Colorado Springs Utilities
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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 21, 2025
1:00 p.m. – 5:00 p.m.
[Join the meeting now]
or
Dial-in by phone
+1 719-733-3651,,472348827#

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** In accordance with City Charter art. III, § 3-60(d) and its incorporated Colorado Open Meetings Law, C.R.S. § 24-6-402(4)(a), (b) and (e) and Utilities Board Bylaws Rules 10(c)(1), (2) and (5) 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 is information regarding a potential acquisition of water rights as part of the Arkansas Basin Water Sharing Program. The second issue to be discussed is conferences with the City Attorney's Office for the purpose of receiving legal advice regarding and determining positions relative to negotiations about the Eastern Wastewater System Expansion project. 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 If consent to the Closed Executive Session is not given, the item may be discussed in Open Session or withdrawn from consideration.	Renee Congdon, Utilities Division Chief, Office of the City Attorney

If you require an ADA-accessible version of this packet of information, please send an email to ub@csu.org or call 719-448-4800

2:10 p.m.	**4.**	**Eastern Wastewater System Expansion Project** Informational presentation on the Eastern Wastewater System Expansion project.	Lisa Barbato, Chief Systems Planning and Projects Officer Tristan Gearhart, Chief Planning and Financial Officer
2:50 p.m.	**5.**	**Consent Agenda** These items will be acted upon as a whole unless a specific item is called for discussion by a Board Member or a citizen wishing to address the Utilities Board. (Any items called up for separate consideration shall be acted upon following Compliance Reports.) • **Approval of April 16, 2025 Utilities Board Orientation Minutes** • **Approval of April 16, 2025 Utilities Board Meeting Minutes** • **Approval of May 9, 2025 Utilities Board Orientation Minutes** • **Approval of the Appointment of Joseph Rasmussen to the Homestake Steering Committee** • **Approval of the Appointment of Joseph Rasmussen to the Aurora Colorado Springs Joint Water Authority Board**	Chair Donelson
2:55 p.m.	**6.**	**Customer Comments** • 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.	Chair Donelson
3:10 p.m.	**7.**	**Recognition**	
		• 2024 Best in Class Employer from Gallagher	Renee Adams, Chief Human Resources Officer
		• 2024 Cigna Healthy Workforce Designation	Renee Adams, Chief Human Resources Officer
		• Water and Wastewater Worker Appreciation Week	Tara Kelley, Treatment Plants Manager

3:25 p.m.	**8.**	**Compliance Reports:** • **I-2 Financial Condition and Activities (to include Contracts Over $500K**) G-7 (Quarterly Oct-Dec)** • **I-2 Financial Condition and Activities - Annual City Auditors Report G-7 (Annual external)** • **I-8 Asset Protection – Annual City Auditor's Report (Annual External)** **E-2 CEO/Board Partnership Responsibilities** • Electric Cost Adjustment / Gas Cost Adjustment Update • Water Outlook	Travas Deal, Chief Executive Officer
3:35 p.m.	**9.**	**Items Called Off Consent Agenda**	Chair Donelson
3:40 p.m.	**10.**	**Board Member Updates**	Board of Directors
4:00 p.m.	**11.**	**Summary of Board Actions**	Gail Pecoraro, Utilities Board Administrator
4:15 p.m.	**12.**	**Adjournment**	Chair Donelson

Board Memo Agenda Item
Staff Report

Date: (Date of Utilities Board Meeting)	May 21, 2025
To:	Utilities Board
From:	Travas Deal, Chief Executive Officer
Subject:	Eastern Wastewater System Expansion Project
NARRATIVE:	
Desired Action: Choose only one	☐ Approval ☐ Discussion ☒ Information
Executive Summary:	As new homes and businesses are built in our city's rapidly growing east side, we're working to ensure that utility services are in place to meet the expected increase in demand. That includes expanding existing infrastructure to help manage the additional wastewater flows that will be generated as the area continues to develop. The Eastern Wastewater System Expansion (EWSE) will provide the critical "backbone" of infrastructure needed to serve development on the City's east side. Phase I of the project, estimated at $396 million, is slated to begin in 2026 and last through 2030.
Benefits:	System reliability for current and future customers.
Board Policy: If this impacts one of the board policies, indicate that here.	I-3, Financial Planning and Budgeting G-13, Determinations to Construct Water and/or Wastewater Extensions
Cost / Budget: Include the projected cost or budget here.	~$396 million
Affected Parties: This could include community groups, specific City Council Districts, other utilities, nonprofit organizations, certain neighborhoods, Colorado Springs Utilities employees, etc.	All customers
Alternatives:	N/A

Submitter:	Lisa Barbato	Email Address:	lbarbato@csu.org
Division:	Systems Planning and Projects	Phone Number:	719-668-7512
Department:	N/A	Date Submitted:	May 20, 2025

SPG Staff Use Only:	Consent Calendar ☐ Yes ☒ No	Item Number 09

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

Colorado Springs Utilities

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Eastern Wastewater System Expansion Project

Utilities Board

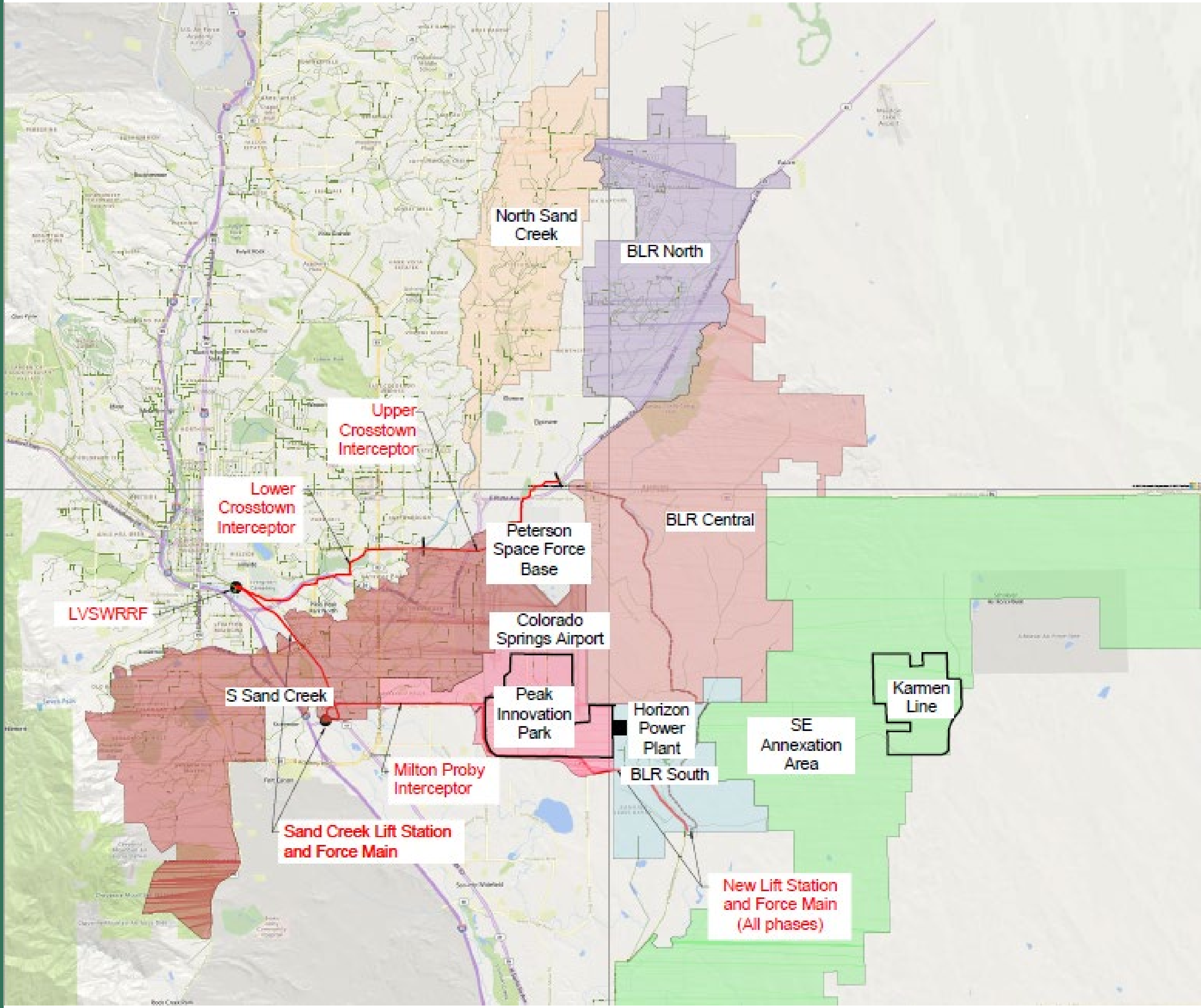
May 21, 2025

Agenda

1. Project Purpose
2. Alternatives Analysis and Selection
3. Wastewater System Plan
4. Concept Plan
5. Project Communication Timeline
6. Project Costs
7. Cost Recovery

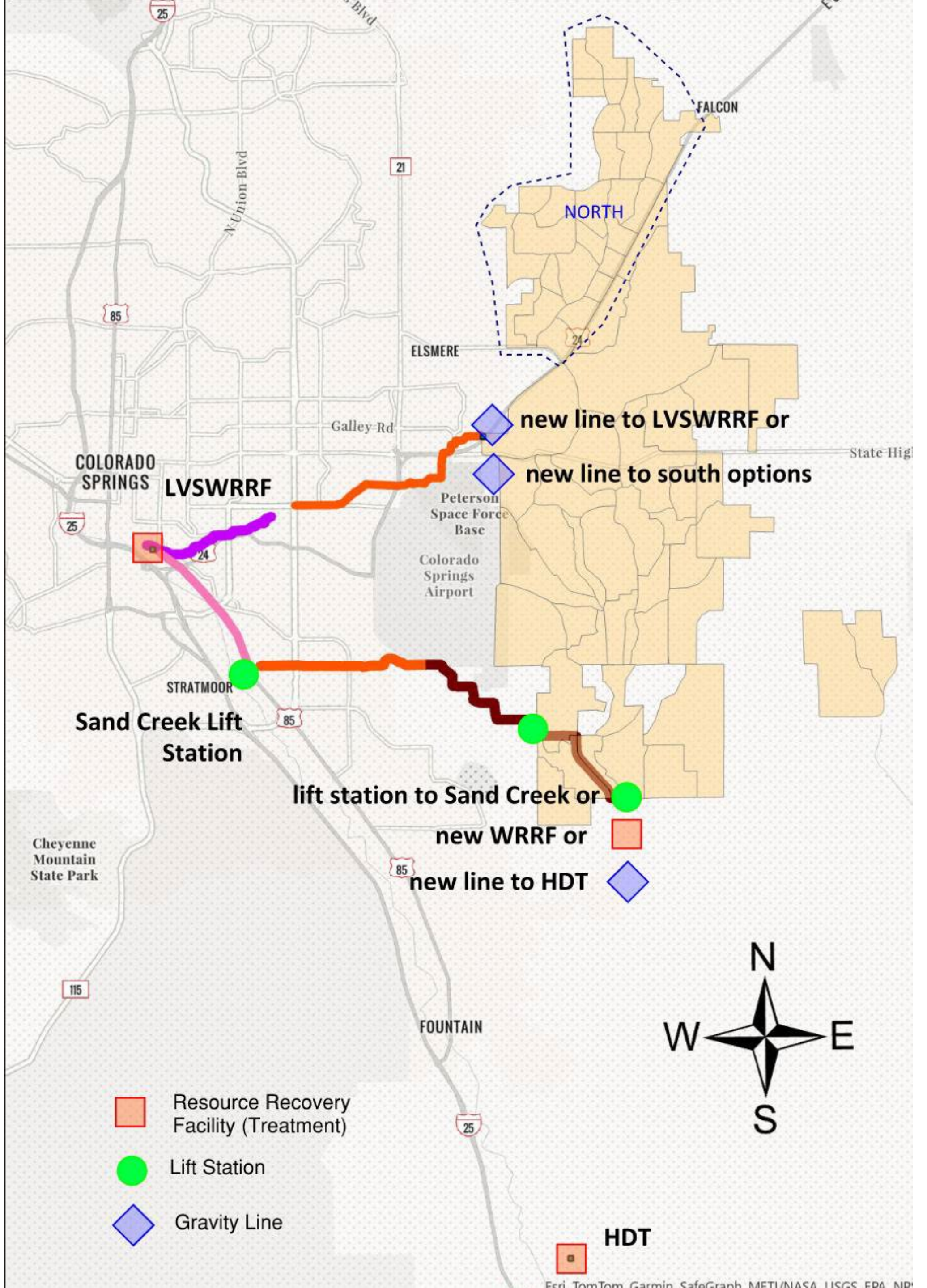
Project purpose and need

- Addresses wastewater capacity constraints on the horizon
- Will serve a significant portion of current and future customers
- Provides the most economically and operationally efficient solution for our customers
- Ensures we are providing reliable wastewater service well into the future



Study Results

- **Alternative 1:**
  - Treat North Area at Las Vegas Water Resource Reclamation Facility (LVSWRRF)
  - Treat remainder at new Water Resource Reclamation Facility (WRRF)
- **Alternative 2:**
  - Treat North Area at LVSWRRF
  - Treat remainder at Harold D Thompson Regional Water Reclamation Facility (HDT), operated by Lower Fountain Metropolitan Sewage Disposal District
- **Alternative 3:**
  - Treat all at LVSWRRF
- **Alternative 4*:**
  - Treat North to LVSWRRF
  - Central to new WRRF
  - South to HDT
- **Alternative 5*:**
  - Treat North to LVSWRRF
  - Central to new lift station to LVSWRRF
  - South to HDT
- **Alternative 6:**
  - Treat all at HDT WRRF
- **Alternative 7:**
  - Treat all at new WRRF



*These alternatives were not considered further due to cost and complexities

Evaluation Criteria

Table ES-7. Decision Criteria Selected for this Prioritization	
Decision Criteria	**Definition**
Regulatory	Does an alternative limit or enhance ability to comply with current and future regulations? Ease of permitting (plant discharge permit).
Stakeholder Considerations	The project receives support from strategic customers and partners and does not create administrative and political complexities. From a developer's perspective, does the alternative impact phasing or rate of development?
Operations Complexity, Resiliency, Redundancy	Does the alternative reduce or increase operation complexity? Does the alternative fair well under uncertain operating conditions? How easy is the alternative to maintain?
Construction Phasing	Can the alternative be implemented in phases based on rate of demand growth and financial resources?
Legal	Does the alternative include complex legal agreements? Does the alternative comply with existing legal agreements (e.g., Lower Fountain Treatment and Disposal Agreement and BLR Amended and Restated Annexation Agreement)?
Reuse and Regionalization	Does the alternative provide synergy with envisioned water reuse plans or provide opportunity for regionalization?
Constructability/Land Aspects/Implementation Schedule	Is one alternative easier or faster to implement than another? Do rights-of-way, easements, temporary permits (i.e., construction permits) add complexity?
Impact to Existing and Future Utilities Facilities and Projects Outside of BLR	How do the alternatives impact or dovetail with existing Utilities facilities, pre-identified projects/expansions outside of BLR, redundancy, and resiliency?
Lifecycle Cost	What are the lifecyle costs for each alternative to install and operate necessary wastewater infrastructure to 2070. O&M costs are based on Utilities-supplied data that include information such as plant operation, pumping (electric), and maintenance costs.

Solution Selected

Alternative 3: Treat all wastewater flows at LVSWRRF

- Lowest life-cycle cost
- Most water reuse opportunities
- Operation maintained at LVSWRRF
- Uses available capacity at LVSWRRF
- Requires minimal change to discharge permit during initial phases
- Fastest to construct

Provides the most economically and operationally efficient solution for our customers

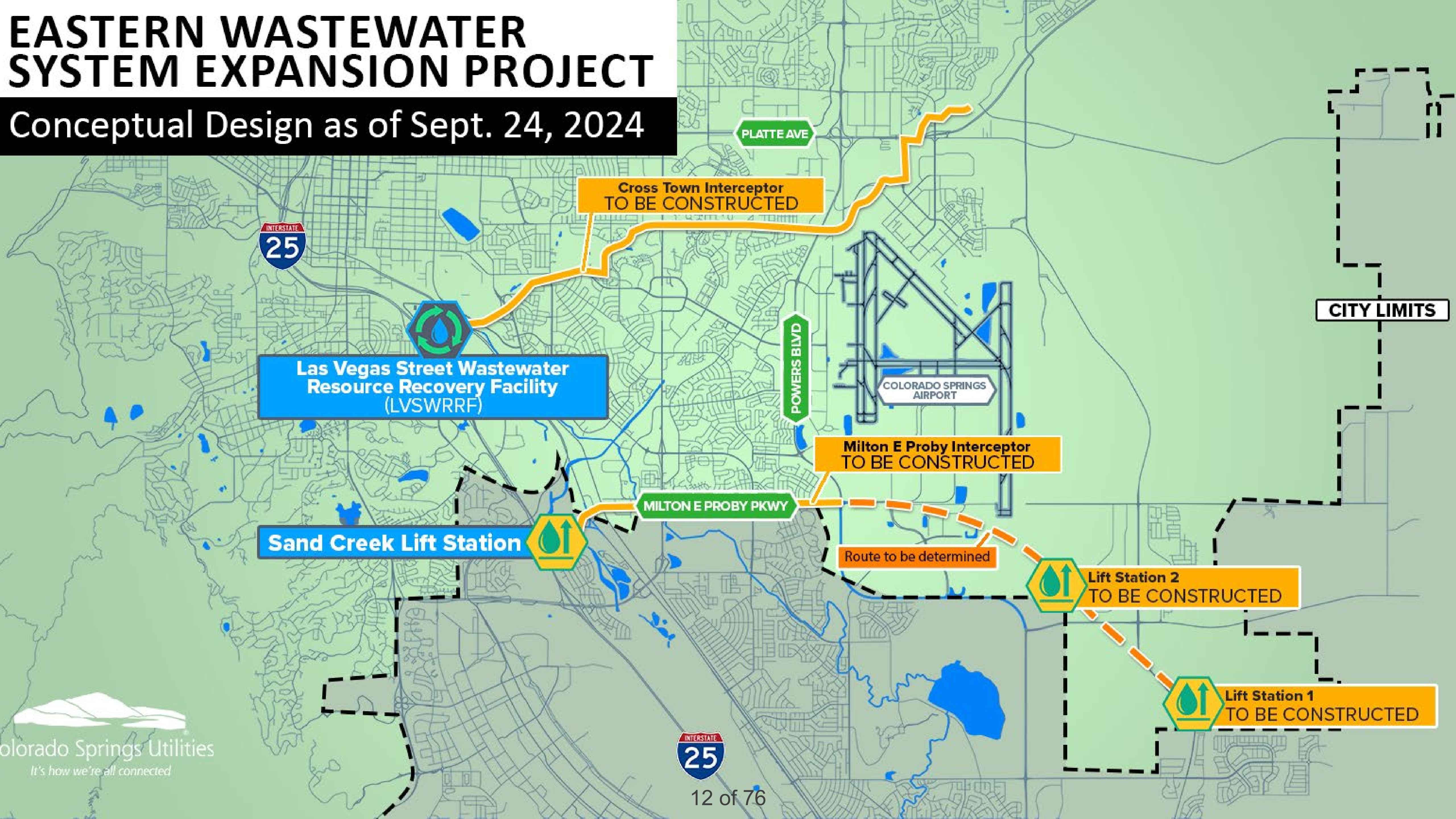
Lifecycle Costs

Life Cycle Cost Summary					
Cost Item	Alternative 1	Alternative 2	Alternative 3	Alternative 6	Alternative 7
Description	Treat at LVSWRRF and New WRRF	Treat at LVSWRRF and HDT	Treat all at LVSWRRF	Treat all at HDT	Treat all at New WRRF
Construction Cost	$667M	$840M	$655M	$989M	$779M
Non-construction Cost[b]	$238M	$306M	$230M	$356M	$273M
Maintenance Materials and Labor	$440M	$221M	$277M	$219M	$559M
Sum of Present Worth Expenses	$1.345B	$1.366B	$1.163B	$1.565B	$1.612B

a. *All costs are planning-level range, which is -50% to +100% and are in 2023 dollars.*
b. *Non-construction costs include numerous items, e.g., contingency, engineering, contractor mark-ups, labor mark-up, etc.*

EASTERN WASTEWATER SYSTEM EXPANSION PROJECT

Conceptual Design as of Sept. 24, 2024



Communications Timeline

2019

Milestone: Wastewater system plan recommends study

2022

Milestone: Studies and alternative analysis begins

2023: Q3

Public Meeting: Strategic Planning Committee

Stakeholder Meeting: HBA x3

2024: Q1

Milestone: Final report completed

Public Meeting: Strategic Planning Committee: G-13

Stakeholder Meeting: Valley Hi, Peterson Space Force, COS Airport

2024: Q2

Public Meeting: Finance Committee, Strategic Planning Committee, State of the Utility

Stakeholder Meeting: Valley Hi, COS Airport, Peterson Space Force, and HBAx2

Communications Timeline Cont.

