provide SECWCD with a copy of its request for a 1041 Permit from Pueblo County at the time of submittal and a copy of the final 1041 Permit when issued by Pueblo County.
- 2.3 Springs Utilities agrees that any such Regional Service Agreement entered into between Springs Utilities and a Regional Entity under Paragraph 2 of this Agreement shall be in compliance with the Regional Entity's LTEC or other approval from the BOR, Springs Utilities' Pueblo County 1041 Permit, and the Regional Entity's Pueblo County 1041 Permit, and that the Regional Service Agreement shall include the following:
- A. Unless excepted under Paragraph 2.1(C), acknowledgment that the Regional Entity has satisfied one of the following requirements:
 - a. The Regional Entity has entered into an LTEC contract with BOR for the storage of water in Pueblo Reservoir; or
 - b. If the Regional Entity has not entered into an LTEC contract with BOR, the Regional Entity has received written approval from BOR to enter into a Regional Service Agreement with Springs Utilities.
 - B. Acknowledgement that the Regional Entity has received a 1041 Permit from Pueblo County, dated prior to the date of the Regional Service Agreement.

- C. Requirement that the Regional Entity commit not to furnish, use, deliver, or serve water provided under the Regional Service Agreement, directly or indirectly, outside of the natural drainage of the Arkansas River Basin or to market, transfer, wheel, deliver, serve, or otherwise provide water to properties or entities located outside the natural drainage of the Arkansas River Basin, for any purpose.
- 2.4 Upon the Regional Entity's and Springs Utilities' satisfaction of the terms and conditions set forth in Paragraphs 2.1 and 2.2 above, Springs Utilities shall provide a draft of the Regional Service Agreement to SECWCD, with terms and conditions consistent with Paragraph 2.3, so that SECWCD can confirm that such agreement is in substantial compliance with the terms of this Agreement.
- A. At least forty-five (45) days prior to the date on which Springs Utilities plans to seek approval the Regional Service Agreement from its Utilities Board, Springs Utilities shall provide an electronic copy of the draft Regional Services Agreement to SECWCD.
 - B. If SECWCD agrees that the draft Regional Service Agreement is in substantial compliance with the terms and conditions of this Agreement, SECWCD shall confirm such agreement in writing within thirty (30) days of SECWCD's receipt of the draft agreement.
 - C. If, after review, SECWCD does not agree that the Regional Services Agreement is in substantial compliance with this Agreement, SECWCD shall provide specific concerns to Springs Utilities in writing within thirty (30) days of SECWCD's receipt of the draft agreement. Within fifteen (15) days of Springs Utilities receipt of notice from SECWCD that the Regional Services Agreement does not comply with this Agreement, the parties shall hold a meeting attended by persons with decision-making authority regarding the dispute, to attempt in good faith to negotiate a resolution of the dispute; provided, however, that no such meeting shall be deemed to vitiate or reduce the obligations and liabilities of the parties thereunder or be deemed a waiver by a party hereto of any remedies to which such party would otherwise be entitled thereunder unless otherwise agreed to by the parties in writing. If, within thirty (30) days after such meeting, the parties have not succeeded in negotiating a resolution of the dispute, they agree to submit the dispute to non-binding mediation and to bear equally the costs of the mediation. The parties will jointly appoint a mutually acceptable mediator. If they fail to do so within twenty (20) days from the conclusion of the negotiation period, they shall each select a mediator. The two mediators will then appoint a third mediator who shall, as the sole mediator, conduct mediation for the parties. The parties agree to participate in good faith in the mediation and negotiations related thereto for a period of thirty (30) days. The substantive and procedural law of the State of Colorado shall apply to the mediation proceedings. If the parties are not successful in resolving the dispute through mediation, then the parties shall be free to litigate the matter.

- 2.5 Upon the satisfaction of the terms and conditions set forth in Paragraphs 2.1-2.4, Springs Utilities may enter into a Regional Service Agreement with a Regional Entity that serves areas outside of SECWCD's boundaries.
- 2.6 The Regional Entity and/or Springs Utilities shall provide SECWCD with a copy of the Regional Service Agreement upon its execution by both parties.
- 2.7 Springs Utilities agrees to notify SECWCD promptly in the event that the Regional Entity takes any action which constitutes a breach of its Regional Service Agreement, which breach has not been cured within the timeframe provided in the subject Regional Service Agreement; provided, however, that Springs Utilities shall notify SECWCD of any breach that remains uncured after thirty (30) days.

3. Springs Utilities' Existing Regional Service Agreements with Donala and Triview.

- 3.1 The Parties agree that Donala's and Triview's Regional Service Agreements with Springs Utilities are substantially in compliance with the terms and conditions set forth in Paragraph 2. For that reason, and for so long as Triview and Donala remain in compliance with their respective Regional Service Agreements with Springs Utilities, SECWCD will not require Donala or Triview to be included in SECWCD's boundaries to receive regional water service from Springs Utilities.
- 3.2 SECWCD agrees to waive the applicability of Section 7(d) of Contract No. 11XX6C0005 with regard to Springs Utilities' Regional Service Agreements with Triview and Donala.
- 3.3 Springs Utilities agrees to notify SECWCD and BOR promptly in the event that Donala or Triview take any action which constitutes a breach of their Regional Service Agreements, which breach has not been cured within the timeframe provided in the subject Regional Service Agreement.
- 3.4 Pursuant to the terms and conditions of this Agreement, the SECWCD agrees that Springs Utilities may provide regional water service to Donala and Triview by using the NOW and SDS infrastructure to convey water to Donala's and Triview's service areas.

4. Miscellaneous.

- 4.1 All notices, submittals of documents and other communication required or permitted to be given by this Agreement, including those mentioned above, must be made in writing. The original or a copy of any such communication must be either personally delivered, sent by first class mail, or provided via email, directed to the Party intended at the address set forth below (or at such other address as

may be designated by notice given to the other Party). Notices delivered under this Paragraph 4.1 shall be effective upon receipt.

