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, August 19, 2026**
**1:00 p.m. – 5:00 p.m.**
**Join the meeting now**
**Dial-in by phone**
+1 719-733-3651,,954422942#
All Utilities Board meetings can also be streamed on SpringsTV.
*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.*

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| **1:00 p.m.** | **1. Call to Order** | Chair Donelson |
| **1:05 p.m.** | **2. Invocation and Pledge of Allegiance** | Chair Donelson |
| **1:10 p.m.** | **3. Consent Agenda**<br>These items will be acted upon as a whole unless a specific item is called for discussion by a Board Member or a customer wishing to address the Utilities Board. (Any items called up for separate consideration shall be acted upon following Compliance Reports.)<br>• **Approval of July 20, 2026, Working Committee meeting minutes**<br>• **Approval of July 22, 2026, Utilities Board meeting minutes** | Chair Donelson |
| **1:15 p.m.** | **4. Recognition** | |
| | • Water Star Award from the Alliance for Water Efficiency | Julia Gallucci, Water Conservation Supervisor<br><br>Scott Winter, Resource Planner IV |
| | • 50-Year PVC Pipe Award from the Uni-Bell PVC Pipe Association | Tara McGowan, Manager of Engineering |
| **1:35 p.m.** | **5. Customer Comments**<br>• During the customer comment period, comments are accepted for any topic not on the agenda.<br>• Comments for specific agenda items will be taken following the presentation of the item and the Board's discussion.<br>• Comments will be limited to three minutes per speaker, per item.<br>• 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 |

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| **1:45 p.m.** | **6. Compliance Reports:**<br>• **I-4 Risk Management (Semi-Annual)** | Travas Deal, Chief Executive Officer |
| | • **ER:1-3 2026 CEO Balanced Scorecard Mid-Year Results**<br>• **CEO/Board Partnership Responsibilities – CEO Responsibilities**<br>1. Electric Cost Adjustment/Gas Cost Adjustment<br>2. Water Outlook | Natalie Watts, Strategic Planning and Governance Manager |
| **2:15 p.m.** | **7. Items Called Off Consent Agenda** | Chair Donelson |
| **2:20 p.m.** | **8. A Resolution Authorizing the Purchase of Las Animas Consolidated Water Sharing Company ("LACWSC") Stock for Pro Rata Water Deliveries from Las Animals Consolidated Canal Company and Consolidated Extension Canal Company Stock Conveyed to the LACWSC by Public Service Company of Colorado; and Authorizing Colorado Springs Utilities to File Water Court Applications for Changes of Water Rights and Appropriative Rights of Exchange**<br><u>Informational presentation</u> on the purchase of shares of the Las Animas Consolidated Water Sharing Company. | Kim Gortz, Water Resources Supply Manager<br><br>Kelly Roesch, Resource Planner IV |
| **2:40 p.m.** | **9. Amendment to City Code Section 12.1.113 to Allow Liens for All Utilities Services**<br><u>Vote</u> to recommend approval of an ordinance amending City Code Section 12.1.113 to allow liens for all Utilities services. | Patrick Malone, Manager of Customer Revenue and Billing<br><br>Hannah Gerardy, Associate Attorney, Office of the City Attorney |
| **3:00 p.m.** | **10. 2026 AB Bond Ordinance**<br><u>Vote</u> to recommend approval of an ordinance authorizing Colorado Springs Utilities to issue Utilities System Improvement Revenue Bonds, Series 2026A and 2026B. | Adam Hegstrom, Treasury and Finance Manager |
| **3:15 p.m.** | **11. 2026-2027 Utilities Build America Bonds (BABs) Refunding Bond Ordinance**<br><u>Vote</u> to recommend approval of an ordinance authorizing Colorado Springs Utilities to refund certain bonds and issue and sell Utilities System Refunding Revenue Bonds, Series [2026C], [2027A] [2027B]. | Adam Hegstrom, Treasury and Finance Manager |
| **3:30 p.m.** | **12. Board Member Updates** | Chair Donelson |
| **3:35 p.m.** | **13. Summary of Board Actions** | Anna Bingman, Utilities Board Administrator |

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| **3:40 p.m.** | **14.** | **Executive Session**<br>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) and (b) and Utilities Board Bylaws Rules 10(c)(1) and (2), the Utilities Board, in Open Session, is to determine whether it will hold a Closed Executive Session on one issue. The issue to be discussed is the 2026 mid-year performance review of the Chief Executive Officer.<br><br>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 |
| **4:40 p.m.** | **15.** | **Adjournment** | Chair Donelson |

**Minutes**
**July 20, 2026**
Rosemont Conference Room or Microsoft Teams

**Call to Order**
Pursuant to the Colorado Open Meetings Law and the City Charter, since three or more members of the Utilities Board may be attending this public meeting, it is noticed and open to the public. Pursuant to the Utilities Board Bylaws, this Committee of the Utilities Board will not accept public comments at this meeting.

Board Chair Dave Donelson called the meeting to order at 9:02 a.m.

Present – Board Chair Dave Donelson, Board Member Ken Casey, Board Member Lynette Crow-Iverson (Online), Board Member Kimberly Gold (online), Board Member Nancy Henjum, Board Member David Leinweber, Board Member Roland Rainey, and Board Vice Chair Brandy Williams (Online)

Absent – Board Member Brian Risley

**Safety Moment: Summer Activities**
Mr. Tristan Gearhart, Chief Planning and Financial Officer, presented the Safety Moment on summer activities. This Safety Moment included information about staying hydrated, sun safety, insect protection, and safe cooking practices.

**Compliance Reports**
**I-8 Asset Protection – Annual City Auditor's Report (Annual External)**
Mr. Gearhart informed the Board that the I-8 Asset Protection annual City Auditor's report was received with no findings.

There were no questions or comments on this item.

**I-3 Financial Planning and Budgeting G-8 (Annual)**
Mr. John Hunter, Manager of Financial Planning and Risk, presented the I-3 Financial Planning and Budgeting G-8 annual report. This presentation covered the six directives under the I-3, with the main directive being to maintain financial stability by maintaining an AA long-term credit rating.

Board Member Henjum asked if interest in the Water Reserve Account goes directly back into the same account. Mr. Gearhart responded that there is a fund for general interest earnings.

Chair Donelson asked Mr. Gearhart to highlight the importance of keeping a high credit rating. Mr. Gearhart explained that keeping a high credit rating allows Colorado Springs Utilities to borrow and spread the repayment over a longer period of time, which has less of an impact on ratepayers.

Board Member Rainey asked if any of the infrastructure included in the five-year rate case included the infrastructure that will replace the Ray Nixon Power Plant. Mr. Travas Deal, Chief Executive

Officer, answered that some of the infrastructure upgrades within the five-year rate case will help with the transition after Nixon is retired, but some projects are being pushed out to make sure there is capital to invest in to prevent outages. Overall, this should mean lower rate pressure for the customers. Fuel costs dropping dramatically within the five-year rate case, which will alleviate rate pressure.

**Electric Cost Adjustment/Gas Cost Adjustment Update**
Mr. Gearhart provided the Electric Cost Adjustment (ECA) and Gas Cost Adjustment (GCA) update. In this update, Mr. Gearhart detailed the natural gas prices as of June 1, 2026, and the ECA and GCA predictions.

Board Member Henjum noted that Mr. Gearhart had said there is a gas prepayment agreement in place where, at times, Colorado Springs Utilities can be paid to take gas. She asked what would happen in this situation if there was not capacity to take the gas. Mr. Gearhart answered that the lowest priced gas would be prioritized to move through the system first, or the gas is sold.

Board Member Rainey asked for the status of the Tallgrass pipeline. Mr. Deal responded that construction is still on track.

**2027 Budget Overview**
Mr. Hunter provided the 2027 budget overview. This presentation included the proposed 2027 budget, the proposed 2027 through 2029 forecast, the funding 2027 appropriation, the 2027 through 2029 funding appropriation, and finally, next steps.

Mr. Deal mentioned that if a data center were to come online, that could change the surplus payments back to the City. However, he stated that consideration of the data center at this time should be directed more to land use and compatibility. Board Member Henjum asked if Mr. Deal was saying that financial impacts should not be considered in the decision to permit a data center.

Ms. Renee Congdon, Utilities Division Chief for the City Attorney’s Office, clarified that Mr. Deal’s statement about a data center is not specific to a certain project, but large load users overall, but in the upcoming decision about a potential data center, then the project needs to be evaluated based on the development plan and the criteria to meet that plan. Mr. Gearhart added that surplus payments made to the City are volumetric based and are based on how many kilowatt hours of electricity are sold inside the City limits. If a data center were to come online, this would increase that surplus payment.

Chair Donelson requested to see the latest information on how Colorado Springs Utilities’ rates compare to other cities along the Front Range. Mr. Gearhart said he could provide this information to Chair Donelson. Board Member Henjum asked if it would be possible to benchmark our rates against income growth in the City, as well.

Board Member Crow-Iverson commented that Xcel Energy recently switched to time-of-day rates as well and said her bill for her cabin in the mountains reduced by $30 or $40. She commented that many of her neighbors were able to shift their use fairly easily.

**2026 Plan of Finance Update**
Mr. Adam Hegstrom, Manager of Treasury and Finance, presented the Board with the 2026 Plan of

Finance update. This update included the Plan of Finance overview, new money debt issuance: 2026As, new money debt issuance, potential Build America Bonds (BABs) refunding, liquidity renewal, industry and investor relationships, and finally the debt issuance working timetable.

Board Member Henjum asked Mr. Hegstrom when issuance numbers are firmed up. Mr. Hegstrom explained the debt issuance cycle and that these numbers are usually refined through the budget process, which is usually later in the fall. Board Member Henjum then asked if Colorado Springs Utilities is required to provide specifics on project when asking for bond issuances. Mr. Hegstrom answered that during disclosure, some specifics are provided, however, these disclosures aren't typically down to the exact dollar. Board Member Henjum asked if the shift related to the future closure of the Ray Nixon Power Plant is affecting the anticipated capital spend. Mr. Hegstrom responded that it may have minor impacts on timing.

Board Member Leinweber asked if this meant there was no current consideration of nuclear power in the ask for these bonds, or at least not in the current ask. Mr. Hegstrom said staff are paying attention to the nuclear discussion, and if and when that time comes, that piece of the puzzle would be layered on top of the regular ask. Mr. Deal added that Colorado Springs Utilities is going through the Request for Proposal (RFP) process to add 350 megawatts of renewable energy, which is included in this request.

Chair Donelson asked if data centers are a big part of the demand for credit. Mr. Hegstrom responded yes, especially in the public power world.

Board Member Henjum asked what contingencies are in place given some of the volatility in the market. Mr. Hegstrom answered that flexibility in these issuances is something Colorado Springs Utilities likes to maintain. There are timetables that offer different opportunity zones where we will be ready to issue but not necessarily have to if the timing isn't right. The other main contingency is the investment in our credit rating and making sure that our mission is communicated effectively.

Chair Donelson noted that Mr. Hegstrom had said some of the bonds we currently have are the Build America Back bonds, but if it is advantageous, Colorado Springs Utilities would like to get out of those bonds. Chair Donelson asked for clarification on what would be considered advantageous. Mr. Hegstrom said it would be risk-dependent, and though it may not save money, it would alleviate a lot of the risk.

Board Member Henjum asked which projects provide the greatest amount of swing or risk to a bank's perspective. Mr. Hegstrom answered that technically the banks are not taking on the risk, the investors are. If there is a market disruption, they may take some bonds into their own inventory. However, the more attractive our bonds look to the market, the easier it is for the banks. Next, Board Member Henjum asked how Bank of America was selected as the senior manager. Mr. Hegstrom explained the process, which includes meeting throughout the year as the Plan of Finance is developed, and then there is an RFP process where Colorado Springs Utilities asks for proposals and pitches that are rated based on criteria. Board Member Henjum asked if it was worth it to have two credit ratings, or three. Mr. Hegstrom responded that having three ratings used to be the standard until around 2020, when the decision was made to move to two ratings. The third rating, Fitch Ratings, is objective ratings that the market considers the least, and it was not cost effective to continue pursuing these ratings.

Board Member Rainey said that Mr. Hegstrom had mentioned potentially needing an ordinance, but on the timetable slide, there is a first reading at City Council, and asked for clarification. Mr. Hegstrom said one ordinance would be for reissuance and one is just for our staff to go out for bonds.

**Amendment to City Code to Allow Liens for All Utility Services**
Mr. Patrick Malone, Manager of Customer Revenue and Billing, and Ms. Hannah Gerardy, Associate Attorney with the Office of the City Attorney, presented the Board with the amendment to City Code to allow liens for all Utility services. This presentation included the definition of liens and lien proposal, the rationale behind the change, and the legality of the change, along with next steps.

Board Member Casey asked how a lien on a property would help recover the cost of unpaid utilities if the property was being leased by a business, so as not to punish the property owner but the person consuming the electricity. Mr. Malone said the lien is on the property owner, who would hopefully have a contract with the lessee, and then could take action against the lessee. However, Mr. Malone added that this hypothetical scenario has not occurred. This would likely not affect residential owners, just commercial owners.

Vice Chair Williams asked if there is a way to notify the property owner if their tenant is delinquent in payment. Mr. Malone confirmed that this is currently part of the standard collections process before disconnecting.

Chair Donelson asked for confirmation that this is not going to impact single family homeowners. Mr. Malone confirmed this. Board Member Rainey added that the communication around this needs to be very clear so an average resident does not think this could affect them. Chair Donelson asked Mr. Malone to make this very clear in next month’s presentation of this item at the Utilities Board meeting.

**Adjournment**
Chair Donelson adjourned the meeting at 10:54 a.m.

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

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

1. **Call to Order**

Chair Dave Donelson called the meeting to order at 1:00 p.m.

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

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

Absent – Board Member Kimberly Gold

2. **Invocation and Pledge of Allegiance**

Father Sean McCann with Corpus Christi Church offered the invocation, and Chair Donelson led the Pledge of Allegiance.

3. **Executive Session**

Ms. Renee Congdon, Utilities Division Chief for the Office of the City Attorney, read the meeting into Closed Executive Session.

The Utilities Board unanimously approved the motion to go into Closed Executive Session.

The Utilities Board took a five-minute break at 1:09 p.m. to prepare the room.

The Regular Utilities Board Meeting came back into regular session at 2:38 p.m.

4. **Consent Agenda**
   - **Approval of the June 15, 2026, Working Committee meeting minutes**
   - **Approval of the June 17, 2026, Utilities Board Meeting minutes**
   - **Resolution of Support of Somer Mese for Appointment to the Southeastern Colorado Water Conservancy District Board of Directors**

Board Member Crow-Iverson made a motion to approve the items on the Consent Agenda. Board Member Risley seconded the motion. The motion to approve the Consent Agenda passed unanimously.

5. **Recognition**

- **A Resolution Honoring the Life and Service of Keith Ainsworth to the Customers of Colorado Springs Utilities**

  Ms. Somer Mese, Chief Operations Officer, informed the Board that Mr. Keith Ainsworth, a Colorado Springs Utilities employee, had passed away on July 5, 2026. Ms. Mese read a resolution recognizing the 12 years of service that Mr. Ainsworth dedicated to the organization as a valued member of the Field Equipment team.

  Chair Donelson recognized Mr. Ainsworth for his service to the customers of Colorado Springs Utilities, and that his work within the organization helped to provide reliable service to our community, which many take for granted.

  Mr. Travas Deal, Chief Executive Officer, commented on Mr. Ainsworth's honorable work ethic, especially in the care of watersheds. Mr. Deal said this loss is very impactful to the organization, and Mr. Ainsworth has left a lasting legacy.

  Board Member Henjum motioned to approve the Resolution Honoring the Life and Service of Keith Ainsworth to the Customers of Colorado Springs Utilities. Board Member Leinweber seconded the motion. The motion carried unanimously.

- **2026 Garden of Excellence Award from the American public Gardens Association**

  Ms. Julia Gallucci, Water Conservation Supervisor, informed the Board that Colorado Springs Utilities has received the American Public Garden Association's 2026 Garden Excellence Award for the Water Wise Demonstration Garden. A video was played for the Board that highlighted the garden's impact through free programs, ecological stewardship, horticultural artistry, and civic responsibility. In receiving this award, the Water Wise Demonstration Garden joins past winners of the award, including the Denver Botanic Garden, the Chicago Botanic Garden, and the San Diego Zoo.

  Mr. Deal thanked the Water Conservation Team for their continued efforts to keep the garden beautiful while also educating the community on water conservation efforts and native plants.

  Board Member Leinweber said that one of his favorite charts in each month's Water Outlook is the one that depicts the growing population of Colorado Springs while also maintaining an almost flat line of water usage, thanks to the conservation of customers. He said this garden is a testament to that effort and helps shift the mindset that a beautiful space requires water heavy planting.

  Board Member Henjum thanked the team for their efforts and congratulated them on this award. She asked the team to expand upon how they are working in partnership with Mr. Alex Crochet, City Horticulturist, to do a Water Wise pilot project. Ms. Lisa Pace, Conservation Lead, described the Water Wise pilot project, which provided 65 water-wise plant packs to residential and commercial customers to help them transform high-water turf grass to low-water alternatives. This included more than 3,000 plants given to customers for free.

Vice Chair Williams congratulated the team on their award and noted that most of the previous winners probably were not water-wise focused gardens, which truly makes this achievement even more special.

- **A Resolution Recognizing Dave Padgett for His Service to the Customers of Colorado Springs Utilities**

Mr. Nicholas Peters, Chief System Planning and Projects Manager, informed the Board that Mr. Dave Padgett, General Manager of Projects and Programs, would be retiring on July 31, 2026, after 41 years of service to Colorado Springs Utilities. Mr. Peters noted Mr. Padgett's exceptional service and his many accomplishments. Chair Donelson read a resolution recognizing Mr. Padgett for his service.

Mr. Deal thanked Mr. Padgett, stating that he had been a great friend and a historian for Colorado Springs Utilities. Mr. Deal noted that Mr. Padgett had always been honest and transparent about ideas and initiatives both that worked well or didn't. Mr. Deal said Mr. Padgett had been a great help to him as he transitioned into the role of CEO and was grateful for his support.

Mr. Padgett thanked the Board and staff for this resolution and reflected on his time working at Colorado Springs Utilities. He said he was honored to receive this recognition and said he felt very confident in the future of the organization under its leadership.

Vice Chair Williams thanked Mr. Padgett for his service, and for always being honest. She said she and Mr. Padgett had many wonderful conversations over the years and wished him well in retirement.

Board Member Crow-Iverson thanked Mr. Padgett for his service, and said she hoped he would enjoy every moment of retirement.

Chair Donelson said he had enjoyed working with Mr. Padgett and his calm nature in response to issues that citizens were very concerned about over the years. He said Mr. Padgett always looked for a solution, which was something he appreciated.

Vice Chair Williams motioned to approve the Resolution Recognizing Dave Padgett for His Service to the Customers of Colorado Springs Utilities. Board Member Leinweber seconded the motion. The motion carried unanimously.

6. **Customer Comments**

Mr. Joe Petsche, a Colorado Springs Utilities customer, asked the Board to encourage Colorado Springs Utilities staff to reconsider their opt-out of the use of graywater. Mr. Petsche listed what he believed to be the benefits of graywater reusage and said he has been meeting with other interested customers in the ability to reuse graywater.

7. **Compliance Reports:**

- **I-8 Asset Protection – Annual City Auditor's Report (Annual External)**
- **I-3 Financial Planning and Budgeting G-8**
- **E-2 CEO/Board Partnership Responsibilities – Electric Cost Adjustment/Gas Cost Adjustment**
- **E-2 CEO/Board Partnership Responsibilities – Water Outlook**

There were no presentations on these items.

8. **Items Called Off Consent Agenda**

No items were called off consent.

9. **Nuclear Energy Institute and Colorado Springs Utilities Future Engagements**

Mr. Marcus Nohl, Vice President of Nuclear Development and Fuel Cycle for the Nuclear Energy Institute, provided the Board with a presentation on the Nuclear Energy Institute (NEI) and future engagements with Colorado Springs Utilities. This presentation included types of advanced reactors, system benefits of advanced nuclear energy, the lowest system cost achieved by enabling large scale nuclear deployment, federal legislation for nuclear energy, examples of 2026 state actions, state options to support advanced nuclear, large customers already using nuclear, reactor restarts, and U.S. new nuclear deployment plans.

Board Member Henjum asked if any of the projects represented on the map slide are Small Modular Reactors (SMRs). Mr. Nohl responded that almost all of them are, then explained the size difference between SMRs and Micro Modular Reactors. Board Member Henjum asked where the location of the proposed nuclear project in Colorado is. Mr. Deal stated that this was proposed for Buckley Air Force Base in Denver, Colorado. Board Member Henjum asked when this project would go live at Buckley. Mr. Nohl responded that he believed the goal was before 2030. Board Member Henjum informed Mr. Nohl that Colorado Springs Utilities will have to retire the Ray Nixon Power Plant by the end of 2032 and asked if there is a queue for waiting for a product or being able to have something available to implement. Mr. Nohl responded that there is a queue, but there will be constraints on the supply chain and workforce. He stated, as an industry, NEI is helping to develop the supply chain.

Board Member Leinweber asked Mr. Nohl to speak to some of the nuclear plants that were going to be decommissioned due to license renewal, and how that decision was reversed. Mr. Nohl used a nuclear plant in California as an example, stating that during the decision to potentially decommission the plant, there was a lot of public support to keep the plant due to its clean generation. The State of California reversed the decision and decided to keep the plant operating, demonstrating that the discourse around nuclear has changed from past views.

**10. The Acquisition of Real Property at 37433 County Road 371 in Buena Vista, Colorado to be used for the Homestake Water Project**

Ms. Jessica Davis, Manager of Facility and Land Resource Services, presented the Board with an acquisition of property that will be used for the Homestake Water Project. This presentation included information on the Portable Homestake Water Project, reasons to purchase the property, the vicinity map, property information, and next steps.

Board Member Henjum made the motion to move to recommend approval of a resolution authorizing the acquisition of certain real property with a total acquisition amount greater than $100,000 for the Rio Grande Pump Station Relocation Project pursuant to City Real Estate Manual sections 4.1 and 9.6 to the August 11, 2026, Regular City Council Meeting. Board Member Casey seconded the motion. The motion carried unanimously. The Board agreed to put this item on the Consent Agenda.

**11. A Resolution Authorizing Colorado Springs Utilities to Apply for a Workers' Compensation Self-Insurance Permit and a Certificate of Self-Insurance for Automobile Insurance**

Mr. John Hunter, Financial Planning and Risk Manager, presented the Board with the Resolution Authorizing Colorado Springs Utilities to Apply for a Workers' Compensation Self-Insurance Permit and a Certificate of Self-Insure for Automobile Insurance.

Board Member Rainey asked if there were any concerns from the City of Colorado Springs about this change. Mr. Hunter responded not with this resolution, which is just something the State needs with the permits that Colorado Springs Utilities is seeking.

Board Member Henjum asked if there was a cost-benefit analysis that led to this decision. Mr. Hunter responded that this would save Colorado Springs Utilities a few hundred thousand dollars a year.

Board Member Rainey made the motion to approve the Resolution Authorizing Self-Insurance pursuant to C.R.S. Sections 8-40-101 and 10-4-625. Board Member Henjum seconded the motion. The motion carried unanimously.

**12. Regional Wastewater Service Agreement with Garden Valley Water and Sanitation District**

Mr. Greg Luchka, Principal Account Manager, and Ms. Sara Yakuba, Environmental Coordinator, presented the Board with a regional wastewater service agreement with the Garden Valley Water and Sanitation District. This presentation included the service agreement, Board Policy I-7 and City Code 12.5.304.C, terms and conditions of the agreement, the rate and revenue, and next steps.

Board Member Henjum asked where this neighborhood currently gets its water. Ms. Yakuba answered that the water is obtained through 11 private wells and is groundwater. Board Member Henjum asked how this water will move through the disposal system. Ms. Yakuba responded that it would move through Colorado Springs Utilities' collection system through the Las Vegas Wastewater Treatment Plant, then be released into Fountain Creek.

Board Member Rainey made the motion to recommend approval of a Regional Wastewater Service Agreement with Garden Valley Water and Sanitation District, pursuant to City Code Sections 12.1.116 and 12.5.304 to be placed on the August 11, 2026, Regular City Council Meeting agenda on Consent.

**13. Board Member Updates**

Board Member Casey said he was looking forward to the upcoming Water Tour.

Board Member Leinweber also stated he was looking forward to the Water Tour.

Board Member Crow-Iverson echoed the previous statements about attending the Water Tour.

Vice Chair Williams is also attending the Water Tour and is looking forward to learning more about Colorado Springs Utilities' water infrastructure.

Chair Donelson thanked Colorado Springs Utilities for continuing to provide exceptional service to their customers.

**14. Summary of Board Actions**

Ms. Bingman provided a summary of Board Actions:

- Approved the June 15, 2026, Working Committee meeting minutes.
- Approved the June 17, 2026, Utilities Board meeting minutes.
- Approved a resolution of support of Somer Mese for Appointment to the Southeastern Colorado Water Conservancy District Board of Directors.
- Approved a resolution honoring the life and service of Keith Ainsworth to the Customers of Colorado Springs Utilities.
- Approved a Resolution Recognizing Dave Padgett for His Service to the Customers of Colorado Springs Utilities.
- Recommended approval of a resolution authorizing the acquisition of certain real property with a purchase price in excess of $100,000, in accordance with the City Real Estate Manual sections 4.1 and 9.6. to be placed on the agenda on the August 11, 2026, Regular City Council meeting on Consent.
- Approved the resolution authorizing self-insurance pursuant to Colorado Revised Statute sections 8-40-101, and 10-4-624.
- Recommended approval of a Regional Wastewater Service Agreement with Garden Valley Water and Sanitation District pursuant to City Code sections 12.1.116 and

12.5.304. to be placed on the August 11, 2026, Regular City Council meeting on Consent.

**15. Adjournment**

Chair Donelson adjourned the meeting at 4:13 p.m.

# Board Memo Agenda Item
## Staff Report

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| **Date:**<br>(Date of Utilities Board Meeting) | August 19, 2026 |
| **To:** | Utilities Board |
| **From:** | Travas Deal, Chief Executive Officer |
| **Subject:** | 2026 AWE Water Star Award, Scott Winter |
| **NARRATIVE:** | |
| **Desired Action:**<br>Choose only one | ☐ Approval<br>☐ Discussion<br>☒ Information |
| **Executive Summary:** | The Alliance for Water Efficiency Water Star Award recognizes individual excellence in water efficiency and honors professionals whose dedication, leadership, and passion have made a meaningful impact on water conservation and sustainability. Scott Winter has received this award for his exceptional contributions over more than 22 years at Colorado Springs Utilities, where he has helped shape the future of water conservation through innovation, research, and leadership. His accomplishments include authoring three Water Efficiency Plans that established a data-driven framework for conservation, pioneering the utility's Water Loss Control Program, developing advanced water demand forecasting models used for long-term planning, and leading a groundbreaking 50-year conservation potential study. He also helped advance water-efficient landscape practices across Colorado through his early advocacy of native grasses, played a key role in developing conservation-focused water rates, contributed to state and national water policy initiatives, and mentored countless professionals in the field. Through these achievements, Scott has significantly advanced water efficiency practices and helped ensure a more sustainable water future for Colorado and beyond. |
| **Benefits:** | The Alliance for Water Efficiency (AWE) Water Star Award is one of the water industry's highest individual honors. For Colorado Springs Utilities, Scott Winter's receipt of this national award brings valuable recognition to the organization and highlights its long-standing commitment to innovative water management. The award showcases Scott as a leader in conservation planning, water loss control, demand forecasting, sustainable landscaping, and efficiency-based water resource management— which Scott helped develop and champion over his 22-year career. |
| **Board Policy:**<br>If this impacts one of the board policies, indicate that here. | n/a |
| **Cost / Budget:**<br>Include the projected cost or budget here. | n/a |

<table>
<tr><td colspan="2">Affected Parties:<br>This could include community groups, specific City Council Districts, other utilities, nonprofit organizations, certain neighborhoods, Colorado Springs Utilities employees, etc.</td><td colspan="3">Scott's work directly benefits customers by helping Colorado Springs Utilities deliver reliable, sustainable, and cost-effective water service. His efforts in conservation planning, water loss reduction, demand forecasting, and innovative efficiency programs help preserve water resources, control long-term costs, and provide customers with practical tools to use water more efficiently while supporting a resilient community.</td></tr>
<tr><td colspan="2">Alternatives:</td><td colspan="3">n/a</td></tr>
<tr><td>Submitter:</td><td colspan="2">Abby Ortega</td><td>Email Address:</td><td>ajortega@csu.org</td></tr>
<tr><td>Division:</td><td colspan="2">Systems Planning and Projects</td><td>Phone Number:</td><td>719-668-8748</td></tr>
<tr><td>Department:</td><td colspan="2">Infrastructure and Resource Planning</td><td>Date Submitted:</td><td>08/03/2026</td></tr>
<tr><td colspan="2">SPG Staff Use Only:</td><td>Consent Calendar ☐ Yes ☒ No</td><td colspan="2">Item Number 05a</td></tr>
<tr><td colspan="5">ITEMS SUBMITTED AFTER THE DEADLINE WILL BE POSTPONED UNTIL THE NEXT UTILITIES BOARD MEETING</td></tr>
</table>

# Board Memo Agenda Item
## Staff Report

| | |
|---|---|
| **Date:**<br>(Date of Utilities Board Meeting) | August 19, 2026 |
| **To:** | Utilities Board |
| **From:** | Travas Deal, Chief Executive Officer |
| **Subject:** | 50 Year PVC Award |
| **NARRATIVE:** | |
| **Desired Action:**<br>Choose only one | ☐ Approval<br>☐ Discussion<br>☒ Information |
| **Executive Summary:** | We recently received the newly established 50-Year PVC Pipe Award from the Uni-Bell PVC Pipe Association (PVCPA), recognizing more than five decades of successful use of PVC water pipe in our water distribution system. The award honors utilities across North America that have used PVC water mains for 50 years or longer and highlights the long-term performance of critical underground infrastructure.<br><br>The award reflects decades of planning, engineering expertise and maintenance practices that help ensure reliable water service for our community. We began using PVC water pipe in 1972 and still have portions of that early infrastructure in service today. During the award review process, engineers identified projects and records showing PVC pipe installed in the early 1970s that continue to serve customers more than 50 years later. |
| **Benefits:** | The use of PVC has provided cost savings in both capital and operation and maintenance expenditures |
| **Board Policy:**<br>If this impacts one of the board policies, indicate that here. | N/A |
| **Cost / Budget:**<br>Include the projected cost or budget here. | N/A |
| **Affected Parties:**<br>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 McGowan | Email Address: | tmcgowan@csu.org |
| **Division:** | System Planning & Projects Division | Phone Number: | 719-491-2717 |
| **Department:** | Engineering Design Department | Date Submitted: | 8/4/2026 |

| SPG Staff Use Only: | Consent Calendar ☐ Yes ☐ No | Item Number 05b |
|---|---|---|

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:** | August 19, 2026 |
| **To:** | Utilities Board |
| **From:** | Travas Deal, Chief Executive Officer |
| **Subject:** | **Excellence in Governance Monitoring Report**<br>**Risk Management (I-4)** |
| **Desired Action:** | Monitoring |
| **Compliance:** | The CEO reports compliance with the instructions. |

| INSTRUCTIONS | | | |
|---|---|---|---|
| Category: | **Utilities Board Instructions to the Chief Executive Officer** | Reporting Timeframe: | **January 1, 2026 – June 30, 2026** |
| Policy Title (Number): | **Risk Management (I-4)** | Reviewing Committee: | **Working Committee** |
| Monitoring Type: | **Internal and City Auditor** | Monitoring Frequency: | **Semi-Annual and Annual** |

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

1. *Maintain a Risk Management Committee to identify, measure, monitor, manage and report risk on an enterprise-wide basis.*

   A Risk Management Committee (RMC) was maintained with a structure and procedures specified in the Enterprise Risk Management (ERM) Plan. RMC meetings were restructured to capture a top-down approach to risk management. Elements at each scheduled RMC meeting included:

   - Enterprise risk registry – A tracking tool is used to identify, measure, monitor, and report on risks. This tracking tool incorporates elements of the Financial Risk Report, which monitors energy and interest rate market risks and various financial risks.
   - Special topic review – Reporting of current projects and their efforts to manage and/or mitigate identified risks and special topics.