2024: Q3

Milestone: Final concept design report completed

Public Meeting: Finance Committee x2, Strategic Planning Committee, Utilities Board

Stakeholder Meeting: HBA

Customer Communications: Newsletters, social media, media

2024: Q4

Milestone: Budget and rate case approved

Public Meeting: Program Management Review Committee

Stakeholder Meeting: HBAx2 and Peterson Space Force

Customer Communications: Newsletters, social media, media

2025: Q1

Milestone: 5-year rates effective

Public Meeting: Utilities Board Orientation

Stakeholder Meeting: Valley Hi and COS Airport

2025: Q2

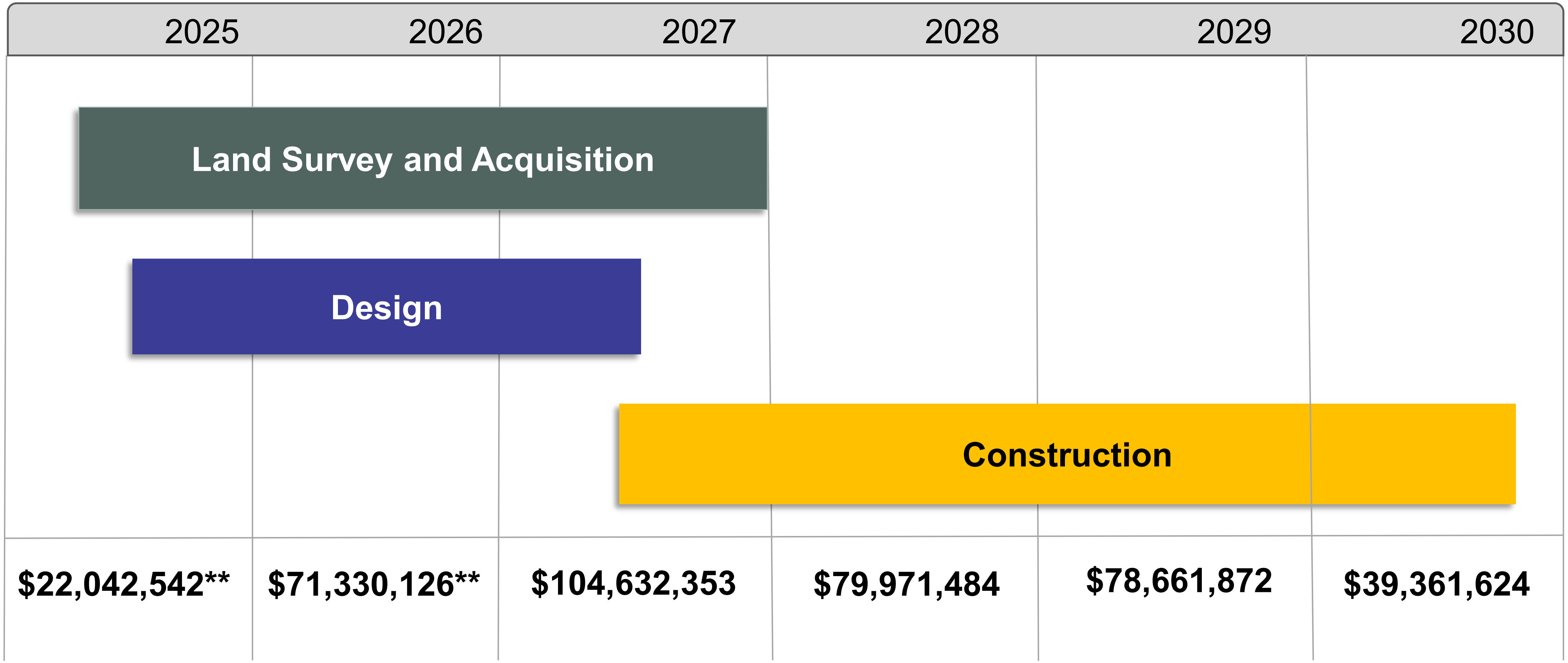
Milestone: Notice to proceed design/construction

Public Meeting: Utilities Board and State of the Utility

Stakeholder Meeting: COS Airport

Customer Communications: Newsletters, social media, media

Project capital costs - $396 Million*



* Based on Conceptual Design Report's Class IV estimate

**2025 and 2026 design costs to be confirmed by PDB contractor once onboarded in June

Wastewater Rates

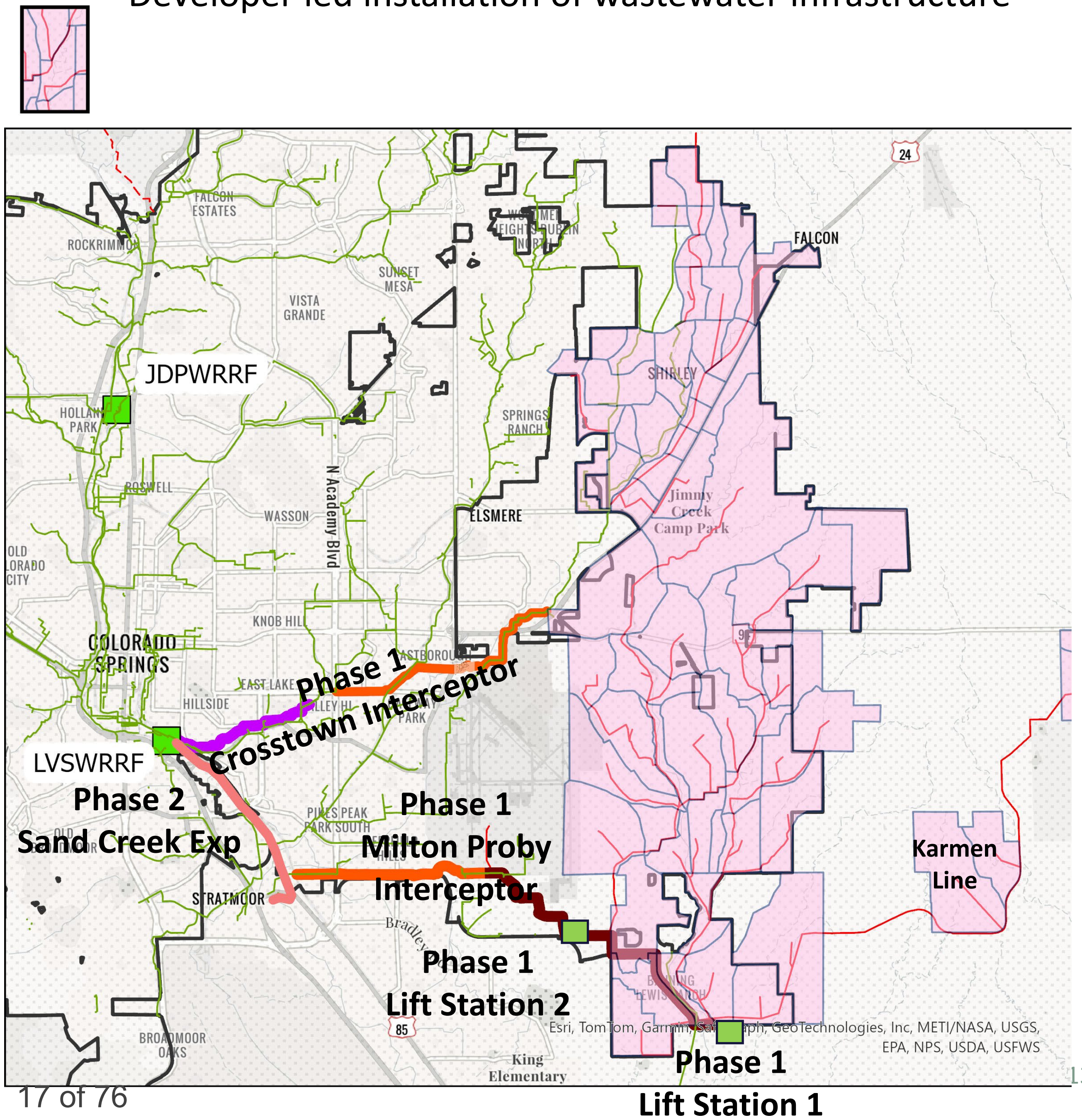
- A typical residential customer will pay about $23 in 2025 for EWSE
- After five years (2025-2029) that customer will have paid about $126 for EWSE construction
- EWSE recovery agreement revenue paid by developers helps keep future system costs lower for all customers
- A new treatment plant in place of EWSE would cost more and not have the benefit of future customer offsets
- Cost for our customers would be higher if a new/different plant was used instead of EWSE

Approved 5-Year Rate Increases Per Month	2024 Typical Bill	2025 Rate Increases	2026 Rate Increases	2027 Rate Increases	2028 Rate Increases	2029 Rate Increases	2029 Typical Bill
Wastewater	**$34.22**	**9.0% $3.11**	**9.0% $3.33**	**9.0% $3.68**	**9.0% $3.97**	**9.0% $4.34**	**$52.65**
Wastewater – EWSE Only		**5.5% $1.88**	**5.5% $1.99**	**5.5% $2.09**	**5.5% $2.21**	**5.5% $2.33**	**$10.50 Increase**

Developer responsibilities

- Developers are responsible for the installation and associated costs of wastewater collection mains and service lines within developments that will connect to EWSE
- They are also responsible for fees to connect to EWSE, paying a proportionate share based on their level of benefit from the infrastructure

Developer led installation of wastewater infrastructure

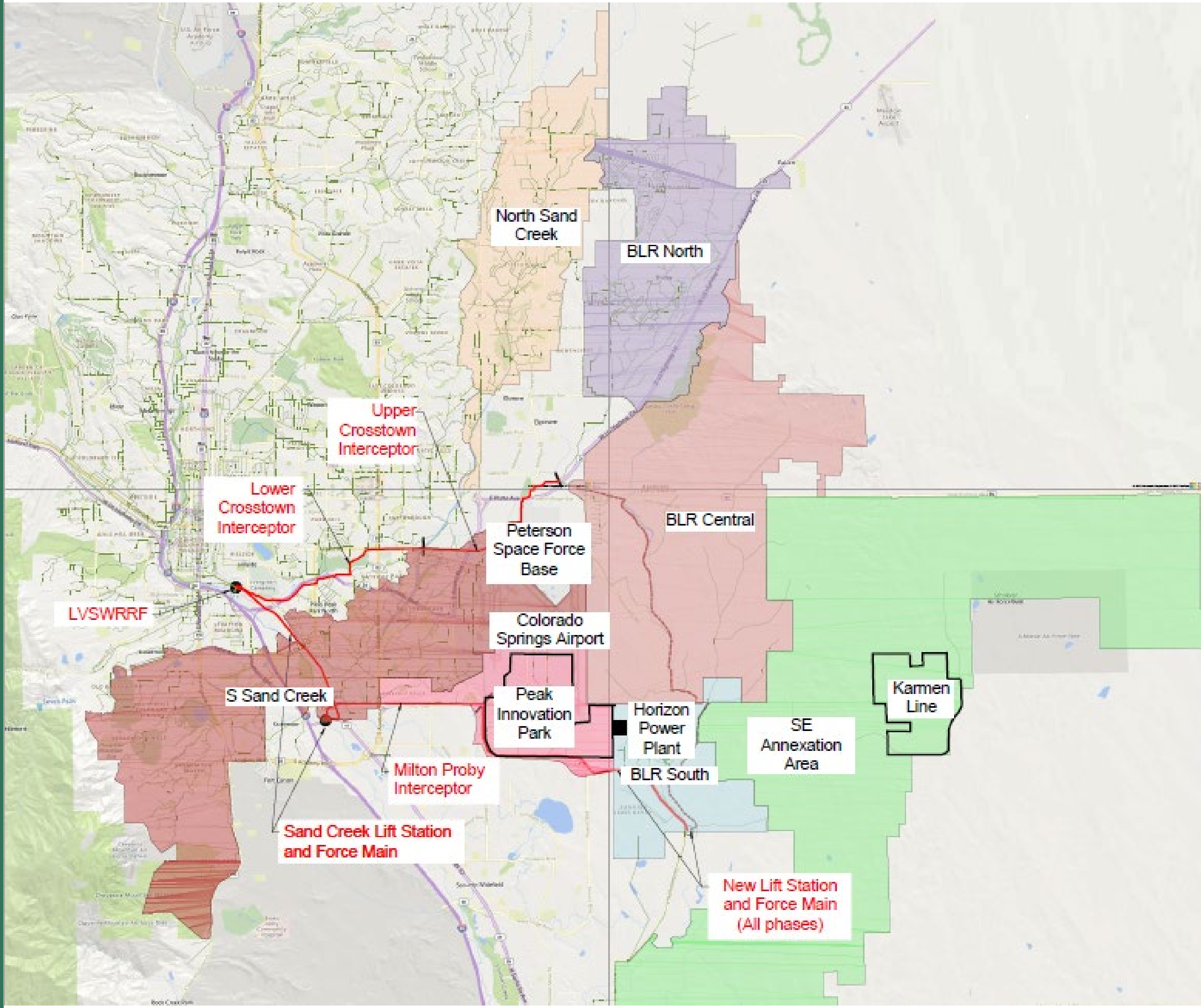


Advanced Cost Recovery

- Costs are paid as development occurs

- The contribution from each developer depends on their level of benefit from the infrastructure – they pay a proportionate share based on the amount of infrastructure used

- Collected fees will offset future system costs for all users, mitigating the need for higher base-rate increases down the road



Cost Recovery

Area	Projects	Proposed MGD	Proposed Cost ($M)	$/Gallon	$/SFE
N Sand Creek	Lower Crosstown	2	22.80	15.90	1850.18
BLR North	Upper Crosstown, Lower Crosstown	5	95.20	26.70	3094.93
BLR Central	New Lift Station and Force Main (All Phases), Milton Proby, Sand Creek Lift Station and Force Main	8	192.40	33.70	3909.26
BLR South	New Lift Station and Force Main (All Phases), Milton Proby, Sand Creek Lift Station and Force Main	2	48.10	33.70	3909.26
SE Annexation	New Lift Station and Force Main (All Phases), Milton Proby, Sand Creek Lift Station and Force Main	2.5	60.10	33.70	3909.26
Milton Proby	Milton Proby, Sand Creek Lift Station and Force Main	2	20.10	14.10	3030.64
S Sand Creek	Sand Creek Lift Station and Force Main	1	4.70	6.50	756.94
Total			443.40		


Colorado Springs Utilities
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COLORADO SPRINGS UTILITIES BOARD
Microsoft Teams Web Conference
and Cabin Creek Conference Room

MINUTES
Colorado Springs Utilities Board
New Utilities Board Orientation
Wednesday, April 16, 2025

Utilities Board Members present via Microsoft Teams or Cabin Creek Conference Room:
Tom Bailey, Kimberly Gold, Nancy Henjum, Roland Rainey and Brandy Williams

Staff members present via Microsoft Teams or Cabin Creek Conference Room:
Travas Deal, Renee Adams, Lisa Barbato, Andy Colosimo, Tristan Gearhart, Noemi Martinez, Jacqueline Nunez, Gail Pecoraro, Bethany Schoemer and Natalie Watts

City of Colorado Springs staff members present via Microsoft Teams or Cabin Creek Conference Room:
David Beckett, Chris Bidlack, Jill Burris, Renee Congdon, Bria Cunningham, Nathan Endersbee, Michael Gustafson and Matt Vanlandingham

Residents present via Microsoft Teams or Cabin Creek Conference Room:
Lisa Tormoen Hickey, Scott Smith and Mark Valentine

1. **Welcome and Video: Advice from Former Utilities Board Members**
   The meeting began at 8:16 a.m. Ms. Natalie Watts, Manager of Strategic Planning and Governance, and Mr. Travas Deal, Chief Executive Officer, welcomed Board Members. Mr. Deal explained that the role of a Utilities Board is extremely different than the role of a City Councilmember.

   A video was presented of former Board Members sharing advice for the new Board.

2. **Organizational Overview**
   <u>CEO Leadership Team - Introductions</u>
   Mr. Tristan Gearhart, Chief Planning and Financial Officer, gave an overview of his leadership and department.

   Board Member Brandy Williams asked if an AAA Rating is available for the organization. Mr. Gearhart said that it is, but there are costs associated.

   Board Member Roland Rainey asked about the process for budget approval. Mr. Deal explained the process.

Board Member Tom Bailey asked about differentiating the roles of Utilities Board Member and City Council. Mr. Deal said that each Board Member brings their own experience and knowledge to the Board Member role.

Board Member Nancy Henjum said the role of a Springs Utilities Board Member is focused more on rates. Board Member Henjum asked if the rate case would need to be voted on again. Mr. Gearhart said the rate does not have to be voted on, but appropriations will need to be voted on.