IF TO SPRINGS UTILITIES:

Personal Delivery:
Colorado Springs Utilities
ATTN: Manager, Water Resources
1525S. Hancock Expressway
Colorado Springs, CO 80906

WITH A COPY TO:

City Attorney's Office
Attn: Utilities Division
30 South Nevada Ave.
P.O. Box 1575, Mail Code 501
Colorado Springs, CO 80901
michael.gustafson@coloradosprings.gov

United States Postal Service Address:

Colorado Springs Utilities
ATTN: Manager, Water Resources
P.O. Box 1103, MC 1825
Colorado Springs, CO 80947-1825
Kgortz@CSU.org

IF TO SECWCD:

SECWCD
31717 United Avenue
Pueblo, CO 81001
peter@secwcd.com; and
leann@secwcd.com

WITH A COPY TO:

April Hendricks, Esq.
Jewell Jimmerson Natural Resources
Law LLC
333 Perry Street, Suite 310
Castle Rock, CO 80104
ahendricks@jjnrlaw.com

4.2 Each Party to this Agreement has engaged legal counsel to negotiate, draft, and review this Agreement. Therefore, in construction and interpretation of this Agreement, the Parties acknowledge and agree that it is not to be construed against any Party on the basis of authorship.

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

4.4 This Agreement represents the entire agreement of the Parties, and neither Party has relied on any fact or representation not expressly set forth herein. This Agreement supersedes all prior agreements and understandings of any type, both written and oral, among the Parties with respect to the subject matter hereof.

- 4.5 The failure of any Party to insist in one or more cases upon the strict performance or observance of any of the terms or conditions of this Agreement will not be and is not to be construed as a waiver or relinquishment in any future case of such term or condition. This Agreement cannot be modified orally, but only by agreement in writing signed by both Parties.
- 4.6 No amendment or modification of this Agreement shall be valid unless expressed in writing and executed by the parties in the same manner as the execution of this Agreement.
- 4.7 The Parties to this Agreement represent that they have the full power and authority to enter into and perform this Agreement.
- 4.8 The Parties agree to cooperate with each other in good faith in the performance of their other obligations and requirements under this Agreement and to fulfill the intent and purposes of this Agreement.
- 4.9 This Agreement may be signed in counterparts, each of which is to be deemed an original but all of which constitute one and the same contract.
- 4.10 This Agreement is subject to, and shall be interpreted and performed under, the laws of the State of Colorado, and the Charter, City Code, Ordinances, Rules and Regulations of the City of Colorado Springs in all respects.
- 4.11 In the event of litigation, the exclusive venue and place of jurisdiction shall be El Paso County, Colorado.
- 4.12 Nothing herein is to be construed to give any rights or benefits hereunder to anyone other than Springs Utilities and SECWCD.
- 4.13 Unenforceability of any provision contained in this Agreement shall not affect or impair the validity of any other provision of this Agreement, so long as the primary purpose(s) of this Agreement represents the entire agreement of the Parties with respect to the subject matter of the Agreement. All previous negotiations, considerations, representations, and understandings between the Parties are incorporated and merged into this Agreement.
- 4.14 The Parties' rights and obligations under this agreement will benefit and bind the Parties' successors and assigns.

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be duly executed, and the Agreement is effective as of the Effective Date stated above.

Southeastern Colorado

City of Colorado Springs, Colorado, acting

Water Conservancy District

by and through its Utility Enterprise

By: _____

By: _____

Leann Noga, Executive Director

Travas Deal, Chief Executive Officer

Approved as to Form:

Approved as to Form:

By: _____

By: _____

April D. Hendricks

Michael J. Gustafson

Concurrence of the United States of America

Concurrence of the United States of America

The United States' Bureau of Reclamation ("BOR") has reviewed the _____, 2026 agreement by and between the Southeastern Colorado Water Conservancy District ("SECWCD") and the City of Colorado Springs, Colorado, acting by and through its enterprise, Colorado Springs Utilities ("Springs Utilities") related to Section 7(d) of Contract No. 11XX6C005, between the United States of America and the City of Colorado Springs for Conveyance and for the Operation, Maintenance and Replacement Costs Associated with the North Outlet Works a Facility of the Fryingpan-Arkansas Project ("SECWCD/Springs Utilities Agreement"). The BOR Agrees that so long as SECWCD provides notice to Springs Utilities and the BOR that SECWCD agrees that a proposed Regional Services Agreement between Springs Utilities and a Regional Entity serving areas outside the boundaries of SECWCD satisfies the terms and conditions of the SECWCD/Springs Utilities Agreement, the BOR will waive applicability of Section 7(d) of Contract No. 11XX6C005 for such Regional Service Agreement. The BOR further agrees to waive applicability of Section 7(d) of Contract No. 11XX6C0005 for Springs Utilities' existing Regional Service Agreements with Triview Metropolitan District and Donala Water and Sanitation District.

United States of America

By: _____

Name: _____

Title: _____

RESOLUTION NO. ____ - 26

A RESOLUTION APPROVING AN INTERGOVERNMENTAL AGREEMENT BETWEEN THE CITY OF COLORADO SPRINGS, COLORADO, ON BEHALF OF ITS ENTERPRISE COLORADO SPRINGS UTILITIES AND THE SOUTHEASTERN COLORADO WATER CONSERVANCY DISTRICT

WHEREAS, the City of Colorado Springs (the “City”), on behalf of its enterprise Colorado Springs Utilities (“Springs Utilities”), is authorized to enter into intergovernmental agreements with other Colorado governmental entities with the approval of City Council; and

WHEREAS, the Southeastern Colorado Water Conservancy District (“SECWCD”) is authorized to enter into intergovernmental agreements with other Colorado governmental entities with the approval of its Board of Directors; and

WHEREAS, Pueblo Reservoir is a key feature of the Fryingpan-Arkansas Project which is managed by SECWCD; and

WHEREAS, Springs Utilities is a participant in the Southern Delivery System (“SDS”), a non-federal regional water delivery project that consists of infrastructure at Pueblo Reservoir; and