2. *Operate under and maintain a written Enterprise Risk Management (ERM) Plan and its required plans listed below that each include management level approval, detailed procedures, internal controls and reporting requirements, and external audits.*

   The Enterprise Risk Management (ERM) Plan was maintained and is currently approved. Due to the continuous evaluation of business needs of Colorado Springs Utilities, the ERM Plan was revised to better align with the risks the organization is, and will be, facing. This plan has been revised to incorporate appropriate policies and procedures in alignment with joining the Southwest Power Pool.

   The current ERM Plan ensured risks were identified, measured, monitored, managed, and reported for each of the five risk categories.

   *A. Energy Risk Management Plan - establishes procedures for limiting organizational exposure to price volatility and supports the acquisition or sale of energy that does not unreasonably jeopardize the ability to meet customer needs.*

   The Energy Risk Management Plan was revised and remains current, with updates to address the exposure introduced by participation in the Southwest Power Pool Integrated Market. Further updates to delegated authority, credit, and hedging governance are under review. The Plan continues to govern identification and reporting of energy commodity risks to operational groups and executive management, along with the controls supporting trade and settlement activities in these markets.

   *B. Investment Plan - establishes investment scope, objectives, delegation of authority, standards of prudence, eligible investments and transactions, risk tolerance and safekeeping and custodial procedures for the investment of all funds.*

   The Investment Plan was maintained and remains current. Compliance was met by the handling of cash management investments with clear delegation of authorities as defined by the plan and adherence to Colorado state law regarding municipal investments.

   *C. Financial Risk Management Plan - establishes objectives and procedures for minimizing risk to support responsible compliance.*

   The Financial Risk Management Plan was maintained and remains current. Compliance was met by monitoring, managing, and reporting of the portfolio of financial derivatives and associated counterparties and the enterprise exposure to interest rate risk. During the first half of 2026, Colorado Springs Utilities did not enter any financial derivative transactions which are governed by the plan.

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**Date:** August 19, 2026

**To:** Utilities Board

**From:** Travas Deal, Chief Executive Officer

**Subject:** **Excellence in Governance - Utilities Board Expected Results (ER: 1-3) Mid-year 2026**

**Desired Action:** Monitoring

**Compliance:** 4.00 = Exceeds Expectations

| EXPECTATIONS | | | |
|---|---|---|---|
| Category: | **Utilities Board/Chief Executive Officer Partnership Expectations** | Reporting Timeframe: | **As of June 30, 2026** |
| Policy Title (Number): | **Utilities Board Expected Results Balanced Scorecard (ER: 1-3)** | Reviewing Committee: | **Working Committee** |
| Monitoring Type: | **Internal** | | |
| Monitoring Frequency: | **Semi-annually** | | |

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

The overall rating for mid-year 2026 is 4.00 = Exceeds Expectations

The overall rating is based on the scale below.

| Rating Scale | | | | |
|---|---|---|---|---|
| **1 Does Not Meet Expectations** | **2 Partially Meets Expectations** | **3 Meets Expectations** | **4 Exceeds Expectations** | **5 Far Exceeds Expectations** |
| **<2.00** | **2.00 - 2.99** | **3.00 - 3.74** | **3.75 - 4.49** | **>4.49** |

The mid-year 2026 Board Expected Results rating is derived from evaluation of performance measures in the enterprise scorecard as outlined below.

5

# C1a Electric System Average Interruption Duration Index (SAIDI)

Performance Measure Status: Far Exceeds Expectations

MEASURE DESCRIPTION

**Strategic Objective Supported:** Operational Excellence

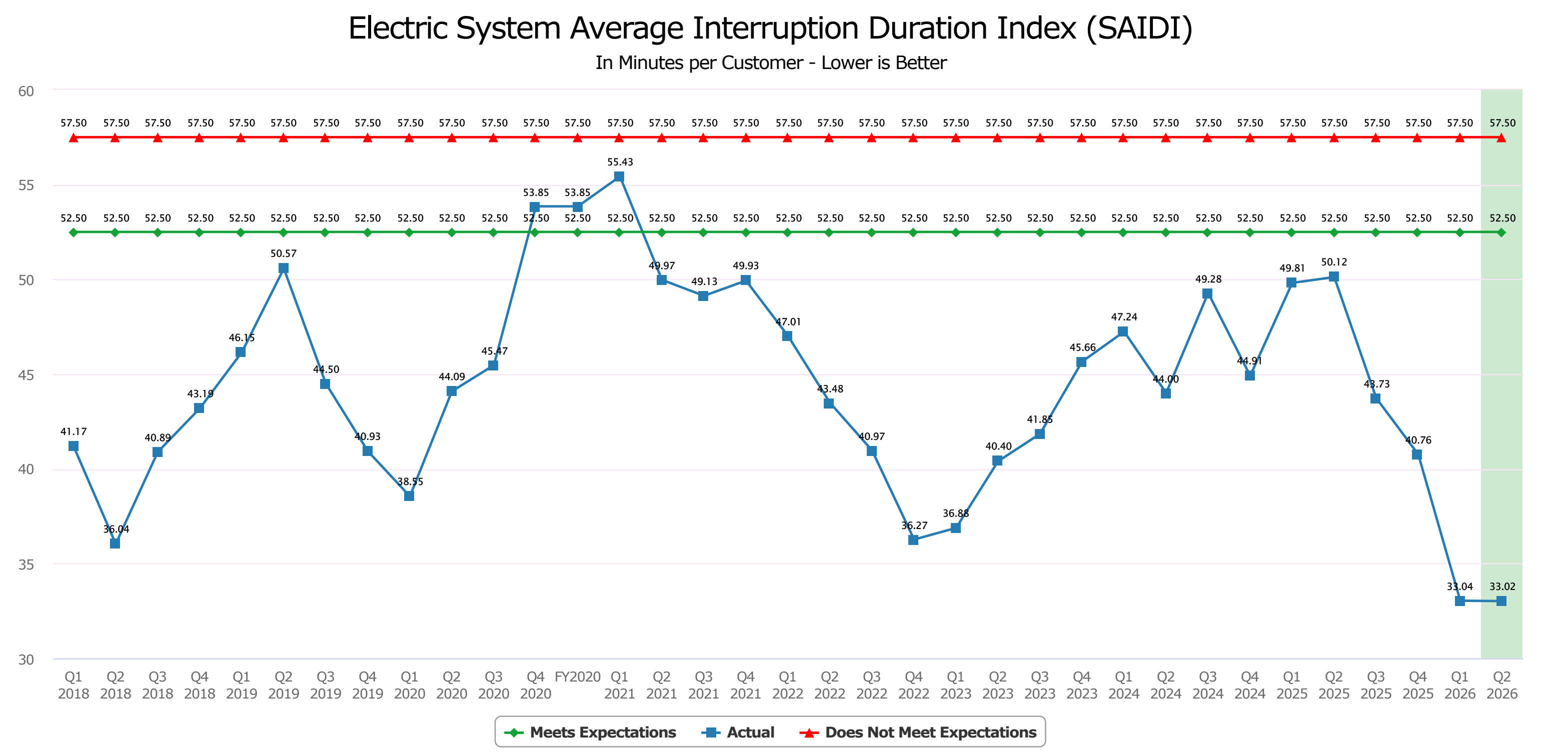
**Reported as:** 12 month rolling average

**Target range:** 52.50 – 47.51 (minutes interruption per customer per year)

MEASURE PERFORMANCE

The mid-year 2026 result is 33.02 minutes.

TREND CHART




PERFORMANCE ANALYSIS

- There were 270 sustained outages in the second quarter of 2026.
- There were 950 sustained outages from July 2025 through June 2026.
- There were no Major Event Days (MED) during this period.
- According to the 2025 Institute of Electrical and Electronics Engineers (IEEE) Reliability Benchmark Survey (2024 data), Colorado Springs Utilities ranked fifth out of 73 survey participants for Electric SAIDI performance.

C1b Failures per 100 Miles of Natural Gas Pipe
Performance Measure Status: Exceeds Expectations

MEASURE DESCRIPTION

**Strategic Objective Supported:** Operational Excellence

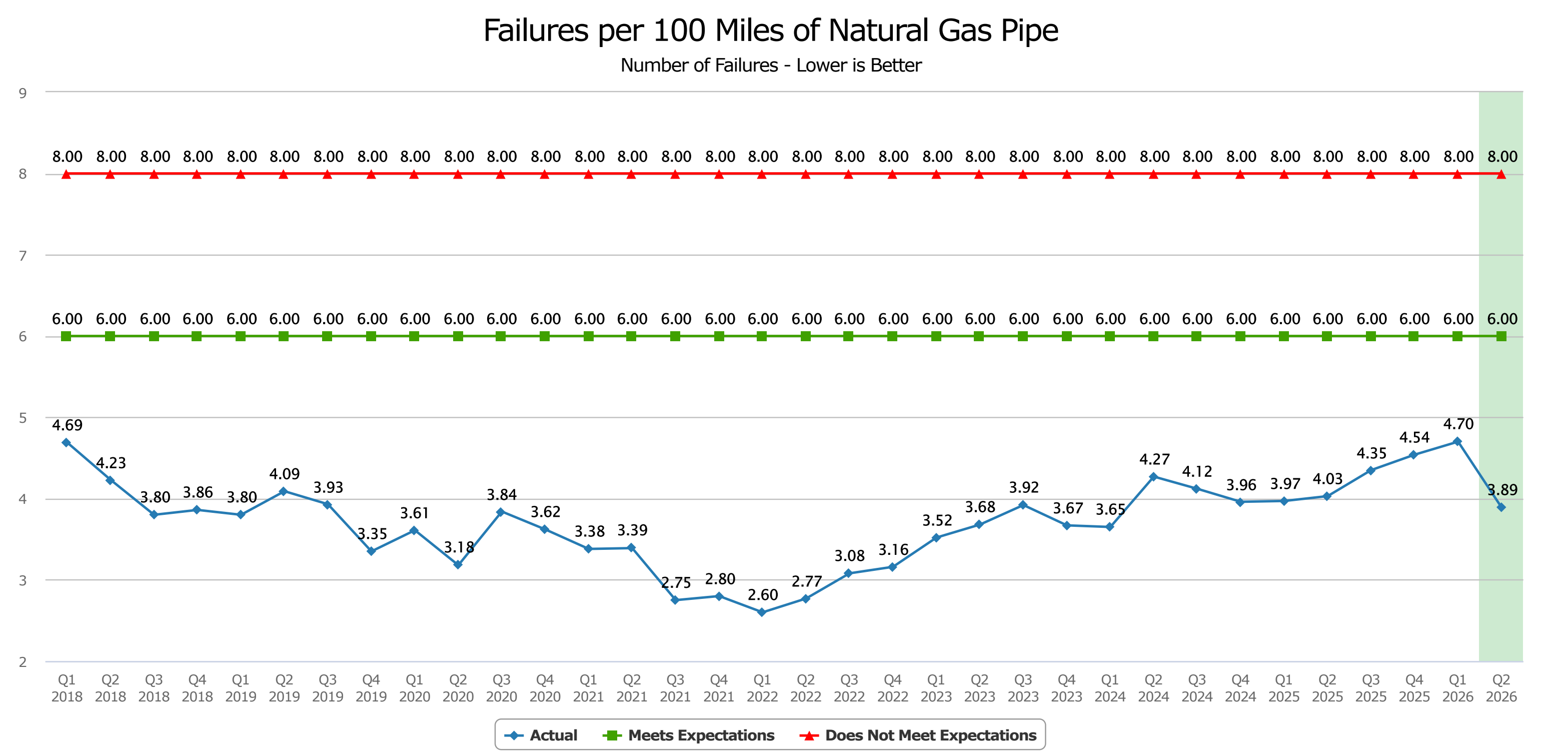
**Reported as:** 12 month rolling average

**Target range:** 6.00 – 4.00 (failure per 100 miles of pipe)

MEASURE PERFORMANCE

The mid-year 2026 result is 3.89 failures per 100 miles of pipe.

TREND CHART




PERFORMANCE ANALYSIS

- There were 225 failures on the 5,790 miles of gas pipe from July 2025 through June 2026.
- 225/57.90 = 3.89 = Exceeds Expectations

5

# C1c Failures per 100 Miles of Water Pipe

Performance Measure Status: Far Exceeds Expectations

MEASURE DESCRIPTION

**Strategic Objective Supported:** Operational Excellence

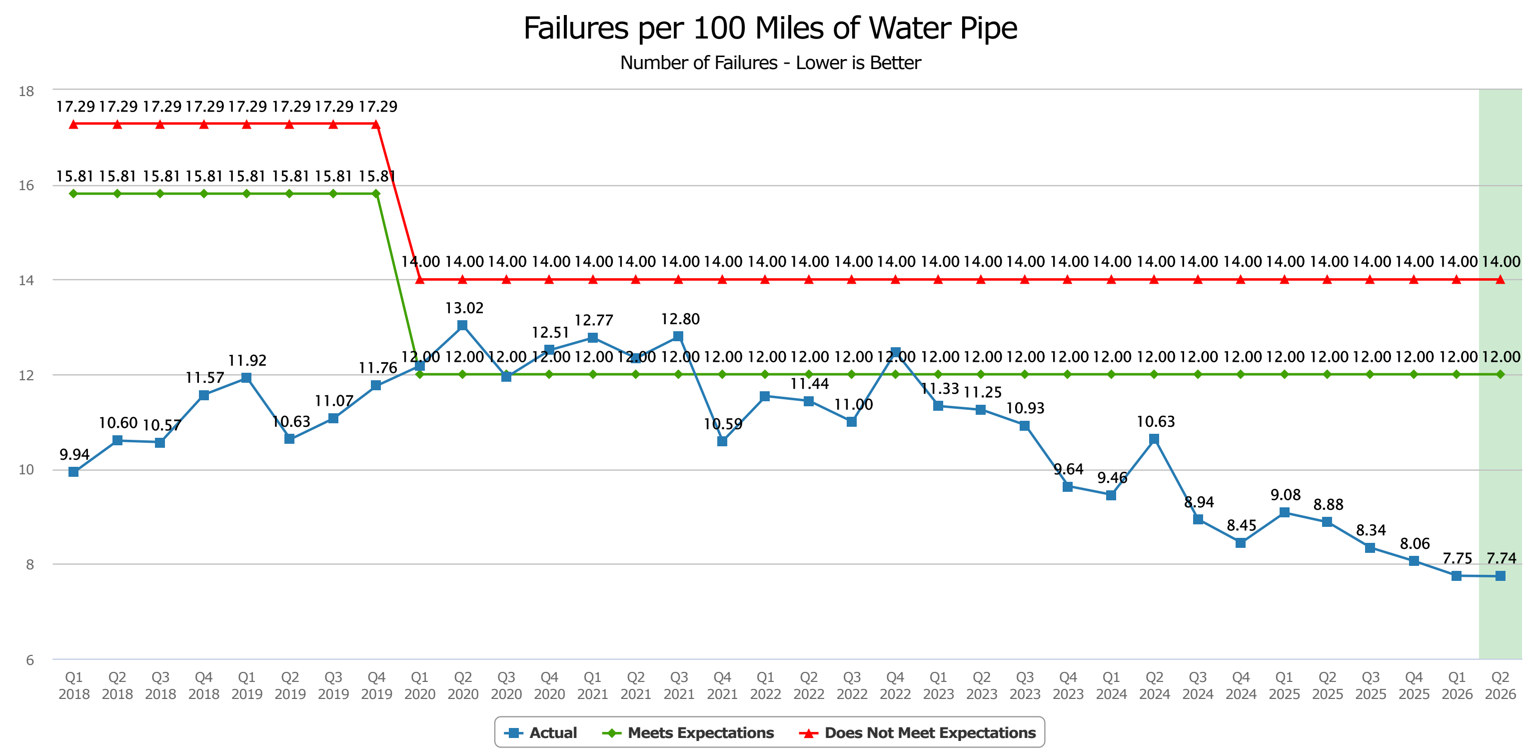
**Reported as:** 12 month rolling average

**Target Range:** 12.00 – 10.00 (failures per 100 miles of pipe)

MEASURE PERFORMANCE

The mid-year 2026 result is 7.74 failures per 100 miles of pipe.

TREND CHART




PERFORMANCE ANALYSIS

- There were a total of 32 failures on 2,325 miles of pipe in Q2 2026. 9 of the failures were main breaks, 15 were main leaks, and 8 were valve leaks.
- There were a total of 180 failures on 2,325 miles of pipe in the last rolling 12 month period. 105 of the failures were main breaks, 55 were main leaks, and 20 were valve leaks.
- A detailed analysis by System Planning and Projects Division shows that, at current funding levels for the capital program that addresses water main replacement, cathodic protection, and lining of water mains, a minimal increase in water main failures is expected over the next 5 years.
- The capital program prioritizes addressing high risk water mains, minimizing leaks under new pavement, and aligning with the City's paving initiative.

3

# C1d Failures per 100 Miles of Wastewater Pipe

Performance Measure Status: Meets Expectations

MEASURE DESCRIPTION

**Strategic Objective Supported:** Operational Excellence

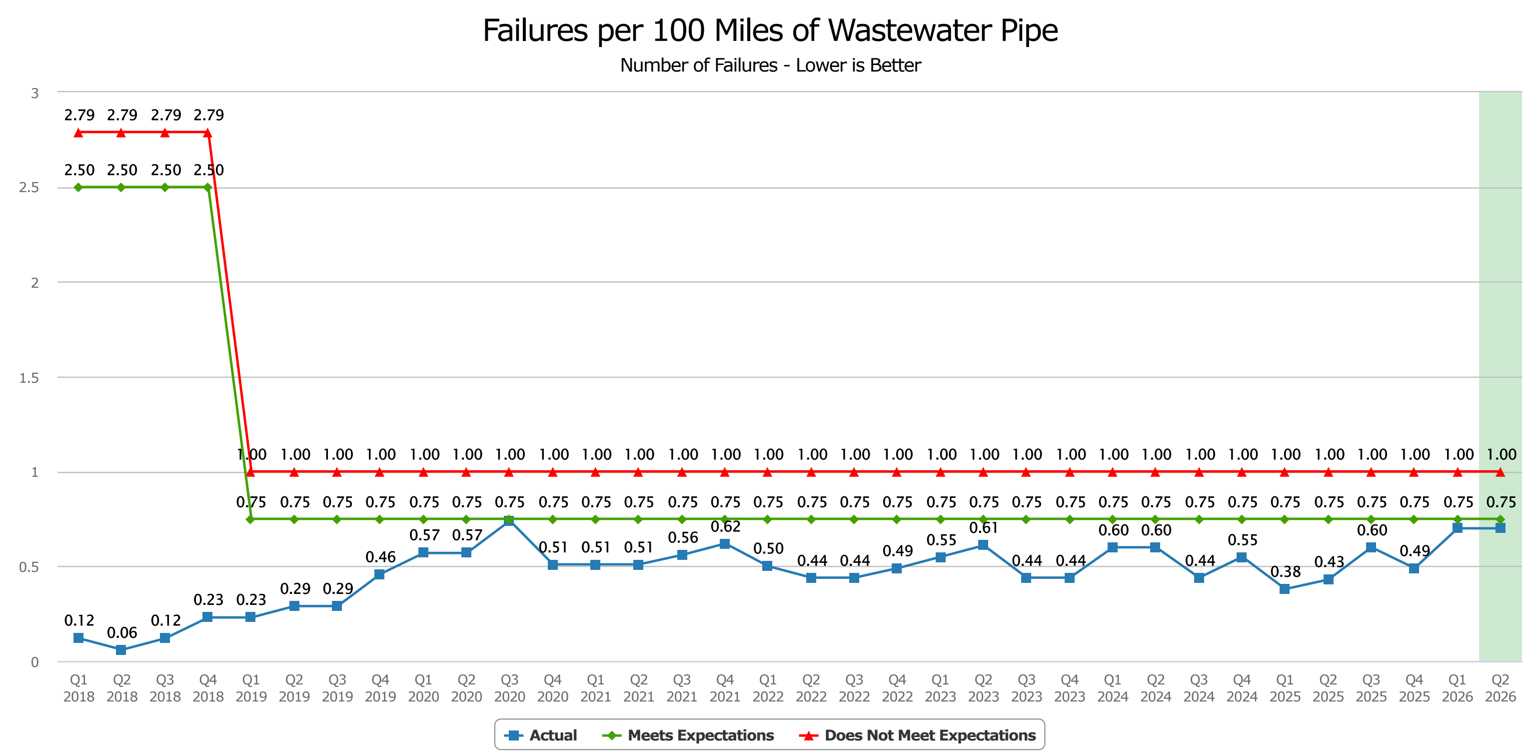
**Reported as:** 12 month rolling average

**Target Range:** 0.75 – 0.51 (failures per 100 miles of pipe)

MEASURE PERFORMANCE

The mid-year 2026 result is 0.70 failures per 100 miles of pipe.

TREND CHART




PERFORMANCE ANALYSIS

- In the second quarter, there were 3 failure events: a stoppage due to roots which resulted in damage to a residence, a release caused by rags and debris in a wastewater main from an unknown third party, and a release due to equipment failure at a lift station.
- There were no reportable sanitary sewer overflows in the second quarter.
- By comparison, the 2025 mid-year result was 0.43 failures per 100 miles of pipe, and the 2025 year-end result was 0.49 failures per 100 miles of pipe.
- There have been thirteen (13) total failure events from the 12-month period of July 2025 – June 2026. Through the same reporting period in 2025, there were eight (8) failure events.

5

# FS1a Residential Electric Service - Front Range Comparison

Performance Measure Status: Far Exceeds Expectations

MEASURE DESCRIPTION

**Strategic Objective Supported:** Financial Accountability

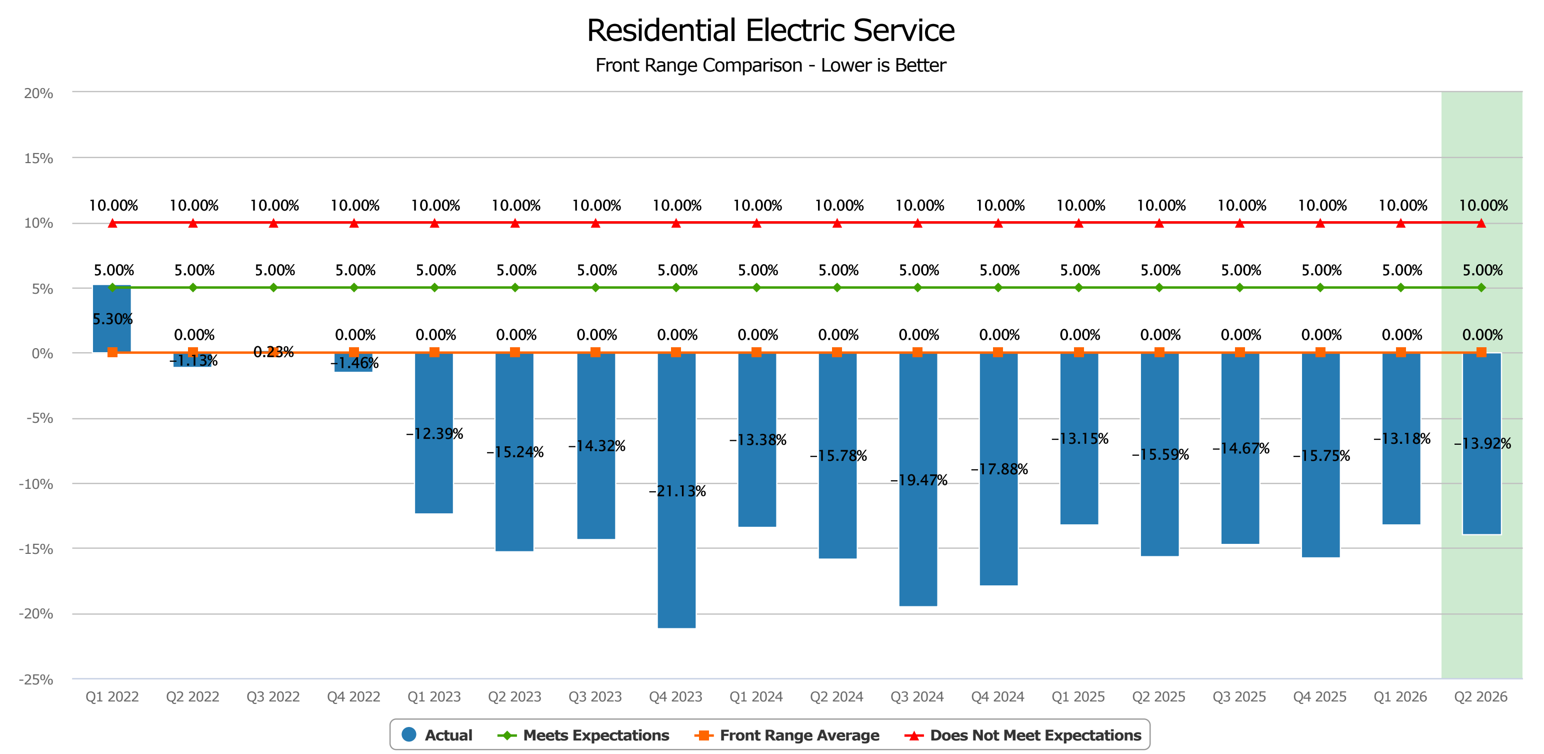
**Reported as:** Average natural gas bill

**Target Range:** +/- 5% of Colorado Front Range average

MEASURE PERFORMANCE

The mid-year 2026 result is 13.92% lower than front range average.

TREND CHART




PERFORMANCE ANALYSIS

Rate computations have been estimated using tariffs rates publicly available on websites as of April 1, 2026 and assumed billing determinations.

5

# FS1b Residential Natural Gas Service - Front Range Comparison

Performance Measure Status: Far Exceeds Expectations

MEASURE DESCRIPTION

**Strategic Objective Supported:** Financial Accountability

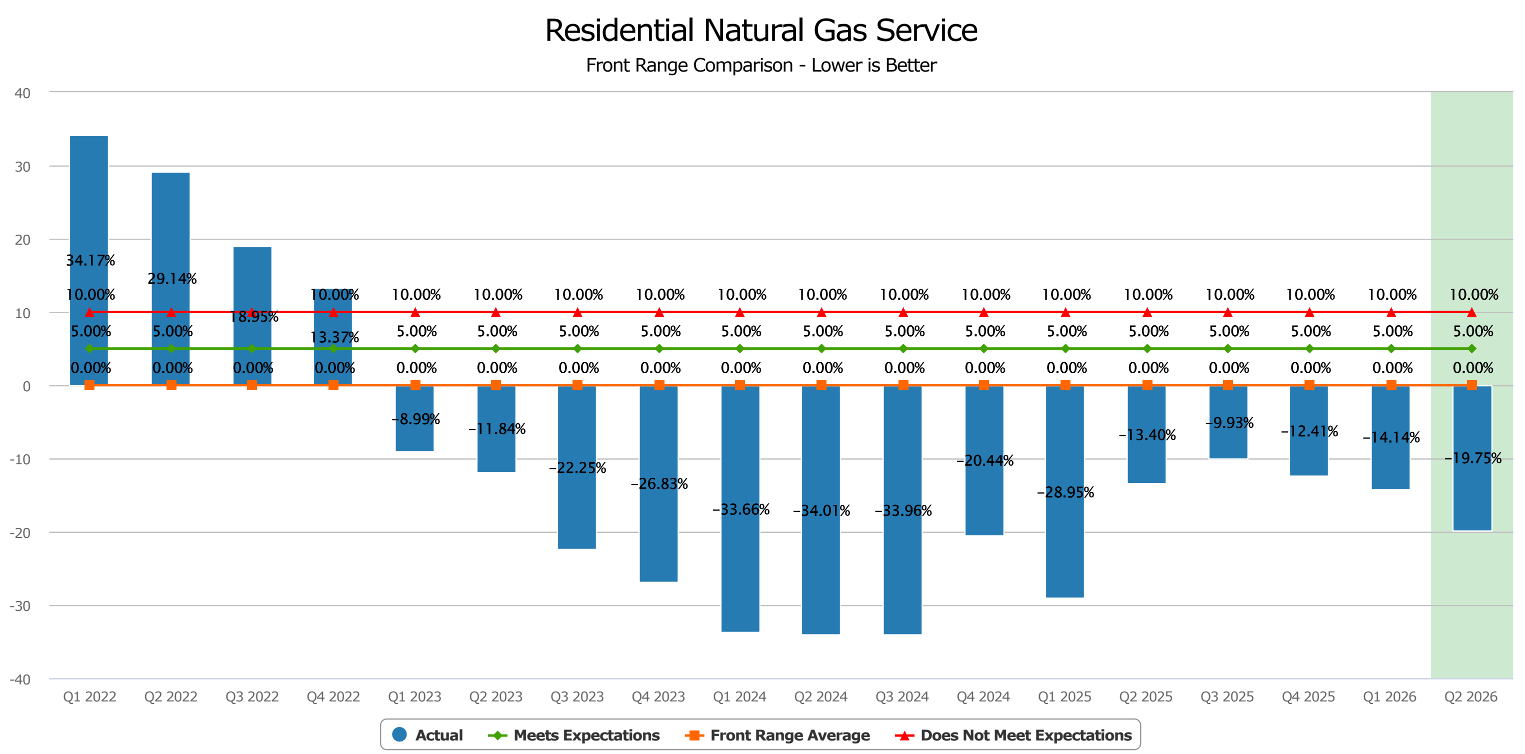
**Reported as:** Average bill

**Target Range:** +/– 5.0% of Colorado Front Range average

MEASURE PERFORMANCE

The mid–year 2026 result is 19.75% lower than Front Range average.