Board Member Roland Rainey asked if the CEO Leadership Team is available to come to the individual Board Member Town Halls. Mr. Deal said that the Public Affairs Department will attend the town halls and can assist in arranging for a member of the CEO Leadership Team to attend.

Board Member Williams asked if having ex-officio members at a nation-wide level is an option. Mr. Deal said this may be available for certain projects.

Ms. Renee Adams, Chief Human Resources Officer, introduced Andy Colosimo, General Manager of Public Affairs, and explained the structure and role of her division.

Ms. Lisa Barbato, Chief System Planning and Projects Officer, described the role of her division and some of their responsibilities.

Mr. Deal advised Board Members to invite constituents to attend the Utilities Board meetings and speak, rather than meeting with them individually on matters involving Colorado Springs Utilities.

Ms. Renee Congdon, Utilities Division Chief with the City Attorney's Office, said that bond training will be forthcoming, and what a Board Member could say can affect that bond rating.

Mr. Deal said Somer Mese, who isn't able to be with us today, is the Chief Operations Officer. The Operations division consists of roughly 1,000 employees.

Mr. Deal said that Mike Francolino, Chief Enterprise and Customer Services Officer, oversees a division that includes Information Technology, Customer Service, Supply Chain, and Cyber Security.

Mr. Deal also has another direct report, Alex Baird, General Manager for Fuels and Purchase Power. Mr. Baird manages the organization's Energy Supply and Trading operations.

Ms. Gail Pecoraro, Utilities Board Administrator, introduced herself and said that she will be the person who sends meeting invitations and information. She is also the main contact for constituent questions. She stated she is excited to be working with everyone.

Workforce
Workforce information is included in the Board Orientation binder.

Acronyms
A list of organizational acronyms is included in the Board Orientation binder.

Buildings and Facilities - Terms
Ms. Watts said that the organization has multiple facilities across Colorado Springs and going to Buena Vista. A complete list of these sites is included in the Board Orientation binder.

3. **Our Local Governance Model**
Ms. Renee Congdon, Utilities Division Chief for the City Attorney's Office, introduced members of her team -- Mr. Matt Vanlandingham, Mr. David Beckett, Ms. Jill Burris, Ms. Bria Cunningham, Mr. Michael Gustafson, Mr. Nathan Endersbee, and Mr. Chris Bidlack. Each attorney introduced themselves and gave a brief summary of their background. Mr. Tim Scheiderer is also a member of the team, although he was not present at today's meeting.

Ms. Congdon explained TABOR, the taxpayer Bill of rights, limits how much revenue the government can retain yearly and requires voter approval. City enterprises (including Colorado Springs Utilities) are excluded from the limitations of TABOR. Colorado Springs Utilities and the Utilities Board operate within the same basic legal framework as the City and City Council.

Transparency and accountability are ensured through the Colorado Open Records Act (CORA) and the Colorado Open Meetings Law. CORA requires that any public business transaction records are open to public inspection. The Colorado Open Meetings Law requires noticing any gathering of three or more Utilities Board Members. This includes emails and text messages involving three or more Board Members.

Ethical issues include conflicts of interest, accepting gifts, ex parte communication, and legal opinions. Governmental protections are in place that include the Colorado Governmental Immunity Act, protection for actions within official capacity Springs Utilities rates are set to cover expenses and are not profit-driven.

The focus of the Utilities Board is to set policies for the organization, to make decisions in the best interest of Springs Utilities, provide oversight of the CEO of the organization, and to monitor compliance reports.

The City Attorney's Office can hire outside counsel for subject matter expertise and resource limitations.

4. **Working Committee Structure**
Ms. Watts said that the Working Committee structure is being piloted through August 2025. After this, it will be decided whether the Utilities Board wants to continue with the Working

Committee structure or to return to four separate committee meetings (Finance, Personnel, Program Management, and Strategic Planning). This structure is similar to the City Council Work Session and is an opportunity for the Board to take a deep dive into issues before they go before the full Utilities Board Meeting. No public comment is taken at the Working Committee Meeting, and the Chair of the Utilities Board also presides over the Working Committee Meetings.

Mr. Deal explained that the purpose behind the Working Committee is for more in-depth information sharing and efficiencies for both the Utilities Board and staff.

Working Committee meetings take place on the Monday or Tuesday (if Monday is a holiday) prior to the Wednesday Utilities Board meeting.

5. **Utilities Policy Advisory Committee (UPAC)**

Ms. Bethany Schoemer, Strategic Planning and Governance Senior Specialist, explained that UPAC is an advisory committee to the Utilities Board. UPAC is outlined in City Code, and UPAC provides recommendations to the Utilities Board, but does not make decisions for the organization.

UPAC assignments provide a third-party perspective to overall strategic operating and financial policies of Springs Utilities. It provides policy research focused on a law, regulation, procedure, administrative action, incentive, or voluntary practice. The committee gives the Utilities Board additional research assistance in their fiduciary and statutory duties.

There are seven voting members on UPAC and two alternates that are approved by the Springs Utilities Board. The Utilities Board directs UPAC assignments. The UPAC Board Liaison works closely with UPAC and Springs Utilities staff to ensure the work stays within the approved scope. Ms. Schoemer is the UPAC staff liaison and provides the bridge between UPAC and Springs Utilities' staff.

The Utilities Board can accept the UPAC recommendation, choose to implement the recommendation, or they can direct the CEO to incorporate their recommendation.

Mr. Deal said that UPAC assignments are aligned with the terms of the new Utilities Board Members to ensure assignment continuity.

Board Member Henjum believes UPAC is the resource that adds a level of additional outside expertise to the Utilities Board.

Ms. Williams asked for more information on the outcome of the recent UPAC assignments. Ms. Schoemer said she will compile a list of the UPAC assignments for the last 12 years, giving more details, and the outcome of those assignments.

6. **2025 Strategic Plan**

Ms. Schoemer reviewed the organization's Strategic Plan. The organization has five strategic objectives and seven Strategic Initiatives.

The organization's Strategic Objectives include Operational Excellence, Focus on the Customer, Support our Community, Financial Accountability, and Enable Employee Empowerment.

The Strategic Initiatives are Optimize Business Processes, Develop Enterprise Prioritization Framework, Enhance Outage Management Communication, Align Long-Term Financial Plans, Implement Energy Wise and Promote Safety Maturity Excellence.

Ms. Schoemer said that the Utilities Board has three focus areas, which are reliability (40%), rates (40%) and relationships (20%). These areas are reviewed annually by the Utilities Board. The Board can update these focus areas as needed.

7. CEO Performance Plan

Ms. Watts said that the CEO Performance Plan is listed in the Excellence in Governance Policy Manual to "Hire, set the salary, evaluate and terminate the Chief Executive Officer". Board Members review the CEO performance plan twice yearly.

The CEO Performance Plan is based on the Enterprise Balanced Scorecard—50% and on the CEO competencies (Balances Stakeholders, Builds Effective Teams, Drives Engagement, Drives Results and Strategic Mindset)—50%.

8. Board Bylaws

Ms. Watts explained the purpose of the Board Bylaws and stated that these can only be changed by a full vote of the Board of Directors. Bylaws are accessible on www.csu.org.

The Board Bylaws include 14 rules: 1) Board of Directors 2) Board Officers and Duties 3) Board Committees 4) Meetings 5) Customer and Public Comment 6) Board Actions 7) Motions 8) Special Motions 9) Minutes and Recordings 10) Executive Session Procedures 11) Expense Reimbursement 12) Modification of Bylaws 13) Role of the Mayor on the Utilities Board and 14) Application of City Council Rules.

Board Member Rainey asked if consent is not given by the Utilities Board to go into Executive Session can it go into open session. Mr. Deal said that if this occurs, generally the item is withdrawn and is not discussed.

Board Member Williams asked for specifics on Rule 12. Ms. Watts said there is a process to accomplish Bylaw modifications.

9. Excellence in Governance Policy Manual

Ms. Schoemer said the Excellence in Governance Policy Manual is a comprehensive document that outlines the primary duties and responsibilities of a Utilities Board Member. There are 10 major sections in the Governance Manual that help ensure long-term organizational sustainability. The manual is periodically reviewed for organizational consistency and best governance practices.

Utilities Board Duties include D-1 Fiduciary which is to govern Springs Utilities in accordance with sound business principles, in a manner that supports long-term sustainability of the enterprise and maximizes value to the Citizens. D-2 are the Statutory and Regulatory duties. These state that the Utilities Board is to conduct all business in full compliance with applicable legal, statutory, and regulatory requirements.

The four Utilities Board Responsibilities are direction, outcomes, oversight and accountability.

There are four Utilities Board Authorities. The first is to hire, set the salary, evaluate, and terminate the CEO. The second is to appoint UPAC members and Customer Advisory Group members. The third is to approve the sale, conveyance or lease of Colorado Springs Utilities property and water rights. The last authority is to appoint directors and representatives to water authorities, partnerships, joint ventures, and smaller entities in which Springs Utilities participates.

There are six Utilities Board Commitments, four Utilities Board Practices and three Utilities Board Partnership Expectations.

Utilities Board Instructions to the CEO are also known as Compliance Reports. Reports can be annual, bi-annual, or quarterly. These are reviewed at the Working Committee first and then they go to the full Utilities Board Meeting.

Instructions center around the themes of finances, resources, the community and employees.

There are 14 Utilities Board Guidelines. Guidelines feed into the Instructions, Commitments, Expectations and Practices. They provide greater clarity around these governing policies.

The meeting adjourned at 11:28 a.m.

COLORADO SPRINGS UTILITIES BOARD
Microsoft Teams Web Conference
and Blue River Board Room

MINUTES
Colorado Springs Utilities Board Meeting
Wednesday, April 16, 2025

Utilities Board members present via Microsoft Teams or Blue River Conference Room:
Chair Dave Donelson, Tom Bailey, Lynette Crow-Iverson, Nancy Henjum, David Leinweber, Roland Rainey, Brian Risley and Vice Chair Brandy Williams

Utilities Board members excused:
Kimberly Gold

Staff members present via Microsoft Teams or Blue River Conference Room:
Travas Deal, Renee Adams, Lisa Barbato, Tristan Gearhart, Sara Akins, Jen Alecci, Peter Alonge, Cathy Andrew, Jay Anderson, Logan Almagest, Pattie Benger, Jenny Bishop, Andrew Colosimo, Jenny Daniel, Jessica Davis, Kandy Drake, Matt Dudden, Steve Duling, Travis Eckland, Brian Fergen, Carlos Garcia, Kimberly Girling, Jason Green, Brian Grim, Kelly Guisinger, Jesse Harding, Diana Harmon, Nick Harris, Alec Hart, Adam Hegstrom, Ken Hughlett, Logan Hutchison, Eric Isaacson, Tyrone Johnson, Jennifer Jordon, Tom Kackley, Rebecca Kerrigan, Brenda Koskey, Birgit Landin, Amy Lewis, Patrick Malone, Kyle McCarthy, Daniel McKinnis, Nicole Means, Jared Miller, Joe Montmeny, Michael Myers, Danielle Nieves, Daniel Norton, Jacqueline Nunez, Abigail Ortega, David Padgett, Gail Pecoraro, Scott Read, David Reeve, Jim Sanchez, Bethany Schoemer, Kim Schwartz, Scott Shirola, Stuart Smith, April Speake, Admar Susic, Jim Swindler, Matthew Thieme, Amy Trinidad, Jennifer Valdois, Natalie Watts, Al Wells, Michelle Wills-Hill, Phil Zeisler and Jane Zook

City of Colorado Springs staff members present via Microsoft Teams or Blue River Conference Room:
David Beckett, Chris Bidlack, Kellie Billingsley, Jill Burris, Corina Clemons, Renee Congdon, Jamie Fabos, Carly Hoff, Natalie Lovell, Yemi Mobolade, Alexander Ryden, Matthew Vanlandingham and Jariah Walker

Customers present via Microsoft Teams or Blue River Conference Room:
Albert Badeau, Jack Cropper, Ann Esch, Jill Gaebler, Shechinah Hinkle, Brennen Kauffman, Chris Meyer, Marla Novak, Lisa Tormoen Hickey and Kelly Williams

1. **Call to Order**
   Board Chair Donelson called the Utilities Board meeting to order at 1:00 p.m., and Ms. Gail Pecoraro, Utilities Board Administrator, called the roll.

2. **Invocation and Pledge of Allegiance**

Mr. Ron Phares with All Souls Unitarian Universalist Church delivered the invocation, and Board Chair Donelson led the Pledge of Allegiance.

3. **Election of Utilities Board Chair**
   Board Chair Donelson explained that at the first Utilities Board Meeting after odd-numbered year municipal elections, the Utilities Board elects by majority vote one of its members as the Chair of the Utilities Board.

   Board Member Risley nominated Board Chair Donelson to continue in the role of Utilities Board Chair. There were no other nominations. Board Chair Donelson said he appreciates the nomination and will accept the role of Utilities Board Chair.

   The nomination of Board Chair Risley as Utilities Board Chair was approved on a vote of 8 to 0, with Board Member Gold excused.

4. **Election of the Utilities Board Vice Chair**
   Board Chair Donelson asked for nominations for the position of Utilities Board Vice Chair.

   Board Member Leinweber nominated Board Member Henjum for the role of Utilities Board Vice Chair. Board Member Henjum thanked Board Member Leinweber for the nomination but declined the nomination. Board Member Henjum nominated Board Member Williams for the role of Utilities Board Vice Chair. There were no other nominations.

   The nomination of Brandy Williams as Utilities Board Vice Chair was approved on a vote of 8 to 0, with Board Member Gold excused.

5. **Consent Agenda**
   - **Approval of March 19, 2025, Utilities Board meeting minutes**

   Board Member Crow-Iverson made a motion to approve the Consent Agenda and Board Member Henjum seconded the motion. The motion carried unanimously.

6. **Customer Comments**
   There were no customer comments.

7. **Recognition**
   - **2024 American Public Power Association (APPA) Safety Award of Excellence at the Platinum Designation**
     Ms. Renee Adams, Chief Human Resources Officer, said that receiving the platinum award is a great distinction for the organization.

     Mr. Michael Myers, Safety and Health Manger, said that each year the APPA recognizes public power utilities that prioritize safety in their day-to-day operations and the overall state of their safety programs and culture. Award recipients are determined by worker hours of exposure and the utility incident rates that showcase the effectiveness of their safety programs. Colorado Springs Utilities has earned the Platinum level award for 2024.

8. Compliance Reports

- I-12 Environmental Stewardship

This report was provided in the meeting packet and was discussed at the March 17, 2025 Working Committee meeting. There were no questions or additional discussion.

Board Member Henjum stated this report is accessible to the public on www.csu.org.

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

Mr. Nick Harris, Water Resource Planning Engineer, and Mr. Justin Zeisler, Water Resource Planning Engineer Supervisor, explained that the Water Outlook report is a summary of what is happening in the Springs Utilities water system.

The report describes the local weather conditions as of April 16, 2025. Mr. Harris said that half the country is facing abnormally dry or drought conditions. He stated the snowpack in the Arkansas River Basin is 52% of normal as of April 14, 2025, and in the Colorado River Headwaters Basin is 81% of normal. He reviewed the 2025 water demands, the monthly water use for March and the 2025 actual water consumption.

Board Member Henjum asked where the Upper State Basin Agreement stands and its impact on the system. Mr. Zeisler said that the organization continues to abide by the Agreement, but the organization does participate in several roundtables to ensure that the organization's interests are being upheld. Ms. Lisa Barbato, Chief Systems Planning and Project Officer, said that the organization is very involved with conversations along the Colorado River and is working with state partners. It is anticipated that the draft Environmental Impact Statement (EIS) report on the operation of the system will be released later this year. The Colorado River supplies approximately 70% of the water to the organization.

Board Member Bailey asked how specific the Monthly Water Use slide is. Mr. Zeisler said that this trend is seen across other municipalities. Board Member Bailey said it is important to communicate the improvement in water usage/conservation to the community. Mr. Harris that the employees of the Water Conservation Center do phenomenal work and are leaders in their field. Ms. Barbato agreed that the Water Conservation team is a leader within conservation across the state. There are different partnerships that have also contributed to this success, including Springs Utilities' customers.

Board Member Leinweber asked how much water is sourced from the Arkansas River Basin without Fountain Creek's contribution. Mr. Harris said that the Arkansas Basin is roughly

18% of the Springs Utilities' water system. Ms. Abigail Ortega, Resource and Infrastructure Planning General Manager, said the total Arkansas River Basin, excluding Pikes Peak, is approximately 18% of Springs Utilities' water supply. The supply is fairly stable, having been developed more than 100 years ago. Board Member Leinweber said that the organization does it in a conservative way, putting more water back into the system for other uses. Ms. Barbato said that more time will be dedicated at a future meeting for more in-depth conversation.

Reservoir system levels are above average, and Colorado Springs' system-wide storage is at 79% of capacity.

Board Member Leinweber asks if this takes into consideration the fact that the South Catamount Reservoir is currently empty. Mr. Harris said that these totals are not adjusted for the reservoir closure. Ms. Barbato said that South Catamount Reservoir is expected to be filled again in 2026, after maintenance is complete.

Board Member Risley asked if the local storage is finished or raw water. Mr. Harris stated that it is raw water.

Chair Donelson asked where the rainfall is measured, and Mr. Harris stated it is measured at the Colorado Springs Airport.

9. **Items Called Off Consent Agenda**
   No items were called off the Consent Agenda.

10. **Purchase of Finished Water Easements with Public Works' Project**
    Ms. Jessica Davis, Land Resource Manager, explained that the City of Colorado Springs' Public Works Department is currently working on widening Marksheffel Road – North Carefree to Dublin Project. Collaborating with Public Works, Colorado Springs Utilities identified future easement needs along this corridor for our finished water system. The properties to be acquired include permanent easements for the benefit of Colorado Springs Utilities. The costs of acquiring those easements will be reimbursed to Pikes Peak Rural Transportation Authority (PPRTA) pursuant to an existing agreement.

    A utility easement is needed on the property identified by TSN: 5321001005, owned by Stetson Hills Property Owner, LLC, which will cost a total of $167,800. Pursuant to the City's Real Estate Manual this acquisition will require the approval of both the Utilities Board and City Council. We are requesting Utilities Board approval of this item. If approved, this item will be voted on by City Council at its formal meeting on April 22, 2025.

    Board Vice Chair Williams asked if we are purchasing real property or an easement. Ms. Congdon said that it is an easement. The City of Colorado Springs will not own the property.

    Board Member Henjum made a motion to approve the acquisition of a property interest over $100,000. Board Member Risley seconded this motion. This motion passed on a vote of

8 to 0, with Board Member Gold excused. This item will move forward to the April 22, 2025, City Council consent agenda.