WHEREAS, Contract Nos. 11XX6C0002 and 11XX6C0005 between Springs Utilities’ and the United States Bureau of Reclamation (“BOR”) govern Springs Utilities’ storage of water in Pueblo Reservoir and the delivery of water from Pueblo Reservoir through infrastructure associated with the SDS; and

WHEREAS, Springs Utilities has developed a regional water service program under which it has and may in the future enter into agreements by which Springs Utilities provides water treatment and conveyance service to entities whose service areas are located outside SECWCD’s boundaries and with other entities which serve areas located within SECWCD’s boundaries (collectively “Regional Entities”) that contemplate Springs Utilities’ use of SDS infrastructure to facilitate water deliveries to the Regional Entities’ respective service areas; and

WHEREAS, Springs Utilities and SECWCD have negotiated and now desire to enter into the attached intergovernmental agreement that memorializes Springs Utilities’ and SECWCD’s agreements related to the applicability of certain provisions of Contract No. 11XX6C0005 to Springs Utilities’ Regional Service Agreements (“Regional IGA”); and

WHEREAS, the BOR is not a party to the Regional IGA but has indicated that it concurs with the terms of the Regional IGA; and

WHEREAS, Springs Utilities requests that City Council approve and authorize the Chief Executive Officer of Springs Utilities to enter into the Regional IGA.

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

Section 1. The City Council hereby finds that the Regional IGA is in the best interests of the citizens of the City and the ratepayers of Springs Utilities and hereby approves the Regional IGA.

Section 2. The Chief Executive Officer of Springs Utilities is authorized and directed to enter into the Regional IGA in a form substantially similar to that attached hereto.

Section 3. This Resolution shall be in full force and effect immediately upon its adoption.

Dated at Colorado Springs, Colorado this ____ day of _____, 2026.

Lynette Crow-Iverson, Council President

ATTEST:

Sarah B. Johnson, City Clerk

Board Memo Agenda Item

Staff Report

Date: (Date of Utilities Board Meeting)	May 20, 2026		
To:	Utilities Board		
From:	Travas Deal, Chief Executive Officer		
Subject:	Cheyenne Mountain Space Force Station Special Contract for Augmentation Water Service		
NARRATIVE:			
Desired Action: Choose only one	<input checked="" type="checkbox"/> Approval <input type="checkbox"/> Discussion <input type="checkbox"/> Information		
Executive Summary:	<p>Cheyenne Mountain Space Force Station (CMSFS) operates a groundwater well that requires augmentation of out-of-priority depletions. Colorado Springs Utilities has provided fully consumable water supplies for augmentation to CMSFS since 2009 on a year-to-year basis. CMSFS has requested a 25-year agreement for up to 5 acre-feet of augmentation supplies each year.</p> <p>Consistent with all Utilities' Special Contract Service agreements, the agreement is interruptible and subject to Utilities' operational requirements.</p> <p>Should Utilities Board approve of the agreement it will go to City Council for approval at the May 26, 2026 City Council Meeting.</p>		
Benefits:	This 25-year regional water service agreement will be consistent with Board Instruction 7 and water tariffs and will provide a positive revenue benefit to customers.		
Board Policy: If this impacts one of the board policies, indicate that here.	Board Instruction 7, Water Supply Management/Regional Water and Wastewater Service		
Cost / Budget: Include the projected cost or budget here.	Gross revenue under the proposed Special Contract for Augmentation Water Service will be approximately \$900 per year.		
Affected Parties: This could include community groups, specific City Council Districts, other utilities, nonprofit organizations, certain neighborhoods, Colorado Springs Utilities employees, etc.	Colorado Springs Utilities and Cheyenne Mountain Space Force Station		
Alternatives:	N/A		
Submitter:	Jenny Bishop	Email Address:	jbishop@csu.org
Division:	System Planning and Projects	Phone Number:	719-668-8575
Department:	Infrastructure and Resource Planning	Date Submitted:	May 4, 2026
SPG Staff Use Only:	Consent Calendar <input type="checkbox"/> Yes <input type="checkbox"/> No		Item Number 12