TREND CHART




PERFORMANCE ANALYSIS

The most recent rate computations have been estimated using tariff rates publicly available on websites as of April 1, 2026 and assumed billing determinants.

3

# FS1c Residential Water Service - Front Range Comparison

Performance Measure Status: Meets Expectations

MEASURE DESCRIPTION

**Strategic Objective Supported:** Financial Accountability

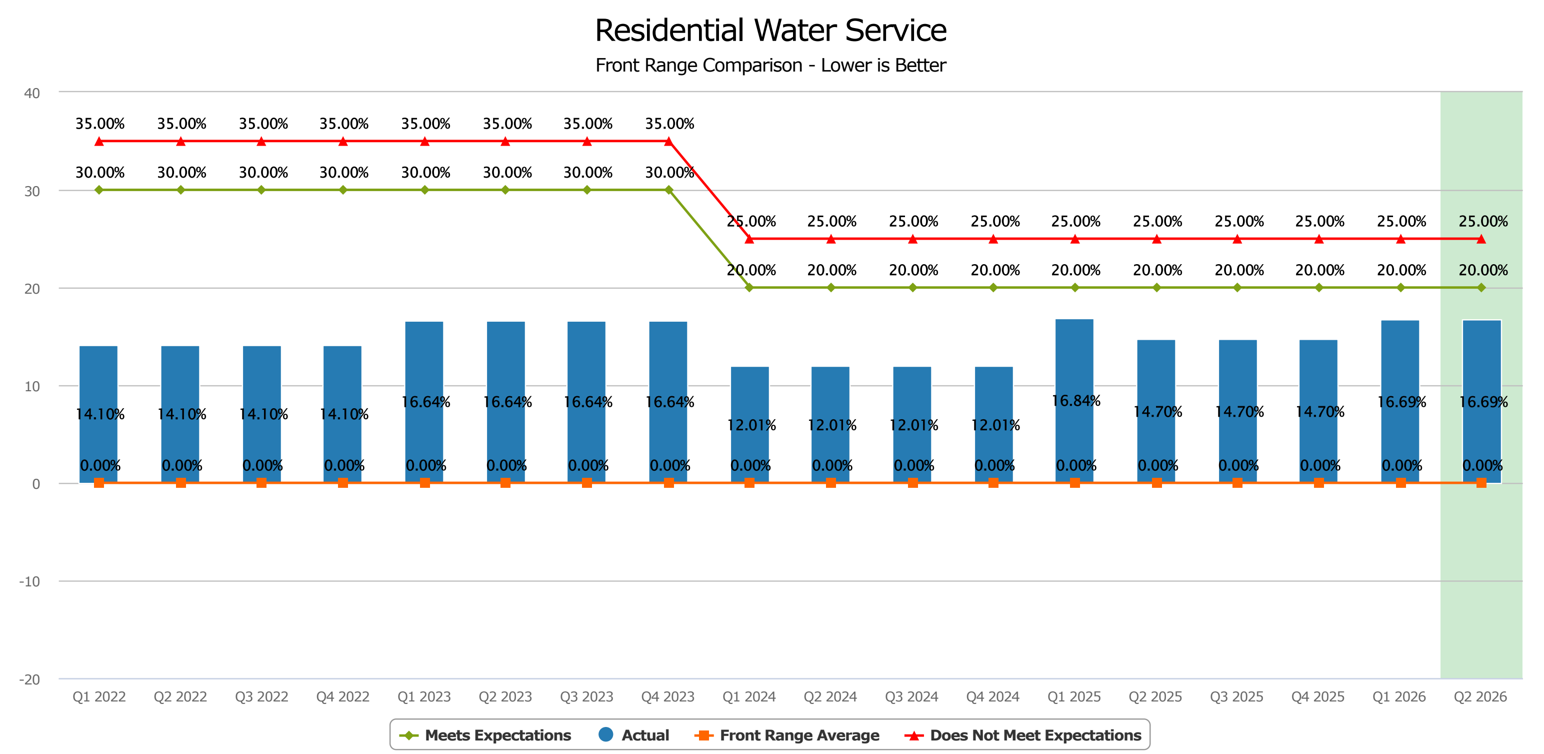
**Reported as:** Average bill

**Target Range:** 10.1 – 20.0% higher than Colorado Front Range average

MEASURE PERFORMANCE

The mid-year 2026 result is 16.69% higher than Front Range average.

TREND CHART




PERFORMANCE ANALYSIS

The most recent rate computations have been estimated using tariff rates publicly available on websites as of April 1, 2026 and assumed billing determinants.

# FS1d Residential Wastewater Service - Front Range Comparison

4

Performance Measure Status: Exceeds Expectations

MEASURE DESCRIPTION

**Strategic Objective Supported:** Financial Accountability

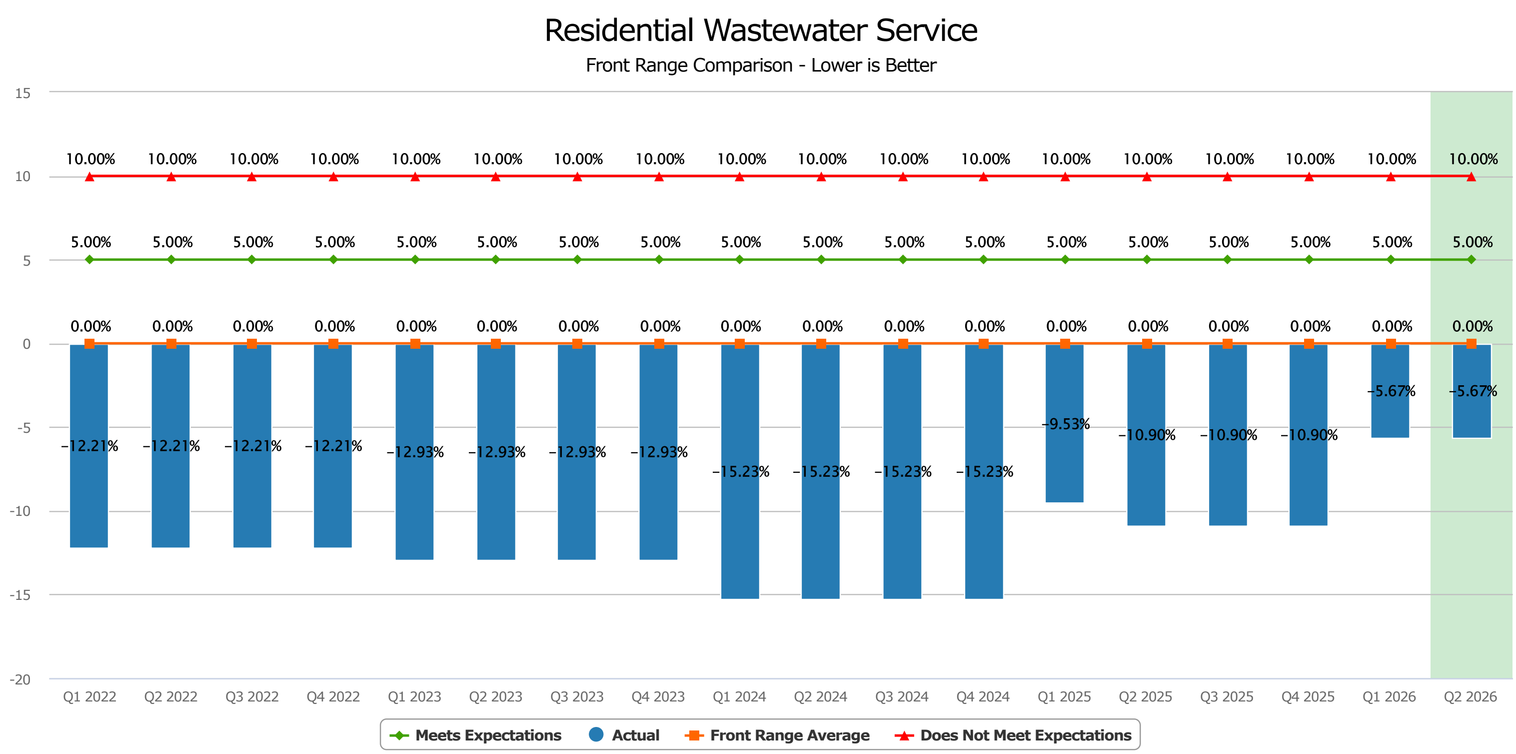
**Reported as:** Average bill

**Target Range:** +/− 5.0% of Colorado Front Range average

MEASURE PERFORMANCE

The mid-year 2026 result is 5.67% lower than Front Range average.

TREND CHART




PERFORMANCE ANALYSIS

The most recent rate computations have been estimated using tariff rates publicly available on websites as of April 1, 2026 and assumed billing determinants.

5

# FS1e Small Commercial 4 Service Bill - Front Range Comparison

Performance Measure Status: Far Exceeds Expectations

MEASURE DESCRIPTION

**Strategic Objective Supported:** Financial Accountability

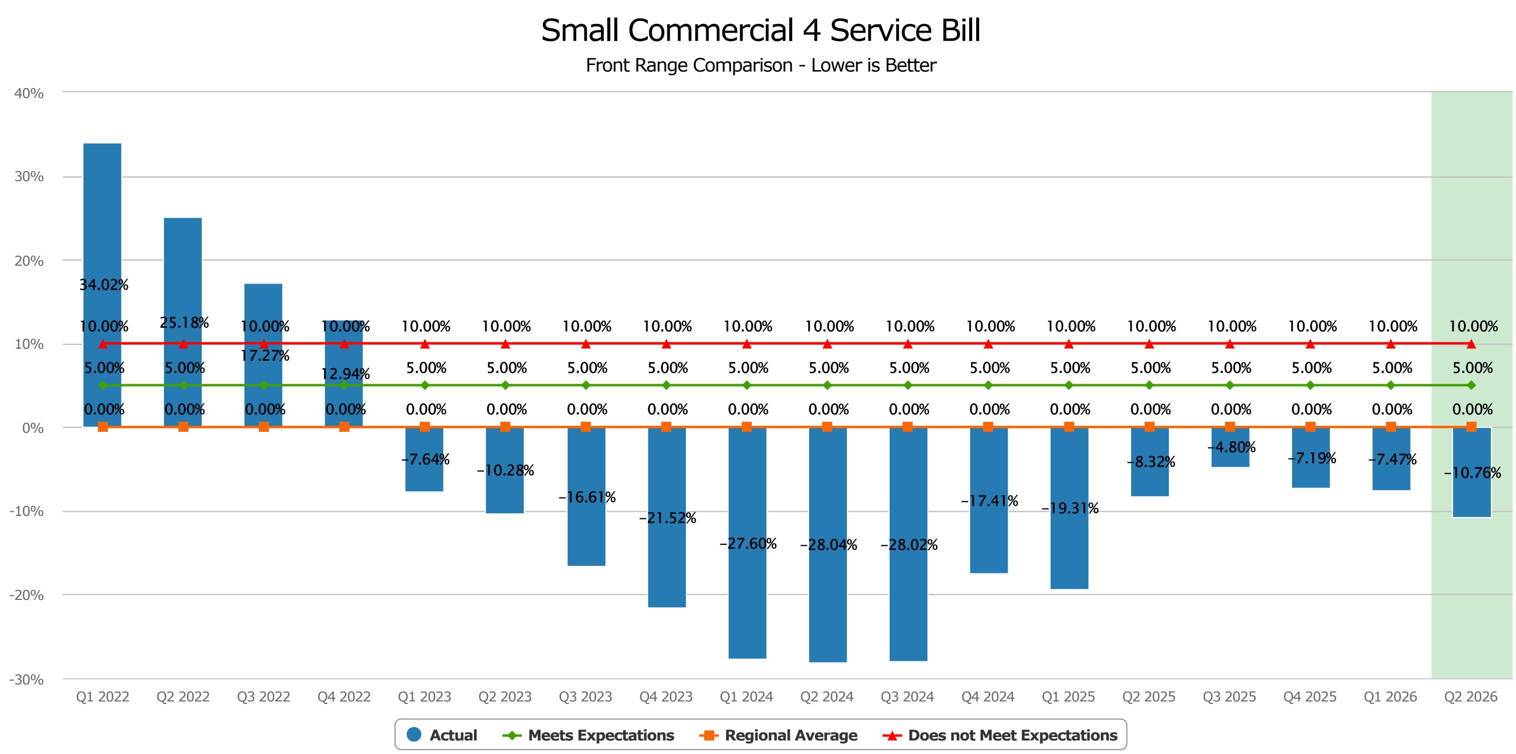
**Reported as:** Average combined bill

**Target Range:** +/– 5.0% of Colorado Front Range average

MEASURE PERFORMANCE

The mid–year 2026 result is 10.76% lower than Front Range average.

TREND CHART




PERFORMANCE ANALYSIS

The most recent rate computations have been estimated using tariff rates publicly available on websites as of April 1, 2026 and assumed billing determinants.

4

# FS1f Large Commercial/Industrial 4 Service Bill - Front Range Comparison

Performance Measure Status: Exceeds Expectations

MEASURE DESCRIPTION

**Strategic Objective Supported:** Financial Accountability

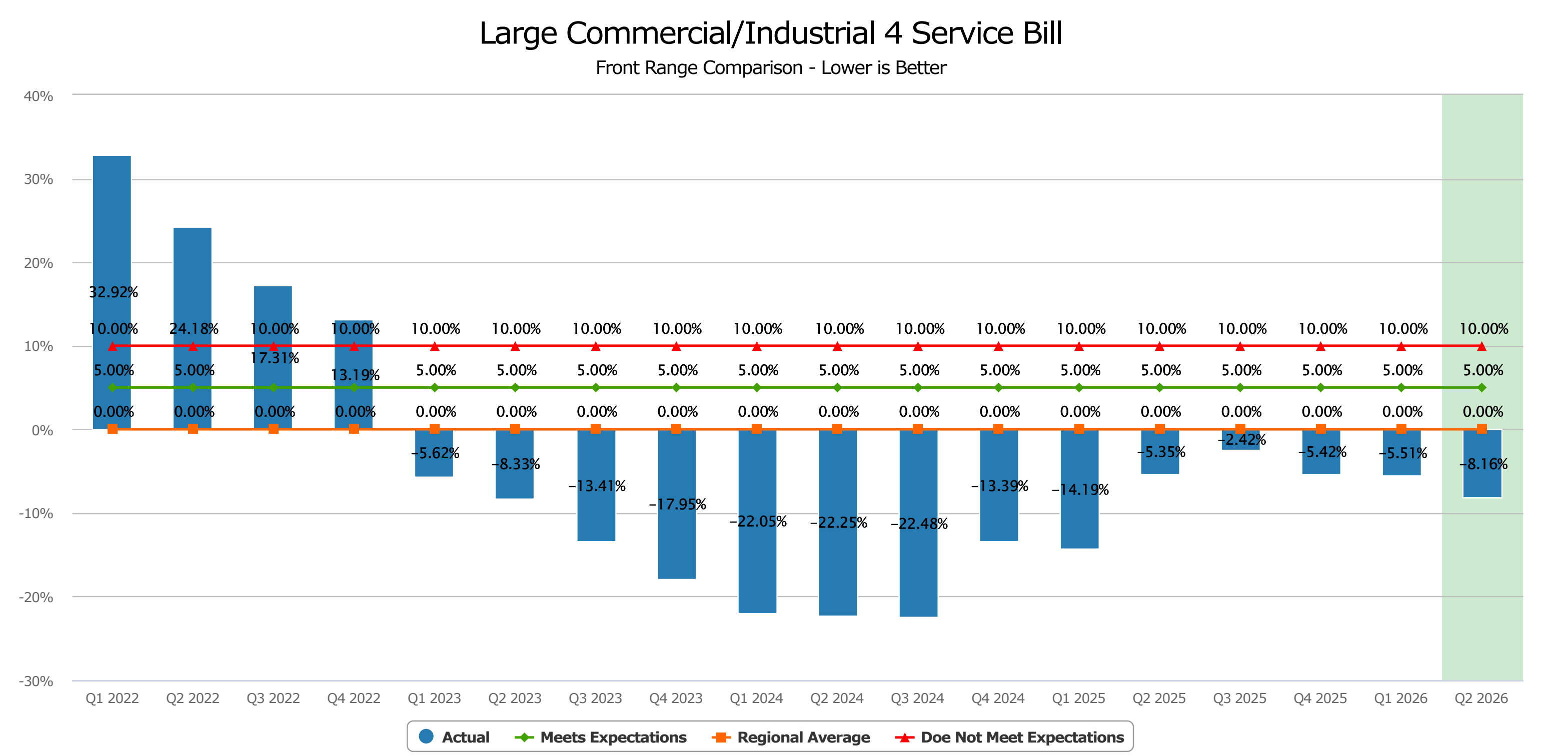
**Reported as:** Average combined bill

**Target Range:** +/– 5.0% of Colorado Front Range average

MEASURE PERFORMANCE

The mid–year 2026 result is 8.16% lower than Front Range average.

TREND CHART




PERFORMANCE ANALYSIS

The most recent rate computations have been estimated using tariff rates publicly available on websites as of April 1, 2026 and assumed billing determinants.

3

# FS1i Days Cash on Hand - Current Year

Performance Measure Status: Meets Expectations

MEASURE DESCRIPTION

**Strategic Objective Supported:** Financial Accountability

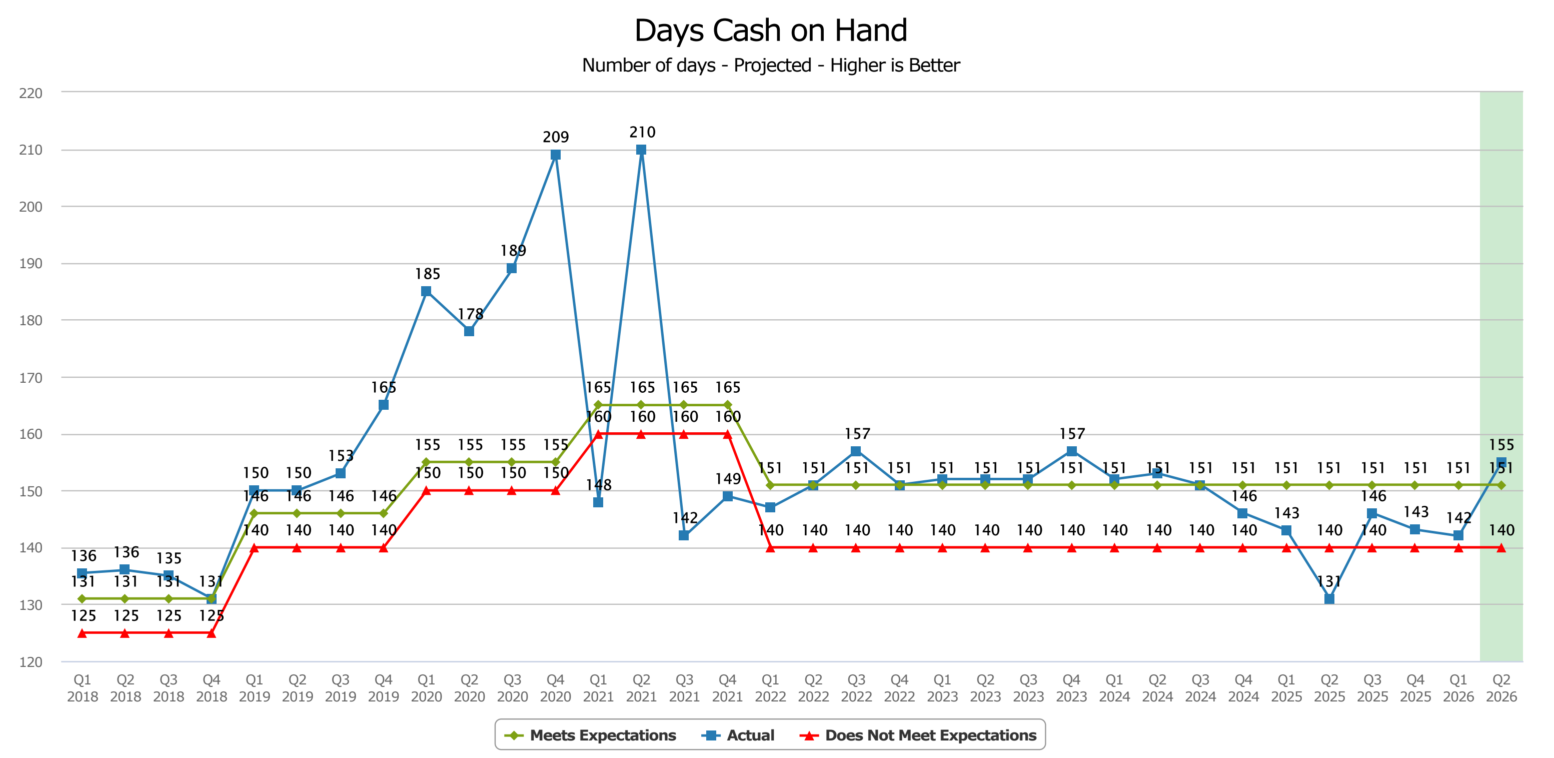
**Reported as:** year-end projection of actual result plus forecast

**Target Range:** 151 – 160 (days cash on hand)

MEASURE PERFORMANCE

The mid-year 2026 result is 155 days.

TREND CHART




PERFORMANCE ANALYSIS

The result for mid-year 2026 of 155 days cash on hand is within the "meets expectations" rating range.

2

# FS1j Days Cash on Hand - 3 Year Average

Performance Measure Status: Partially Meets Expectations

MEASURE DESCRIPTION

**Strategic Objective Supported:** Financial Accountability

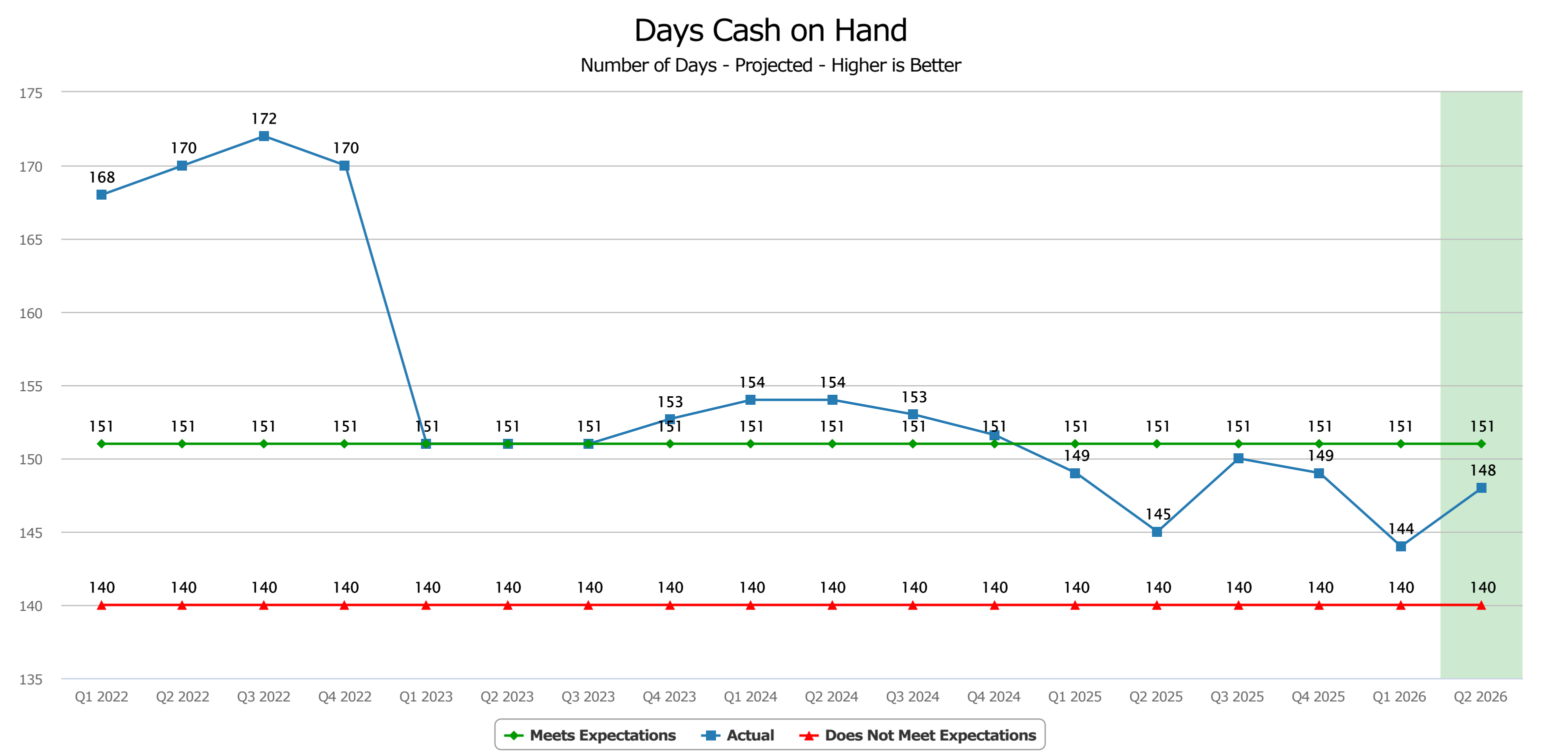
**Reported as:** Current year projection and the previous two years of history

**Target Range:** 151 – 160 (days cash on hand)

MEASURE PERFORMANCE

The mid-year 2026 3 year average result is 148 days.

TREND CHART




PERFORMANCE ANALYSIS

The days cash on hand for 2024 and 2025 were 146 and 143, respectively. Factoring in the mid-year 2026 result of 155 Days Cash on Hand, the three-year average was a rating of "partially meets expectations" (below 151 days). Current Forecast for years 2027-2031 are projecting results at or above 151 Days.

5

# FS1k Adjusted Debt Service Coverage - Current Year

Performance Measure Status: Far Exceeds Expectations

MEASURE DESCRIPTION

**Strategic Objective Supported:** Financial Accountability

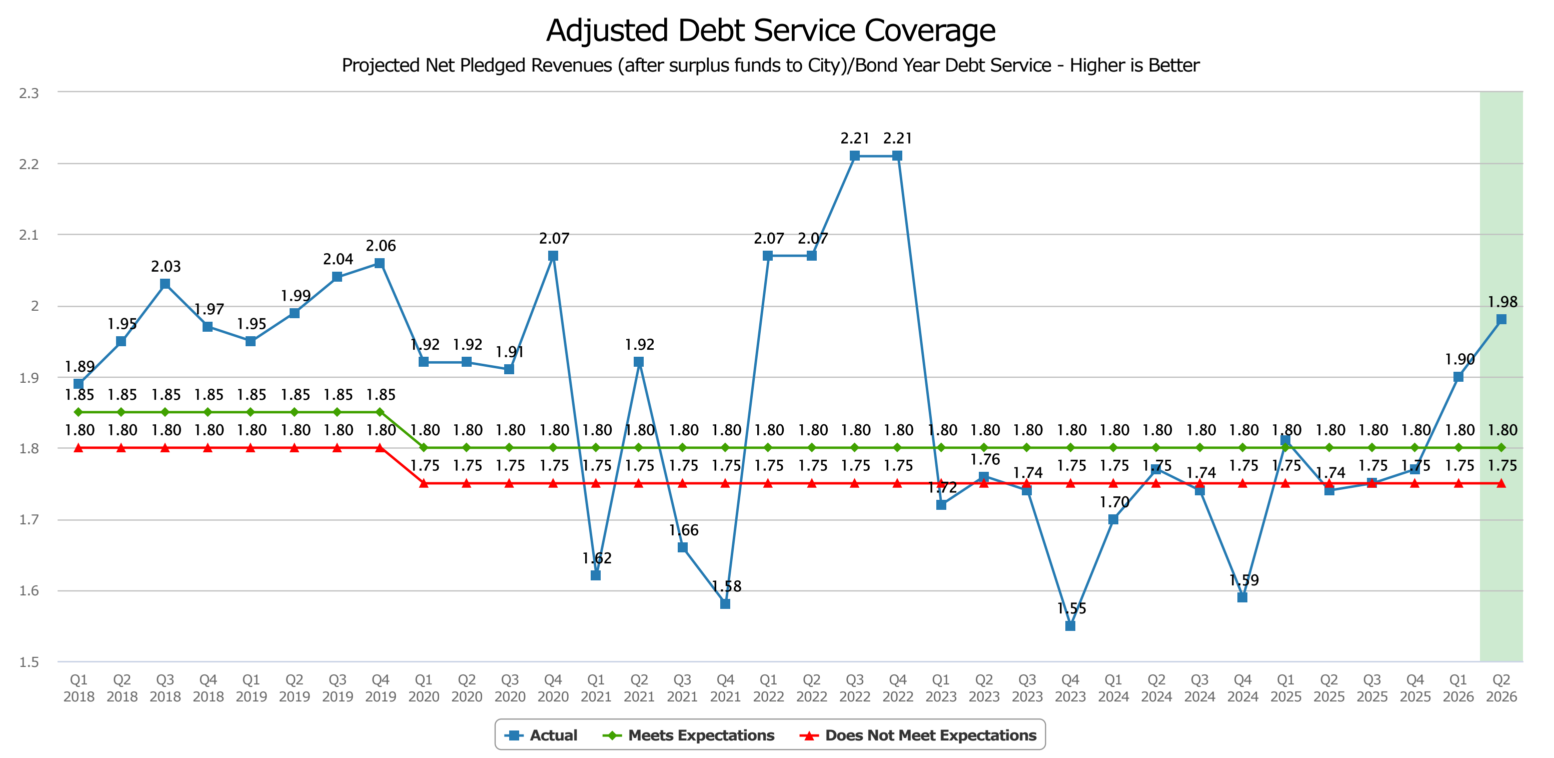
**Reported as:** Year–end projection of actual results plus forecast

**Target Range:** 1.80 – 1.90

MEASURE PERFORMANCE

The mid–year 2026 result is 1.98 times.