11. Board Member Updates

Jamie Fabos, City of Colorado Springs Chief of Staff, stated she is looking forward to seeing Board Members at a luncheon for new Board Members to meet City department heads on Friday, April 18.

Board Member Bailey thanked Springs Utilities staff for the new Board Member orientation presented this morning. He explained he is very happy to be here.

Board Member Henjum thanked the Springs Utilities staff for their communication on significant events. She specifically mentioned a construction hit that occurred recently. She welcomed the new Board Members.

Board Member Risley welcomed his new colleagues.

Vice Chair Williams said she is excited to be back and is excited to help lead Colorado Springs Utilities.

Board Member Crow-Iverson wished everyone a Happy Easter and resurrection Sunday.

Board Member Rainey was thankful for the Board orientation and is looking forward to the journey. He appreciates the work of Colorado Springs Utilities.

Chair Donelson thanked the Springs Utilities Board for their confidence in voting him as the Utilities Board Chairman and looks forward to working with the new Board and is excited for the future.

12. Summary of Board Actions

- Elected Board Member Donelson as the Utilities Board Chair
- Elected Board Member Williams as the Utilities Board Vice Chair
- Approved the March 19, 2025, Utilities Board meeting minutes
- Approved of the Purchase of Finished Water Easements with Public Works' Project over $100,000, and moving this item to the April 22, 2025, City Council Meeting on the consent agenda

13. Adjournment

The meeting adjourned at 2:04 p.m.

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

COLORADO SPRINGS UTILITIES BOARD
Microsoft Teams Web Conference
and Rosemont Conference Room

MINUTES
Colorado Springs Utilities Board
New Utilities Board Orientation
Friday, May 9, 2025

Utilities Board Members present via Microsoft Teams or Cabin Creek Conference Room:
Tom Bailey, Roland Rainey and Brandy Williams

Staff members present via Microsoft Teams or Cabin Creek Conference Room:
Travas Deal, Renee Adams, Lisa Barbato, Jake Clark, Mike Francolino, Tristan Gearhart, Somer Mese, Alex Baird, Andy Colosimo, Amy Lewis, Danielle Nieves, Jacqueline Nunez, Gail Pecoraro, Jason Rigler and Natalie Watts

The meeting began at 8:14 a.m.

1. **Utilities Board Communication and Coordination**

   Ms. Natalie Watts, Strategic Planning and Governance Manager, described the different types of communication that Board Members receive from Springs Utilities. UB Comms are timely communications sent on an as needed basis. Weekly Comms are sent every Friday and include relevant information that is not necessarily urgent. Working Committee and Utilities Board Packets are sent one week prior to the corresponding meetings. Sometimes these are in DRAFT form if information is not yet available. Updated final packets are sent out prior to the meetings.

   Ms. Watts reminded Board Members to send any constituent concerns or questions they receive that are utilities related need to be sent to ub@csu.org, rather than individual staff members. This helps when a member of the SPG team is out of the office. Board Members can notify the Utilities Board Administrator or SPG Manager on how their preference for responding to these complaints – whether they would like Springs Utilities to send the response or if they prefer to send the response. Mr. Travas Deal, Chief Executive Officer, said that Board Members can copy him or an Officer on the email, but is important to include the ub@csu.org email (since these are put onto a tracker to ensure follow up).

   Media updates are sent when the Springs Utilities Public Relations Team interacts with the media. The Engaging the Media 101 booklet was distributed. Media training is available as a Lunch and Learn topic if Board Members are interested.

   Utilities Board coordination includes Board Member briefings that occur prior to the Utilities Board meetings, Working Committee meetings which are noticed and open to the public, Lunch N Learns, Utilities Board meetings (which are noticed and open to the public; public comment is accepted at these meetings), Executive Sessions and UPAC meetings (which are optional), Utilities Board tours and one-off meetings with staff members. These meetings can be joined by Teams. If a Board Member is not able to attend a Utilities Board meeting, please notify the Board Chairman, the SPG Manager, and the Utilities Board Administrator.

Tours have been set up monthly through the end of 2025. The purpose of these is to acquaint new Board Members with the organization. These tours will be noticed and open to the public.

2. **Administrative and Human Resources Division (AHRD)**
   Ms. Renee Adams, Chief Human Resources Officer, oversees the Public Affairs, Safety and Health, University of Springs Utilities, and Human Resources departments. Her division is responsible for the E-2: Chief Executive Officer Responsibilities, the I-10 Treatment of Staff, the I-11 Compensation and Benefits, and the I-13 Community Investment compliance reports.

   Ms. Adams described the function of each of her departments and gave a brief overview of the compliance reports that AHRD is responsible for. Compliance reports are instructions from the Board to the CEO. The reports each have a different frequency on reporting, and compliance reports are covered at the Working Committee meeting.

   Ms. Adams explained that Project COPE is administered through a separate 501(c)(3) organization.

   Mr. Rainey inquired more about the Occupational Health and Safety in-house clinic. He said he is interested in touring the clinic in the months ahead.

   Mr. Andy Colosimo, General Manager of Public Affairs, introduced Mr. Jake Clark, Government Affairs Liaison, who is the organization's representative at the State Capital. Mr. Colosimo said the purpose of the Government Affairs Department is to protect the organization's ability to do business as it sees fit within federal and state regulations. One of the core functions of the Government Affairs Department is lobbying at the state and federal levels of government.

3. **Planning and Finance Division**
   Mr. Tristan Gearhart, Chief Planning and Financial Officer, oversees the Treasury and Finance, Financial Planning and Risk, Pricing and Rates, and Accounting Departments. His division is responsible for the UB Focus Area of Rates, the I-1 Pricing of Services, the I-2 Financial Condition and Activities, the I-3 Financial Planning and Budgeting, and I-4 Risk Management Compliance Reports.

   Mr. Gearhart described the function of each of his departments and gave a brief overview of the Compliance Reports that Planning and Finance is responsible for.

   Mr. Gearhart said that his department works closely with the City Auditor's Office.

The 2025 approved budget is $1,826,717,000 compared to the 2024 budget of $1,504,318,000.

Energy Wise helps the organization to “shave the peak” by about 7%. Generating electricity during peak hours often relies on buying expensive energy or burning fossil fuels, which contribute to greenhouse gas emissions. By shifting use to non-peak hours, customers help to reduce emissions and reduce environmental impact. On-peak usage is from 5:00 p.m. to 9:00 p.m. Monday through Friday with higher rates during June through September.

Mr. Gearhart said that ways to reduce usage is to pre-cool your home outside of the on-peak hours, to delay starting the dishwasher or doing laundry during these times.

These changes are proposed to be effective Oct. 1, 2025 with Springs Utilities determining the customer transition schedule.

4. **Operations Division**
Ms. Somer Mese, Chief Operations Officer, oversees Plants, Operations Technical Services, System and Field Operations, and Utility Construction and Maintenance departments. The Operations Division is responsible for the UB focus area of reliability, I-6 Infrastructure, and I-8 Asset Protection Compliance Reports.

Board Member Williams asked how the organization is able to provide services to Ft. Carson. Ms. Mese said that Springs Utilities does not provide/own the infrastructure on base, and if the infrastructure needs repaired, it is at the expense of Ft. Carson.

Ms. Mese provided attendees with the Utility Wise book, which was reviewed. The Utility Wise book has information on each of the four utilities services, to include system maps, the service territory, number of active service accounts and more. The overview depicts how each service is transported from its source to customers’ homes.

Springs Utilities is installing fiber throughout the City. There are currently three contractors installing these lines. This is a multi-million-dollar project.

Springs Utilities has a service level agreement with the City for the maintenance of streetlights throughout the city. There is a new reporting tool for streetlight outages/ concerns, which Ms. Watts will share with the Utilities Board.

5. **Systems Planning and Projects Division**
Ms. Lisa Barbato, Chief Systems Planning and Projects Officer, oversees the Infrastructure and Resource Planning, Engineering and Design, and Project and Program departments. Her division is responsible for the UB focus area Reliability, I-6 Infrastructure, I-7 Water Supply Management, I-8 Asset Protection, and I-12 Environmental Stewardship Compliance Reports.

Ms. Barbato said that her division works closely with the Operations Division. Her division is responsible for planning projects for the organization and once these are completed, Ms. Mese's team takes over the operation of those completed projects.

<u>Integrated Resource Plans (IRP)</u>

Water Service

The Water IRP buckets include the Colorado River, Water Sharing, Conservation, Storage and Reuse. The purpose of the Water Resource Plan is to plan for and implement long-range water supply and infrastructure needs for the City of Colorado Springs. The plan outlines a diverse portfolio of options to pursue to meet future forecasted demands and mitigate risks to reliability. The plan's objectives include planning for projected demand, balancing cost and setting a course for water supply and infrastructure needs for the future. The Water Conservation Program shows that customers today currently use as much water as they did in the mid-1980s, despite 92% growth.

Wastewater Service

The Eastern Wastewater System Expansion (EWSE) has an estimated cost of $396,000,000 over a six-year period. The Northern Monument Creek Interceptor project is a regional partnership that is currently in the design phase and cost estimation.

Board Member Williams asked if new lines will be installed or if parallel lines running adjacent to existing lines will be installed. Ms. Barbato said that parallel lines will be installed adjacent to existing lines.

The Northern Monument Creek Interceptor is currently in the design phase. This is a regional partnership with TriView and Forest Lakes Metropolitan Districts, who will share project costs. As the project moves to final design and construction, the Districts will collaborate with Springs Utilities for providing service to Northern entities.

Electric Service

The Horizon Utility Campus Master plan is for 160 acres at Drennan and Foreign Trade Zone. There is already a substation located at this site. Future construction includes two natural gas gate stations, 400-megawatts (MW) of natural gas fired generators, 100 mw battery storage, and the potential for a customer service center. A future Utilities Board tour is planned at this location. Construction is scheduled to begin in May 2026 and to be operational in May 2028.

Energy Demand Management

Unlike water, which is stored in large-capacity reservoirs, most electricity must be generated and distributed to meet customer needs in real-time. With increasing intermittent generation sources like wind and solar, the timing of customer energy use is becoming increasingly important. Energy delivery at peak times can be more expensive than during off-peak periods when generation or transmission assets are limited.

Aggressive state regulatory goals have created new customer and utility needs for solutions that address decarbonization. The organization's energy-efficiency programs recently shifted focus to meet new regulations like the Clean Heat Plan and customer needs under Regulation 28 (State Building Performance Standards).

Focus is now shifting toward solutions that help customers manage the timing of their energy use. The Peak Energy Rewards (smart thermostat control) is the first program offered to actively manage air conditioning to avoid expensive generation in hot afternoons, and this year an electric vehicle managed charging program is being piloted to reduce the grid impacts from electrified transportation.

Gas Service
Gas System Resiliency ensures continuous service to all customers. The Downtown and Military Gas Resiliency Project provides operational availability of Power Plant downtown, provides gas resiliency for military operations, improves gas system pressures, and provides Springs Utilities with greater flexibility to switch between gas suppliers for fuel cost balancing.

6. **Customer and Enterprise Services Division**
   Mr. Mike Francolino, Chief Customer and Enterprise Services Officer, oversees the Customer Services, Information Technology, Cyber Security, and Supply Chain departments. His division is responsible for the UB focus area Relationships, the strategic objective of Focus on the Customer, the I-5 Economic Development, the I-8 Asset Protection, and I-9 Treatment of Customers and Customer Information compliance reports.

   Mr. Francolino said there are numerous systems in place to provide asset protection for the organization.

7. **Fuels and Purchase Power Department**
   Mr. Alex Baird, Fuels and Purchase Power General Manager, is responsible for Portfolio Management, which includes natural gas/fuels trading, power trading, and energy market operations and analytics. His department is responsible for the UB focus area of Reliability, and the Strategic Objectives of Support our Community, Operational Excellence and Financial Accountability.

   A Regional Transmission Organization (RTO) is an electric power transmission system operator that coordinates, controls and monitors the grid to promote economic efficiency, reliability and non-discriminatory practices. The RTO is responsible for moving electricity over large interstate areas. The Southwest Power Pool (SPP) RTO West has seven market participants and approximately 10,000 miles of high-voltage transmission.

   Organized Energy Market drivers include industry changes, regional market studies, state policies and RTO legislation, and energy imbalance market benefits.

8. **Q&A and Wrap Up**

Board Member Rainey asked if there are any hot topics from the state legislature and decisions made. Mr. Deal said the main topics involve energy and wildland fire.

The meeting adjourned at 12:03 p.m.

Board Memo Agenda Item
Staff Report

Date: (Date of Utilities Board Meeting)	May 21, 2025
To:	Utilities Board
From:	Travas Deal, Chief Executive Officer
Subject:	A Resolution Appointing a member to the Homestake Steering Committee
NARRATIVE:	
Desired Action: Choose only one	☒ Approval ☐ Discussion ☐ Information
Executive Summary:	The City of Colorado Springs and the City of Aurora as partners operate the Homestake Water Project. The Homestake Water Project is governed by the Homestake Steering Committee, which is made up of three representatives of each City who are appointed by their respective governing bodies. A Colorado Springs seat of the Homestake Steering Committee, currently held by Ronald Sanchez, will be vacated on June 3, 2025. The attached resolution would appoint Joseph Rasmussen, Manager of Water & Wastewater Infrastructure Planning, as a representative to the Homestake Steering Committee effective June 3, 2025 and ending December 31, 2026.
Benefits:	Representation for Colorado Springs Utilities on the Homestake Steering Committee
Board Policy: If this impacts one of the board policies, indicate that here.	UBA-4: Appoint directors and representatives to water authorities, partnerships, joint ventures, and similar entities in which Utilities participates.
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.	Colorado Springs Utilities and the Homestake Steering Committee
Alternatives:	N/A

Submitter:	Abigail Ortega	Email Address:	ajortega@csu.org
Division:	System Planning and Projects	Phone Number:	719-668-8748
Department:	Infrastructure and Resource Planning	Date Submitted:	May 1, 2025
SPG Staff Use Only:	Consent Calendar ☐ Yes ☒ No	Item Number 03	

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

RESOLUTION NO. 25-12

A RESOLUTION OF THE BOARD OF DIRECTORS OF COLORADO SPRINGS UTILITIES APPOINTING JOSEPH RASMUSSEN TO THE HOMESTAKE STEERING COMMITTEE

WHEREAS, The City of Colorado Springs and the City of Aurora as partners operate the Homestake Water Project; and

WHEREAS, The Homestake Water Project is governed by the Homestake Steering Committee, which is made up of three representatives of each City who are appointed by their respective governing bodies; and

WHEREAS, A Colorado Springs seat of the Homestake Steering Committee, currently held by Ronald Sanchez, will be vacated on June 3, 2025; and

WHEREAS, Joseph Rasmussen is seeking to be appointed to the Homestake Steering Committee to fill the remainder of the three-year term vacated by Ron Sanchez effective June 3, 2025 and ending December 31, 2026.

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

Section 1. Joseph Rasmussen is appointed as a member of the Homestake Steering Committee effective June 3, 2025, and ending December 31, 2026.

DATED at Colorado Springs, Colorado, this 21st day of May 2025.

____
Dave Donelson, Utilities Board Chair

ATTEST:

____
Travas Deal, Secretary

Board Memo Agenda Item
Staff Report

Date: (Date of Utilities Board Meeting)	May 21, 2025
To:	Utilities Board
From:	Travas Deal, Chief Executive Officer
Subject:	A Resolution Appointing a member of the Board of Directors of the Aurora-Colorado Springs Joint Water Authority Board
NARRATIVE:	
Desired Action: Choose only one	☒ Approval ☐ Discussion ☐ Information
Executive Summary:	The City of Colorado Springs and the City of Aurora as partners operate the Homestake Water Project. The Cities formed the Aurora-Colorado Springs Joint Water Authority as a financing vehicle for the extension of the Homestake pipeline from Twin Lakes to the Otero Pump Station. The Board of Directors of the Aurora-Colorado Springs Joint Water Authority is comprised of three representatives of each City who are also appointed by their respective governing bodies and two non-voting members. Colorado Springs appoints members through the Utilities Board. A Colorado Springs seat of the Board of Directors of the Aurora-Colorado Springs Joint Water Authority, currently held by Ronald Sanchez, will be vacated on June 3, 2025. The attached resolution would appoint Joseph Rasmussen, Manager of Water & Wastewater Infrastructure Planning, as a representative to the Aurora-Colorado Springs Joint Water Authority effective June 3, 2025 and ending January 14, 2027.
Benefits:	Representation for Colorado Springs Utilities on the Board of Directors of the Aurora-Colorado Springs Joint Water Authority Board
Board Policy: If this impacts one of the board policies, indicate that here.	UBA-4: Appoint directors and representatives to water authorities, partnerships, joint ventures, and similar entities in which Utilities participates.
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.	Colorado Springs Utilities and the Aurora-Colorado Springs Joint Water Authority Board
Alternatives:	N/A

Submitter:	Abigail Ortega	Email Address	ajortega@csu.org
Division:	System Planning and Projects	Phone Number:	719-668-8748
Department:	Infrastructure and Resource Planning	Date Submitted:	May 1, 2025
SPG Staff Use Only:	Consent Calendar ☐ Yes ☒ No	Item Number 03	

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

RESOLUTION NO. 25-13

A RESOLUTION OF THE BOARD OF DIRECTORS OF COLORADO SPRINGS UTILITIES APPOINTING JOSEPH RASMUSSEN TO THE BOARD OF DIRECTORS OF THE AURORA-COLORADO SPRINGS JOINT WATER AUTHORITY

WHEREAS, The City of Colorado Springs and the City of Aurora are the members of the Aurora-Colorado Springs Joint Water Authority; and

WHEREAS, The Board of Directors of the Aurora-Colorado Springs Joint Water Authority is made up of three representatives of each city who are also appointed by their respective governing bodies and two non-voting members; and

WHEREAS, A Colorado Springs seat of the Board of Directors of the Aurora-Colorado Springs Joint Water Authority, currently held by Ronald Sanchez, will be vacated on June 3, 2025; and

WHEREAS, Joseph Rasmussen is seeking to be appointed as a member of the Board of Directors of the Aurora-Colorado Springs Joint Water Authority to fill the remainder of the three-year term vacated by Ron Sanchez effective June 3, 2025 and ending January 14, 2027.

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

Section 1. Joseph Rasmussen is hereby appointed as a member of the Board of Directors of the Aurora-Colorado Springs Joint Water Authority effective June 3, 2025, and ending January 14, 2027.

DATED at Colorado Springs, Colorado, this 21st day of May 2025.