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



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

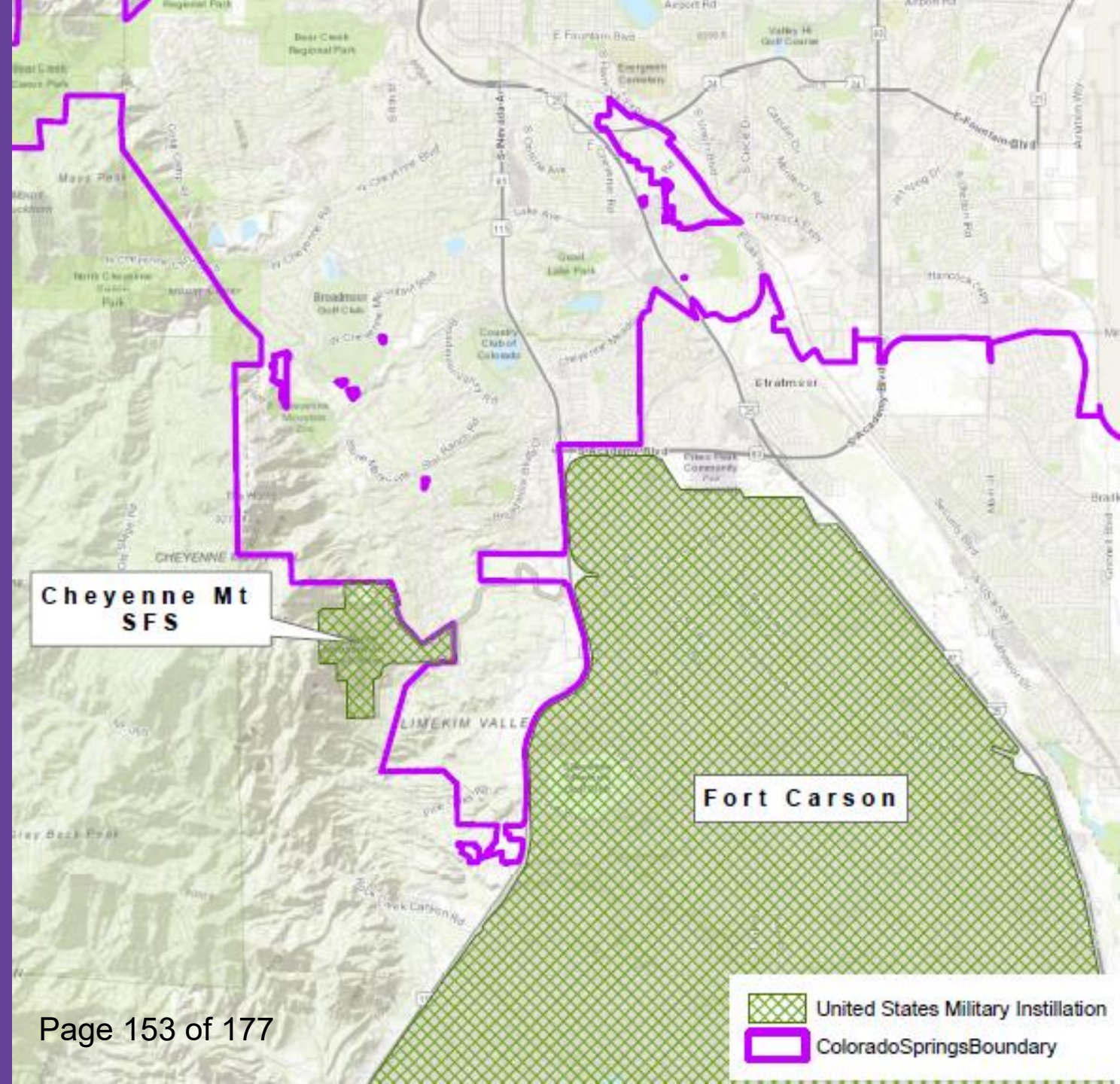
Cheyenne Mountain Space Force Station Special Contract for Augmentation Water Service

May 20, 2026

Jenny Bishop, P.E., Resource Planner IV

Cheyenne Mountain Space Force Station

- Located in the southwest part of Colorado Springs
- Year-to-year agreement for replacement water since 2009
- Up to 5 acre-feet of augmentation water each year
- Used to replace out of priority groundwater pumping



Agreement Terms and Conditions

- 25-year term
- Up to 5 acre-feet per year of water
- Augmentation water to offset groundwater pumping
- Utilities may amend or renegotiate the agreement if:
 - Delivery requests exceed limits in agreements
 - A different type of service is needed
- Utilities may interrupt service if needed
- No negative impact to Utilities

Special Contract Financials

Consistent with Water Tariff

- Yearly service fee
 - \$250 per year with a 2% escalation each year
- 2026 Augmentation Rate x 1.5
 - \$0.0104 per cubic foot x 1.5 = \$0.0156 per cubic foot
 - \$679.54 per acre foot
 - Changes consistent with Tariff Rate Cases

Approximately \$900 in revenue each year

Next Steps

May 26 Resolution to City Council





Colorado Springs Utilities[®]

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**SPECIAL CONTRACT FOR AUGMENTATION SERVICE WATER BETWEEN
COLORADO SPRINGS UTILITIES AND CHEYENNE MOUNTAIN SPACE FORCE
STATION**

This Special Contract for Augmentation Service Water (“Agreement”) is made and entered into by and between Colorado Springs Utilities, an enterprise of the City of Colorado Springs, a Colorado home-rule city and municipal corporation, with its principal place of business at 121 S. Tejon Street, Colorado Springs, Colorado 80903 (“UTILITIES”), and Cheyenne Mountain Space Force Station with its principal place of business at 1 Norad Rd. Cheyenne Mountain SFS, Colorado 80914, (“CMSFS”), (collectively, “the Parties”).

RECITALS

- A. CMSFS has an agreement with Arkansas Groundwater & Reservoir Association (“AGRA”) for out-of-priority depletions to be administered as part of AGRA’s Rule 14 plan.
- B. CMSFS requires releases of up to 5.0 acre-feet per year of Reusable Water (“Reusable Water”) to Fountain Creek to offset out-of-priority depletions due to the operation of CMSFS’s well located within Cheyenne Mountain, located near Colorado Springs, Colorado, more specifically located on the Section Line between Section 23 and Section 24, Township 16 South, Range 66 West.
- C. Utilities has sufficient Reusable Water to offset out-of-priority depletions caused by the operation of CMSFS’s well, and this agreement will not interfere with the City’s ability to provide service to in-City customers in accordance with the standards adopted by Utilities and the City’s existing contractual obligations.
- D. CMSFS desires to purchase Reusable Water from UTILITIES to be used to offset depletions caused by CMSFS’s well pumping.
- E. CMSFS desires to make available UTILITIES’ Reusable Water from its available sources to the Division 2 Engineers Office for depletions caused by CMSFS’s well pumping.
- F. UTILITIES agrees to release fully Reusable Water from UTILITIES’ Wastewater Treatment Plant on Fountain Creek or utilize UTILITIES’ available non-sewered return flows on Fountain Creek.
- G. The Parties previously entered into an AGREEMENT FOR THE PURCHASE OF WATER BETWEEN COLORADO SPRINGS UTILITIES AND CHEYENNE MOUNTAIN AIR FORCE STATION on March 1, 2009 (the “2009 Agreement”).
- H. The Parties wish to amend, restate, and replace the 2009 Agreement with this Agreement.

- I. Pursuant to Section 6-50 (Water Rights) of Article VI (Utilities) of the Charter of the City of Colorado Springs, as amended, the City of Colorado Springs has the authority to buy, exchange, augment, lease, own, and control water and water rights.
- J. Utilities has entered into this Special Contract pursuant to section 12.4.304 (Service; Special Contract) of Article 4 (Water Code) of Chapter 12 (Utilities) of the Code of the City of Colorado Springs 2001, as amended.