TREND CHART




PERFORMANCE ANALYSIS

The result for mid–year 2026 of 1.98 falls within the "far exceeds expectations" rating range.

2

# FS1I Adjusted Debt Service Coverage - 3 Year Average

Performance Measure Status: Partially Meets Expectations

MEASURE DESCRIPTION

**Strategic Objective Supported:** Financial Accountability

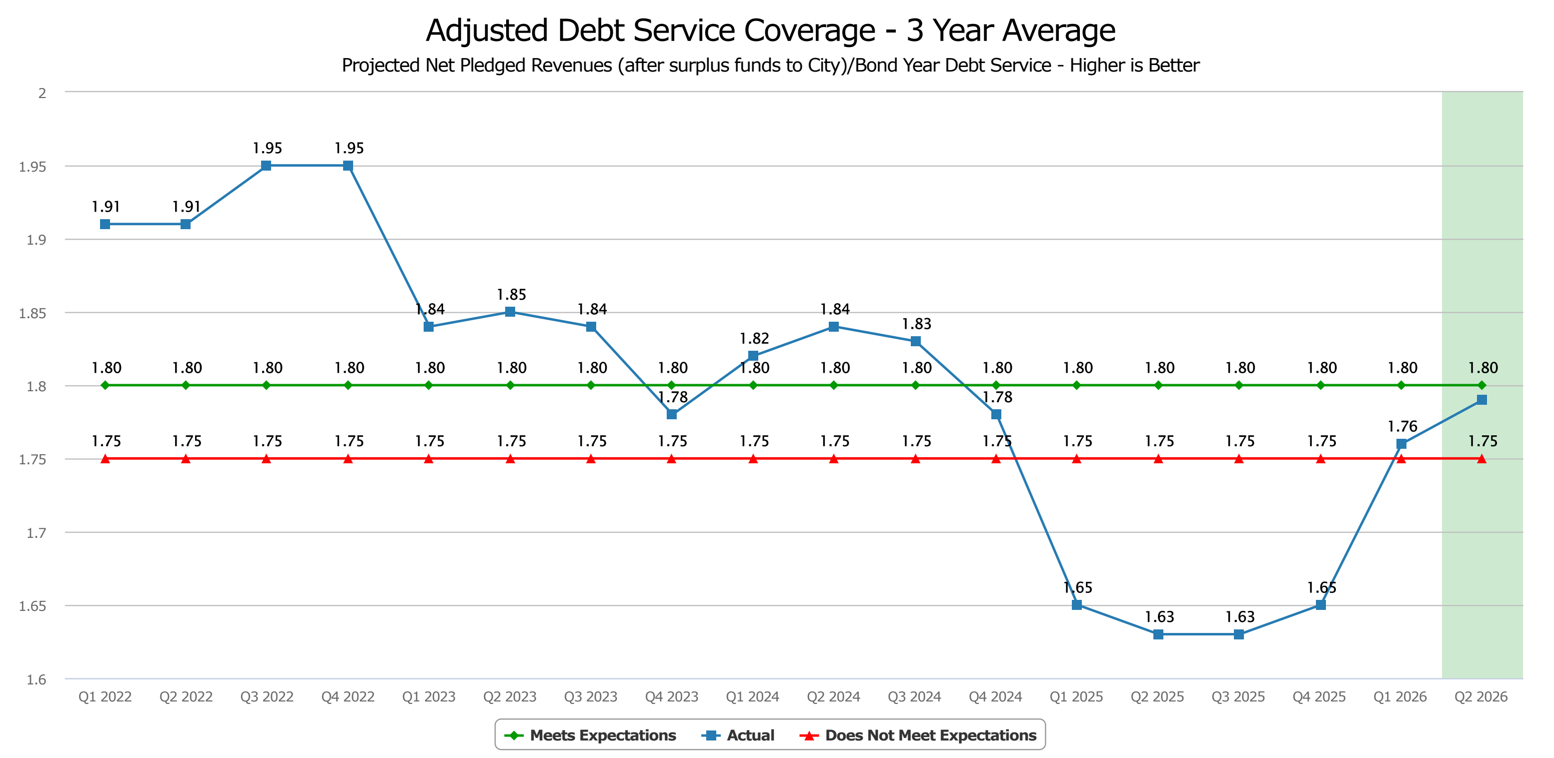
**Reported as:** Year-end projection of actual results plus forecast

**Target Range:** 1.80 – 1.90

MEASURE PERFORMANCE

The mid-year 2026 3 year average result is 1.79 times.

TREND CHART




PERFORMANCE ANALYSIS

The 3 year average score is driven by adjusted debt service coverage scores of 1.62 and 1.77 in 2024 and 2025, respectively. Based on our five-year rate plan, we anticipate that this three-year average will remain below expectations until 2027. Currently we are forecasting above a 1.90 in 2027.

3

# FS1m Debt Ratio - Current Year

Performance Measure Status: Meets Expectations

MEASURE DESCRIPTION

**Strategic Objective Supported:** Financial Accountability

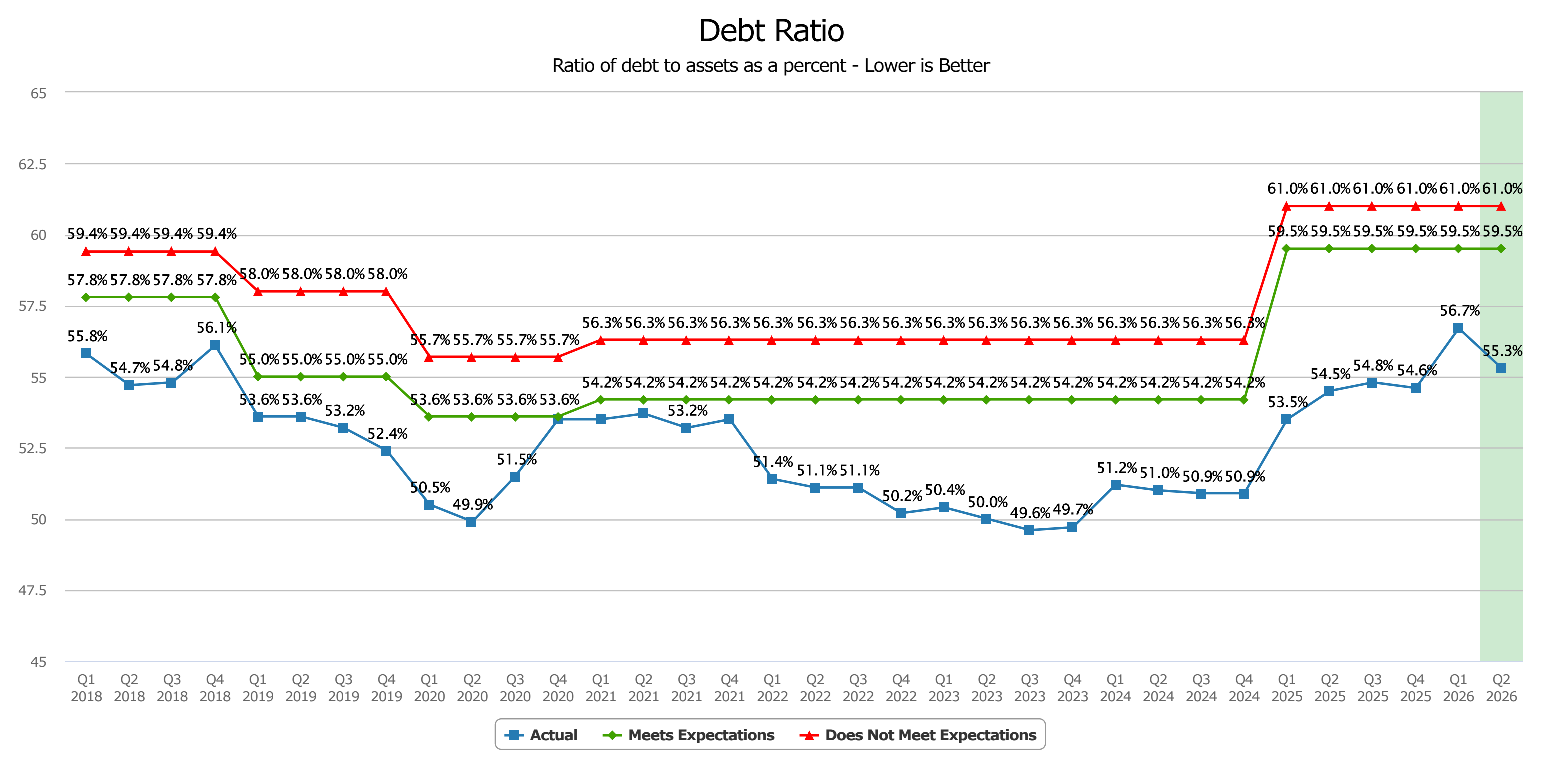
**Reported as:** year-to-date actual result

**Target Range:** 59.5 – 55.0%

MEASURE PERFORMANCE

The mid-year 2026 Debt Ratio result is 55.3%.

TREND CHART




PERFORMANCE ANALYSIS

The mid-year 2026 debt ratio result of 55.3% is within the "meets expectations" rating range.

4

## FS1n Debt Ratio - 3 Year Average

Performance Measure Status: Exceeds Expectations

MEASURE DESCRIPTION

**Strategic Objective Supported:** Financial Accountability

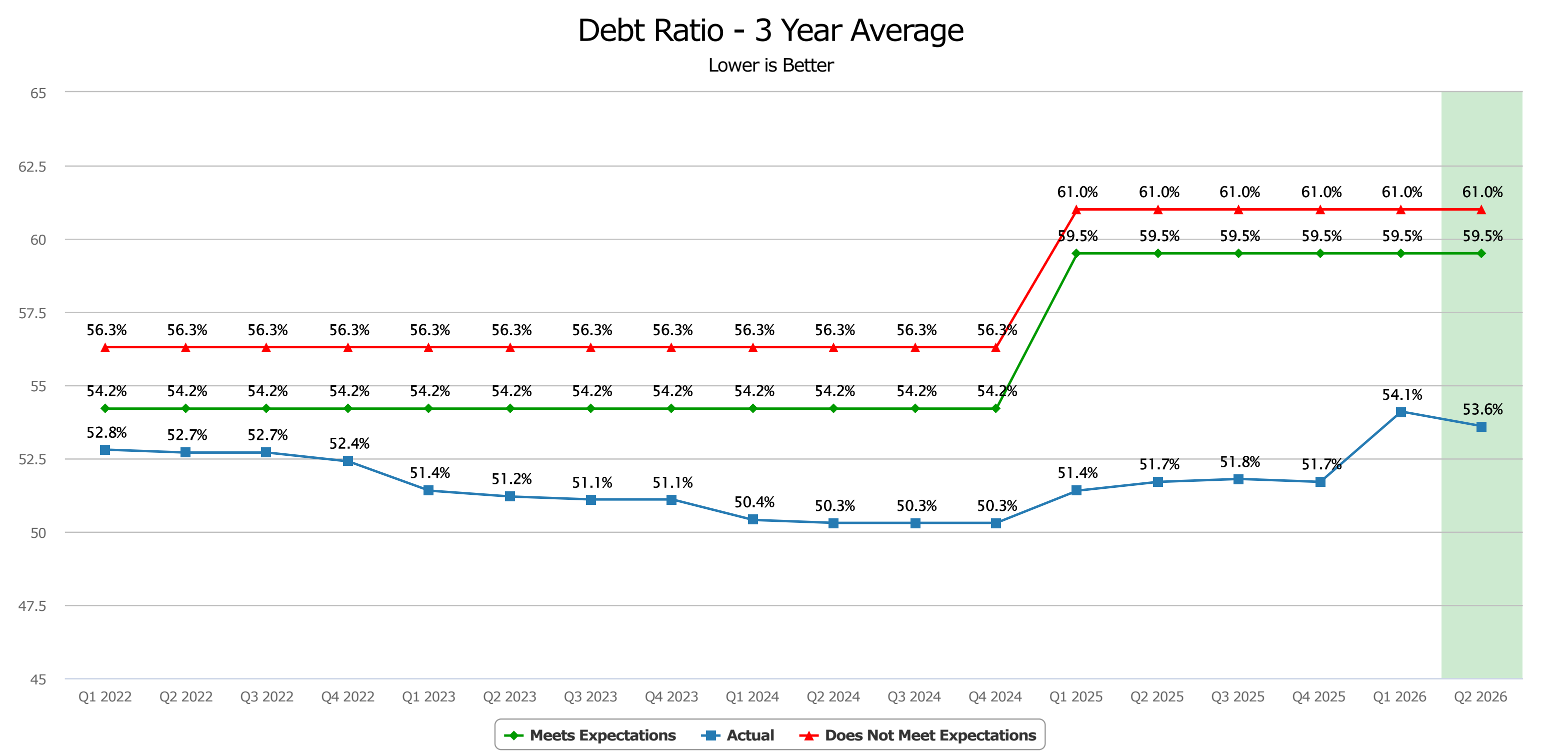
**Reported as:** Current year to date and the previous 2 years of history

**Target Range:** 59.5 – 55.0%

MEASURE PERFORMANCE

The mid-year 2026 3 year average result is 53.6%.

TREND CHART




PERFORMANCE ANALYSIS

The year-end debt ratio results were 50.9% for 2024, 54.6% for 2025, and 55.3% for mid-year 2026 resulting in a 3 year average rating of "exceeds expectations."

4

# FS1o Bond Rating

Performance Measure Status: Exceeds Expectations

MEASURE DESCRIPTION

**Strategic Objective Supported:** Financial Accountability

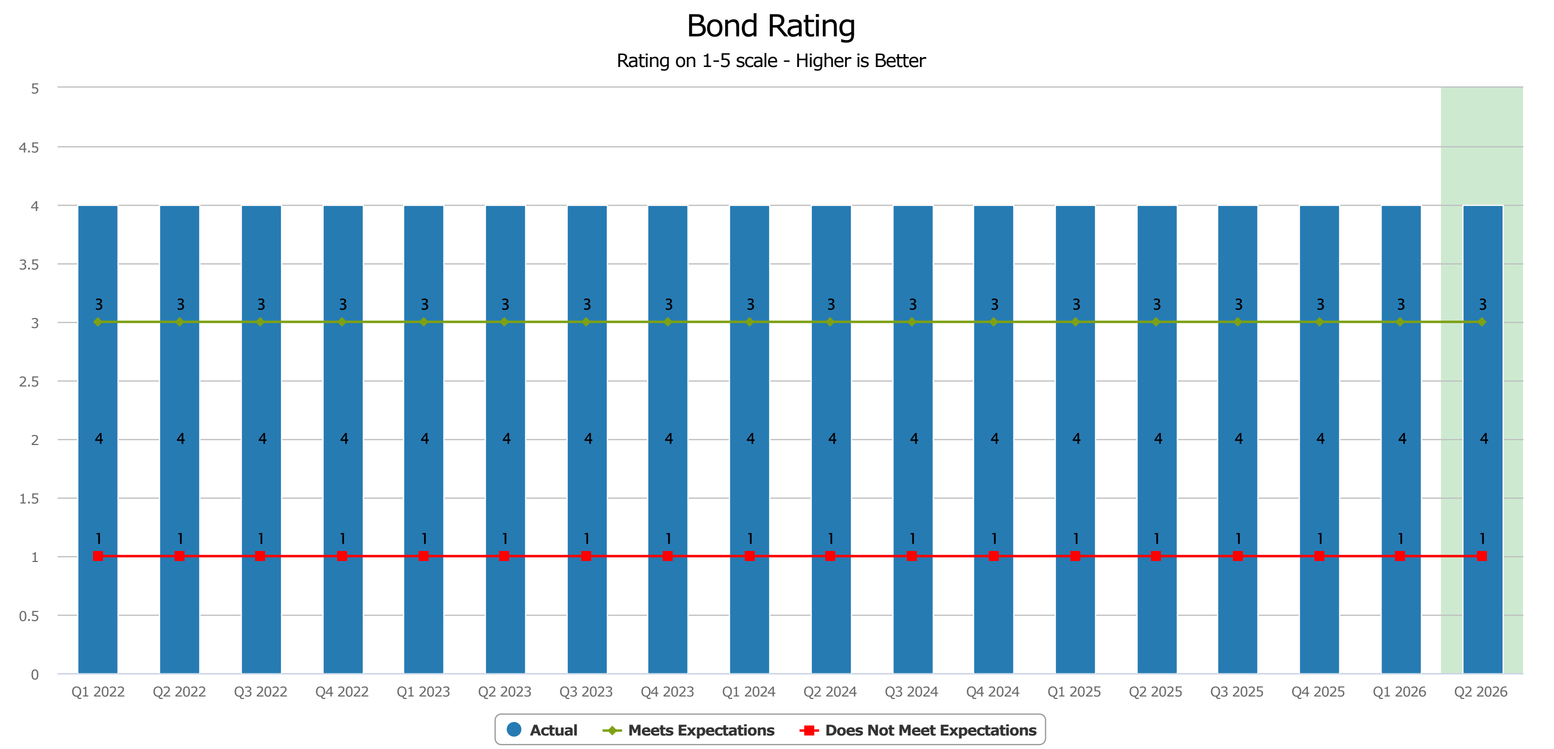
**Reported as:** Standard & Poor's, Moody's Investors Service, and Fitch Ratings

**Target Range:** Standard & Poor's AA, Moody's Investors Service: Aa2, Fitch Ratings: AA

MEASURE PERFORMANCE

The mid-year 2026 result is Standard & Poor's (AA+), Moody's (Aa2), and Fitch Ratings (AA), respectively.

TREND CHART




PERFORMANCE ANALYSIS

- The long-term credit ratings were reaffirmed in Q3, 2025 for Standard and Poor's and Moody's.
- In recent years, Colorado Springs Utilities made the business decision to no longer seek ratings coverage from Fitch Ratings. However, Fitch Ratings has reaffirmed AA stand-alone credit ratings on all previously issued, still outstanding Springs Utilities issuances; thereby remaining unchanged from the previous quarter.

2

# C2a Customer Satisfaction - Residential

Performance Measure Status: Partially Meets Expectations

MEASURE DESCRIPTION

**Strategic Objective Supported:** Focus on the Customer

**Reported as:** Numerical rating to two decimals

**Target range:** 2.50 – 3.49 on a 5–point scale (composite score)

MEASURE PERFORMANCE

The mid–year 2026 result is 1.82 out of a possible 5.00 points for the overall index.

TREND CHART

- For the rolling 12-month period ending mid-year 2026, residential performance declined to a total index of 1.82, which represents a rating of "partially meets expectations."
- The J.D. Power overall satisfaction index increased by a nominal 4 points, resulting in a rating of "partially meets expectations" for continuous improvement.
- The industry ranking declined to 70th of 153 utilities due to more significant improvement for the industry as a whole. This represents an industry rank of 46% and a rating of "does not meet expectations."
- Customer Effort declined a fraction at 1 point for a rating of "does not meet expectations."
- Internal transactional satisfaction remained strong but decreased slightly to an 8.59/10 score for a rating of "exceeds expectations."

**Situation Analysis:**

- Dimensions which drove lower satisfaction include Digital Channels (-7 pts), Ease (-2 pts), Information Provided (-1 pt), and Cost (-1 pts). Customer service interactions highlighted some challenges, with more customers saying that they had issues while using the website/app (Ease/Digital) and phone service was less familiar with their previous interaction (Ease).
- Dimensions which lifted satisfaction include Safety and Reliability (+20 pts), People (+15 pts), Trust (+5 pts), and Problem Resolution (+4 pts). Fewer outages were reported, coupled with fast restoration and higher safety message recall helped improve Safety & Reliability. High marks for courtesy and concern for needs across assisted channels drove higher scores for People. Customers continue to notice and value the utility's presence in the community, particularly volunteerism, assistance programs, environmental stewardship, and economic development efforts which touch on several dimensions of satisfaction.
- Customer Effort declined slightly with improvements in ease in IVR being offset by difficulties understanding our bill, payment challenges, and customer ability to change their rate.
- Looking forward to the end of 2026 we expect satisfaction scores to decline significantly. Customer fatigue around rate-related impacts, in addition to compounding factors driving media attention, are having a cumulative effect on customer satisfaction this year. Customers are increasingly vocal about their opinions and trust-related measures in the first half of 2026 are declining. Satisfaction hit a high point in Q3 of 2025 and when we next report scores this will no longer be included in our rolling 12-month score.

# 2 C2b Customer Satisfaction - Business

Performance Measure Status: Partially Meets Expectations

MEASURE DESCRIPTION

**Strategic Objective Supported:** Focus on the Customer

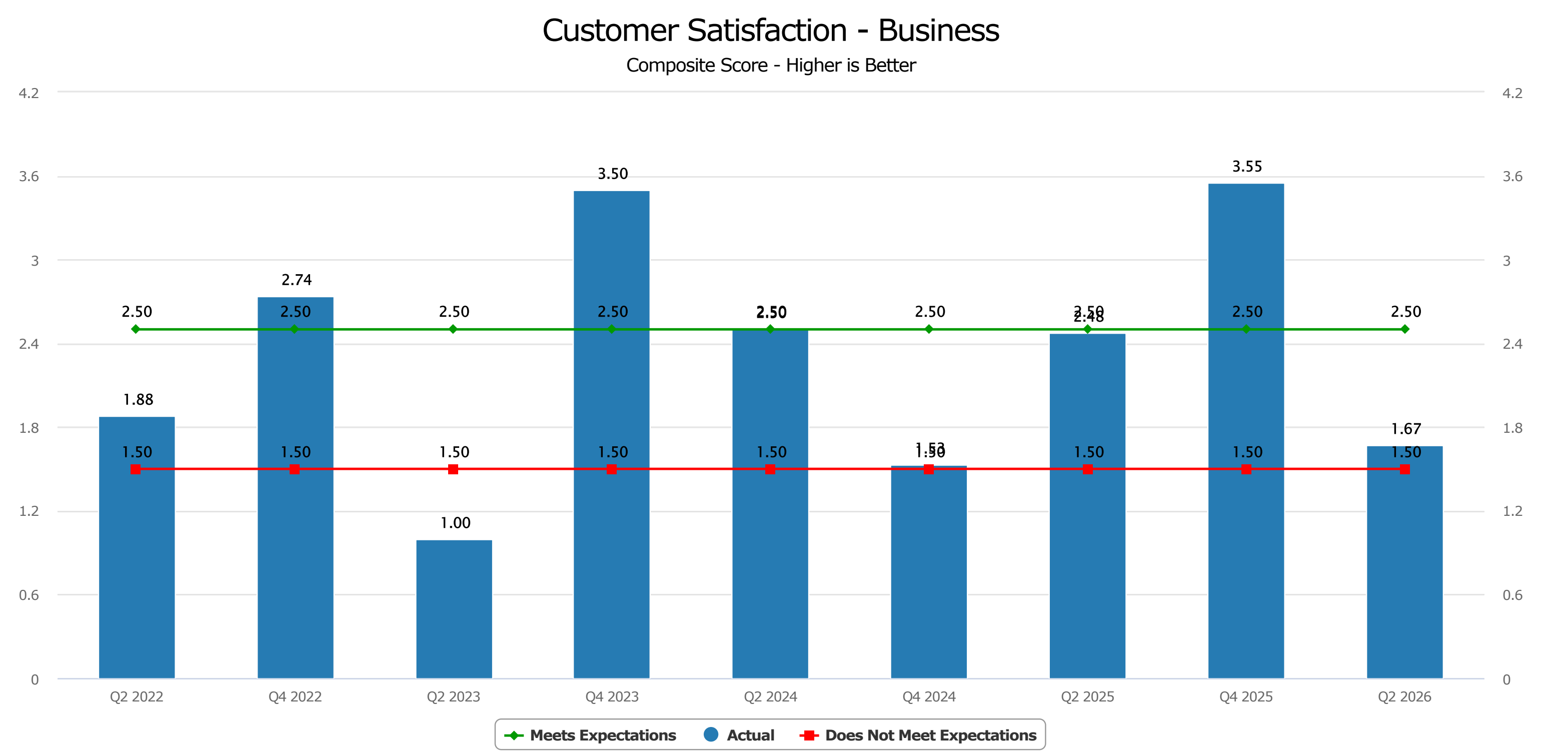
**Reported as:** Numerical rating to two decimals

**Target range:** 2.50 – 3.49 on a 5–point scale (composite score)

MEASURE PERFORMANCE

The mid–year 2026 result is 1.67 out of a possible 5.00 points for the overall index.

TREND CHART



- For the rolling 12-month period ending mid-year 2026, business performance declined to a total index of 1.67, which represents a rating of "partially meets expectations."
- The Cogent Engaged Customer Relationship index decreased by 40 points, resulting in a rating of "does not meet expectations" for continuous improvement.
- Industry performance declined as well, though only marginally. As a result, our industry ranking declined to 72nd of 87 utilities, representing an industry rank of 83% and a rating of "does not meet expectations."
- Customer Effort declined 23 points for a "does not meet expectations." Internal transactional satisfaction results remained high, increasing to 8.88/10, resulting in a rating of "exceeds expectations."

**Situation Analysis:**

- Performance scores which drove lower satisfaction include Product Experience (-48 pts), Brand Trust (-37 pts), and Service Satisfaction (-36 pts).
- Product Experience is composed of program-related measures. Key program scores are lower, driven primarily by a desire for tools that help them save. Business customers are looking for tools to help them save energy and programs which help them lower their utility bills. 70% of business customers now say that lowering their bill is the #1 benefit they want from utility programs.
- The business customer relationship is showing signs of stress. One of the primary components of Brand Trust is rates, and they are a key driver through mid-year of 2026. Rate satisfaction is lower in several key ways, including how businesses feel about the fairness of the price they pay, how manageable their monthly bill amount is, and whether we offer reasonable rates for service provided. Nearly half of business customers now say that they are not willing to accept a rate increase for any benefit, up 238% year over year. And they're looking for help understanding rate changes as evidenced by a lower agreement that utility bill contains useful and accurate info and lower awareness of how rates are set. Many indicators of trust are lower, including cares about customers, considers customer concerns in business decisions, and employees put the customer first.
- Most service channels held steady, however assisted phone shows signs of stress. Business customers found it more difficult to solve their issue and say we're less willing to work with customers who have a problem.
- Customer effort scores were driven by difficulties understanding the bill and resolving their issue through phone service. Most other measures of effort declined as well, though mobile and online services held steady or
- improved.

  Looking toward the end of 2026 we expect satisfaction scores to decline significantly. Business customer sentiment in 2026 took a sharp turn, with the percent of comments in the first half of the year with a negative tone increasing to 28% vs 19% for the same period in 2025. This negative tone was driven by rate complaints. First half satisfaction this year came in at the lowest since we began measuring and it is unlikely that second half will improve enough to end the year positive.

4

# C3a Environmental Index

Performance Measure Status: Exceeds Expectations

MEASURE DESCRIPTION

**Strategic Objective Supported:** Support Our Community

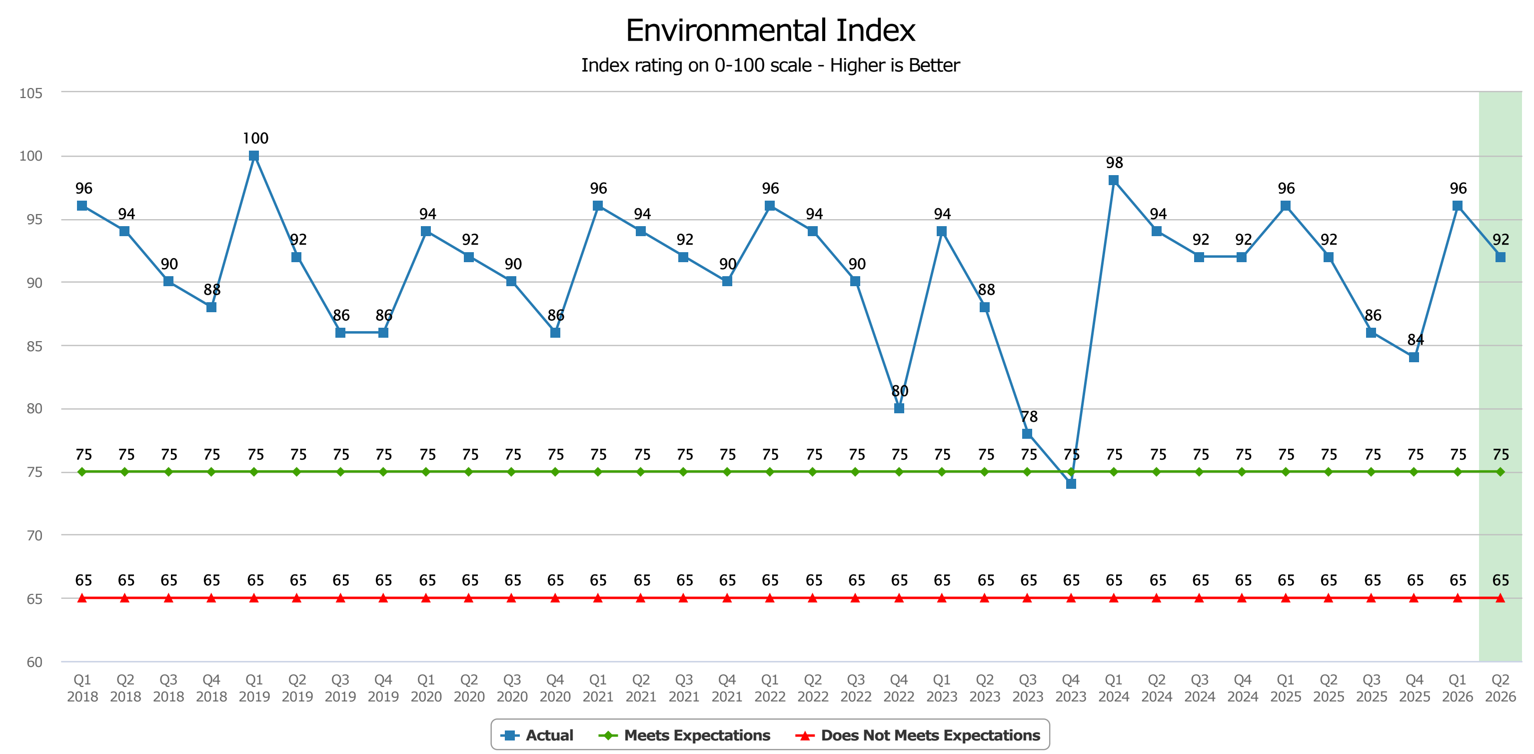
**Reported as:** year-to-date score

**Target range:** 75.00 – 85.99 (environmental rating scale 0 to 100)

MEASURE PERFORMANCE

The mid-year 2026 result is 92 on a scale of 1 to 100.