____
Dave Donelson, Utilities Board Chair

ATTEST:

____
Travas Deal, Secretary

Board Memo Agenda Item
Staff Report

Date: (Date of Utilities Board Meeting)	May 21, 2025
To:	Utilities Board
From:	Travas Deal, Chief Executive Officer
Subject:	Gallagher Best in Class
NARRATIVE:	
Desired Action: Choose only one	☐ Approval ☐ Discussion ☒ Information
Executive Summary:	Colorado Springs Utilities has been honored as a 2024 Best-in-Class Employer, based on our participation in Gallagher's 2024 Benefits Strategy & Benchmarking Survey. This recognition places us among the top 25% of more than 3,500 U.S. organizations evaluated for their support of employees' physical, emotional, career, and financial wellbeing. Our commitment to our people and our strategic approach to benefits, Human Resources, and compensation has set us apart. We focus on inclusively engaging and motivating our employees, supporting their health, financial confidence, and career growth, all while maintaining a sustainable cost structure. Gallagher's Best-in-Class Employer designation helps current and prospective employees understand and appreciate an organization's workplace culture and people strategy, which are crucial differentiators in today's competitive labor market.
Benefits:	Acknowledgement of Benefits team
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.	Colorado Spring Utilities Employees
Alternatives:	N/A

Submitter:	Heather Harvey	Email Address:	hharvey@csu.org
Division:	Administrative and Human Resources Division	Phone Number:	719-668-7512
Department:	Human Resources	Date Submitted:	May 5, 2025
SPG Staff Use Only:	Consent Calendar ☐ Yes ☒ No	Item Number 05	

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

Board Memo Agenda Item
Staff Report

Date: (Date of Utilities Board Meeting)	May 21, 2025
To:	Utilities Board
From:	Travas Deal, Chief Executive Officer
Subject:	2024 Cigna Healthy Workforce Designation
NARRATIVE:	
Desired Action: Choose only one	☐ Approval ☐ Discussion ☒ Information
Executive Summary:	Colorado Springs Utilities has been recognized as a 2024 Cigna Healthy Workforce Designation. This recognition is based on the following criteria: • Senior leadership that offers extensive support of the well-being program • Programs/resources that support various dimensions of well-being • Worksite policies to create a supportive culture and safe, healthy workplace • Communication that actively engages employees and promotes the well-being program • Health equity and social determinants of health considerations as part of the well-being program A high range of metrics were used to measure and evaluate the effectiveness of the well-being program.
Benefits:	Acknowledgement of Benefits team
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.	Colorado Spring Utilities Employees
Alternatives:	N/A

Submitter:	Heather Harvey	Email Address:	hharvey@csu.org
Division:	Administrative and Human Resources Division	Phone Number:	719-668-7512
Department:	Human Resources	Date Submitted:	May 5, 2025

SPG Staff Use Only:	Consent Calendar ☐ Yes ☒ No	Item Number 05

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

Board Memo Agenda Item
Staff Report

Date: (Date of Utilities Board Meeting)	May 21, 2025
To:	Utilities Board
From:	Travas Deal, Chief Executive Officer
Subject:	Water and Wastewater Worker Appreciation and NACWA Peak Performance Award
NARRATIVE:	
Desired Action: Choose only one	☐ Approval ☐ Discussion ☒ Information
Executive Summary:	Colorado Springs Utilities takes pride in ensuring clean and safe water for our community, the environment, and our downstream users. Behind the scenes, water and wastewater workers monitor and operate systems 24 hours a day/7 days a week – keeping things running, maintaining regulatory compliance, and planning for our future. Water and wastewater collection and treatment relies on operators, mechanics, electricians, instrumentation and controls staff, distribution and collection specialists, laboratory workers, industrial pretreatment specialists, engineers and many more skilled workers. To recognize these hard-working individuals, Colorado Governor Jared Polis declared April 21-27, 2025, Wastewater Worker Appreciation Week statewide. Similarly, the American Water Works Association celebrated Drinking Water Week May 4-10, 2025. The Las Vegas Street Water Resource Recovery Facility and the J.D. Phillips Water Resource Recovery Facility are regulated through state-issued discharge permits. Both facilities have demonstrated continued excellence in permit compliance for 2024 and have once again been recognized by the National Association of Clean Water Agencies (NACWA) with Peak Performance Awards. Springs Utilities collects and treats approximately 37 million gallons of wastewater daily through more than 1,800 miles of collection system piping, 21 lift stations and three resource recovery facilities. Springs Utilities also brings water from more than 100 miles away for treatment at six water treatment plants, delivering on average 63.5 million gallons of water a day to Colorado Springs and surrounding communities.
Benefits:	Colorado Springs Utilities water and wastewater workers continue to provide exceptional service and serve as regional leaders.
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.	N/A

Alternatives:	N/A		
Submitter:	Tara Kelley	Email Address:	tkelley@csu.org
Division:	Operations	Phone Number:	719-668-4477
Department:	Plants	Date Submitted:	April 25, 2025
SPG Staff Use Only:	Consent Calendar ☐ Yes ☒ No	Item Number 05	
ITEMS SUBMITTED AFTER THE DEADLINE WILL BE POSTPONED UNTIL THE NEXT UTILITIES BOARD MEETING.			

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

Date: May 21, 2025

To: Utilities Board

From: Travas Deal, Chief Executive Officer

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

Desired Action: Monitoring

Compliance: The CEO reports compliance with the instructions.

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

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

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

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

As of the end of the fourth quarter of 2024:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

   These conditions have been achieved as of this monitoring report.

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

   These conditions have been achieved as of this monitoring report.

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

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

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

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

OFFICE OF THE CITY AUDITOR
COLORADO SPRINGS, COLORADO

Sally Barber
Audit Manager, CPA, CIA, CFE

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

May 2025

Purpose

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

Highlights

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

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

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

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

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

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

Colorado Springs Utilities
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Date: May 21, 2025

To: Utilities Board

From: Travas Deal, Chief Executive Officer

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

Desired Action: Monitoring

EXPECTATIONS	
Category:	**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.

<u>**Water Outlook**</u>
May 2025 Water Outlook using data as of April 30, 2025
Locally, temperatures were above average, and precipitation was below average in April. Demands were more than last year at this time.

2025 Demands: April use averaged 51.1 million gallons per day (MGD), which was about 1.3% more than last April. Temperatures in April were above the 30-year average at 49.1 degrees Fahrenheit, which was 1.6 degrees above normal. Total precipitation for April was 0.45 inches, which is below normal. Year-to-date precipitation is 1.87 inches, which is 65.6% of normal.

Current Reservoir Levels: Local storage is currently at about 50,758 acre-feet (77% of capacity). The 1991-2020 average is 80% of capacity. Rampart Reservoir is at 86% of capacity, and Pikes Peak storage is at 62% of capacity. System wide, total storage is about 201,600 acre-feet (77% of capacity). Last year at this time, total system wide storage was 83% of capacity. It was about 71% at this same time in 2023, about 71% of capacity in 2022, about 70% of capacity in 2021, and about 78% of capacity in 2020. The 1991-2020 average 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 56% of the U.S. experiencing some level of abnormally dry or drought conditions. In Colorado, 38% of the state is currently free from drought conditions, remaining steady from the end of March. However, abnormally dry or moderate drought conditions persist in the north-central, southwestern, and southeastern regions of Colorado. Severe and extreme drought pockets are confined to a few scattered pockets and a large portion of Southwest Colorado.

The Seasonal Drought Outlook predicts no additional drought development in Colorado between now and July 31, 2025. However, persistent drought conditions remain in Southwest Colorado. The three-month climate outlook predicts slightly higher chances for below normal precipitation across Colorado, with increasing probabilities in the northern and eastern portions of the state. Additionally, the three-month outlook predicts slightly higher chances for above normal temperatures across Colorado, with increasing probabilities in the southwestern portion of the state.

Operational Notes: South Catamount Reservoir capacity remains restricted for planned dam maintenance. South Suburban Reservoir is drained for outlet work repairs. Total system storage is at 77.4% of capacity and holds about 2.9 years of demand, which is above average for the end of April. Local storage contains about 267 days of demand.

Electric Cost Adjustment / Gas Cost Adjustment

Electric Cost Adjustment (ECA)

On Sept. 24, 2024, City Council approved the ECA rate of $0.0301 per kWh effective Oct. 1, 2024. As of April 30, 2025, the ECA under collection balance was $3.8 million. The under-collection balance changed by $2 million from the $5.8 million under-collection balance reported last month. Colorado Springs Utilities will continue to provide regular updates to the Utilities Board as appropriate.

Gas Cost Adjustment (GCA)

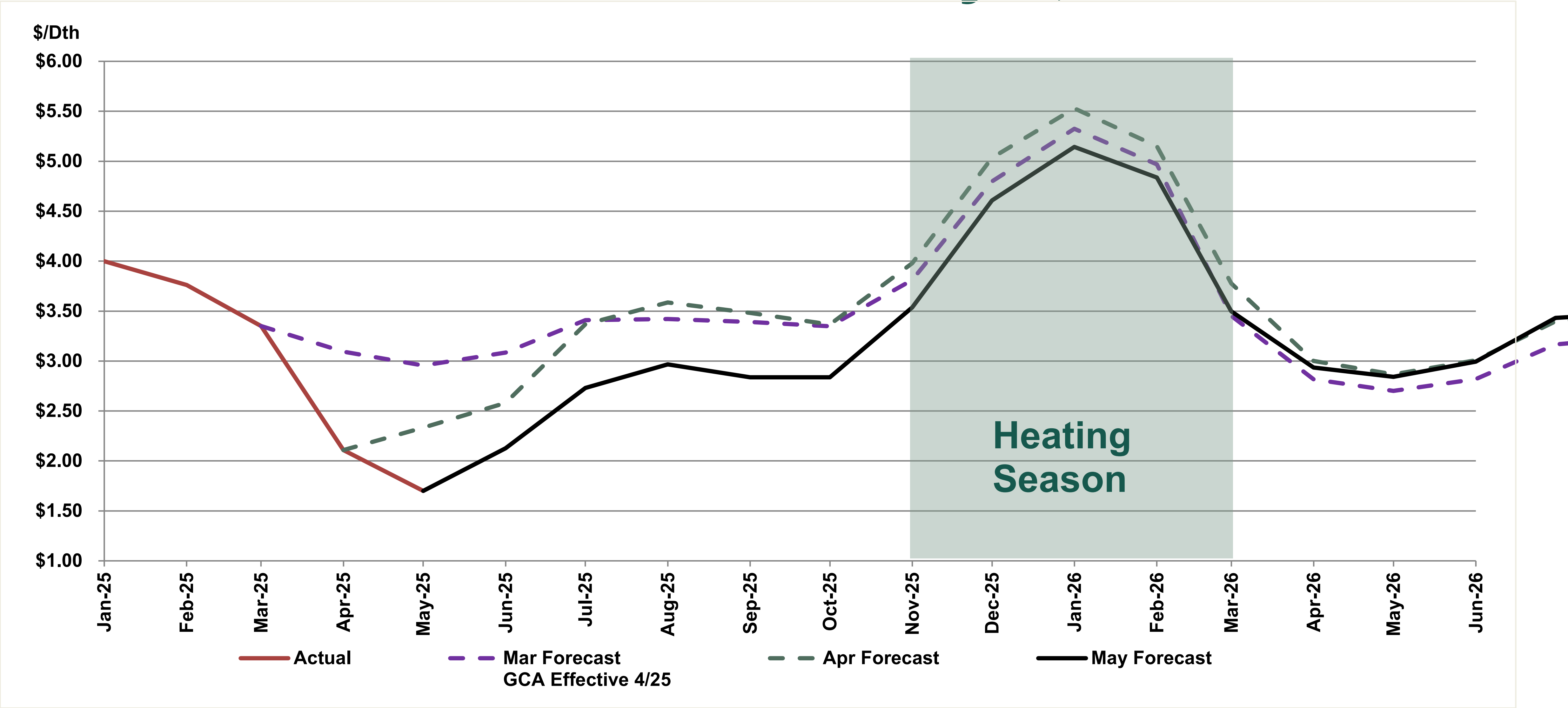
On March 25, 2025, City Council approved the GCA rate of $0.2804 per Ccf effective April 1, 2025. As of April 30, 2025, the GCA under-collection balance was $5.3 million. The under-collection balance changed by $3.6 million from the $8.9 million under collection balance reported last month. Colorado Springs Utilities will continue to provide regular updates to the Utilities Board as appropriate.

Electric Cost Adjustment
Gas Cost Adjustment

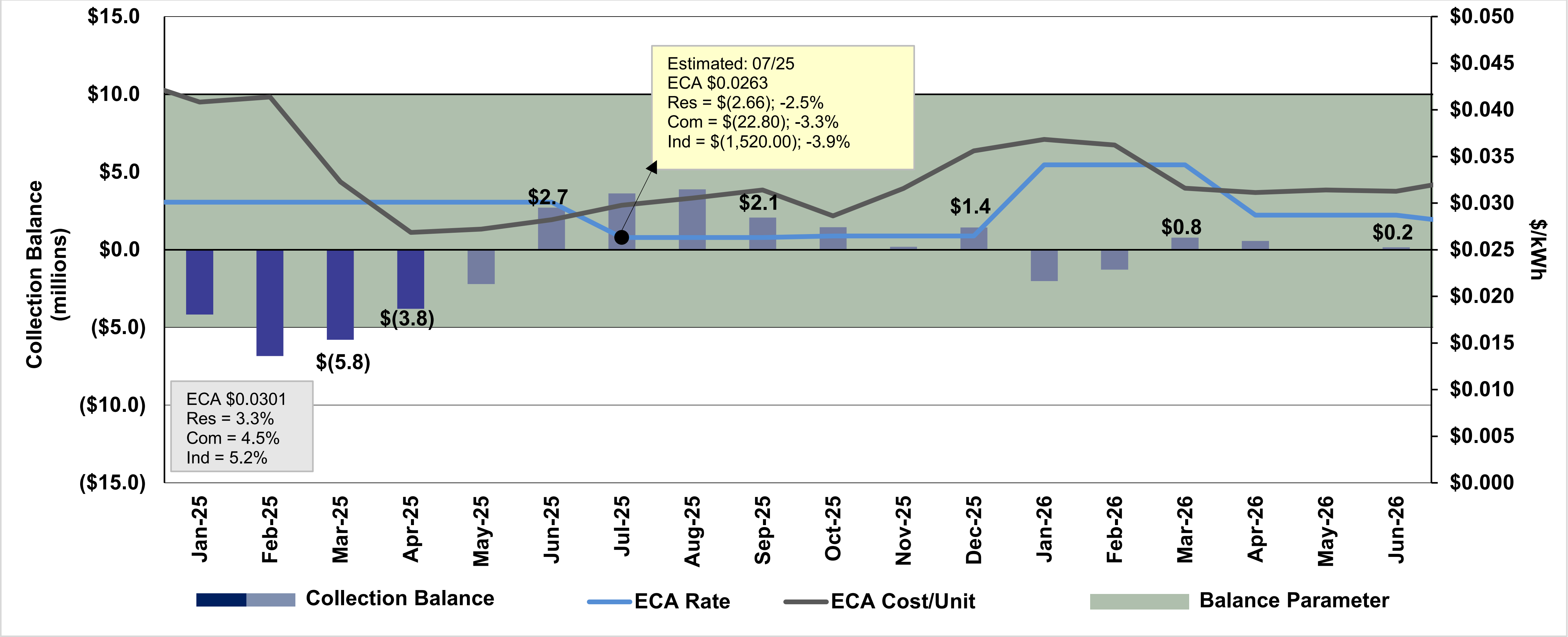
Scott Shirola, Pricing and Rates Manager