AGREEMENT

NOW, THEREFORE, in consideration of mutual benefits to the Parties and the payment to UTILITIES as hereinafter provided, the receipt and sufficiency of which is acknowledged, **IT IS AGREED:**

1. **Incorporation of Recitals.** The above recitals are hereby incorporated into the terms and conditions of this Agreement as if fully set forth herein.
2. **Terms.** The term of this Agreement shall be twenty-five (25) years commencing once the agreement is fully executed, and expiring on February 28, 2051. The decision to extend this agreement or enter into a subsequent agreement is at the sole discretion of UTILITIES.
3. **Water Delivery.** During the term of this Agreement, UTILITIES agrees to make available to SMSFS up to 5.0 acre-feet annually of Reusable Water in accordance with the terms of this Agreement. Unless CMSFS informs UTILITIES in writing sixty (60) days prior to March 1 of each year, UTILITIES will release a total of 2.46 acre-feet of Reusable Water to Fountain Creek. This Reusable Water is to be delivered to the Fountain Creek from reusable return flows on the Fountain Creek in accordance with Schedule A.
4. **Price for Reusable Water.** CMSFS shall pay Utilities for Reusable Water deliver on behalf of CMSFS under this Agreement based on Utilities' Augmentation Service Tariff in effect at the time of delivery multiplied by 1.5. For each year during the term of this Agreement, CMSFS shall have the option of 1) Springs Utilities shall invoice CMSFS in twelve equal installments beginning in March and continuing through February, or 2) Springs Utilities shall invoice CMSFS the total annual amount each March. For option 1) Payment is due under the standard terms and conditions of the utility bill. For option 2) Payment shall be due within thirty (30) days of receipt of the invoice.

An annual administrative fee of \$250.00 shall be due each March that this Agreement is in effect. The administrative fee shall be increased annually by 2%. UTILITIES shall invoice CMSFS around March 1 of each year and payment shall be due within thirty (30) days of receipt of the invoice. See Schedule B.

5. **Measurement of Reusable Water.** The Reusable Water provided hereunder shall be measured and deemed delivered at UTILITIES' Las Vegas Street Resource Recovery Facility, or by daily releases of UTILITIES' Non-Sewered return flows. CMSFS shall be responsible for all transit losses and evaporation losses subsequent the delivery of the Reusable Water.

6. **Approvals.** CMSFS is responsible for obtaining approval by the State Engineer or Division 2 Engineer, as well as all other necessary contracts, permits, administrative approvals, and/or water rights decrees required for delivery of this Reusable Water from UTILITIES.
7. **Arrangements for Delivery.** Delivery of this Reusable Water must be coordinated with UTILITIES. A five-day notice must be provided in writing prior to the beginning of delivery of the Reusable Water. The current contact for coordination and notification is water_accounting@csu.org
8. **Interruptible Supply.** CMSFS acknowledges that UTILITIES' delivery of Reusable Water under this Agreement is on an interruptible basis. CMSFS acknowledges and consents to Utilities' right to discontinue deliveries of water under this Agreement due to (1) a significant interruption of water supplies, a substantial disruption (including, but not limited to, legal challenges impacting the water system, and maintenance and repair to the infrastructure) to Utilities' water system, or (2) as otherwise authorized by the City Code of Colorado Springs. Utilities will use reasonable efforts to provide CMSFS with 30 days prior notice of a discontinuance of water supplies provided for in the foregoing sentence. CMSFS acknowledges that Utilities cannot always anticipate when interruptions in water supplies or disruptions to its water system will occur and that Utilities has no obligation to provide CMSFS with prior notice of a discontinuance of deliveries of Reusable Water due to an interruption in water supplies or a disruption in its water system.
9. **Termination.** CMSFS acknowledges and consents to Utilities' right to terminate this Agreement: (1) due to CMSFS's breach of a material term or condition of this Agreement, if CMSFS has not taken substantial steps to cure the breach within thirty (30) days of receiving written notice of such breach from Utilities; or (2) as otherwise authorized by the City Code of Colorado Springs or the Colorado Springs City Council. Utilities will make reasonable efforts to notify CMSFS of circumstances that could result in such termination. CMSFS may terminate this Agreement due to a material breach on the part of Utilities, if Utilities has not taken substantial steps to cure the breach within thirty (30) days of receiving written notice of such breach from CMSFS.
10. **Revocation.** CMSFS acknowledges that this Agreement is in the nature of a license as defined in the Colorado Springs, Colorado, City Charter for the use of City of Colorado Springs property. As such, this Agreement is expressly subject to Article 10 of the Charter of the City of Colorado Springs and is expressly revocable by the City of Colorado Springs City Council at any time.
11. **Rules and Regulations.** The water service provided under this Agreement shall be governed by the Colorado Springs City Charter, the City Code, the Tariffs, WLESS, and all other applicable City of Colorado Springs' or Utilities' ordinances, resolution, regulations, policies and rules concerning use of Utilities' Water System as may be amended or replaced, except as otherwise provided in this Agreement.
12. **Water Rights Unaffected.** No water rights are being transferred to or from UTILITIES or CMSFS under this agreement.