TREND CHART



There were two deductions to the index in the Minor Violation category which were a spill from the south supernatant lagoon at Clear Spring Ranch and a deficiency finding during the sanitary survey for Fountain Valley Authority.

Regulatory Inspections:

- May 13, 2026: Fountain Valley Authority Sanitary Survey – CDPHE WQCD
- May 26, 2026: Nixon / Front Range Power Plant – CDPHE APCD, Title V Inspection
- May 28, 2026: Drake Power Plant – CDPHE APCD, Title V Inspection
- June 2, 2026: Drake A1 – CDPHE APCD, CEMS Partial Compliance Evaluation
- June 4, 2026: Clear Spring Ranch Solids Handling Disposal Facility – CDPHE APCD Title V Inspection
- June 12, 2026: Fountain to Bradley transmission line project – CDPHE WQCD stormwater inspection

Minor Violations:

- Clear Spring Ranch South Supernatant Lagoon – April 14 – Supernatant crested the spillway crest sill and flowed into the spillway's earthen ditch due to a valve being left in an open position for an extended period of time resulting in an overfilling of the lagoon. The volume that spilled is estimated to be between 3,000 and 15,000 gallons, but is believed to have been fully contained in the spillway with no evidence of
- release beyond this area. Fountain Valley Authority – May 13 – During the sanitary survey for Fountain Valley Authority, it was discovered that a backwash water tank vent was not protected by a shroud on the filter to prevent debris from entering, resulting in a significant deficiency determination.

Major Violations:

- None

Air Emission Exceedances:

- There were no air emission exceedances in Q2.
- As an update to the Q1 Index: on January 13, 2026, there were fifteen (15) six minute periods of CAM plan excursion on Nixon Unit 1, all related to broken bags in the baghouse compartments. These will count as one event since they were caused by the same issue, which was resolved once the issue was rectified.

Reportable Sanitary Sewer Overflows:

- None

5

# F1a Safety: Occupational Injuries and Illnesses Rate

Performance Measure Status: Far Exceeds Expectations

MEASURE DESCRIPTION

**Strategic Objective Supported:** Enable Employee Empowerment

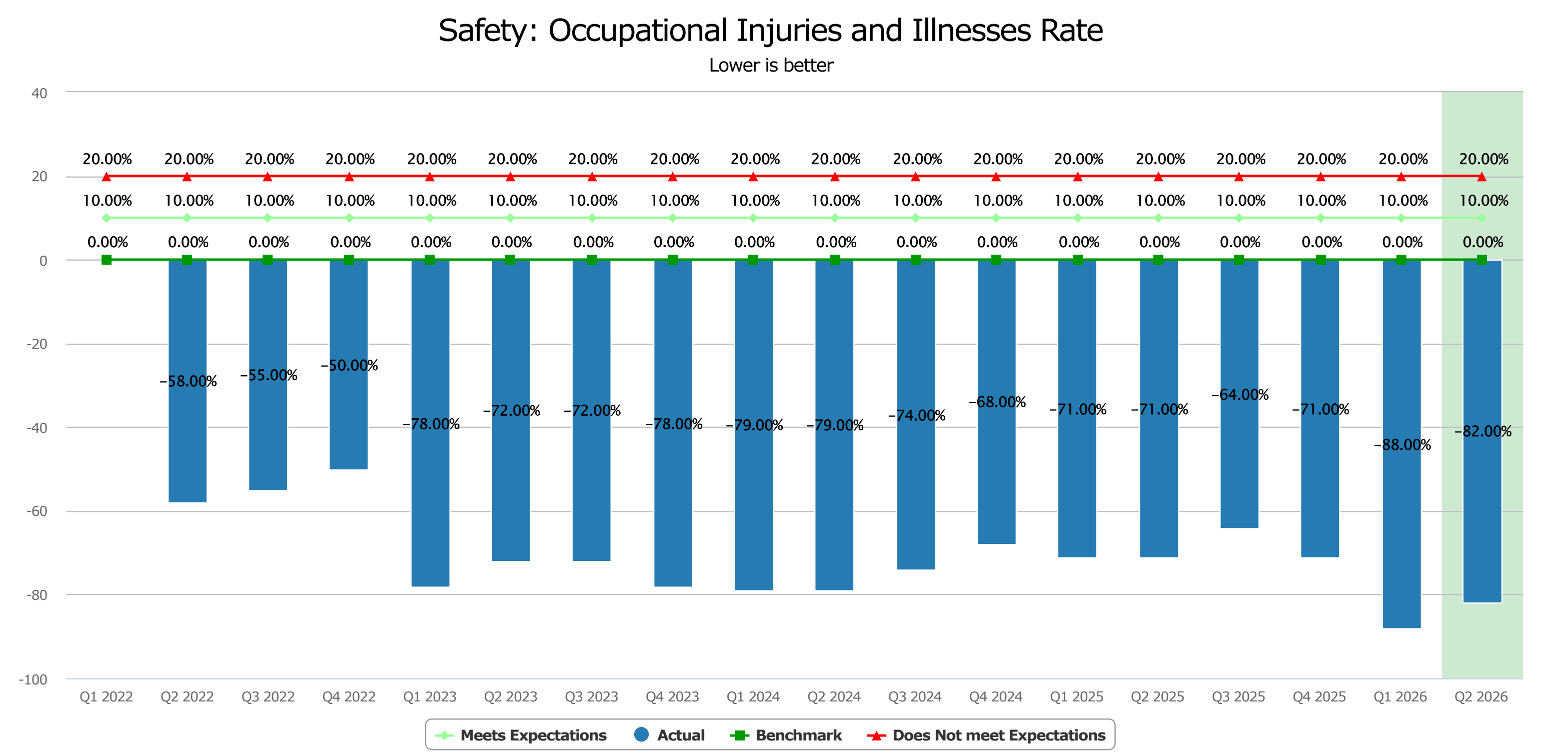
**Reported as:** Percentage above or below benchmark

**Target Range:** +/-10% of Benchmark

MEASURE PERFORMANCE

The mid-year 2026 result is 82% below benchmark.

TREND CHART




PERFORMANCE ANALYSIS

- This measure is based on the number of injuries or illnesses with days away from work beyond the date of injury or onset of illness.
- The measure is benchmarked to the North American Industry Classification System (NAICS) Code 22 for utility incidents. The NAICS is the standard used by the Bureau of Labor Statistics to classify data on Occupational Injuries and Illnesses by industries.
- The score for this measure is based on Springs Utilities 6-month Lost Time Incident Rate compared to the previous years' NAICS rate.
- There were 5 Lost Time incidents and 77 Lost Days through mid-year 2026.

4

# F1b Workforce Index

Performance Measure Status: Exceeds Expectations

MEASURE DESCRIPTION

**Strategic Objective Supported:** Enable Employee Empowerment

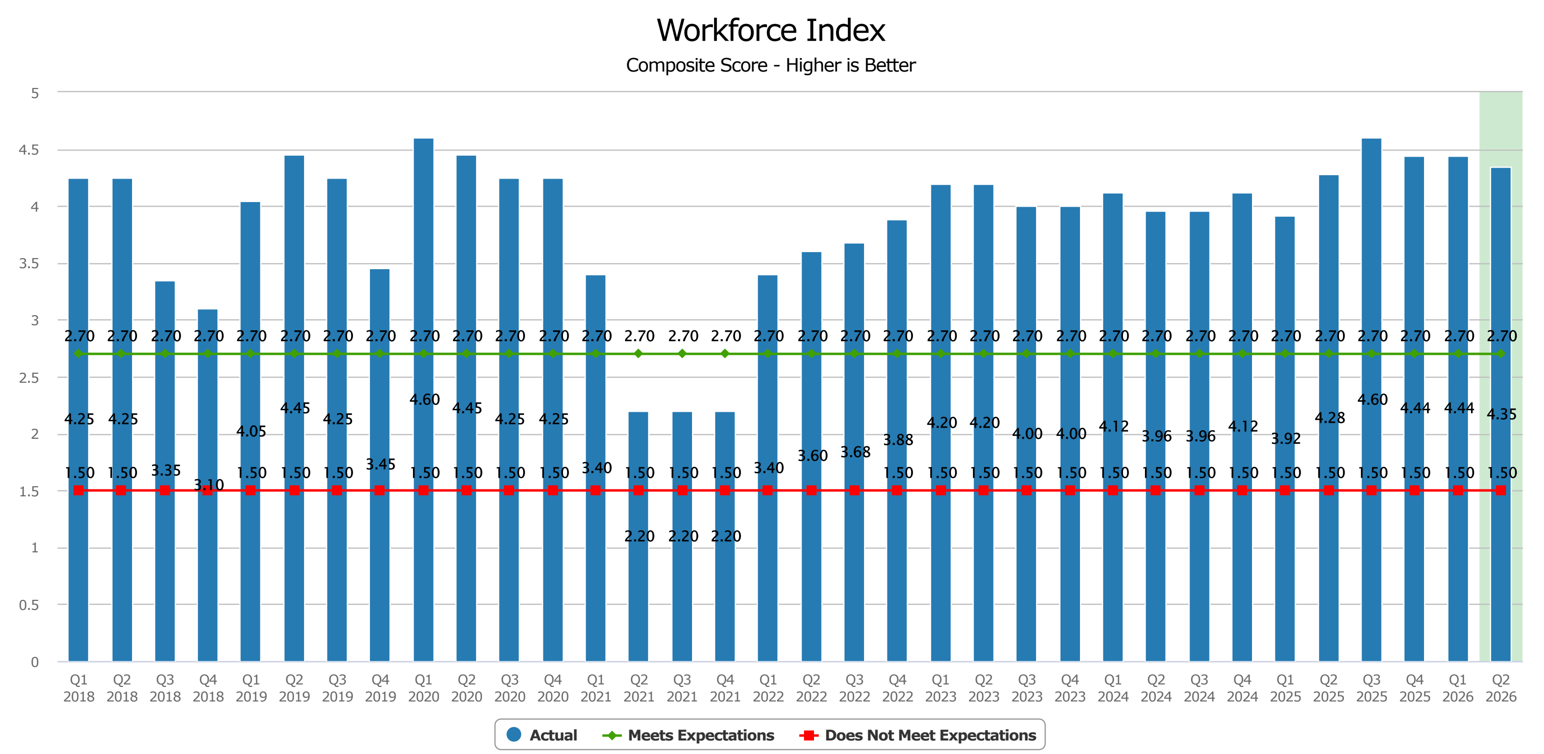
**Reported as:** Year-to-date

**Target range:** 2.70 – 3.49 (composite score)

MEASURE PERFORMANCE

The mid-year 2026 Result is 4.35.

TREND CHART




PERFORMANCE ANALYSIS

The overall Workforce Index is comprised of three components:

- Quality of Hire for New Hires 20%
- Total Turnover 40%
- Compliance with Mandatory and Required Training 40%

  - Quality of hire for new hires received a score of 3.33, which meets expectations.
  - Total turnover received a score of 5.00, which far exceeds expectations.
  - Compliance with mandatory and required training received a score of 4.2, which exceeds expectations.

Total Score: (3.33 x .2) + (5.00 x .4) + (4.20 x .4) = 4.35 = Exceeds Expectations

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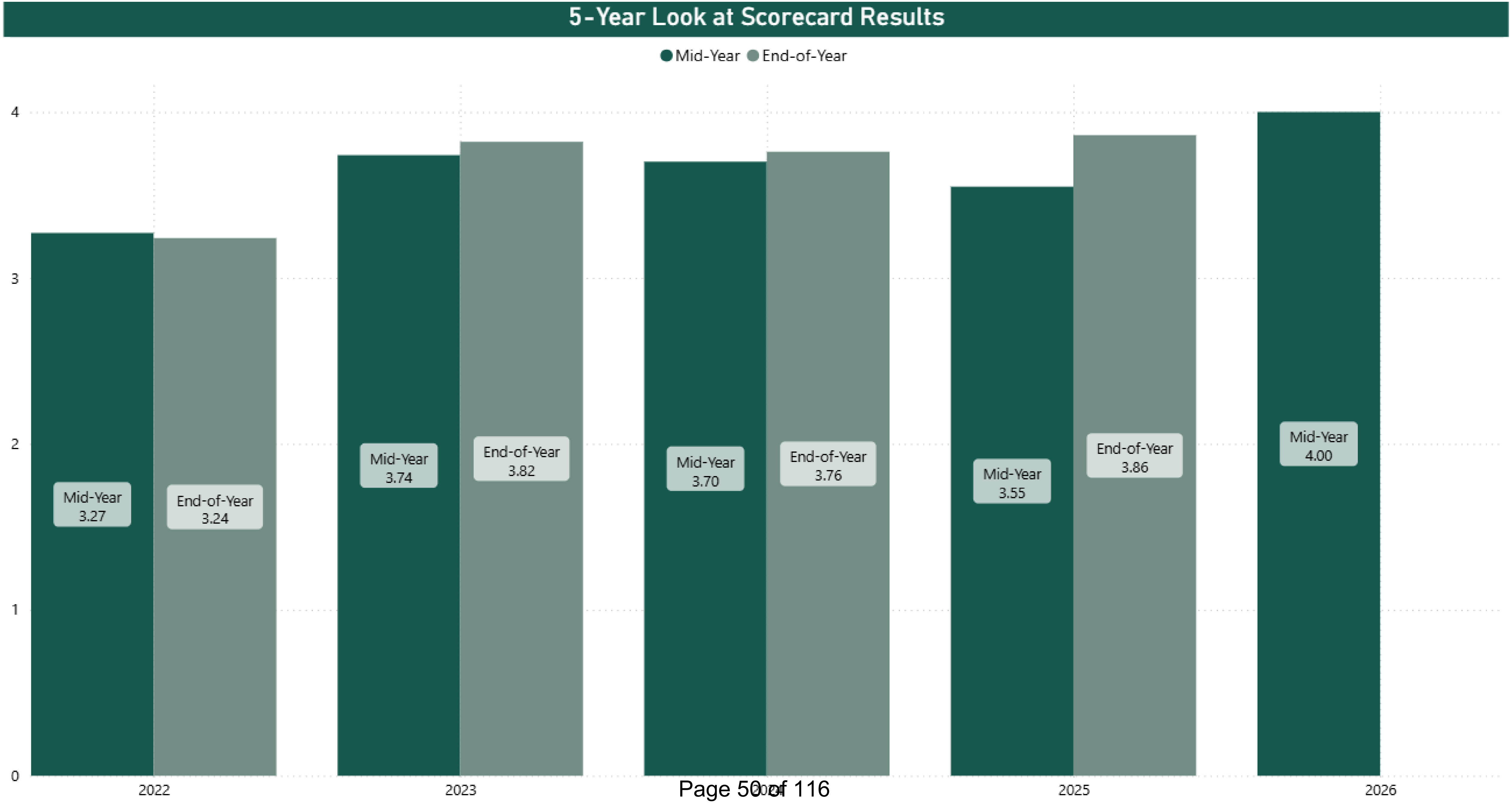
# 2026 Mid-Year Scorecard Results

August 19, 2026

Natalie Watts, Manager of Strategic Planning and Governance

# 2026 Mid-Year Scorecard Results

- The overall Enterprise Balanced Scorecard score is **4.00** on a scale of 1 to 5
- This translates to a rating of **“exceeds expectations”**
- **22** measures:
  - ✓ 14 exceeded expectations
  - ✓ 4 met expectations
  - ✓ 4 partially met expectations
  - ✓ 0 measures did not meet expectations



5-Year Look at Scorecard Results
Mid-Year
End-of-Year
4
3
2
1
0
Mid-Year 3.27
End-of-Year 3.24
Mid-Year 3.74
End-of-Year 3.82
Mid-Year 3.70
End-of-Year 3.76
Mid-Year 3.55
End-of-Year 3.86
Mid-Year 4.00
2022
2023
2024
2025
2026

# Far Exceeds Expectations >4.49

- Seven measures far exceeded expectations
- Reliability and rates continue to remain key areas of success
- Maintained competitive energy rates across the Front Range

| UB Focus Area | Performance Measure | Rating |
|---|---|---|
| Reliability | **Electric-** SAIDI - Interruptions in minutes per year | 5 |
| | **Water-** Failures per 100 miles of mainline | 5 |
| Rates | **Residential Electric Service-** Front Range Comparison | 5 |
| | **Residential Natural Gas Service-** Front Range Comparison | 5 |
| | **Small Comm 4-Service Bill-** Front Range Comparison | 5 |
| | **Adjusted Debt Service Coverage-** Current Year | 5 |
| Relationships | **Safety-** Occupational Injuries and Illnesses Rate | 5 |

# Exceeds Expectations 3.75-4.49

- Seven measures exceeded expectations
- Strong financial stability demonstrated
- Positive workforce outlook

| UB Focus Area | Performance Measure | Rating |
|---|---|---|
| Reliability | **Natural Gas-** Failures per 100 miles of pipe | 4 |
| Rates | **Residential Wastewater Service Bill-** Front Range Comparison | 4 |
| | **Large Comm/Industrial 4-Service Bill-** Front Range Comparison | 4 |
| | **Debt Ratio-** 3 Year Average | 4 |
| | **Bond Rating** | 4 |
| Relationships | **Environmental Index** | 4 |
| | **Workforce Index** | 4 |

# Meets Expectations 3.00-3.74

- Four measures met expectations
- Consistent operational performance
- Competitive rates are being supported by a strong financial position

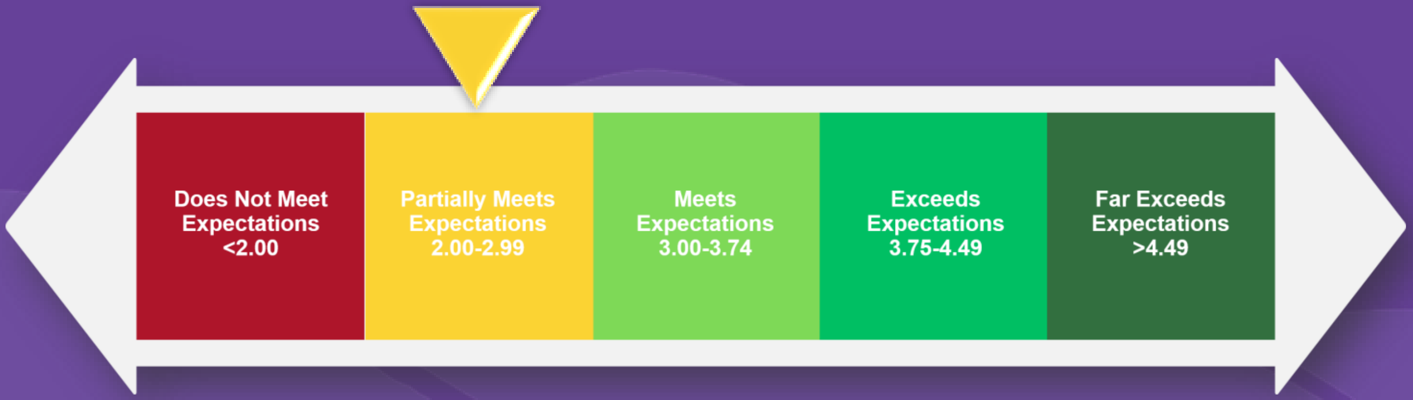
| UB Focus Area | Performance Measure | Rating |
| --- | --- | --- |
| Reliability | **Wastewater-** Failures per 100 miles of mainline | 3 |
| Rates | **Residential Water Service Bill-** Front Range Comparison | 3 |
| | **Days Cash on Hand-** Current Year | 3 |
| | **Debt Ratio-** Current Year | 3 |

# Partially Meets Expectations 2.00-2.99

- Four measures partially met expectations
- Three-year financial metrics reflecting prior years' performance
- Customer satisfaction declining due to rate pressures and evolving changes (EnergyWise)

| UB Focus Area | Performance Measure | Rating |
|---|---|---|
| Rates | **Days Cash on Hand-** 3 Year Average | 2 |
| | **Adjusted Debt Service Coverage-** 3 Year Average | 2 |
| Relationships | **Customer Satisfaction-** Residential | 2 |
| | **Customer Satisfaction-** Business | 2 |

# A Deeper Dive on the Four Measures that are "Partially Meets Expectations"



# Days Cash on Hand – 3-year average

- The days cash on hand for 2024 and 2025 were 146 and 143, respectively.
- Factoring in the mid-year 2026 result of 155 days cash on hand, the 3-year average was a rating of 148.
- The current forecast for years 2027-2031 are projecting results at or above 151 days.
- Meets expectations is 151-160 days.

# Adjusted Debt Service Coverage – 3-year average

- The 3-year average score is driven by adjusted debt service coverage scores of 1.62 and 1.77 in 2024 and 2025, respectively.
- Based on our five-year rate plan, we anticipate that this three-year average will remain below expectations until 2027.
- Currently we are forecasting above a 1.90 in 2027.

# Customer Satisfaction – Residential

- Customer satisfaction improved slightly, but peer gains were greater and customer effort declined.
- Customer interactions with employees continue to receive strong satisfaction ratings.
- Key challenges included digital channels, ease of doing business, billing and affordability.
- Improvements in safety and reliability, customer service and community engagement helped to offset these concerns.

# Customer Satisfaction – Business

- Declines were driven largely by rate concerns, affordability pressures, lower trust, and reduced satisfaction with utility programs and phone service.
- Businesses are seeking tools and programs to help lower energy costs and utility bills.
- Customer sentiment is expected to remain negative through the end of 2026 and into 2027.

# Next Steps

- Continue focus on improving the customer experience and ease of doing business
- Continue executing 5-year rate plan as approved by the Utilities Board to maintain strong financial outlook
- Sustain reliability and safety performance measures
- Year-end results will be presented at the March 2027 Utilities Board meeting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# Mid-year 2026 Colorado Springs Utilities Enterprise Balanced Scorecard

## The Balanced Scorecard measures the organization's performance in achieving enterprise Strategic Objectives

| Utilities Board Strategic Focus Weight | Strategic Objective | Performance Measure | Responsible Officer | Weight | 1 Does Not Meet Expectations | 2 Partially Meets Expectations | 3 Meets Expectations | 4 Exceeds Expectations | 5 Far Exceeds Expectations | Result | Trend | Rating | Weighted Rating |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Reliability 40% | Operational Excellence | 1. Electric - SAIDI - Interruptions in minutes per year | Somer Mese | 10.0 | > 57.50 minutes | 57.50 – 52.51 minutes | 52.50 – 47.51 minutes | 47.50 – 42.50 minutes | < 42.50 minutes | 33.02 | — | 5 | 0.50 |
| | | 2. Natural Gas - Failures per 100 miles of pipe | | 10.0 | > 8.00 failures | 8.00 - 6.01 failures | 6.00 - 4.00 failures | 3.99 - 2.00 failures | < 2.00 failures | 3.89 | ▲ | 4 | 0.40 |
| | | 3. Water - Failures per 100 miles of mainline | | 10.0 | > 14.00 failures | 14.00 – 12.01 failures | 12.00 – 10.00 failures | 9.99 – 8.00 failures | < 8.00 failures | 7.74 | — | 5 | 0.50 |
| | | 4. Wastewater - Failures per 100 miles of mainline | | 10.0 | > 1.00 failures | 1.00 - 0.76 failures | 0.75 - 0.51 failures | 0.50 - 0.25 failures | < 0.25 failures | 0.70 | — | 3 | 0.30 |
| Rates 40% | Financial Accountability | 5. Residential Electric Service - Front Range Comparison | Tristan Gearhart | 3.0 | >10.0% higher than average | 5.1 – 10.0% higher than average | +/- 5.0% of average | 5.1 – 10.0% lower than average | >10.0% lower than average | -13.92% | — | 5 | 0.15 |
| | | 6. Residential Natural Gas Service - Front Range Comparison | | 3.0 | >10.0% higher than average | 5.1 – 10.0% higher than average | +/- 5.0% of average | 5.1 – 10.0% lower than average | >10.0% lower than average | -19.75% | — | 5 | 0.15 |
| | | 7. Residential Water Service - Front Range Comparison | | 3.0 | >25.0% higher than average | 20.1 – 25.0% higher than average | 10.1 – 20.0% higher than average | 5.0 – 10.0% higher than average | <5.0% higher than average | 16.69% | — | 3 | 0.09 |
| | | 8. Residential Wastewater Service - Front Range Comparison | | 3.0 | >10.0% higher than average | 5.1 – 10.0% higher than average | +/- 5.0% of average | 5.1 – 10.0% lower than average | >10.0% lower than average | -5.67% | — | 4 | 0.12 |
| | | 9. Small Comm 4-Service Bill - Front Range Comparison | | 3.0 | >10.0% higher than average | 5.1 – 10.0% higher than average | +/- 5.0% of average | 5.1 – 10.0% lower than average | >10.0% lower than average | -10.76% | ▲ | 5 | 0.15 |
| | | 10. Large Comm/Indust 4-Service Bill - Front Range Comparison | | 3.0 | >10.0% higher than average | 5.1 – 10.0% higher than average | +/- 5.0% of average | 5.1 – 10.0% lower than average | >10.0% lower than average | -8.16% | — | 4 | 0.12 |
| | | 11. Days Cash on Hand - Current Year | | 2.5 | <140 days | 140 - 150 days | 151 - 160 days | 161 - 180 days | >180 days | 155 | ▲ | 3 | 0.08 |
| | | 12. Days Cash on Hand - 3 Year Average | | 2.5 | <140 days | 140 - 150 days | 151 - 160 days | 161 - 180 days | >180 days | 148 | — | 2 | 0.05 |
| | | 13. Adjusted Debt Service Coverage - Current Year | | 2.5 | < 1.75 times | 1.75 - 1.79 times | 1.80 - 1.90 times | 1.91-1.95 times | > 1.95 times | 1.98 | ▲ | 5 | 0.13 |
| | | 14. Adjusted Debt Service Coverage - 3 Year Average | | 2.5 | < 1.75 times | 1.75 - 1.79 times | 1.80 - 1.90 times | 1.91-1.95 times | > 1.95 times | 1.79 | — | 2 | 0.05 |
| | | 15. Debt Ratio - Current Year | | 2.5 | >61.0% | 61.0 - 59.6% | 59.5 - 55.0% | 54.9 - 48.1% | <48.1% | 55.3% | — | 3 | 0.08 |
| | | 16. Debt Ratio - 3 Year Average | | 2.5 | >61.0% | 61.0 - 59.6% | 59.5 - 55.0% | 54.9 - 48.1% | <48.1% | 54.1% | — | 4 | 0.10 |
| | | 17. Bond Rating | | 7.0 | Any 2 of the 3 ratings from the agencies less than AA (S&P)/Aa2 (Moody's)/AA (Fitch) | Any 1 of the 3 ratings from the agencies less than AA (S&P)/Aa2 (Moody's)/AA (Fitch) | Standard & Poors AA Moody's Investors Service: Aa2 Fitch Ratings : AA | Any 1 of the 3 ratings from the agencies greater than AA (S&P)/Aa2 (Moody's)/AA (Fitch) | Any 2 of the 3 ratings from the agencies greater than AA (S&P)/Aa2 (Moody's)/AA (Fitch) | Standard & Poor's AA+, Moody's Aa2, and Fitch AA | — | 4 | 0.28 |
| Relationships 20% | Focus on the Customer | 18. Customer Satisfaction - Residential | Mike Francolino | 3.0 | < 1.50 | 1.50 - 2.49 | 2.50 - 3.49 | 3.50 - 4.49 | > 4.49 | 1.82 | ▼ | 2 | 0.06 |
| | | 19. Customer Satisfaction - Business | | 3.0 | < 1.50 | 1.50 - 2.49 | 2.50 - 3.49 | 3.50 - 4.49 | > 4.49 | 1.67 | ▼ | 2 | 0.06 |
| | Support our Community | 20. Environmental Index | Renee Adams | 3.0 | < 65.00 | 65.00 – 74.99 | 75.00 – 85.99 | 86.00 – 94.99 | > 94.99 | 92.00 | ▼ | 4 | 0.12 |
| | Enable Employee Empowerment | 21. Safety: Occupational Injuries and Illnesses Rate | Renee Adams | 8.0 | > 20% Above Benchmark | 10.01 - 20% Above Benchmark | +/-10% of Benchmark | 10.01 - 20% Below Benchmark | > 20% Below Benchmark | -82% | — | 5 | 0.40 |
| | | 22. Workforce Index | | 3.0 | < 1.50 | 1.50 - 2.69 | 2.70 - 3.49 | 3.50 - 4.60 | > 4.60 | 4.35 | — | 4 | 0.12 |
| | | | | | | | | | | | | Performance Measure Total: | 4.00 |

As of: June 30, 2026

| Trend Key |
|---|
| ▲ Favorable |
| ▼ Unfavorable |
| — No Change |

| Rating Scale | | | | |
|---|---|---|---|---|
| 1 Does Not Meet Expectations | 2 Partially Meets Expectations | 3 Meets Expectations | 4 Exceeds Expectations | 5 Far Exceeds Expectations |
| <2.00 | 2.00 - 2.99 | 3.00 - 3.74 | 3.75 - 4.49 | >4.49 |

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**Date:** August 19, 2026

**To:** Utilities Board

**From:** Travas Deal, Chief Executive Officer

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

**Desired Action:** Monitoring

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

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

Electric Cost Adjustment (ECA)
On March 24, 2026, City Council approved the ECA rate of $0.0233 per kWh effective April 1, 2026. As of June 30, 2026, the ECA over collection balance was $18.2 million. The over collection balance changed by $1.4 million from the $16.8 million over 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 24, 2026, City Council approved the GCA rate of $0.1994 per Ccf effective April 1, 2026. As of June 30, 2026, the GCA over collection balance was $15.1 million. The over collection balance changed by $1.8 million from the $13.3 million over collection balance reported last month. Colorado Springs Utilities will continue to provide regular updates to the Utilities Board as appropriate.