May 21, 2025

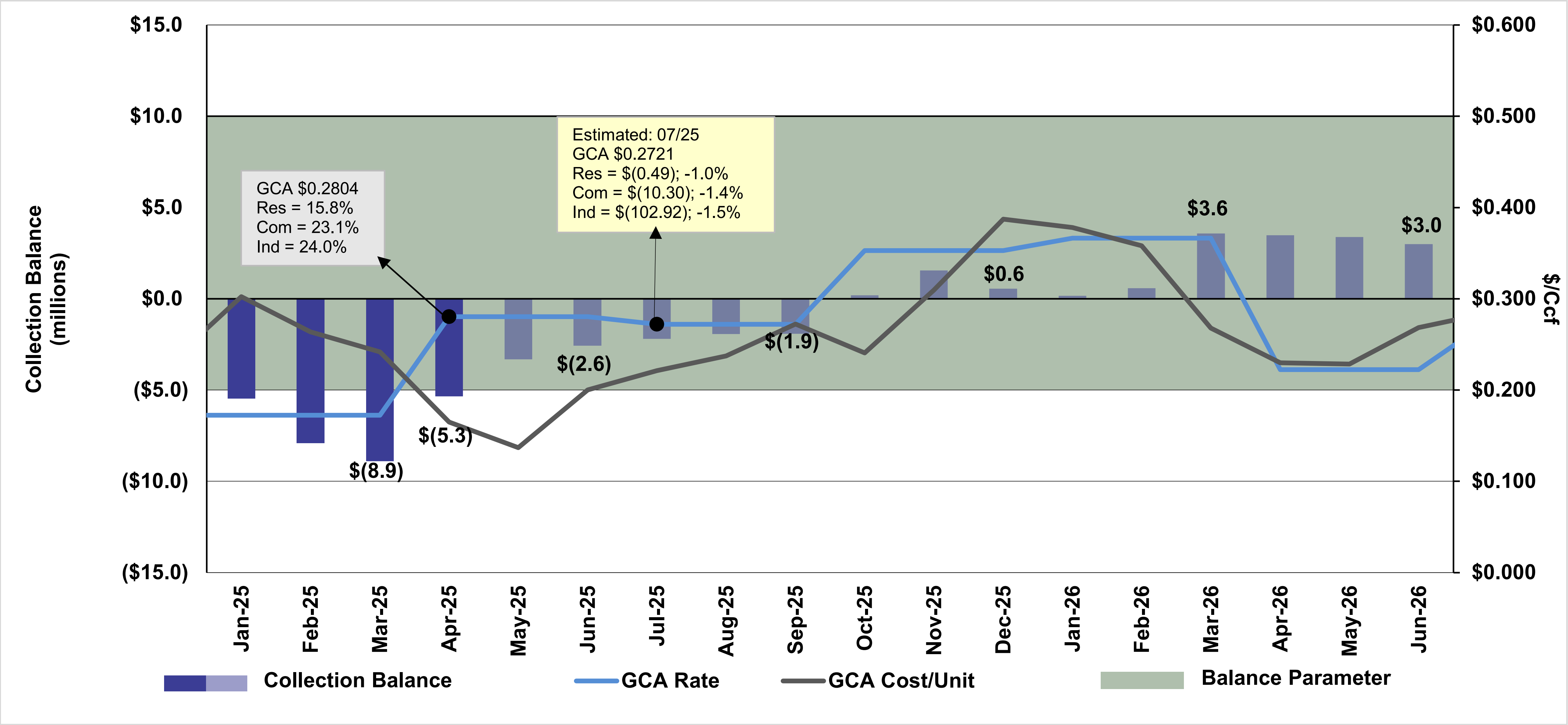
Natural Gas Prices as of May 1, 2025



ECA Projections May 2025



GCA Projections May 2025

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Water Outlook

Nick Harris, P.E.
Water Resource Engineer, Water Resource Planning

May 18, 2025

Local Weather Conditions as of April 30, 2025

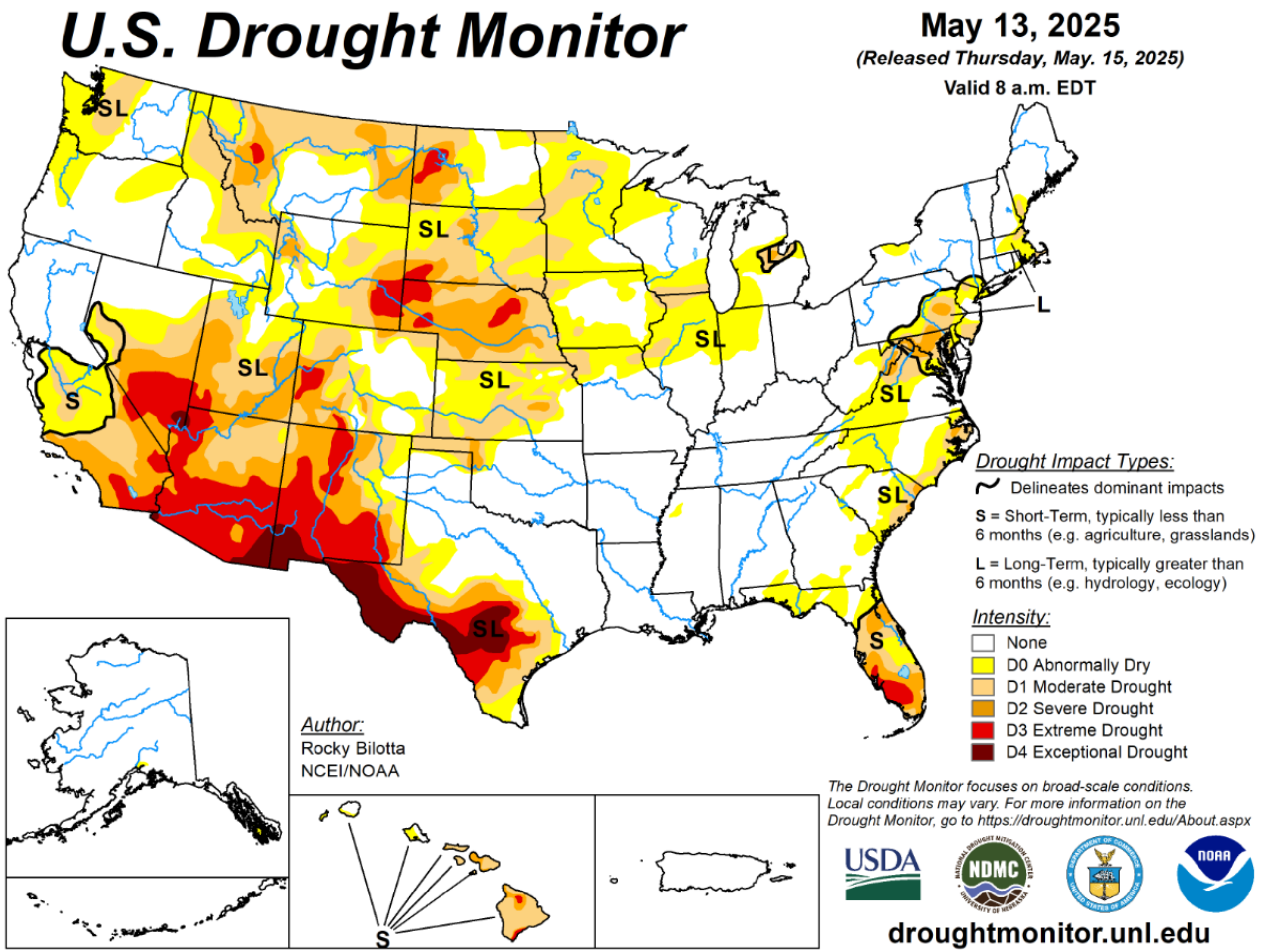
Precipitation (Inches of Moisture)

- April 2025 – 0.45 in. (31% of normal)
- 2025 YTD Total – 1.87 in. (65.6% of normal)

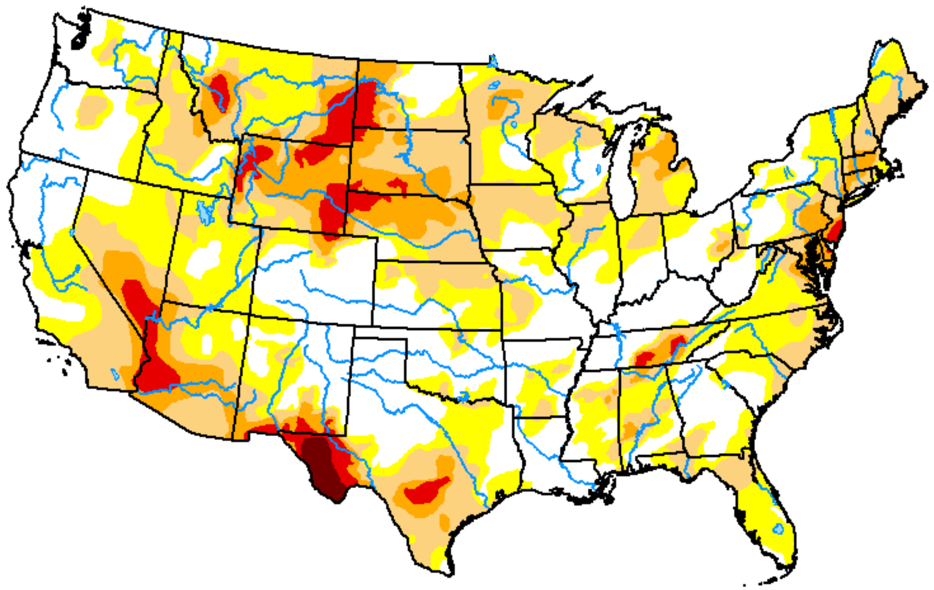
Average Temperature (Degrees F)

- April 2025 – 49.1 Deg. (1.6 deg. above normal)
- 2025 YTD Average – 37.8 Deg. (0.7 deg. below normal)

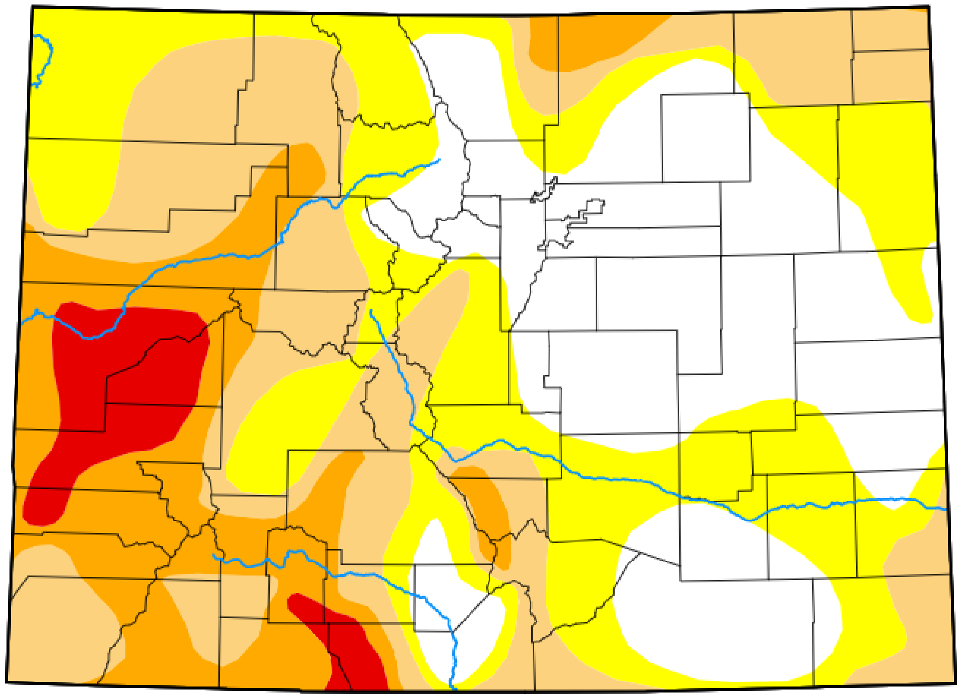
DROUGHT MONITOR



December 31, 2024



Colorado



Map released: Thurs. May 15, 2025

Data valid: May 13, 2025 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

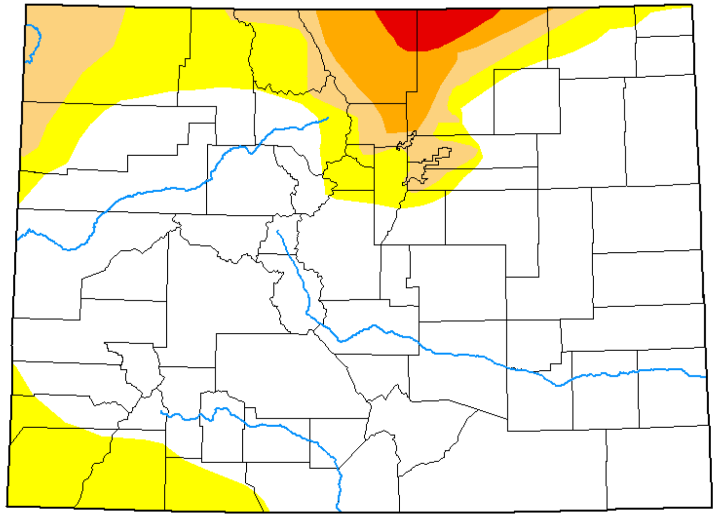
United States and Puerto Rico Author(s):

Rocky Bilotta, NOAA/NCEI

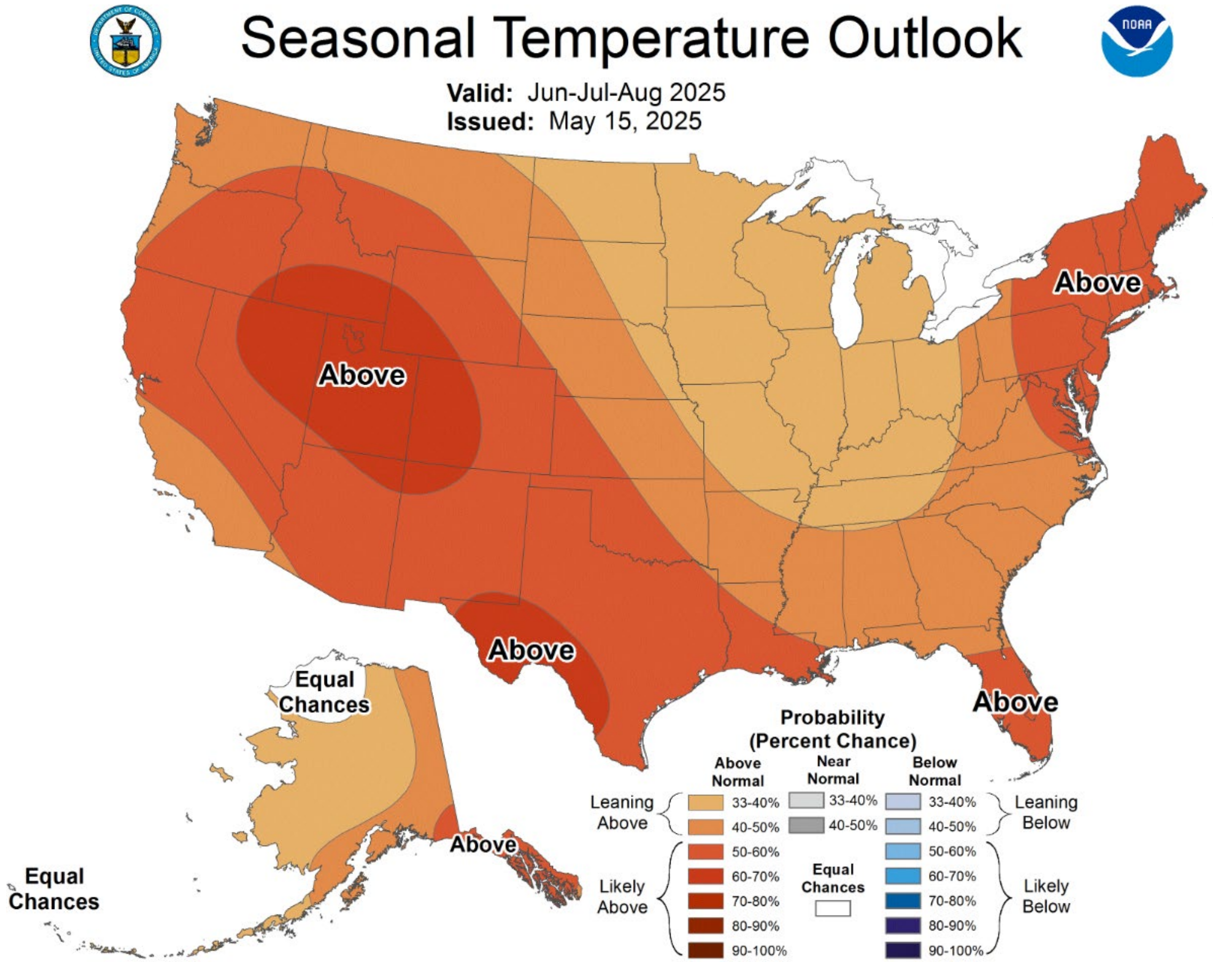
Pacific Islands and Virgin Islands Author(s):