13. **Disclaimer of Warranties.** UTILITIES makes no warranty of any kind as to the timing, availability, quality, or suitability of the delivered Reusable Water to CMSFS for its intended use as detailed above. CMSFS assumes all such risks.
14. **Legal Notice.** Each notice required herein, shall be given in writing, signed by an authorized representative of the Party giving notice, and sent by certified mail, return receipt requested. Notice sent by certified mail will be deemed to have been given upon receipt, as confirmed by the return receipt. Nothing contained herein is to be construed to preclude personal service of any notice in the manner prescribed for personal service of a summons or other legal process. All notices required to be given to the parties hereunder must be delivered to the following addresses (or such other addresses as either Party may direct by written notice to the other Party):

If to CMSFS:

Cheyenne Mountain Space Force Station
ATTN: Deputy Base Civil Engineer
580 Goodfellow St.
Peterson SFB, CO 80914

If to Utilities:

United States Postal Service Address:

Colorado Springs Utilities
ATTN: Manager, Water Resources Management
P.O. Box 1107, MC 1813
Colorado Springs, CO 80947

Personal Service Address:

Colorado Springs Utilities
ATTN: Manager, Water Resources Management
1525 S. Hancock Expressway
Colorado Springs, CO 80903

and:

City Attorney's Office – Utilities Division

United States Postal Service Address:

City of Colorado Springs
ATTN: City Attorney's Office – Utilities Division
P.O. Box 1575
Colorado Springs, CO 80901-1575

Personal Service Address:

City of Colorado Springs
ATTN: City Attorney's Office – Utilities Division

30 S. Nevada Ave., 5th Floor
Colorado Springs, CO 80903

15. **Assignment/Third Party Beneficiary.** There shall be no assignment or delegation of the rights or obligations contained in this Agreement by either Party without the prior written consent by the other Party, and any such assignment or delegation shall be null and void. Notwithstanding anything herein to the contrary, upon written notice to CMSFS, Utilities may assign or delegate its rights and obligations under this Agreement without consent from CMSFS to the City of Colorado Springs, Colorado. Nothing herein shall be construed to give any rights or benefits hereunder to anyone other than Utilities and CMSFS.
16. **No Precedent; Severability.** The Parties agree that neither of them intends that this Agreement shall in any way constitute a precedent or standard for any future Agreement, nor vest any rights in either Party or any third party for novation, renewal, modification, or addition of any other rights or services on account of this Agreement's existence, as it is based solely on unique conditions currently existing at the time of execution. Any provision or part of this Agreement held to be void or unenforceable under any laws or regulations shall be deemed stricken, and all remaining provisions shall continue to be binding upon the Parties who agree that this Agreement shall be reformed to replace such stricken provision with a new provision that comes as close as possible to expressing the intention of the stricken provision.
17. **Force Majeure.** No Part to this Agreement will be liable for delays or failure to perform due solely to conditions or events of force majeure, as the term is defined in this section, provided that: (i) the non-performing Party gives the other Party prompt written notice describing the particulars of the force majeure; (ii) the suspension of performance is of no greater scope and of no longer duration than required by the force majeure event or condition; and (iii) the non-performing Party proceeds with reasonable diligence to remedy its inability to perform. As used herein, "force majeure" means any delay or failure of performance under this Agreement caused by events beyond a Party's reasonable control and without the fault of the Party including, without limitation: (a) acts of God; (b) sudden actions of the elements such as floods, earthquakes, hurricanes, or tornadoes; (c) sabotage; (d) vandalism beyond that which can be reasonably prevented by the Party; (e) terrorism; (f) war; (g) riots; (h) fire; (i) explosion; (j) insurrection; (k) strike, slow down or labor disruptions; (l) denial or revocation of any governmental or regulatory permit, license, or approval; and (m) governmental restriction, denial, or moratoria. To the extent that a Party's performance is postponed or excused by an event of force majeure, the other Party's corresponding obligation to perform is likewise postponed or excused.
18. **Appropriation of Funds.** In accord with the Colorado Springs City Charter, performance of Utilities' obligations under this Agreement is expressly subject to appropriation of funds by the City Council. In the event funds are not appropriated in whole or in part sufficient for performance of Utilities' obligations under this Agreement, or appropriated funds may not be expended due to the City Charter spending limitations, then this Agreement will thereafter become null and void by operation of law, and Utilities will thereafter have no liability for compensation or damages to CMSFS in excess of Utilities' authorized appropriation for this Agreement or the applicable spending limit, whichever is less.

Utilities will notify CMSFS as soon as reasonably practicable in the event of non-appropriation or in the event a spending limit becomes applicable.

19. **Indemnification.** CMSFS hereby agrees to release, discharge, indemnify and hold harmless the City of Colorado Springs, Utilities, the Colorado Springs City Council, the Utilities Board, and the officers, directors, employees and agents of each from and against any and all liability for any damages, injuries to the person or property, costs (including, but not limited to all fees and charges of engineers, architects, attorneys, and other professionals and all court or other disputed resolution costs), causes of action, demands, or actions of whatsoever kind of nature, arising out of, or caused by the negligent acts or omissions, or intentional misconduct of CMSFS under this Agreement. CMSFS shall give Utilities timely and reasonable notice of any such claims or actions. Notwithstanding the foregoing, Utilities expressly reserves any and all of the protections, defenses, and limitations that it may be afforded under the Colorado Governmental Immunity Act. Additionally, CMSFS understands and agrees that the City of Colorado Springs, Utilities the Colorado Springs City Council, the Utilities Board and the officers, directors, employees and agents of each shall not be liable, except where expressly provided by applicable laws, for incidental or consequential damages of any kind.
20. **Entire Agreement.** This Agreement contains the entire understanding between the Parties; no modification, amendment, notation, or other alteration to this Agreement shall be valid or of any force or effect unless mutually agreed to by the Parties in writing as an addendum to this Agreement. At the time of the execution of this Agreement, there are no other terms, conditions, requirements, or obligations affecting this Agreement that are not specifically set forth herein. All electronic communications, including email and voice, from Utilities in connection with this Agreement are for informational purposes only. No such communication is intended by Utilities to constitute any agreement by Utilities to conduct a transaction by electronic means. Any such intention or agreement is hereby expressly disclaimed.
21. **Governing Law.** This Agreement shall be construed in accordance with the laws of the State of Colorado, except for its conflict of law provisions, and the Colorado Springs City Charter and City Code. The place of performance and transaction of business shall be deemed to be in the County of El Paso, State of Colorado. In the event of litigation, the exclusive venue and place of jurisdiction shall be the State of Colorado, specifically in the District Court for El Paso County, Colorado, and, if necessary for exclusive federal questions, the United States District Court for the District of Colorado, and for water matters as defined by Colo. Rev. Stat. § 37-92-201 et seq., the District Court Water Division 2.
22. **Severability.** If any provisions of this Agreement shall be held unconstitutional, illegal, or void, such finding shall not affect any other provisions of this Agreement.
23. **Counterparts and Electronic Signatures.** This Agreement may be executed in multiple counterparts by the parties. All counter parts so executed shall constitute one agreement that is binding on all Parties. Each counterpart shall be deemed an original of this Agreement. Documents executed, scanned and signed electronically shall be deemed original signatures for the purposes of this Agreement.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the dates following their signatures below..