Water Outlook

July 2026 Water Outlook: Data as of July 31, 2026

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

Water Demands: July water use averaged 102.6 million gallons per day (MGD), which was about 13.2% more than last July. Year-to-date water use averaged 13.67 billion gallons (BG), which was about 1.24 billion gallons more than 2025. Total system storage is currently at 68.7% of capacity, equating to approximately 2.7 years of demand in storage, based on the past three years of demand. Local storage currently holds enough water to meet approximately 231 days of demand, based on average usage.

Climate Summary: Temperatures in July were above average at 74.5 degrees Fahrenheit. Total precipitation for July was 1.46 inches, which is below normal.

Current Reservoir Levels: Local storage is currently at about 42,719 acre-feet (69% of capacity). The 1991-2020 average is 82% of capacity. Rampart Reservoir is at 79% of capacity, and Pikes Peak storage is at 42% of capacity. System wide, total storage is about 179,200 acre-feet (47% of capacity). Last year at this time, total system wide storage was 86.3% of capacity. It was about 87.8% at this same time in 2024, about 73% of capacity in 2022, about 71% of capacity in 2021, and about 80% of capacity in 2020. The 1991-2020 normal system wide storage for the end of July is 82.7% of capacity.

Water Supply Outlook: The U.S. Drought Monitor indicates varying drought conditions across the country, with 30% of the U.S. experiencing no drought conditions. In Colorado, 3% of the state is currently free from drought conditions, a 43-percentage point decline since this time last year.

Looking ahead, the Seasonal Drought Outlook predicts drought persistence is likely in Northwestern Colorado with drought development likely in Central and Southern Colorado between now and August 31, 2026. The three-month climate outlook predicts Central and Southern Colorado have a slightly higher chance of above normal temperatures. The three-month outlook is also forecasting above normal precipitation across most of the state.

Operational Notes: Mason Reservoir capacity remains restricted for maintenance.

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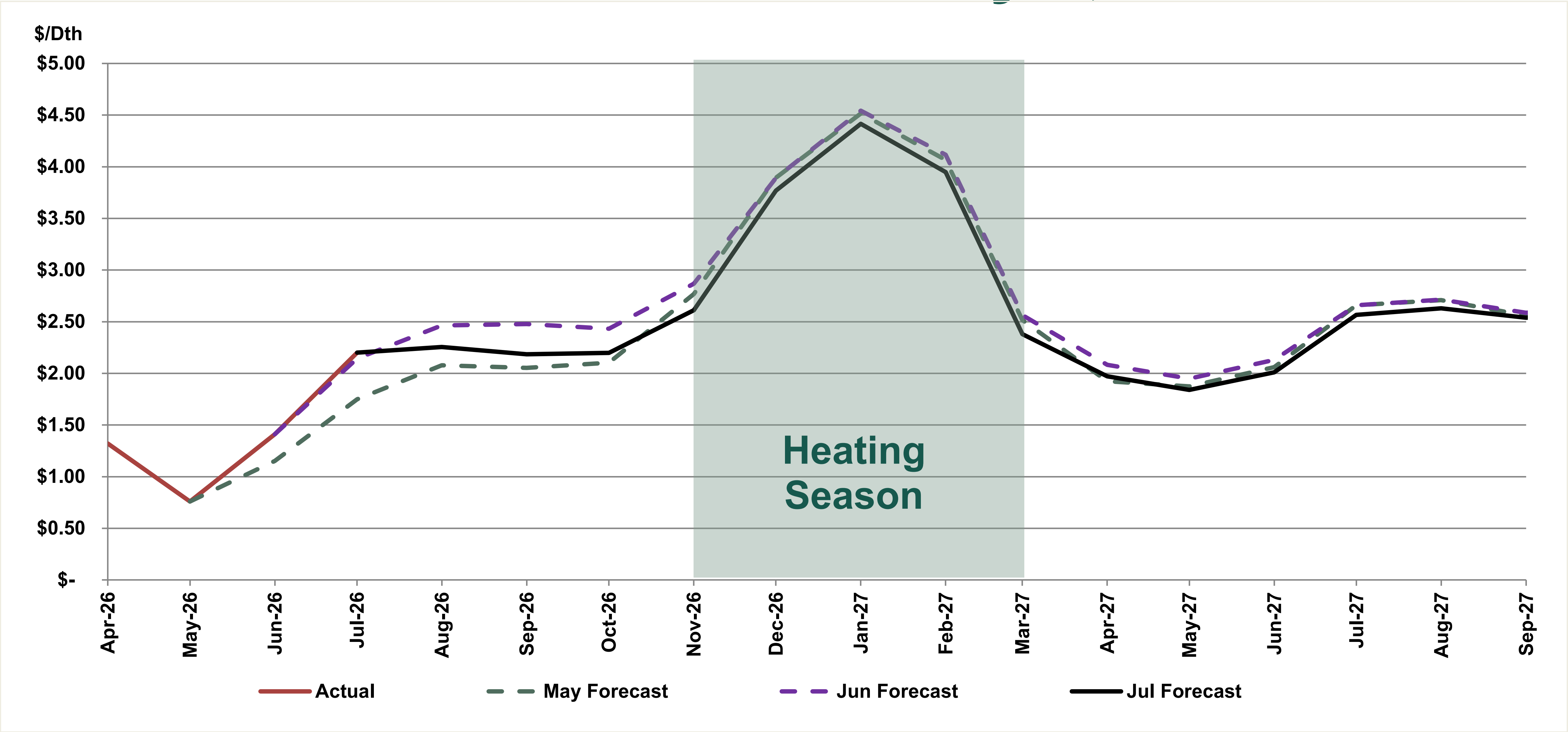
# Electric Cost Adjustment
# Gas Cost Adjustment

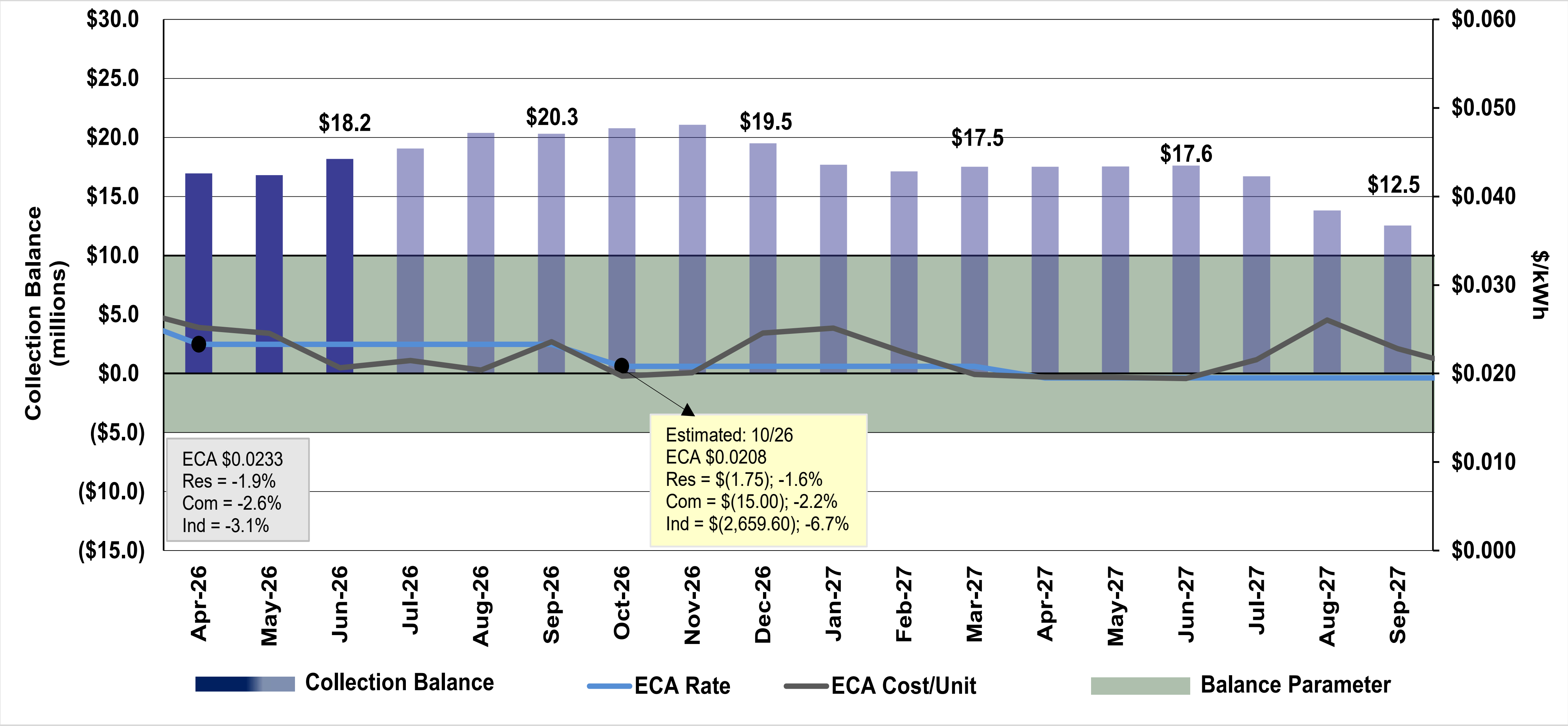
Scott Shirola, Pricing and Rates Manager

August 19, 2026

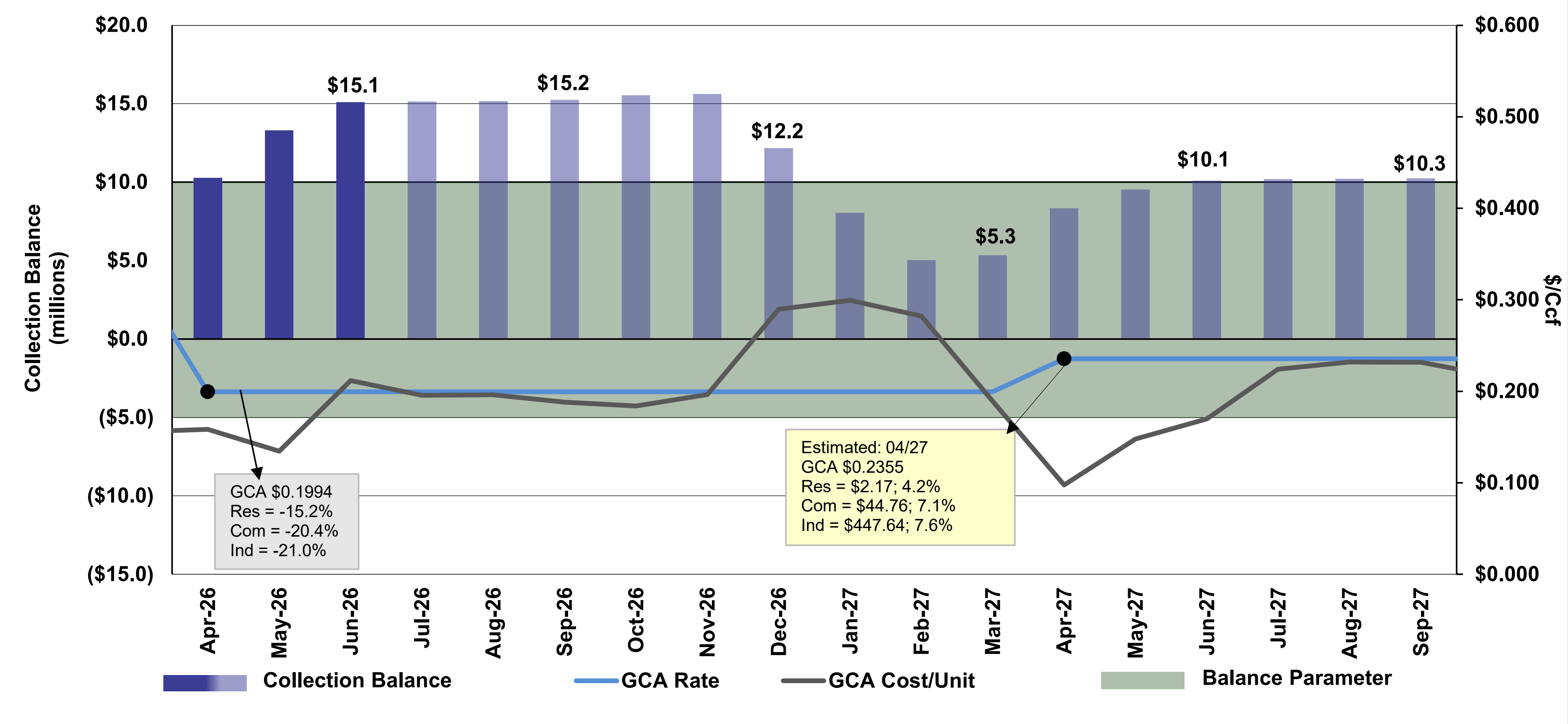
# Natural Gas Prices as of July 1, 2026



# ECA Projections July 2026



# GCA Projections July 2026

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# Water Outlook

Justin Zeisler, P.E.

Supervisor, Water Resource Planning

August 1, 2026

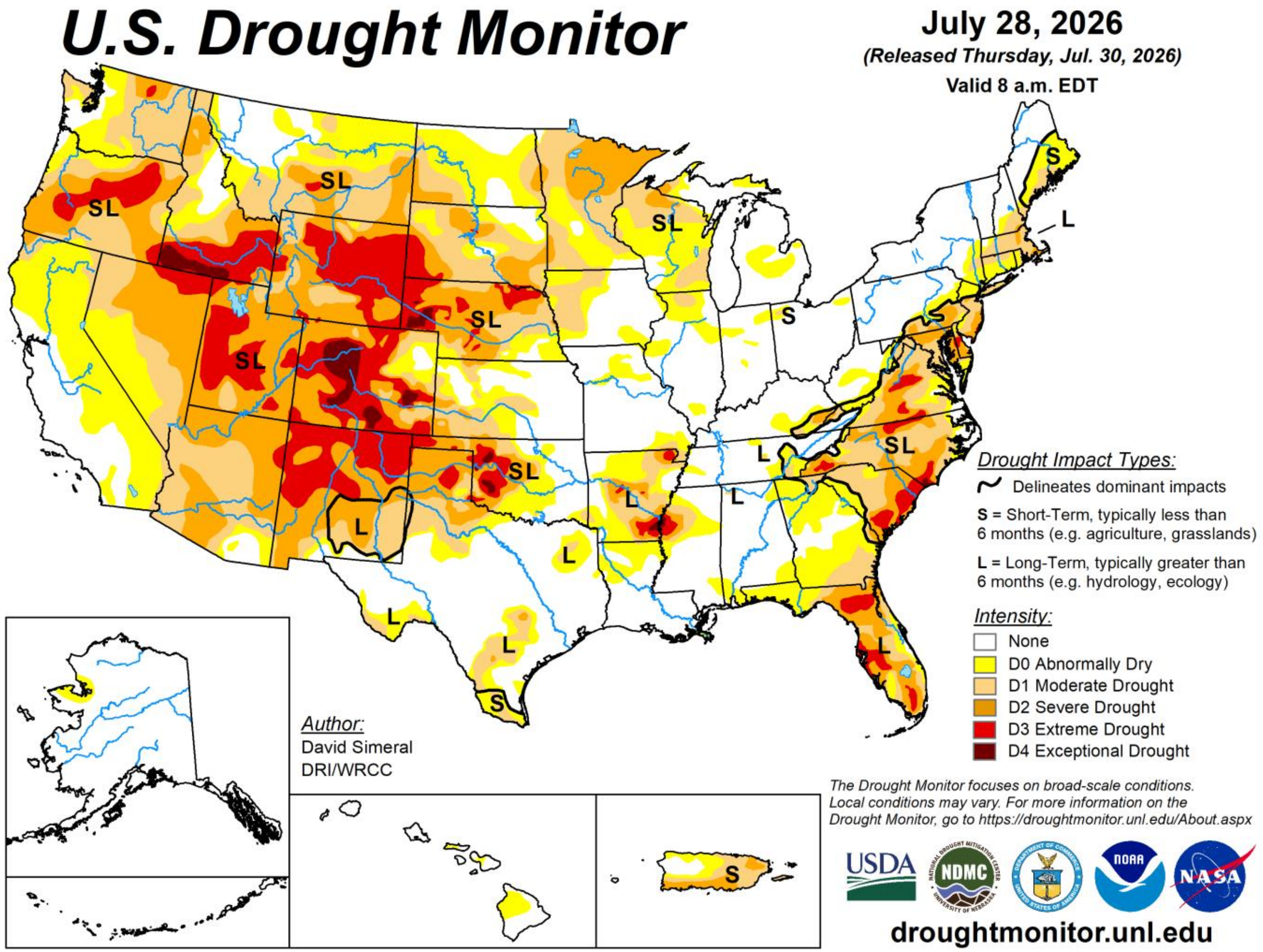
# Local Weather Conditions as of July 31, 2026

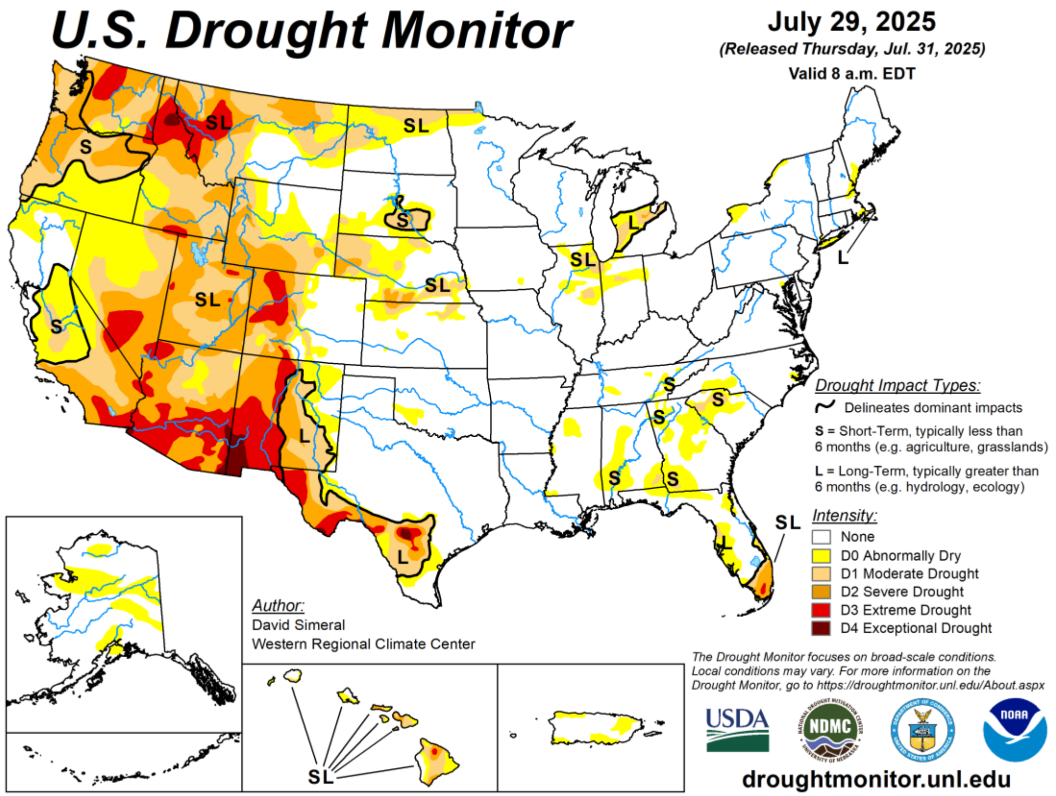
Precipitation (Inches of Moisture)

- July 2026 – 1.46 in. (47% of normal)
- 2026 YTD Total – 6.13 in. (60% of normal)

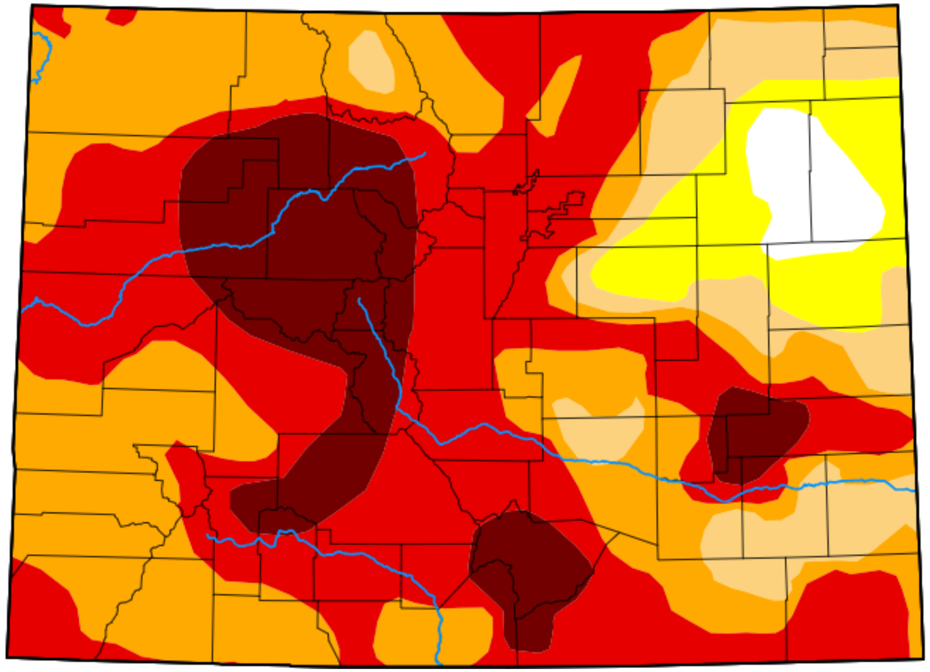
Average Temperature

- July 2026 – 74.5 °F (2.0 °F above normal)
- 2026 YTD Average – 53.7 °F (3.6 °F above normal)


U.S. Drought Monitor
July 28, 2026
(Released Thursday, Jul. 30, 2026)
Valid 8 a.m. EDT
Drought Impact Types:
Delineates dominant impacts
S = Short-Term, typically less than 6 months (e.g. agriculture, grasslands)
L = Long-Term, typically greater than 6 months (e.g. hydrology, ecology)
Intensity:
None
D0 Abnormally Dry
D1 Moderate Drought
D2 Severe Drought
D3 Extreme Drought
D4 Exceptional Drought
Author:
David Simeral
DRI/WRCC
The Drought Monitor focuses on broad-scale conditions. Local conditions may vary. For more information on the Drought Monitor, go to https://droughtmonitor.unl.edu/About.aspx
droughtmonitor.unl.edu


U.S. Drought Monitor
July 29, 2025
(Released Thursday, Jul. 31, 2025)
Valid 8 a.m. EDT
Drought Impact Types:
Delineates dominant impacts
S = Short-Term, typically less than 6 months (e.g. agriculture, grasslands)
L = Long-Term, typically greater than 6 months (e.g. hydrology, ecology)
Intensity:
None
D0 Abnormally Dry
D1 Moderate Drought
D2 Severe Drought
D3 Extreme Drought
D4 Exceptional Drought
Author:
David Simeral
Western Regional Climate Center
The Drought Monitor focuses on broad-scale conditions. Local conditions may vary. For more information on the Drought Monitor, go to https://droughtmonitor.unl.edu/About.aspx
droughtmonitor.unl.edu

# Colorado



**Map released: Thurs. July 30, 2026**

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

## Intensity

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

## Authors

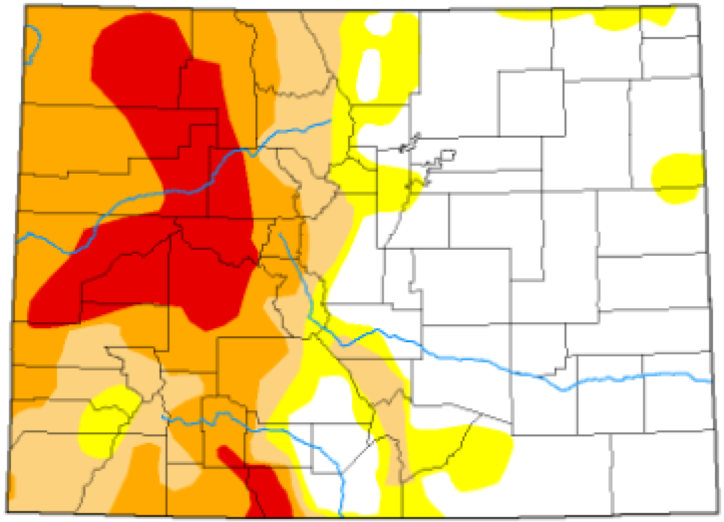
United States and Puerto Rico Author(s):

David Simeral, WRCC/DRI

Pacific Islands and Virgin Islands Author(s):

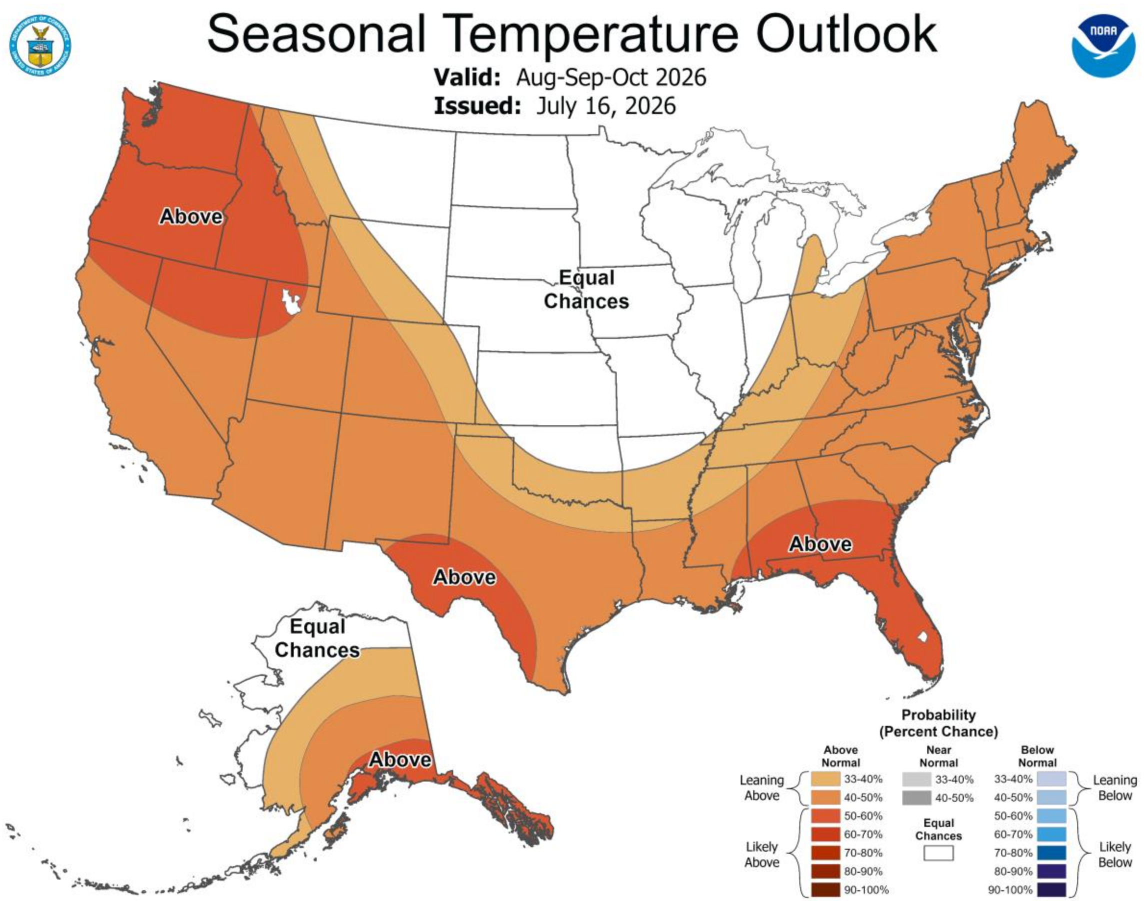
Brad Rippey, U.S. Department of Agriculture