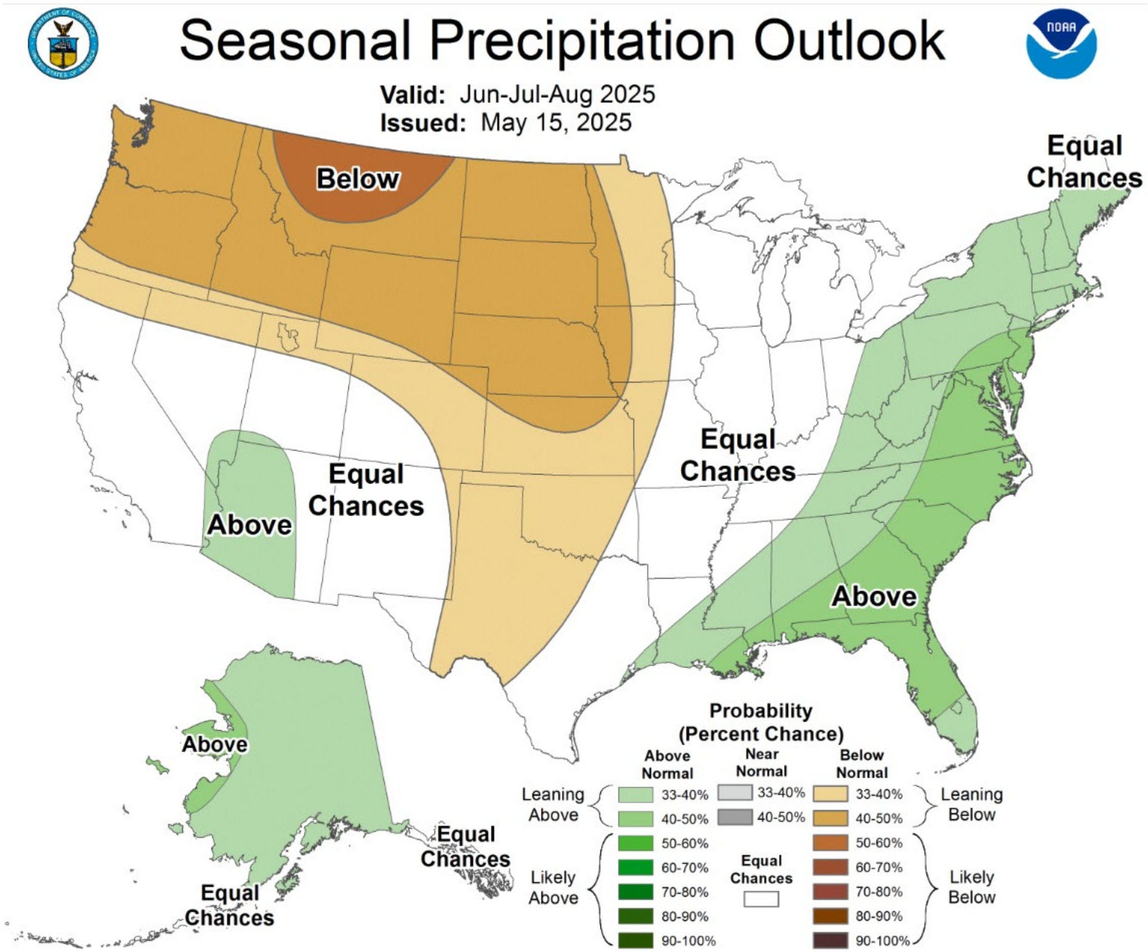
Richard Tinker, NOAA/NWS/NCEP/CPC

December 31, 2024

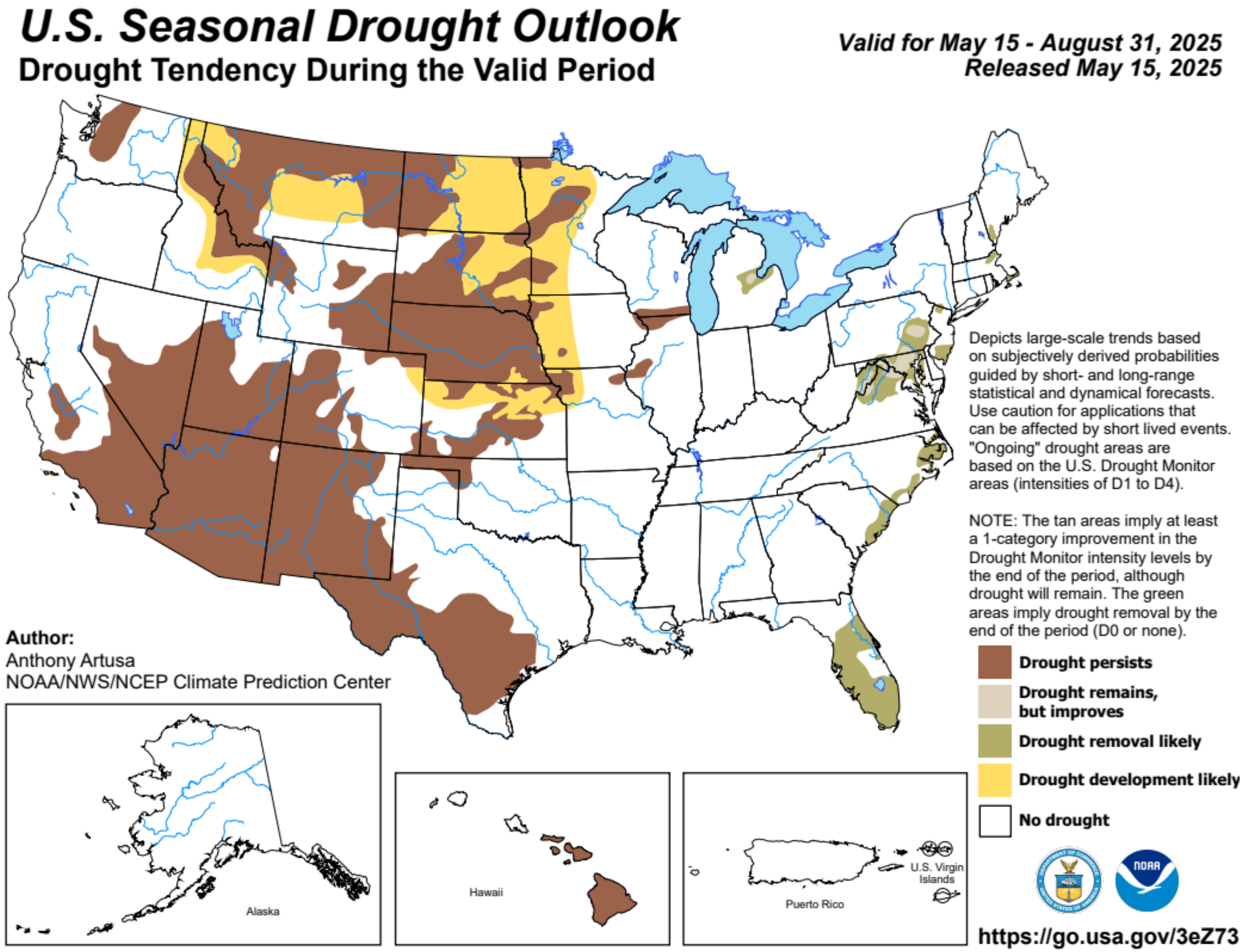


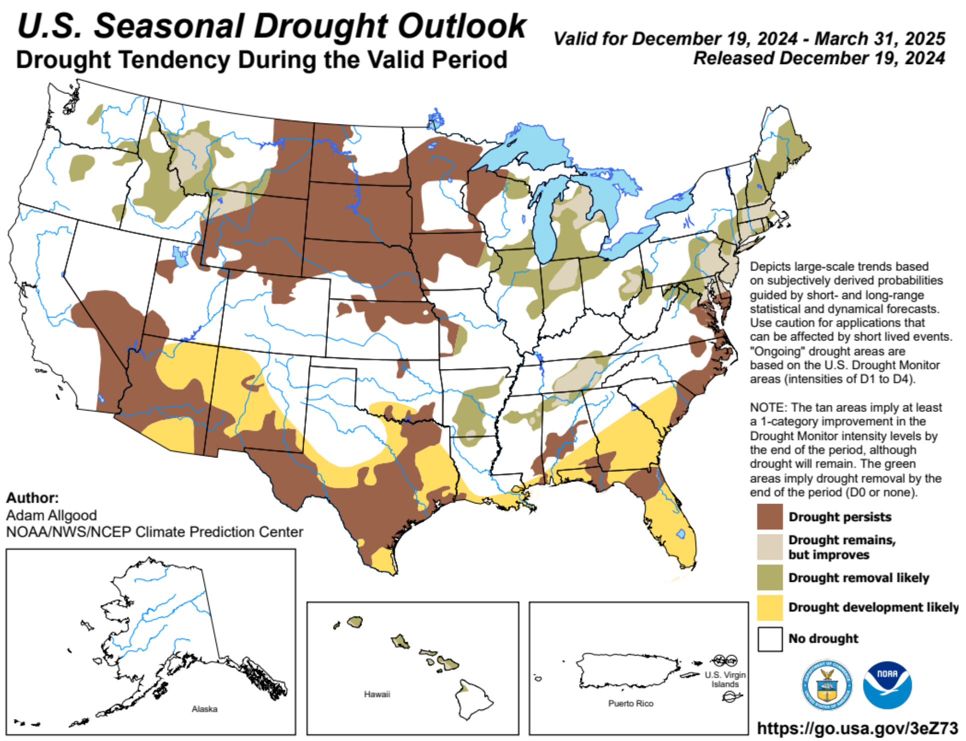
NOAA Three Month Outlook



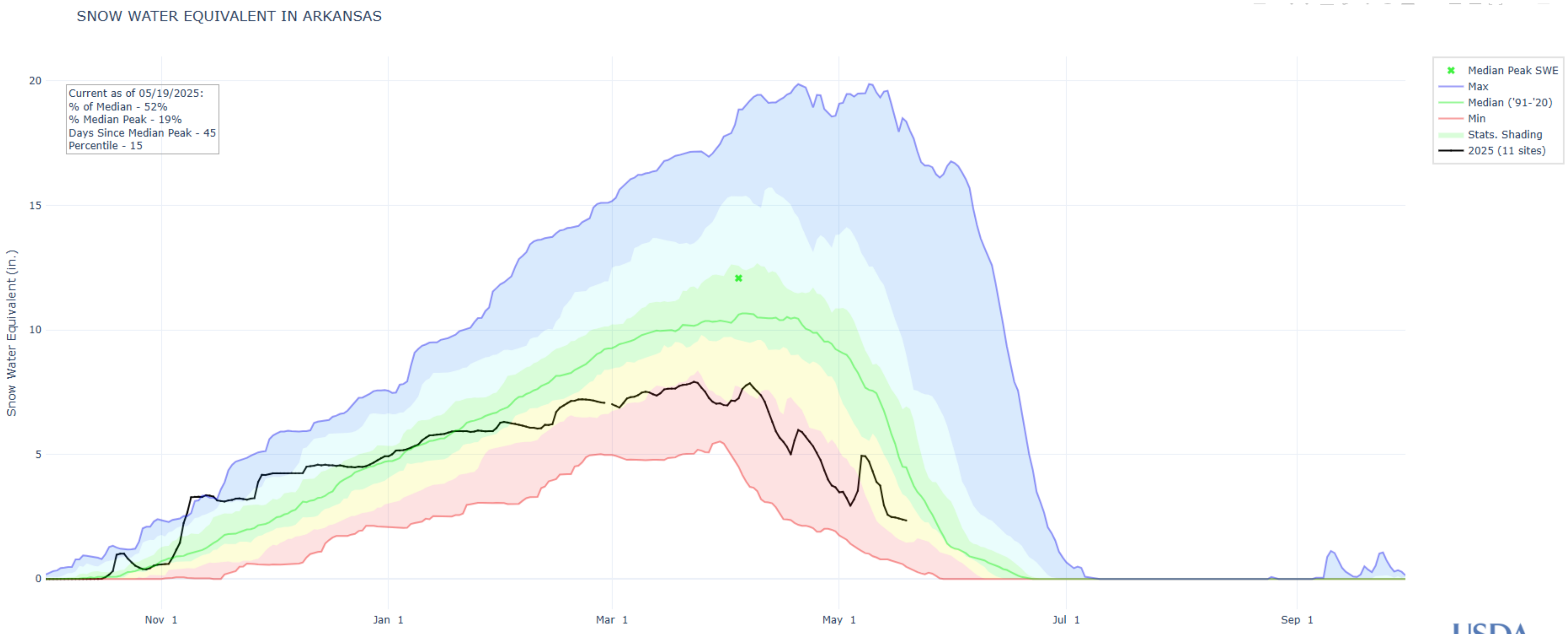


DROUGHT OUTLOOK



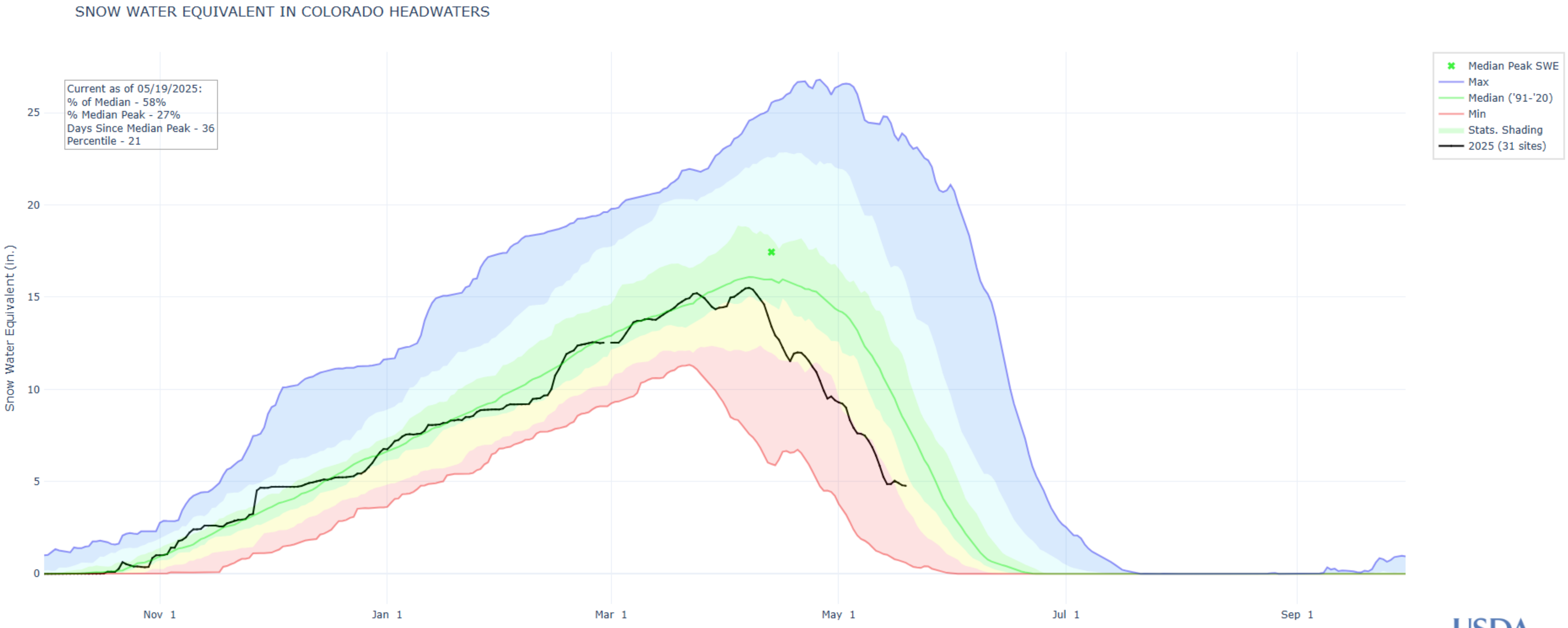


Snowpack in the Arkansas River Basin is 52% of normal as of May 19, 2025

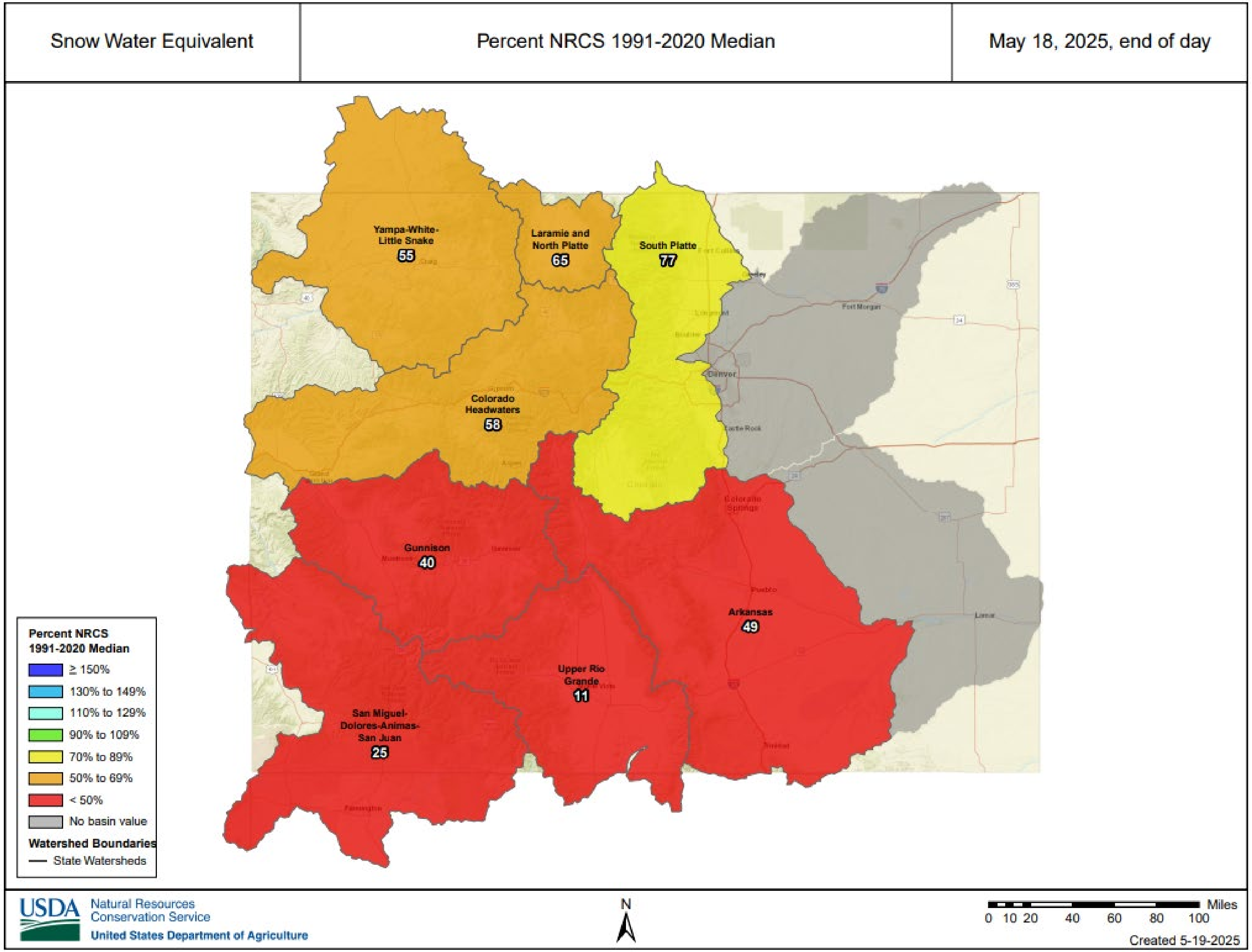


Source: NRCS/USDA

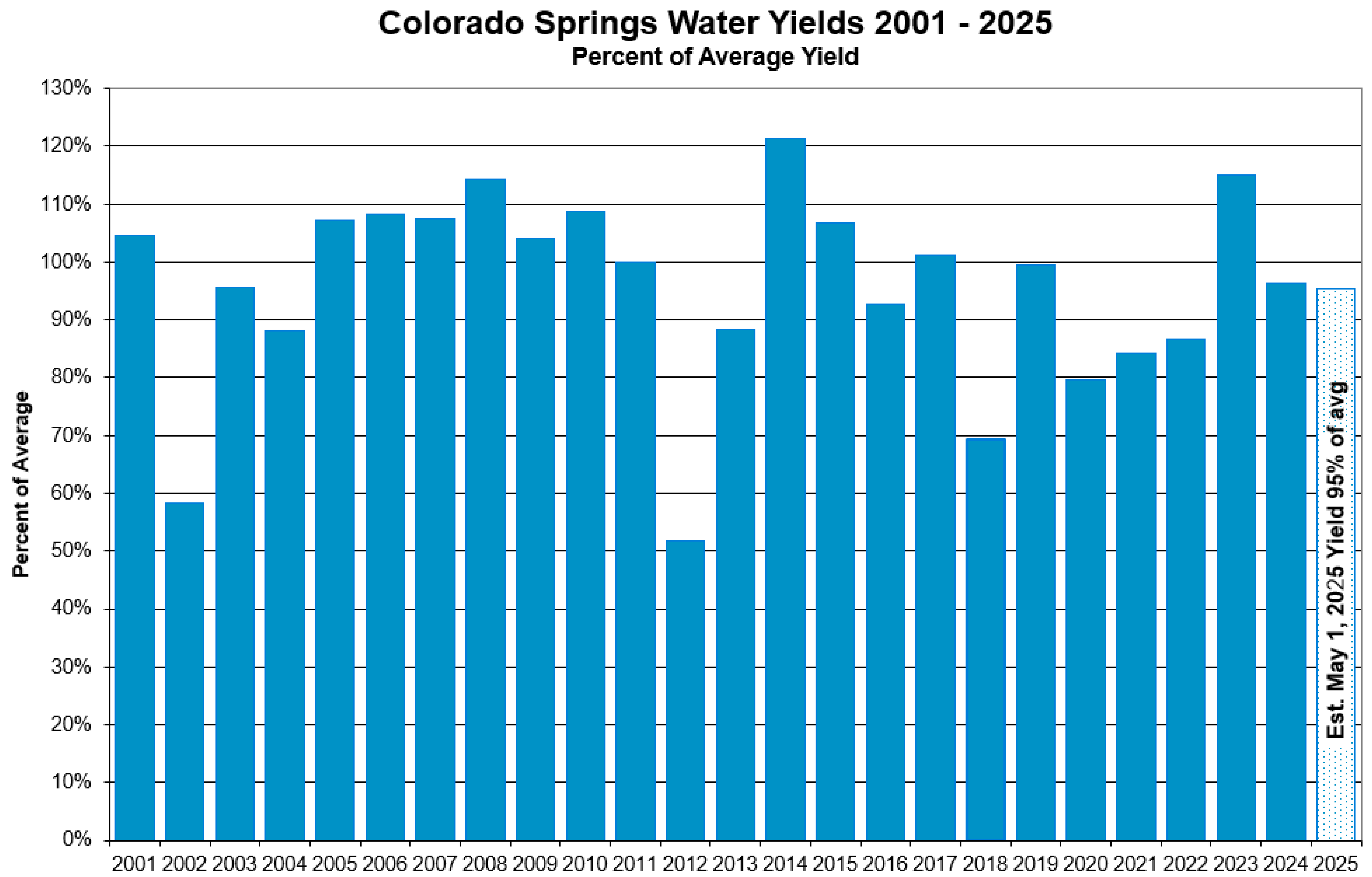
Snowpack in the Colorado River Headwaters Basin is 58% of normal as of May 19, 2025



Source: NRCS/USDA



Snow Water Equivalent
Percent NRCS 1991-2020 Median
May 18, 2025, end of day
Yampa-White-Little Snake
55
Laramie and North Platte
65
South Platte
77
Colorado Headwaters
58
Gunnison
40
Arkansas
49
Upper Rio Grande
11
San Miguel-Dolores-Animas-San Juan
25
Percent NRCS 1991-2020 Median
≥ 150%
130% to 149%
110% to 129%
90% to 109%
70% to 89%
50% to 69%
< 50%
No basin value
Watershed Boundaries
State Watersheds
USDA Natural Resources Conservation Service
United States Department of Agriculture
N
Miles
0 10 20 40 60 80 100
Created 5-19-2025