COLORADO SPRINGS UTILITIES

CMSFS

BY: _____

BY: _____

Travas Deal
Chief Executive Officer

Date: _____

Date: _____

APPROVED AS TO FORM:

City of Colorado Springs City Attorney's Office

RESOLUTION NO. ____ - 26

A RESOLUTION AUTHORIZING COLORADO SPRINGS UTILITIES TO ENTER INTO A SPECIAL CONTRACT FOR AUGMENTATION SERVICE BETWEEN COLORADO SPRINGS UTILITIES AND CHEYENNE MOUNTAIN SPACE FORCE STATION

WHEREAS, City Code § 12.4.304 allows Colorado Springs Utilities (“Utilities”) to provide by contract for the use of or connection to its water supply system by institutions, organized special districts, governments, municipal corporations, or other similar users located outside the corporate limits of the City of Colorado Springs (“City”), subject to City Council approval and other requirements; and

WHEREAS, City Code § 12.4.305 provides that extending water service beyond the existing water service boundary requires City Council approval and that such approval must be based on a substantiated and written record demonstrating one of a number of criteria, including that extension of the water service area will have a de minimis impact on the overall City’s available water supply; and

WHEREAS, Cheyenne Mountain Space Force Station (“CMSFS”) does not have the necessary water rights to augment out-of-priority depletions caused by the operation of CMSFS well located within Cheyenne Mountain, located near Colorado Springs, Colorado; and

WHEREAS, CMSFS requires releases of up to 5.0 acre-feet per year of reusable water (“Reusable Water”) to Fountain Creek to offset out-of-priority depletions due to the operation of CMSFS well; and

WHEREAS, CMSFS desires to purchase by special contract for augmentation service (“Special Contract”), sufficient Reusable Water from Utilities to be used to offset depletions caused by CMSFS well pumping; and

WHEREAS, Utilities currently has sufficient Reusable Water to offset out-of-priority depletions caused by the operation of CMSFS well; and

WHEREAS, the Utilities water system, as currently existing and planned, is sufficient to meet the present and projected water supply needs for the foreseeable future of all users of the water system located within and outside the corporate limits of the City including the CMSFS; and

WHEREAS, the service provided by the Special Contract will not interfere with the City’s ability to provide service to in-City customers in accordance with the standards adopted by Utilities and the City’s existing contractual obligations; and

WHEREAS, in exchange for entering into the Special Contract, CMSFS has agreed to pay all applicable Utilities’ fees including the rates and fees set forth in Utilities’ Tariffs for such service; and

WHEREAS, the Utilities Board has recommended that City Council approve a Special Contract between Utilities and CMSFS; and

WHEREAS, Utilities requests that City Council authorize Utilities to enter into a Special Contract between Utilities and CMSFS.

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

Section 1. City Council finds and determines that a Special Contract between Utilities and CMSFS complies with City Code § 12.4.304 and will benefit the public health, safety and welfare of the surrounding community and is in the best interest of the City.

Section 2. City Council further finds and determines that a Special Contract between Utilities and CMSFS complies with City Code § 12.4.305 based on the substantiated and written record that such extension of the water service boundary will have a de minimis impact on the overall City's available water supply.

Section 3. The Chief Executive Officer of Utilities is authorized to enter into a Special Contract with CMSFS in a form substantially similar to that attached hereto.

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

Dated at Colorado Springs, Colorado, this _____ day of _____, 2026.

Lynette Crow-Iverson, Council President

ATTEST:

Sarah B. Johnson, City Clerk

Board Memo Agenda Item

Staff Report

Date: (Date of Utilities Board Meeting)	May 20, 2026		
To:	Utilities Board		
From:	Travas Deal, Chief Executive Officer		
Subject:	Recommendation to discontinue diligence and abandon the remaining Sugarloaf conditional water rights due to physical, legal, and regulatory constraints and de minimis system benefit		
NARRATIVE:			
Desired Action: Choose only one	<input checked="" type="checkbox"/> Approval <input type="checkbox"/> Discussion <input type="checkbox"/> Information		
Executive Summary:	<p>This evaluation concludes that the remaining Sugarloaf conditional water rights provide de minimis system benefit to Colorado Springs Utilities integrated system due to significant physical, legal, and regulatory constraints, extremely limited and infrequent yield, and the lack of feasible storage or diversion infrastructure.</p> <p>Exercising the rights would require substantial new investment, with a high risk to acquiring federal approvals, land acquisitions, and favorable water court actions. These outweigh the uncertain benefit given their junior priority. Analysis shows the rights would have been usable only 1.4% of the time over the past decade and would not materially enhance system reliability.</p> <p>Continuing to maintain the conditional rights results in ongoing costs without a realistic path to beneficial use; therefore, staff and legal recommend abandoning the remaining conditional portions to avoid unnecessary expense and legal exposure while preserving all existing reliable water supplies.</p> <p>Should Utilities Board approve of the agreement it will go to City Council for approval at the May 26, 2026 City Council Meeting.</p>		
Benefits:	Reduce legal risk associated with maintaining infeasible rights while allowing Colorado Springs Utilities to focus resources on reliable, usable water supplies.		
Board Policy: If this impacts one of the board policies, indicate that here.	Board Instruction 7, Water Supply Management/Regional Water and Wastewater Service		
Cost / Budget: Include the projected cost or budget here.	No Cost		
Affected Parties: This could include community groups, specific City Council Districts, other utilities, nonprofit organizations, certain neighborhoods, Colorado Springs Utilities employees, etc.	N/A		
Alternatives:	Approve the item to move to City Council or deny		
Submitter:	Jenny Bishop	Email Address:	jbishop@csu.org