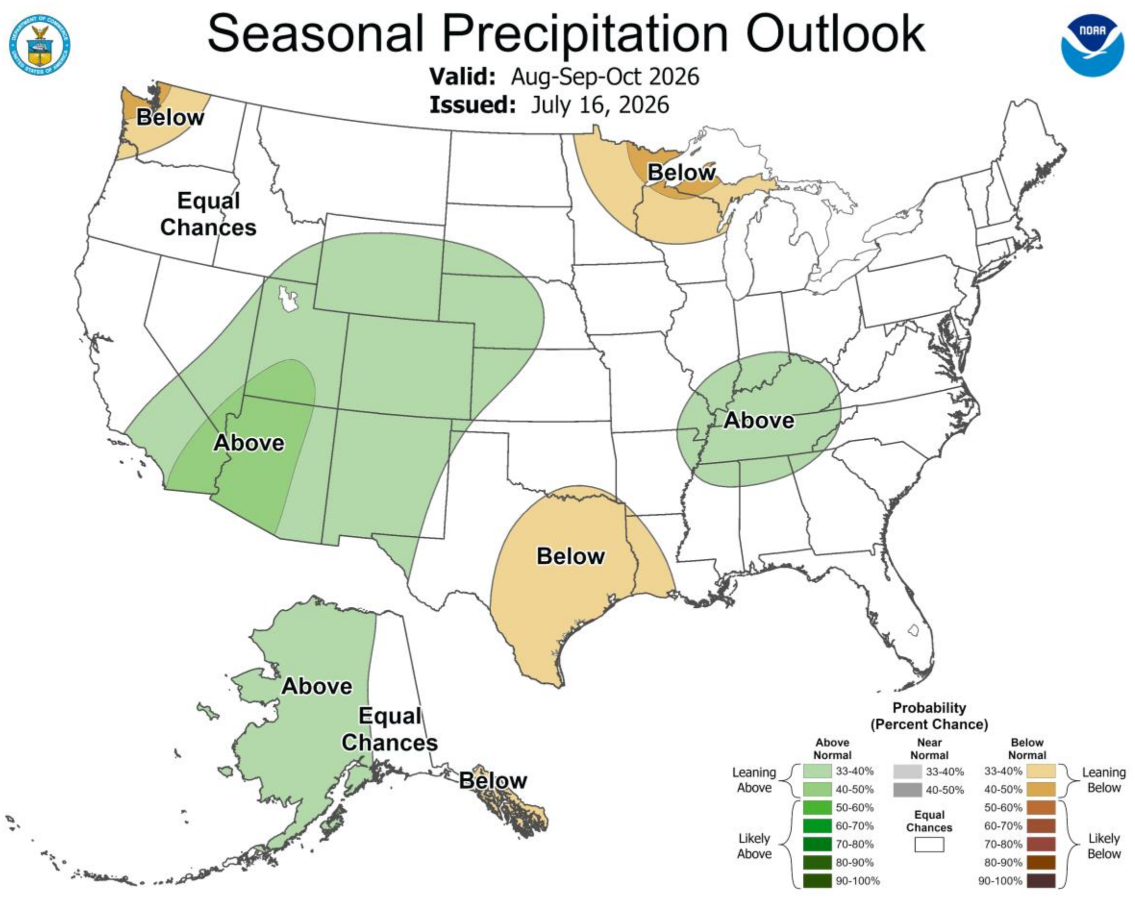
**July 2025**

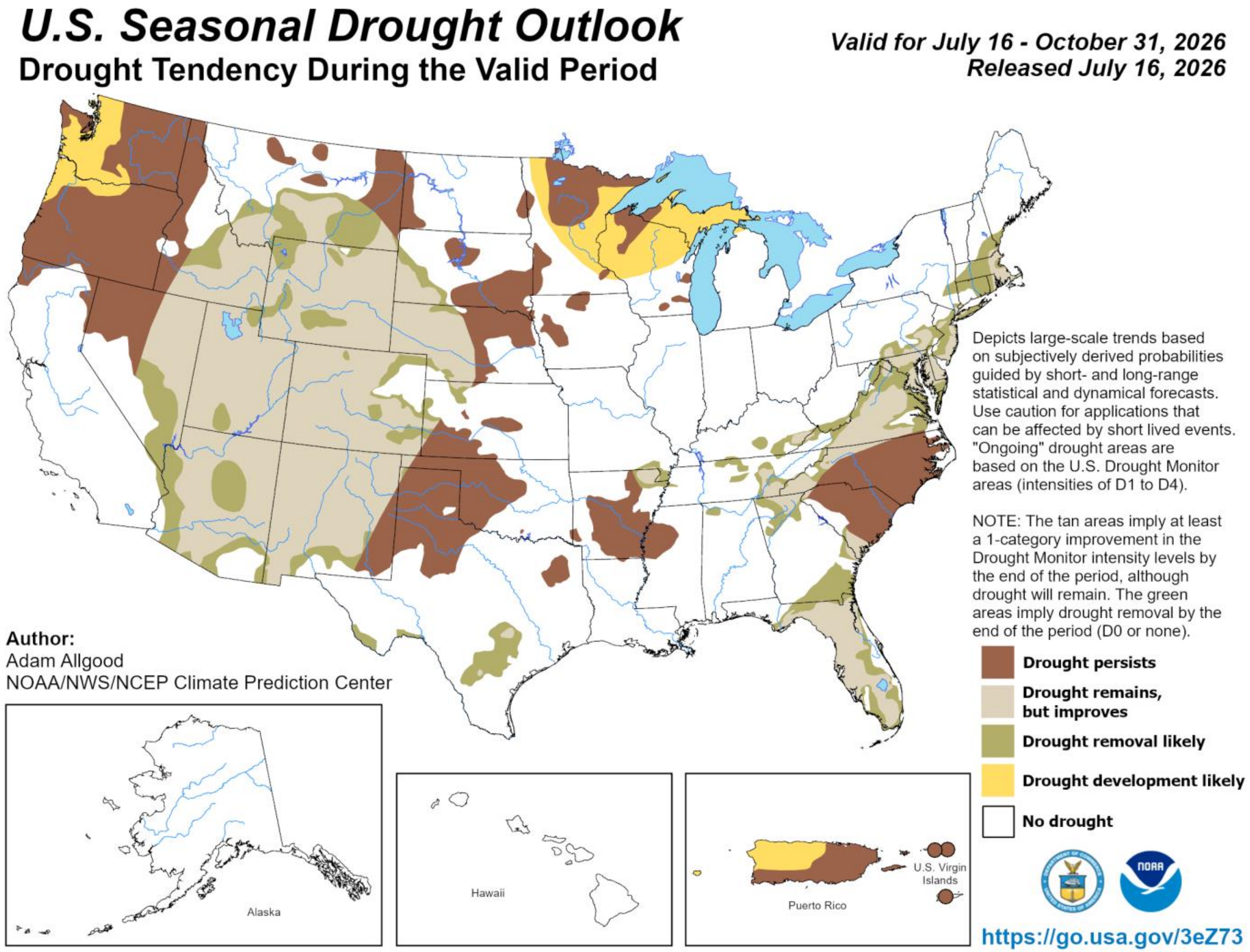


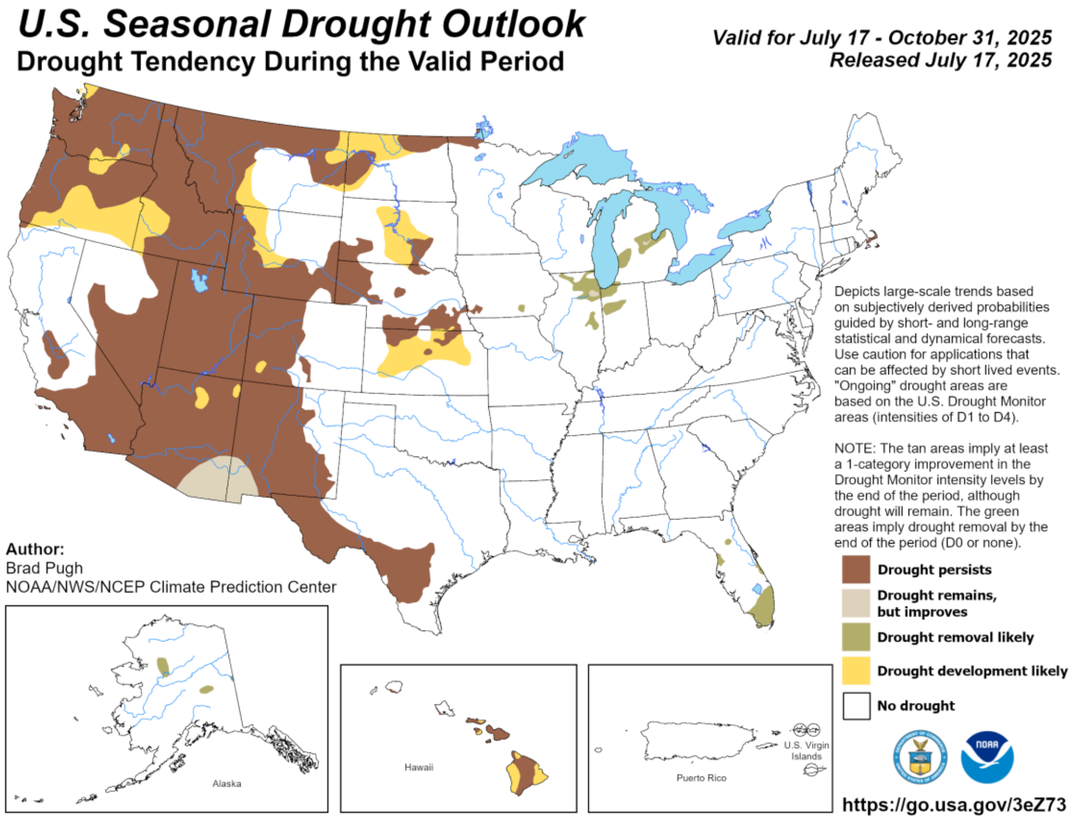
# Seasonal Outlook

Climate Prediction Center




U.S. Seasonal Drought Outlook
Drought Tendency During the Valid Period
Valid for July 16 - October 31, 2026
Released July 16, 2026
Depicts large-scale trends based on subjectively derived probabilities guided by short- and long-range statistical and dynamical forecasts. Use caution for applications that can be affected by short lived events. "Ongoing" drought areas are based on the U.S. Drought Monitor areas (intensities of D1 to D4).
NOTE: The tan areas imply at least a 1-category improvement in the Drought Monitor intensity levels by the end of the period, although drought will remain. The green areas imply drought removal by the end of the period (D0 or none).
Drought persists
Drought remains, but improves
Drought removal likely
Drought development likely
No drought
Author:
Adam Allgood
NOAA/NWS/NCEP Climate Prediction Center
Alaska
Hawaii
Puerto Rico
U.S. Virgin Islands
https://go.usa.gov/3eZ73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Drought persists
Drought remains, but improves
Drought removal likely
Drought development likely
No drought
Author:
Brad Pugh
NOAA/NWS/NCEP Climate Prediction Center
Alaska
Hawaii
Puerto Rico
U.S. Virgin Islands
https://go.usa.gov/3eZ73

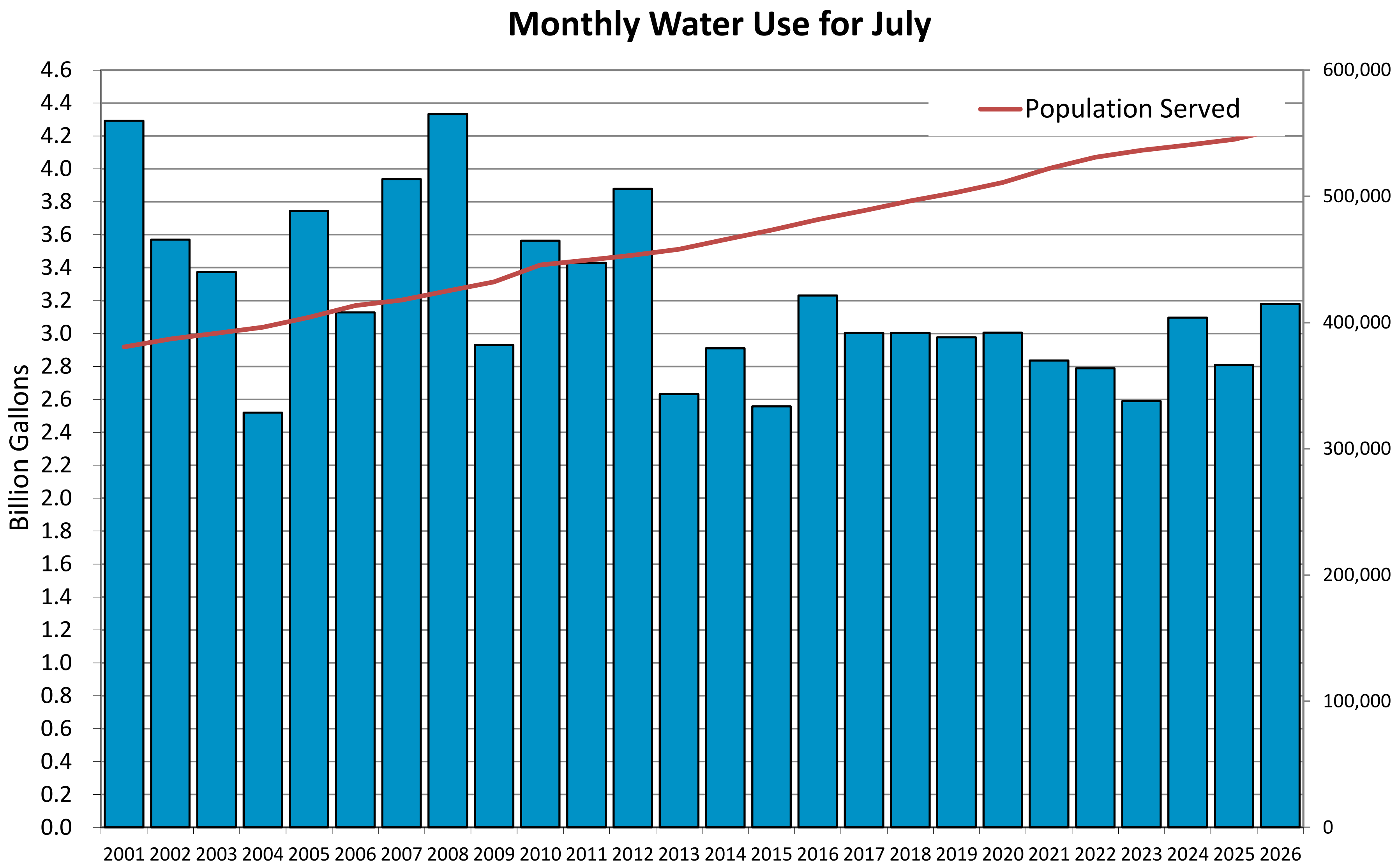
# 2026 Demands

July 2026

- Averaged 102.6 MGD
- 13.2% more than July 2025

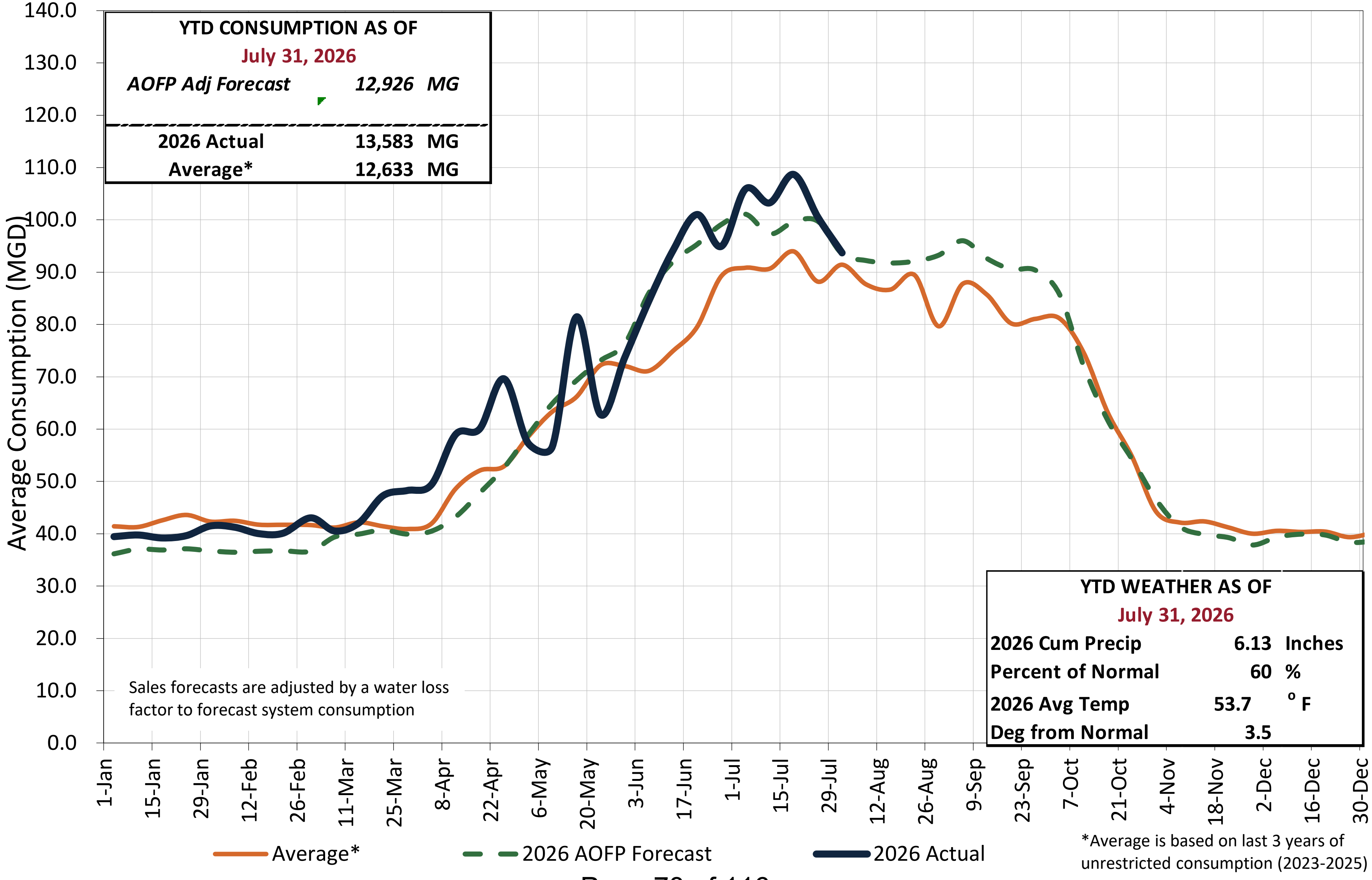
2026 Year to Date through July 31

- Averaging 64.3 MGD, 13.67 BG total
  - 10% higher compared to the same time in 2025
  - 1.24 Billion Gallons more than 2025



Monthly Water Use for July
Population Served
Billion Gallons
4.6
4.4
4.2
4.0
3.8
3.6
3.4
3.2
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 2026

# 2026 Actual Consumption (Weekly Data)



# Reservoir Levels

**July 31, 2026**

- Pikes Peak 42%
  - 91-20 Avg. 71%

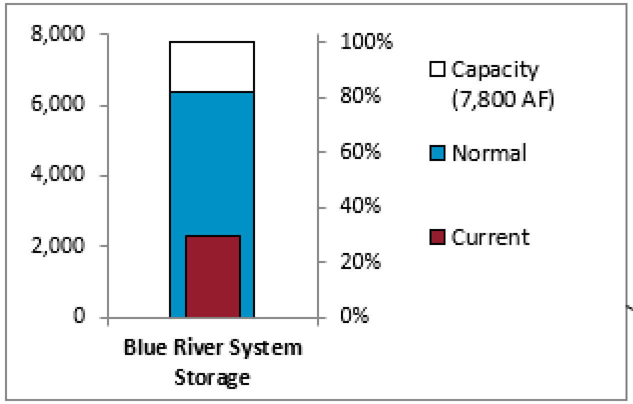
- Rampart 79%
  - 91-20 Avg. 79%

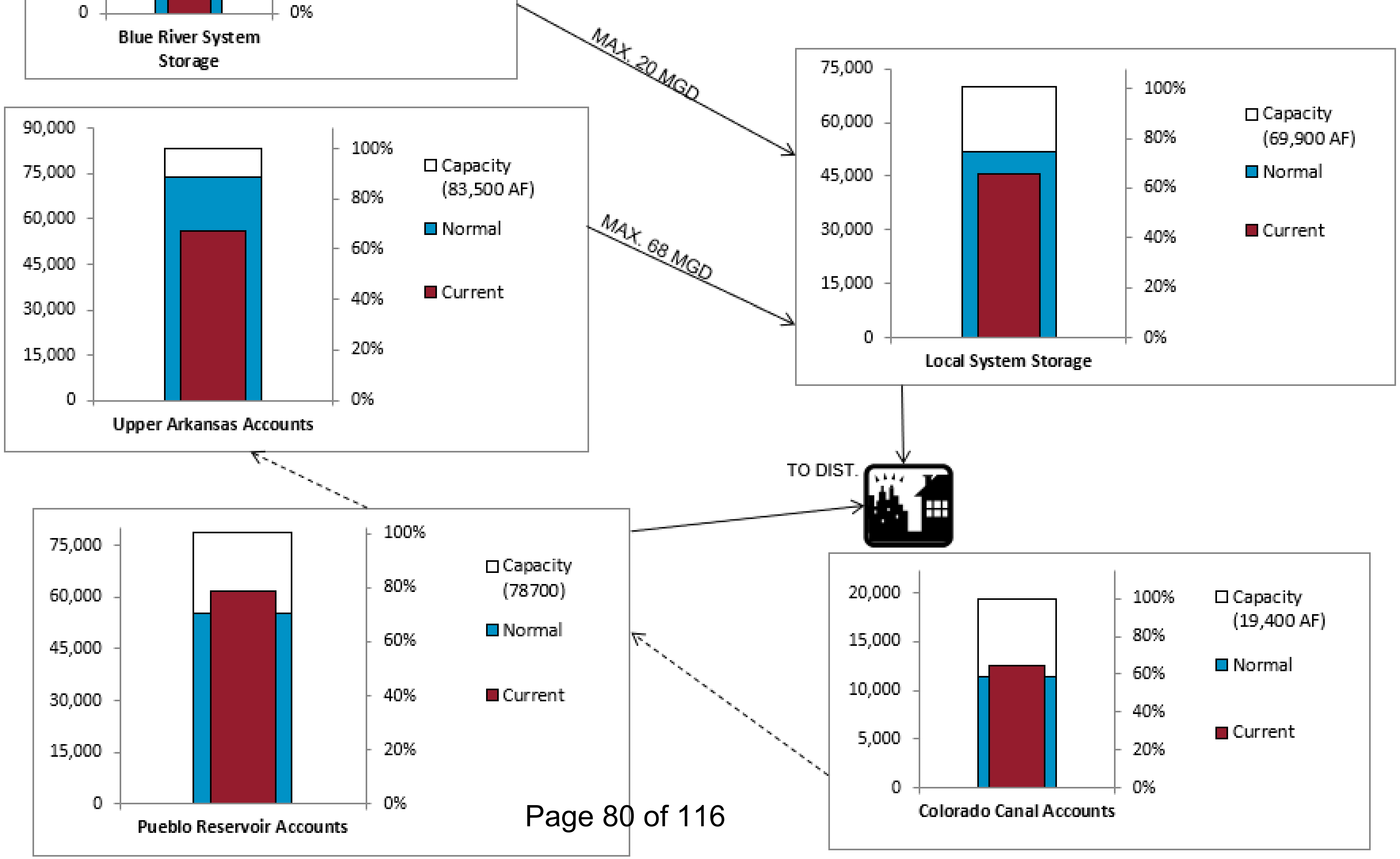
- Local Total 65%
  - 91-20 Avg. 76%

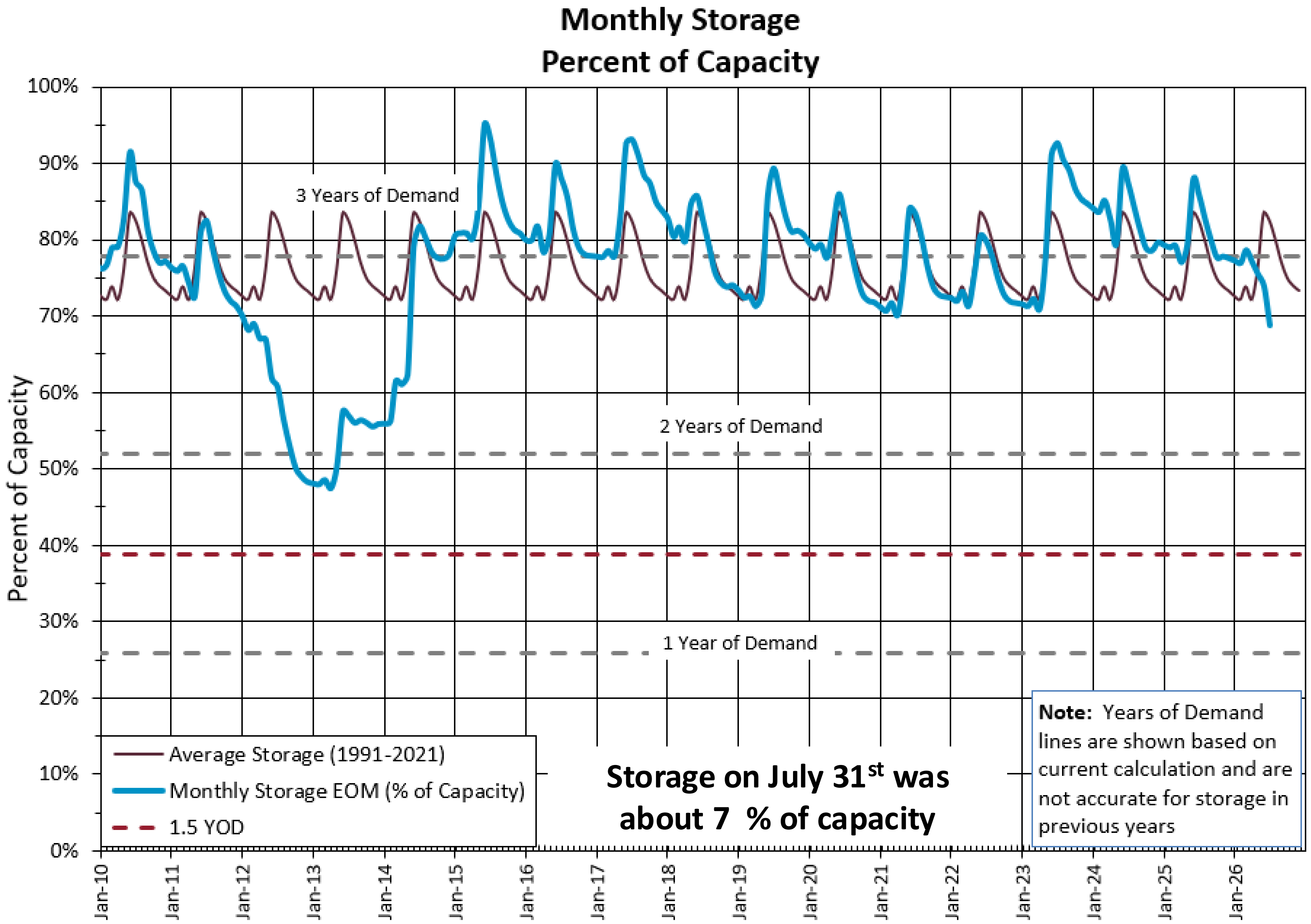
- System Total 69%
  - 91-20 Avg. 82%

## Colorado Springs' System Wide Storage:

| | | |
|---|---|---|
| July 31, 2026 | 179,200 | af |
| | 68.7 | % |
| 2001-2022 avg | 198,600 | af |
| | 76.1 | % |
| Average YTD Demand | 64.6 | 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 July 31st was
about 7  % 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
Jan-26

# Water Outlook

Situation Outlook Summary

- System-wide storage is at 69% of capacity which equates to about 2.7 years of demand in storage
- Streamflows and soil moisture conditions remain at or near record lows in the Colorado and Arkansas River basins

Three-month outlook predictions

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

We continue to monitor streamflow, water demand, and system storage to maximize available water supply.

# Operational Notes

## Storage Conditions

- Mason Reservoir and South Suburban Reservoir remain restricted for maintenance

## Colorado River Update

- Seven basin states did not reach agreement on new operating rules
- Federal government released its Environmental Impact Statement regarding future Colorado River operations and will soon follow with its Record of Decision
- New operating guidelines seem to more accurately reflect existing water supply and the reality of less water availability
- Additional agreements must be negotiated
- Springs Utilities continues submitting input through the Front Range Water Council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# Board Memo Agenda Item
## Staff Report

| | |
|---|---|
| **Date:**<br>(Date of Utilities Board Meeting) | August 19, 2026 |
| **To:** | Utilities Board |
| **From:** | Travas Deal, Chief Executive Officer |
| **Subject:** | A Resolution Authorizing the Purchase of Las Animas Consolidated Water Sharing Company (“LACWSC”) Stock for Pro Rata Water Deliveries from Las Animas Consolidated Canal Company and Consolidated Extension Canal Company Stock Conveyed to the LACWSC by Public Service Company of Colorado; and Authorizing Colorado Springs Utilities to File Water Court Applications for Changes of Water Rights and Appropriative Rights of Exchange |
| **NARRATIVE:** | |
| **Desired Action:**<br>Choose only one | ☐ Approval<br>☐ Discussion<br>☒ Information |
| **Executive Summary:** | Springs Utilities’ Integrated Water Resource Plan identifies a need to acquire an additional 15,000–25,000 acre-feet of water annually over the next 50 years to meet projected customer demand, enhance drought resiliency, and reduce risks associated with a potential Colorado River Compact call.<br><br>To address this need, Springs Utilities has developed the Arkansas Basin Water Sharing Program, which seeks to secure new water supplies through partnerships with Lower Arkansas Valley agricultural producers while preserving long-term farming operations.<br><br>Springs Utilities would pay the purchase price for all Class B Shares in the LACWSC and LACWSC would acquire from PSCo water rights associated with the Las Animas Consolidated and Consolidated Extension Canal Companies in Bent County.<br><br>Springs Utilities’ Class B Shares have an estimated average annual yield of approximately 3,500 acre-feet for municipal use and will maintain 70% of LACWSC’s water rights portfolio for continued agricultural use. Springs Utilities requests that the Utilities Board recommend that City Council approve the purchase for $35.75 million, subject to completion of due diligence and satisfaction of all closing conditions, as a strategic investment in the community’s long-term water supply reliability and security. |
| **Benefits:** | This purchase secures a reliable new long-term water supply of approximately 3,500 acre-feet per year for Colorado Springs while preserving agricultural operations and water use in the Lower Arkansas Valley. |
| **Board Policy:**<br>If this impacts one of the board policies, indicate that here. | I-7 Water Resource Management |
| **Cost / Budget:**<br>Include the projected cost or budget here. | $35,750,000 with additional closing costs if City Council approves the proposed resolution. |

| | | | |
|---|---|---|---|
| **Affected Parties:** This could include community groups, specific City Council Districts, other utilities, nonprofit organizations, certain neighborhoods, Colorado Springs Utilities employees, etc. | Las Animas Consolidated and Consolidated Extension Ditch Shareholders, Public Service Company of Colorado, Bent County Stakeholders, Participating Lower Arkansas Valley agricultural producers, existing and future customers of Colorado Springs Utilities | | |
| **Alternatives:** | (1)Recommend the purchase; (2) not recommend this purchase; (3) refer the matter back to Springs Utilities. | | |
| **Submitter:** | Kim Gortz | Email Address: | kgortz@csu.org |
| **Division:** | SPP | Phone Number: | 719-668-8575 |
| **Department:** | IRP | Date Submitted: | August 3, 2026 |
| **SPG Staff Use Only:** | Consent Calendar ☐ Yes ☒ No | Item Number 08 | |

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

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# Arkansas Basin Water Sharing Program

## Las Animas Consolidated Water Sharing Company Water Rights Acquisition

Kim Gortz, Manager, Water Resource Management
Kelly Roesch, Resource Planner, Arkansas Valley Field Office

August 19, 2026

# Las Animas Consolidated and Consolidated Extension Ditches (LAC and EXT)

- LAC and EXT direct flow diversions average about 23,600 acre-feet
- Irrigates approximately 5,500 acres south of the Arkansas River in Bent County
- Public Service of Colorado (PSCO) owns 81% of the two ditches

# Project-Background

- PSCO changed water right to “all beneficial uses” in the 1980s and been leasing water back to farms for approximately 40 years.
- Over five years of collaboration to develop a water sharing project with PSCO, farmers, Palmer Land Conservancy, Western Water Partnerships, Utilities and others.
- Formed the Las Animas Consolidated Water Sharing Company to hold the water rights and secure 70% use for agriculture and 30% use for Utilities.