Colorado Springs Water Yields 2001 - 2025
Percent of Average Yield
Percent of Average
130%
120%
110%
100%
90%
80%
70%
60%
50%
40%
30%
20%
10%
0%
2001 2002 2003 2004 2005 2006 2007 2008 2009 2010 2011 2012 2013 2014 2015 2016 2017 2018 2019 2020 2021 2022 2023 2024 2025
Est. May 1, 2025 Yield 95% of avg

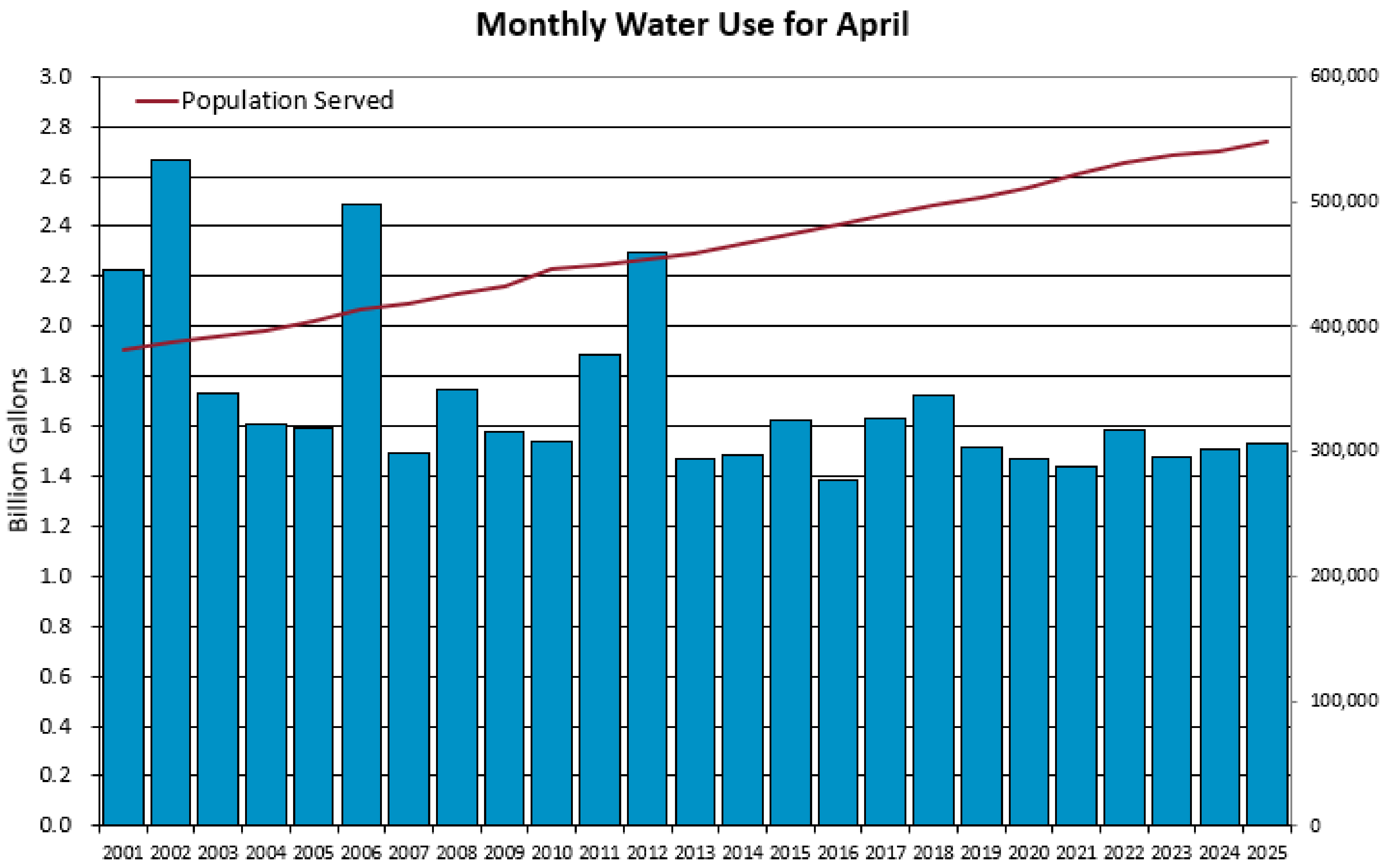
2025 Demands

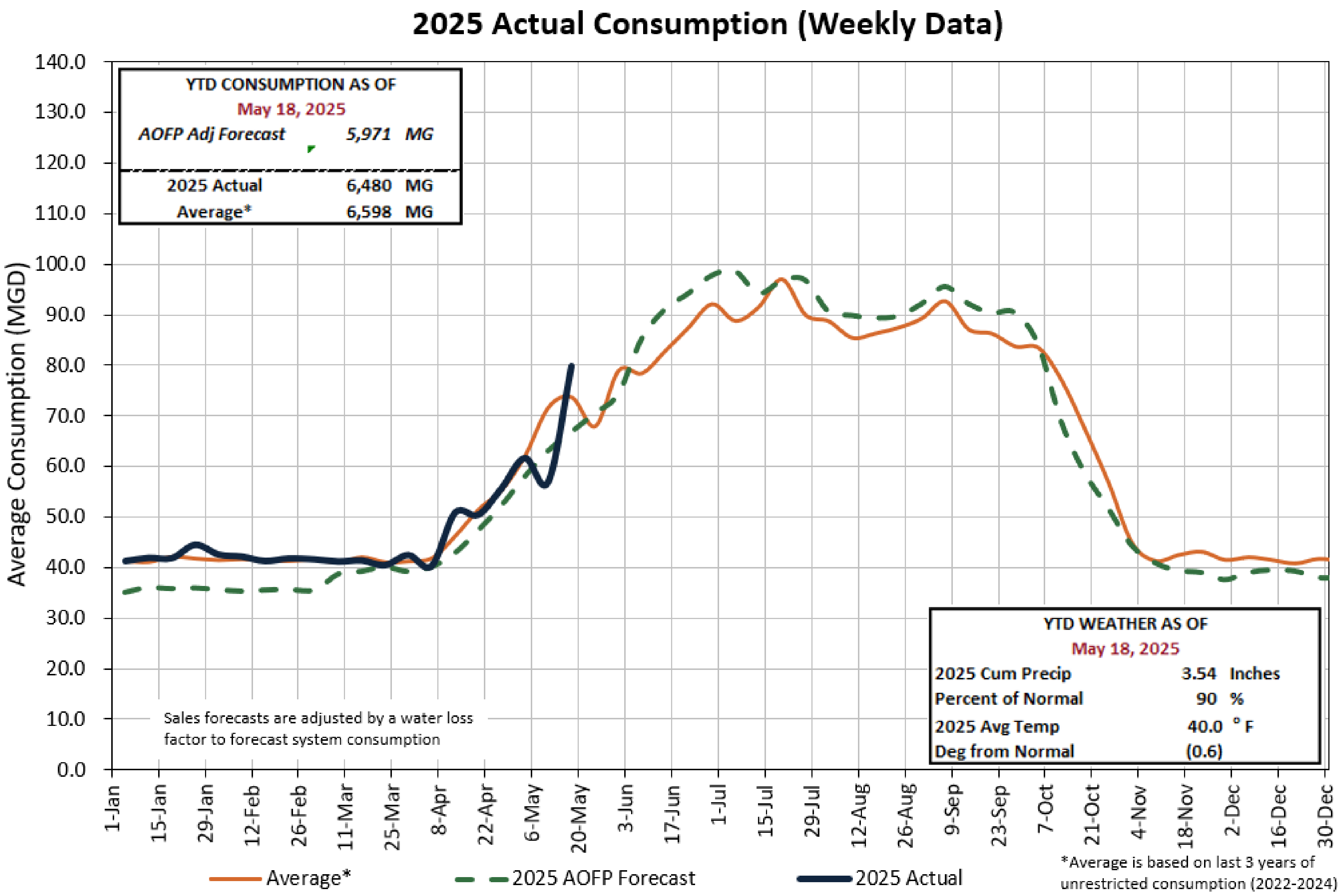
April

- Averaged 51.1 MGD
- 1.3% more than April 2024

2025 Year to Date through April 30

- Averaging 43.7 MGD, 5.2 BG total
    - 1.2% more than April 2024
    - 0.06 Billion Gallons more than 2024


Monthly Water Use for April
Population Served
Billion Gallons
3.0
2.8
2.6
2.4
2.2
2.0
1.8
1.6
1.4
1.2
1.0
0.8
0.6
0.4
0.2
0.0
600,000
500,000
400,000
300,000
200,000
100,000
0
2001 2002 2003 2004 2005 2006 2007 2008 2009 2010 2011 2012 2013 2014 2015 2016 2017 2018 2019 2020 2021 2022 2023 2024 2025


2025 Actual Consumption (Weekly Data)
YTD CONSUMPTION AS OF
May 18, 2025
AOFP Adj Forecast 5,971 MG
2025 Actual 6,480 MG
Average* 6,598 MG
Average Consumption (MGD)
140.0
130.0
120.0
110.0
100.0
90.0
80.0
70.0
60.0
50.0
40.0
30.0
20.0
10.0
0.0
Sales forecasts are adjusted by a water loss factor to forecast system consumption
YTD WEATHER AS OF
May 18, 2025
2025 Cum Precip 3.54 Inches
Percent of Normal 90 %
2025 Avg Temp 40.0 °F
Deg from Normal (0.6)
1-Jan
15-Jan
29-Jan
12-Feb
26-Feb
11-Mar
25-Mar
8-Apr
22-Apr
6-May
20-May
3-Jun
17-Jun
1-Jul
15-Jul
29-Jul
12-Aug
26-Aug
9-Sep
23-Sep
7-Oct
21-Oct
4-Nov
18-Nov
2-Dec
16-Dec
30-Dec
Average*
2025 AOFP Forecast
2025 Actual
*Average is based on last 3 years of unrestricted consumption (2022-2024)

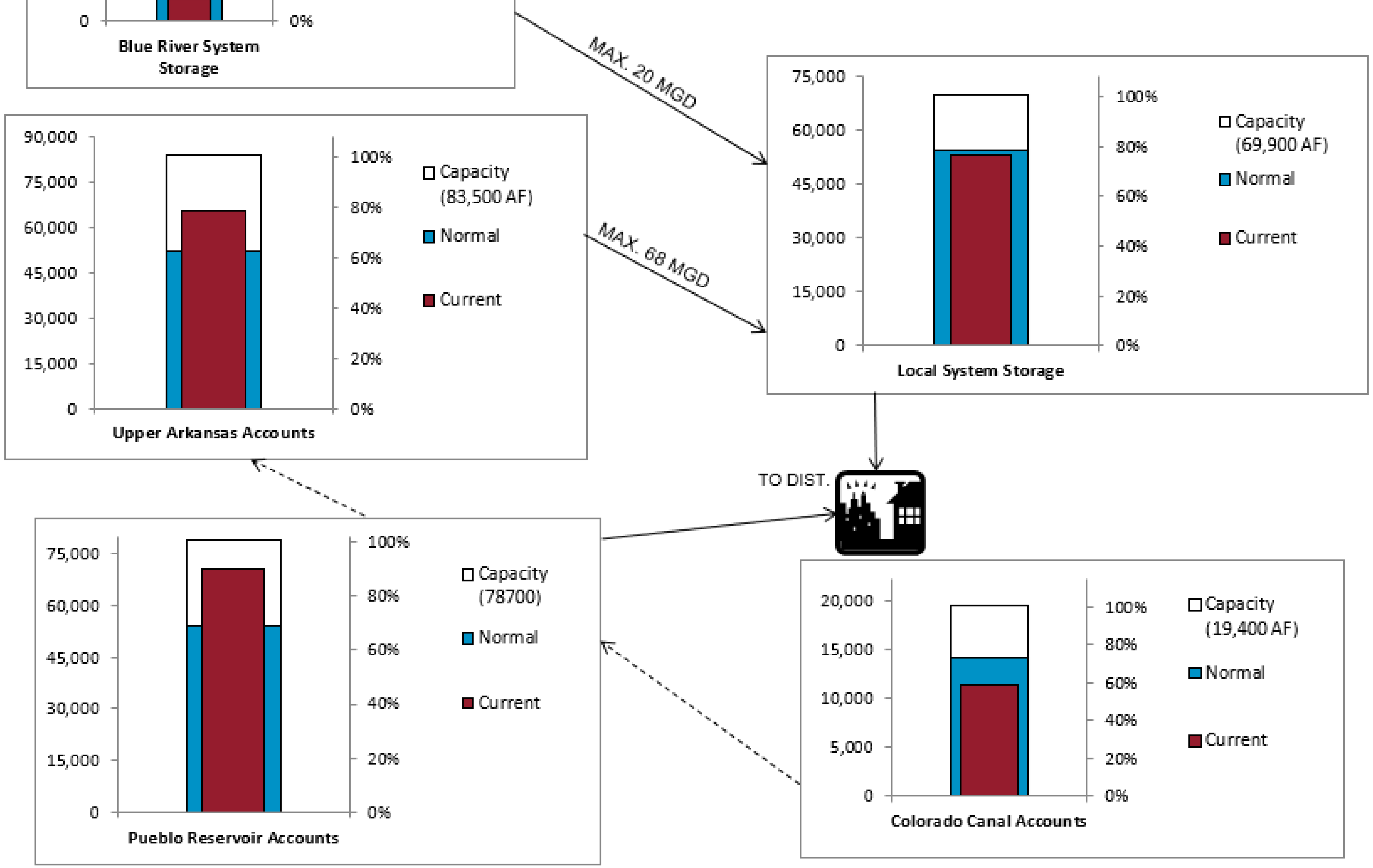
Reservoir Levels

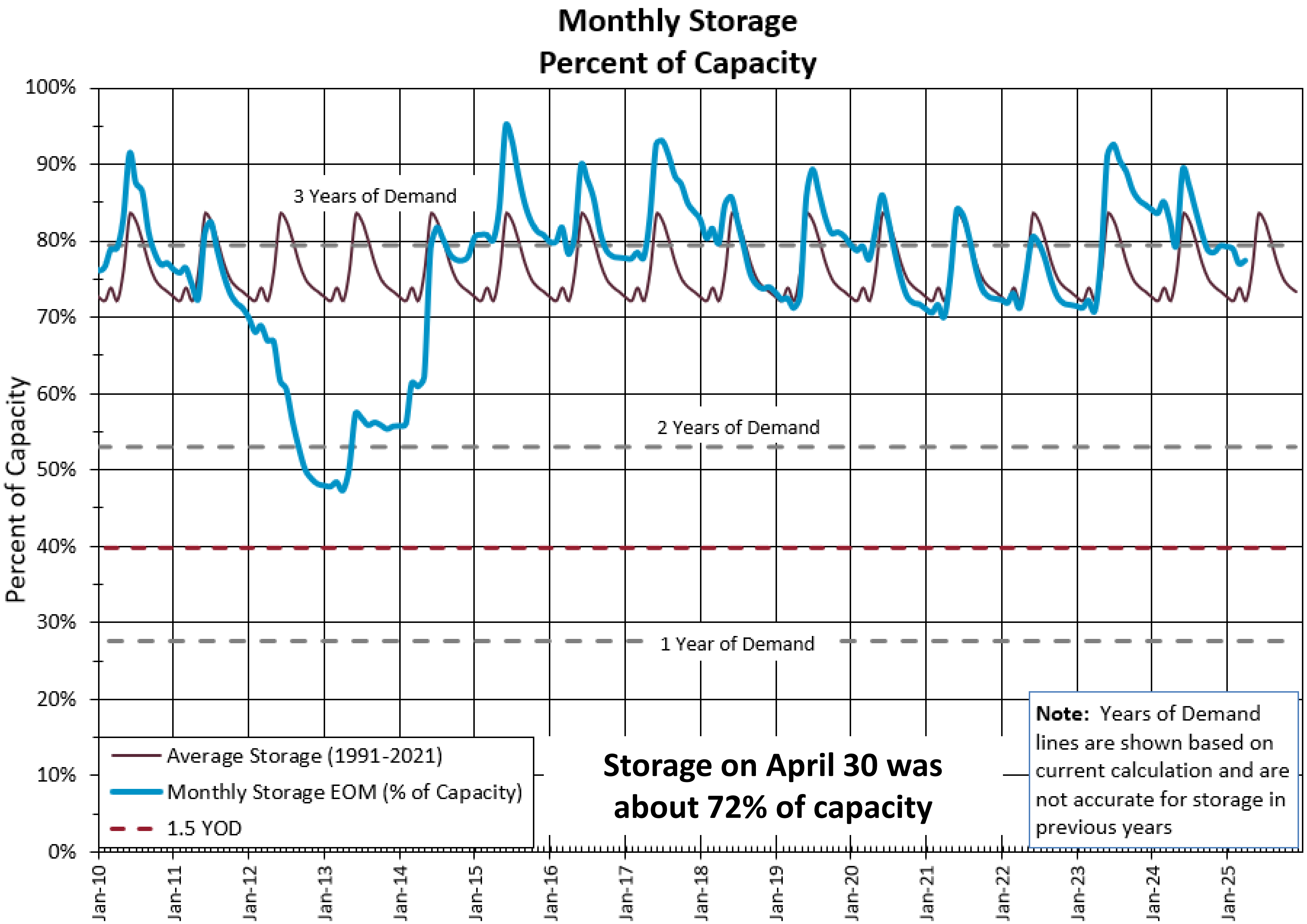
May 18, 2025

- Pikes Peak 62 %
  - 91-20 Avg. 69 %
- Rampart 84 %
  - 91-20 Avg. 89 %
- Local Total 76 %
  - 91-20 Avg. 81 %
- System Total 77 %
  - 91-20 Avg. 74 %

Colorado Springs' System Wide Storage:

May 18, 2025	201,600	af
	77.4	%
2001-2022 avg	175,600	af
	67.5	%
Average YTD Demand	47	MGD





Monthly Storage
Percent of Capacity
100%
90%
80%
70%
60%
50%
40%
30%
20%
10%
0%
Percent of Capacity
3 Years of Demand
2 Years of Demand
1 Year of Demand
Average Storage (1991-2021)
Monthly Storage EOM (% of Capacity)
1.5 YOD
Storage on April 30 was
about 72% of capacity
Note: Years of Demand lines are shown based on current calculation and are not accurate for storage in previous years
Jan-10
Jan-11
Jan-12
Jan-13
Jan-14
Jan-15
Jan-16
Jan-17
Jan-18
Jan-19
Jan-20
Jan-21
Jan-22
Jan-23
Jan-24
Jan-25

Operational Notes

Storage Conditions

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


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