Division:	System Planning and Projects	Phone Number:	719-668-8575
Department:	Infrastructure and Resource Planning	Date Submitted:	May 4, 2026
SPG Staff Use Only:	Consent Calendar <input type="checkbox"/> Yes <input type="checkbox"/> No	Item Number 13	
ITEMS SUBMITTED AFTER THE DEADLINE WILL BE POSTPONED UNTIL THE NEXT UTILITIES BOARD MEETING			



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Sugarloaf Conditional Water Rights Abandonment

May 20, 2026

Jenny Bishop, P.E., Resource Planner IV

Nathan Endersbee, City Attorney's Office

Background

1984 CF&I Water Rights Purchase

- Perfected Rights
 - 17,416 acre-feet storage
 - Placer Water Right
- Conditional Rights
 - Upper Sugarloaf Storage
 - Sugarloaf Enlargement
 - East Fork and Tennessee Fork Feeder Canal diversions



Sugarloaf Water Rights

- Currently utilize perfected rights for storage in Turquoise Reservoir
 - Allocated permanent space when Bureau of Reclamation took ownership

Conditional rights have never been utilized but have been studied

- Conditional Storage
 - Upper Sugarloaf Storage
 - Sugarloaf Enlargement
 - Decreed sites never developed
- Direct Flow Conditional
 - East Fork and Tennessee Fork Feeder Canal diversions
 - Physical canals no longer exist

Physical and Legal Constraints

- Rights adjudicated in 1969 but not perfected
 - Junior status indicates limited legal priority, e.g., Free River Conditions
- No physical means to divert water
- No means to store without Federal action
 - Need enlargement of Turquoise Reservoir
 - Action failed in 2001

Conclusion

- Recommend abandoning the conditional portions of the Subject Water Rights
 - Requires substantial new infrastructure, federal approvals, land acquisition, and water court actions
 - Uncertain and low potential yield
 - Growing legal risks to meet “can and will” standards

Next Steps

May 26 - Resolution
to City Council

File for voluntary
dismissal with
prejudice





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RESOLUTION NO. ____ - 26

A RESOLUTION AUTHORIZING COLORADO SPRINGS UTILITIES TO TAKE ALL ACTIONS NECESSARY TO ABANDON CERTAIN WATER RIGHTS ASSOCIATED WITH THE SUGAR LOAF RESERVOIR

WHEREAS, the City of Colorado Springs (“City”) by and through its enterprise Colorado Springs Utilities (“Utilities”), currently provides utility service, including water service, as authorized by Article 1, § 1-20(d) of the Charter of the City of Colorado Springs; and

WHEREAS, the City Charter of the City of Colorado Springs, Article 6, § 6-50 provides: “The City shall have the authority to buy, exchange, augment, lease, own and control water and water rights”; and

WHEREAS, the City owns certain conditional water rights originally decreed by the District Court of Chaffee County, Colorado on July 9, 1969, in Case No. CA5141 (the “Subject Water Rights”) that are summarized below:

Name of Water Right	Source	Decreed Amount	Appropriation Date/Adjudication Date
Upper Sugar Loaf Reservoir	Lake Fork of the Arkansas River	3,120 acre-feet	July 2, 1892/July 9, 1969
Sugar Loaf Reservoir Enlargement and Amendment	Lake Fork of the Arkansas River	10,238 acre-feet (3,900 acre-feet absolute, 6,338 acre-feet conditional) Rate of fill – 200 c.f.s. by way of the Tennessee Fork Feeder Canal (150 c.f.s. absolute, 50 c.f.s. conditional) and 200 c.f.s. by way of the East Fork Feeder Canal (150 c.f.s. absolute, 50 c.f.s. conditional), a combined total of 400 c.f.s. (300 c.f.s. absolute, 100 c.f.s. conditional)	May 1, 1902/July 9, 1969

WHEREAS, the Subject Water Rights were acquired by the City from the CF&I Corp. and Evergreen Land and Resource Company by purchase contract dated March 13, 1984. The primary purpose of the purchase was the acquisition of the 17,416 acre-feet of perfected storage right in Sugarloaf Reservoir, now known as Turquoise Reservoir.

Utilities has used the 17,416 acre-feet of storage space that was the primary purpose of the purchase, but has never developed the conditional portions of the Subject Water Rights since the 1984 purchase; and

WHEREAS, since acquiring the rights in 1984, Utilities has filed diligence applications in Water Court several times to maintain the conditional status of the Subject Water Rights. The most recent application for a finding of due diligence was filed on March 31, 2025; and

WHEREAS, in Case No. 21CW3078, Water Division No. 2, certain water rights necessary for further development of the Subject Water Rights were Court decreed abandoned; and

WHEREAS, Utilities' staff has evaluated the Subject Water Rights and determined that due to physical, legal, and regulatory constraints and de minimis system benefit, developing the Subject Water Rights does not justify any legal risk and cost related to the effort required to maintain the Subject Water Rights; and

WHEREAS, the abandonment of the City's interest in the Subject Water Rights will not impact Utilities' ability to serve its customers now or in the future as such water rights add de minimis additional yield to the water system; and

WHEREAS, Utilities is requesting approval of Council to take all actions necessary to abandon the City's interest in the Subject Water Rights listed above.

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

Section 1. City Council hereby authorizes Utilities to take all actions necessary to abandon the City's interest in the Subject Water Rights.

Section 2. This Resolution shall be in full force and effect immediately upon its adoption.

Dated at Colorado Springs, Colorado, this ____ day of _____, 2026.

Lynette Crow-Iverson, Council President

ATTEST:

Sarah B. Johnson, City Clerk