# Key Terms

- Las Animas Consolidated Water Sharing Company will have Class A LAC, Class A EXT and Class B LAC and Class B EXT stock that delivers pro rata based on underlying water right portfolio
- Colorado Springs Utilities will purchase all Class B stock for $35,750,000
- This provides capital for Company to purchase 414.29 LAC and 562 EXT of PSCO shares (about 11,650 AF of CU water)
- The Class B stock certificates issued to Colorado Springs for municipal use represent 30% of water right portfolio and an average annual yield about 3,500 acre feet (AF)
- Company issues Class A stock for agricultural use that represents 70% of the water right portfolio

# Timeline – Next Steps

- Resolution authorizing purchase of stock in the Las Animas Consolidated Water Sharing Company
  - August 25 City Council
- Diligence Period up to October 31
- Closing no later than December 2026
- Utilities submits for Authorized Water Development with Bent County per IGA in 2027
- Utilities Water Court Applications filed in 2027

# Questions/Discussion


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RESOLUTION NO. ____ - 26

A RESOLUTION AUTHORIZING THE PURCHASE OF LAS ANIMAS CONSOLIDATED WATER SHARING COMPANY "LACWSC" STOCK FOR PRO RATA WATER DELIVERIES FROM LAS ANIMAS CONSOLIDATED CANAL COMPANY AND CONSOLIDATED EXTENSION CANAL COMPANY STOCK CONVEYED TO THE LACWSC BY PUBLIC SERVICE COMPANY OF COLORADO; AND AUTHORIZING COLORADO SPRINGS UTILITIES TO FILE WATER COURT APPLICATIONS FOR CHANGES OF WATER RIGHTS AND APPROPRIATIVE RIGHTS OF EXCHANGE

WHEREAS, Colorado Springs Utilities' ("Utilities"), an enterprise of the City of Colorado Springs (the "City") recent water supply planning documents, including its Integrated Water Resources Plan, demonstrate that Utilities needs additional water supplies, including supplies derived from the Arkansas River Basin, to meet an approximately fifteen thousand (15,000) to twenty-five thousand (25,000) annual acre-foot supply gap based on the reasonably anticipated future demands of its customers over a reasonable planning period; and

WHEREAS, consistent with the Colorado Water Plan and the acquisition strategies outlined in the Integrated Water Resource Plan, Utilities is pursuing the acquisition of water supplies from the Arkansas River Basin; and

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

WHEREAS, the City, on behalf of Utilities, the Las Animas Consolidated Water Sharing Company, a Colorado nonprofit mutual ditch company ("LACWSC"), and Public Service Company of Colorado ("PSCo") entered into that certain Three Party Purchase and Sale Agreement for Las Animas Consolidated and Las Animas Consolidated Extension Shares on August ___, 2026, as it may be subsequently amended (the "Purchase Agreement") whereby Utilities' purchase of LACWSC stock shall contribute to the Purchase Price for LACWSC to purchase from PSCo 414.329 shares of stock in the Las Animas Consolidated Canal Company (the "LACC"), and 660.25 shares of capital stock in the Consolidated Extension Canal Company (the "Extension") (the LACC and Extension shares jointly the "LAC Shares") and any associated easements, covenants, or real property rights related to the use of the LAC Shares, and LACWSC shall issue to Utilities Class B Shares in the LACWSC which will represent thirty percent (30%) of the total LAC Shares purchased from PSCo and held by LACWSC (the LAC Shares, associated easements/covenants, and Class B Shares collectively the "Property"); and

WHEREAS, the water Utilities will be entitled to under the Class B Shares are derived from and shall constitute thirty percent (30%) of the LAC Shares held by LACWSC; and

WHEREAS, the Class B Shares and through them the LAC Shares, represent an ownership interest in senior Arkansas River water rights and the Class B Shares are anticipated to yield approximately three thousand five hundred (3,500) acre-feet of renewable and reusable water to Utilities per year; and

WHEREAS, the acquisition of the Property is in the public interest and is required to meet Utilities' water customers' long-term water demands; and

WHEREAS, the acquisition of the Property is further supported by Colorado Springs Utilities' Excellence in Governance Policy Manual, Instruction No. I-7, which requires that Utilities' Chief Executive Officer "direct that new and existing water resources and systems are aggressively developed"; and

WHEREAS, acquisitions of water rights are not subject to the procedures of *The City of Colorado Springs Procedure Manual for the Acquisition and Disposition of Real Property Interest* ("Real Estate Services Manual"), however, Utilities has attempted to follow the Real Estate Services Manual to the greatest extent practicable; and

WHEREAS, Utilities, PSCo, and LACWSC agree that the purchase price to be paid by Utilities for the Property is thirty-five million seven hundred fifty thousand and no/100 dollars ($35,750,000.00); and

WHEREAS, Utilities requests the approval of City Council to purchase the Property for a purchase price of thirty-five million seven hundred fifty thousand and no/100 dollars ($35,750,000.00); and

WHEREAS, in order to use, reuse, and successively use the historical consumptive use water derived from the LAC Shares through the Class B Shares, the City, on behalf of Utilities, must file for a change of water right to add additional uses and place of use of such water rights and must be able to deliver such water from points on the Arkansas River and its tributaries to structures upstream in the Arkansas River Basin for subsequent delivery to its existing and future service area; and

WHEREAS, the Colorado Springs City Council has consistently directed Utilities to develop all feasible means of implementing the use, reuse, and successive use of the City's water resources; and

WHEREAS, it is technologically and economically feasible for the City, acting by and through Utilities, to change uses and place of use of the water derived from the LAC Shares through Utilities' Class B Shares and exchange said water from points on the Arkansas River and its tributaries upstream to other structures in the Arkansas River Basin for subsequent delivery to customers in its existing and future service area; and

WHEREAS, it is necessary and desirable for the City to file applications and to obtain decrees in District Court, Water Division 2, for adjudication of changes of water rights and conditional appropriative rights of exchange that will allow Utilities to fully use, reuse, and successively use to extinction the historical consumptive use water derived from the LAC Shares through Utilities' Class B Shares.

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

Section 1. City Council finds the acquisition of the Property to be in the public interest and in compliance with the City Charter, City Code, and all other applicable laws, and hereby authorizes the purchase and acceptance of the Property.

Section 2. City Council authorizes the purchase of the Property from PSCo for the agreed upon amount of up to thirty-five million seven hundred fifty thousand and no/100 dollars ($35,750,000.00) with any additional closing costs.

Section 3. Utilities' Chief Executive Officer and the City's Real Estate Services Manager are authorized to execute all documents necessary to complete the acquisition of the Property and to take all steps necessary to accept the transfer of the Property to the City and LACWSC from PSCo.

Section 4. City Council affirms the City's intent to fully use, reuse, and successively use to extinction the historical consumptive use water derived from the LAC Shares through Utilities' Class B Shares through changes of water rights and conditional appropriative rights of exchange.

Section 5. The officers and staff of Utilities are hereby directed to take all actions reasonable and necessary to obtain a judicial confirmation of the changes of water rights and conditional appropriative rights of exchange described herein, including the filing of applications in District Court, Water Division 2, that change uses and place of use and will allow the City to fully use, reuse, and successively use the historical consumptive use water derived from the LAC Shares through Utilities' Class B Shares. All actions previously taken by officials and staff on behalf of the City in the planning and furtherance of such changes of water rights and conditional appropriative rights of exchange are hereby ratified and confirmed.

DATED at Colorado Springs, Colorado, this ______ day of August, 2026.

________________________________________
Lynette Crow-Iverson, Council President

ATTEST:

____________________________
Sarah B. Johnson, City Clerk

# Board Memo Agenda Item
## Staff Report

| | |
|---|---|
| **Date:**<br>(Date of Utilities Board Meeting) | August 19, 2026 |
| **To:** | Utilities Board |
| **From:** | Travas Deal, Chief Executive Officer |
| **Subject:** | Amendment to City Code Section 12.1.113 to Allow Liens for All Utilities Services |
| **NARRATIVE:** | |
| **Desired Action:**<br>Choose only one | ☒ Approval<br>☐ Discussion<br>☐ Information |
| **Executive Summary:** | The proposed amendment to City Code § 12.1.113 would expand perpetual lien authority from water and wastewater services to all utility services, including electric and gas. Colorado case law supports the use of liens by home-rule municipalities for unpaid utility services, and peer municipalities already apply lien authority beyond water and wastewater. Liens would be used in conjunction with established collections processes, primarily for significant commercial balances where disconnection may increase write-off risk, rather than for routine or minimal balances. |
| **Benefits:** | Revenue Protection |
| **Board Policy:**<br>If this impacts one of the board policies, indicate that here. | N/A |
| **Cost / Budget:**<br>Include the projected cost or budget here. | N/A |
| **Affected Parties:**<br>This could include community groups, specific City Council Districts, other utilities, nonprofit organizations, certain neighborhoods, Colorado Springs Utilities employees, etc. | City Attorney's Office, Colorado Springs Utilities customers |
| **Alternatives:** | N/A |

| | | | |
|---|---|---|---|
| **Submitter:** | Patrick Malone | Email Address: | pwmalone@csu.org |
| **Division:** | Customer and Enterprise Services | Phone Number: | 719-668-7175 |
| **Department:** | Customer Services | Date Submitted: | August 11, 2026 |

| | | |
|---|---|---|
| **SPG Staff Use Only:** | Consent Calendar ☐ Yes ☒ No | Item Number 9 |

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

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# Property Liens
# Protecting Revenue Loss

**August 19, 2026**

**Patrick Malone** – Revenue and Billing Manager

**Hannah Gerardy** – Associate Attorney

# Liens: Definition and Proposal

- **Lien Definition:** A legal right or interest a creditor has in another person's property, used to secure payment of a debt or performance of an obligation. It encumbers the property, meaning the owner's ability to sell or transfer it is restricted until the obligation is resolved.

- **Explanation:** If a customer uses utility services and does not pay the utility bill, a utility company can place a lien on the property associated with the utility bill. The lien makes the utility company a secured creditor, which gives the utility company higher payment priority over an unsecured creditor without a lien. When the property is sold, the utility company may recuperate some or all of the unpaid balance.

# Proposed Changes to City Code

- **Current City Code Language:** Until paid, all charges imposed by Utilities for **water and wastewater** utility services, including connection fees, shall constitute a perpetual lien on and against the property connected to or served by the **water** system. Colo. Springs, Colo., City Code § 12.1.113.

- **Proposed Change to City Code:** Until paid, all charges imposed by Utilities for **utility** services, including connection fees, shall constitute a perpetual lien on and against the property connected to or served by the **utility** system.

- This proposed change will allow Utilities to place liens on properties for all commodities (wastewater, water, electric, and gas) rather than only water and wastewater charges.

# Legal

- Case law supports that home-rule municipalities can place liens on properties for failure to pay utility services by ordinance if the municipality elects to do so. (*Sant v. Stephens,* 753 P.2d 752 (Colo. 1988)).

- Current City Code may have been modeled after Colo. Rev. Stat. § 31-35-402 & 31-35-617, which specifically call out water and wastewater liens, however, modeling Colorado Springs City code after these sections is not mandatory. There is no legal requirement that home-rule municipalities can only lien for water and wastewater charges.

- Other home-rule municipalities like Glenwood Springs, Yuma, and Fort Collins all have ordinances to place liens for utility service charges beyond water and wastewater including electric and trash.

# Rationale

## This change expands our collections capabilities to protect revenue in unique circumstances.

- Liens will **not** be used to collect minimal balances or replace established collections processes.
  - This is primarily for commercial customers and will be used when significant revenue is at risk. Disconnecting utility service will remain in place for the majority of customers.
  - Possible example: when a property owner can pay for current utility bill but cannot pay a past due balance.
- When a property owner incurs a large past due balance, utility services can be disconnected to prevent further usage. A lien on all services prevents the avoidance of debt via filing bankruptcy, selling the property, moving out of service territory, etc.
- Utilities will follow current collections processes prior to considering a lien. In some unique scenarios, disconnecting utility service may increase risk of lost revenue/write-offs.

**Based on current customer data, this process would apply to two commercial customers owing >$100k respectively and 90+ days past due*

# Next Steps

- City Council: September 8
- Second Reading City Council: September 22


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# Board Memo Agenda Item

## Staff Report

| | |
|---|---|
| **Date:** (Date of Utilities Board Meeting) | August 19, 2026 |
| **To:** | Utilities Board |
| **From:** | Travas Deal, Chief Executive Officer |
| **Subject:** | 2026AB Bond Ordinance |
| **NARRATIVE:** | |
| **Desired Action:** Choose only one | ☒ Approval<br>☐ Discussion<br>☐ Information |
| **Executive Summary:** | The Utilities Board discusses the Utilities' intended financing plans each year prior to City Council review and approval via ordinance.<br><br>In November, Utilities anticipates raising up to $280 million in new money debt to fund the debt-backed portion of the enterprise's upcoming capital plan from February 2027 until roughly September 2027.<br><br>Additionally, Utilities expects to issue $125 million in new money taxable debt to fund a portion of the fiber network project to address changes in project funding strategy. |
| **Benefits:** | The 2026A series would provide the required capital to fund the debt-backed portion of The Utilities' upcoming capital program. Additionally, the 2026B series provides capital to support funding of the fiber network project. |
| **Board Policy:** If this impacts one of the board policies, indicate that here. | N/A |
| **Cost / Budget:** Include the projected cost or budget here. | Costs are subject to market interest rates at the time of issuance. However, detailed current indicative estimates are provided in the presentation. |
| **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:** | Adam Hegstrom | Email Address: | ahegstrom@csu.org |
| **Division:** | Planning and Finance Division | Phone Number: | 719-668-8530 |
| **Department:** | Treasury and Finance | Date Submitted: | August 12, 2026 |

| | | |
|---|---|---|
| **SPG Staff Use Only:** | Consent Calendar ☐ Yes ☐ No | Item Number 10 |

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

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# 2026 Plan of Finance Update

Adam Hegstrom
Treasury and Finance Manager
August 19, 2026

# Plan of Finance Overview

The Plan of Finance is an annual strategic effort to effectively obtain and manage debt obligations to support Colorado Springs Utilities' capital needs

- Critical to Utilities Board's Strategic Focus

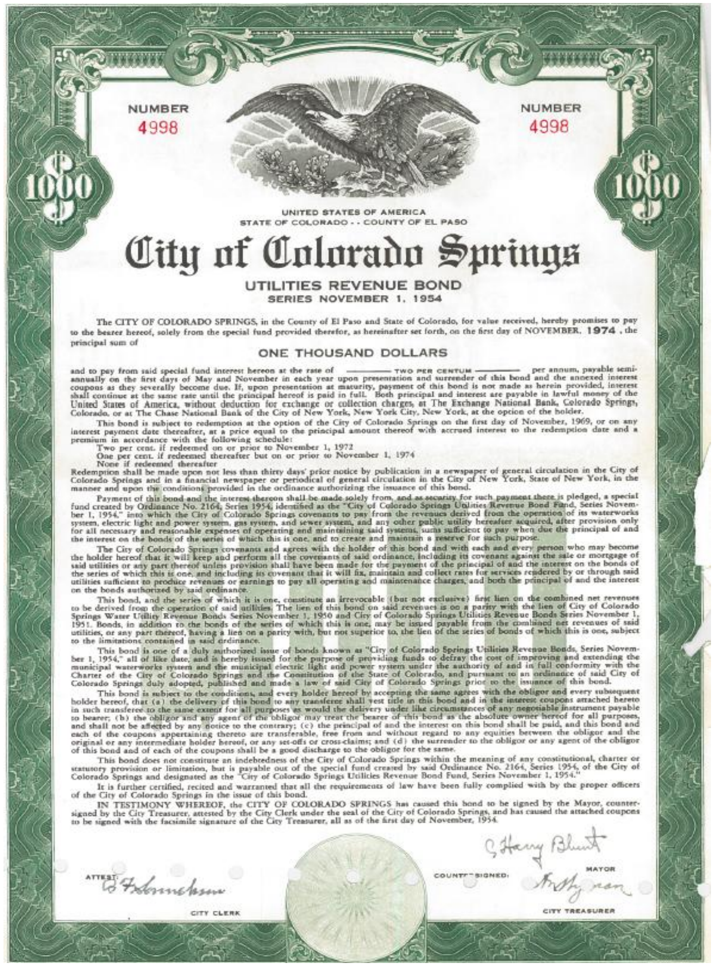

Collectively executed by:

- Utilities Leadership
- Planning and Finance Staff
- Key Advisors
  - Financial Advisor
  - Bond Counsel
- Key Banking Partners and Counterparties

# Plan of Finance Overview

## Efforts are dedicated towards four key objectives:

1. Fund the **debt-backed portion** of Utilities' upcoming **capital plan**
2. Manage and **optimize** Utilities' current **debt portfolio**
3. Procure and manage **debt-supporting instruments** and ancillary services
4. Manage Utilities' **financial reputation** and **industry relationships** to **ensure market access**



# New Money Debt Issuance: 2026As

**Objective 1:** Support Utilities' operations by funding the debt-backed portion of the Enterprise's future capital plan ("New Money Issuances")

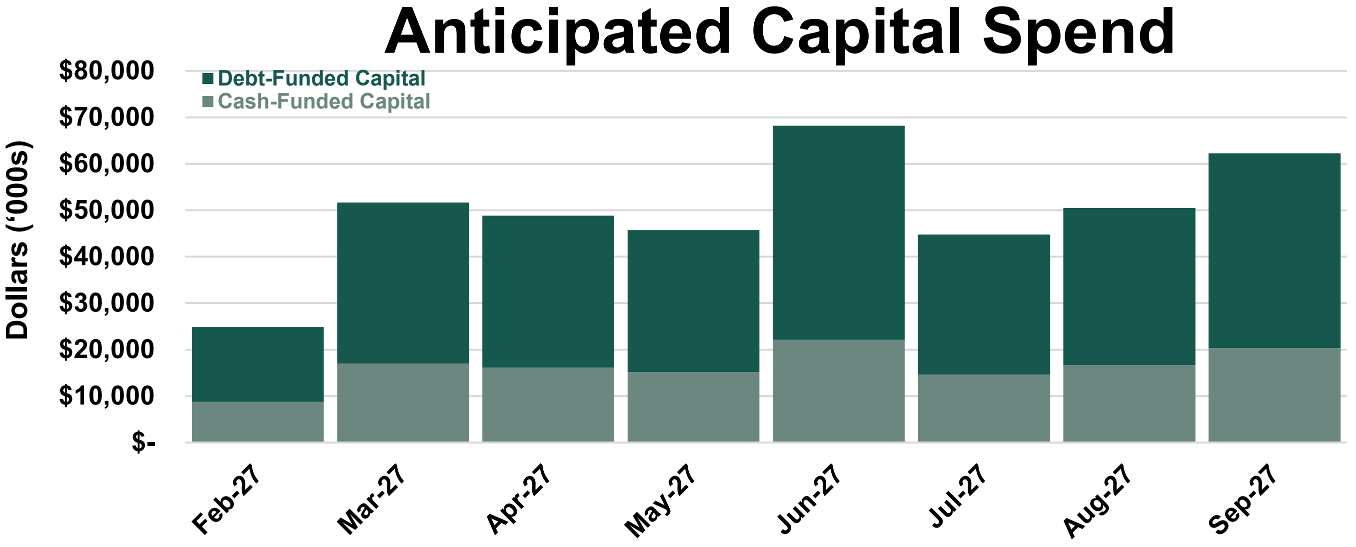
**Anticipated Actions:**
- Issue new money debt in November 2026

**Enterprise Need:**
- Estimated $396 million in total capital spend between February 2027 and September 2027

# New Money Debt Issuance: 2026As (continued)

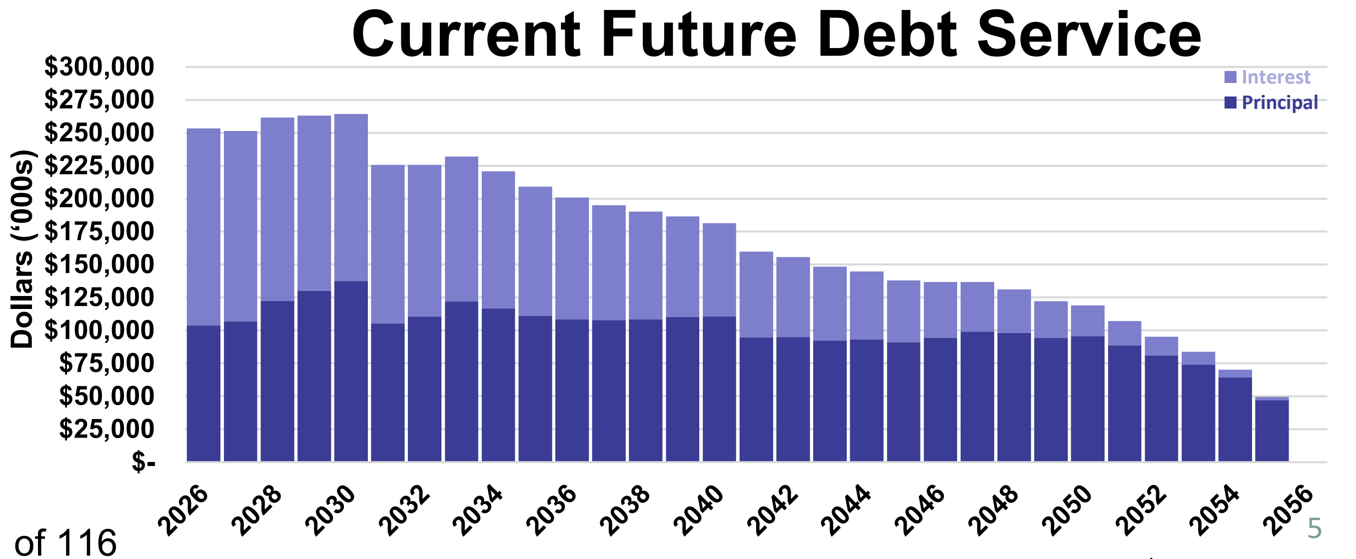
## Anticipated Issuance Details:

- Current Estimate - $280 million
- Approximately 70% debt-funded capital over financing period
- Effective balance between cash and debt to optimize financial metric performance




## Structure:

- Traditional tax exempt fixed-rate debt
- Maturity-by-maturity optimization near issuance date




*Source: CSU Short-Term Forecast*

# New Money Debt Issuance: 2026Bs

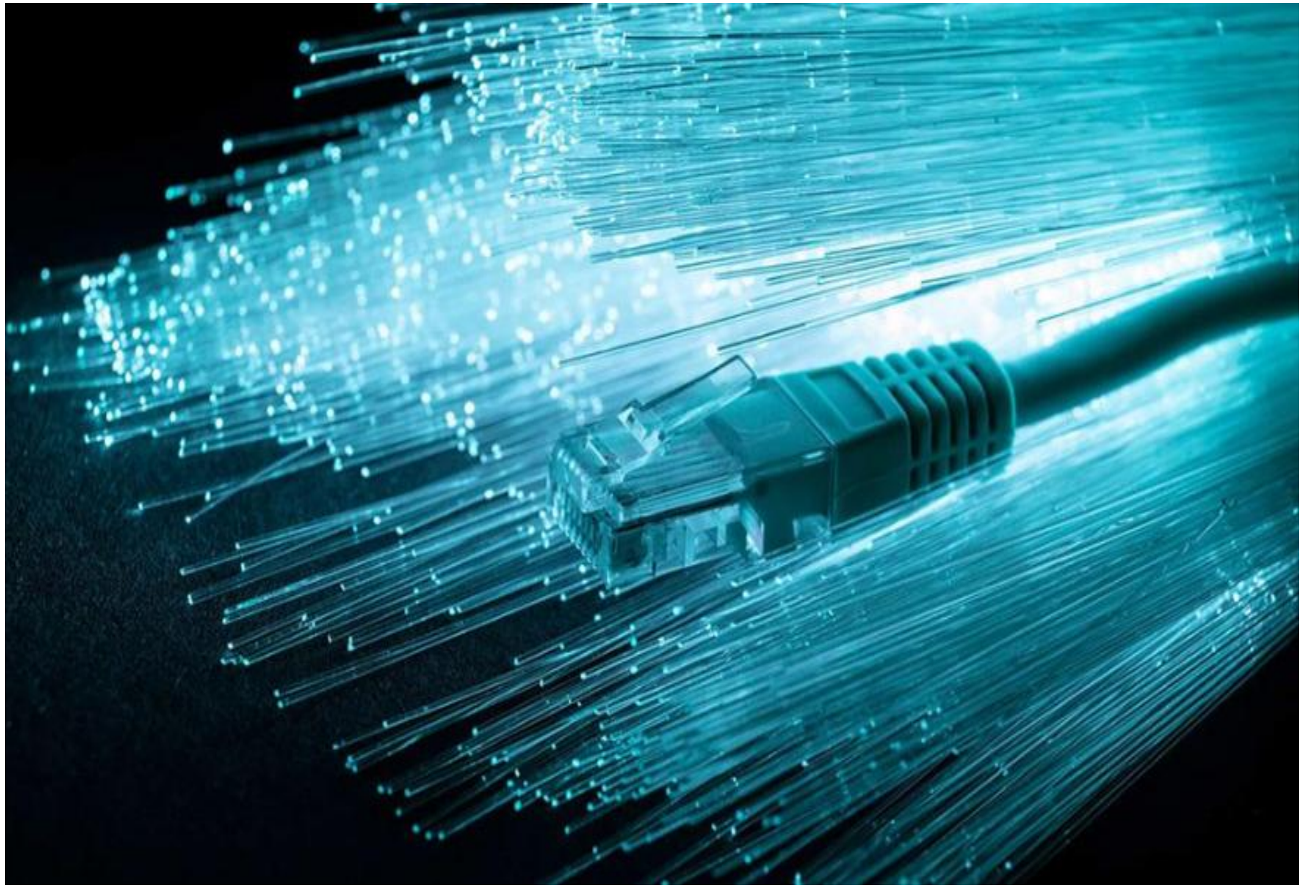
## Adapting our approach to funding the fiber network project to align with and support updated financial metric strategy targets

### Project Highlights
- $244.5 million project costs incurred to date
- Approximately 71,092 (47.4%) addresses delivered to Ting

### Change in Project Funding
- Bond fund a portion of capital spend to support financial metric priorities

### Anticipated Issuance Details:
- Current estimate- $125 million
- Supports organization's liquidity metrics

### Structure
- Taxable fixed-rate debt
- Optimizing short-term structuring to minimize overall cost of capital





*Source: CSU 6x6 STF*

# Potential Build America Bonds Refunding

**Objective 2:** Manage and optimize Utilities' current debt portfolio

**Refunding Opportunities**

- The current debt portfolio is monitored for savings opportunities when available
- July 2025 ordinance authorized Build America Bonds ("BABs") refunding in favorable market conditions, within set parameters

**Outstanding BABs**

- $203.5 million in outstanding Direct Payment BABs taxable bonds
- $4.2 million in subsidy payments expected to be received in 2026

**Anticipated Actions**

Seeking authorization to execute transaction if market conditions are favorable, within set parameters:

- Refunding will result in combined NPV savings
- **Or** refunding will alleviate the risk of further sequestration or other impact to the BABs subsidy
- Ordinance effective for one year following adoption (September 22, 2027)

# Debt Issuance Working Timetable

| Event | Date* |
|---|---|
| *Plan of Finance Presentation to Working Committee* | *March 16, 2026* |
| *Working Committee Presentation* | *July 20, 2026* |
| *Working Committee Presentation* | *August 17, 2026* |
| **Utilities Board Presentation** | **August 19, 2026** |
| First Reading of Ordinance - City Council | September 8, 2026 |
| Second Reading of Ordinance & Ordinance Approval – City Council | September 22, 2026 |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# Board Memo Agenda Item
## Staff Report

| | |
|---|---|
| **Date:**<br>(Date of Utilities Board Meeting) | August 19, 2026 |
| **To:** | Utilities Board |
| **From:** | Travas Deal, Chief Executive Officer |
| **Subject:** | 2026C Bond Ordinance |
| **NARRATIVE:** | |
| **Desired Action:**<br>Choose only one | ☒ Approval<br>☐ Discussion<br>☐ Information |
| **Executive Summary:** | The Utilities Board discusses the Utilities' intended financing plans each year prior to City Council review and approval via ordinance.<br><br>To mitigate sequestration risk, Utilities is seeking authorization to issue refunding bonds for all or portions of the outstanding Building America Bonds (BABs) Series 2009B-2, 2009D-2, and 2010D-4 ($203.5 million in total currently outstanding) if market conditions are favorable at issuance. |
| **Benefits:** | The 2026C series would mitigate future risk of BABs subsidy payment reduction or elimination through Federal sequestration. |
| **Board Policy:**<br>If this impacts one of the board policies, indicate that here. | N/A |
| **Cost / Budget:**<br>Include the projected cost or budget here. | Costs are subject to market interest rates at the time of issuance. |
| **Affected Parties:**<br>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:** | Adam Hegstrom | Email Address: | ahegstrom@csu.org |
| **Division:** | Planning and Finance Division | Phone Number: | 719-668-8530 |
| **Department:** | Treasury and Finance | Date Submitted: | August 12, 2026 |

| | | |
|---|---|---|
| **SPG Staff Use Only:** | Consent Calendar ☐ Yes ☐ No | Item Number 11 |

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