Colorado Springs Utilities
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UTILITIES BOARD WORKING COMMITTEE
Rosemont Conference Room
121 S. Tejon St., South Tower, 5th Floor
Colorado Springs, CO 80903

AGENDA
November 17, 2025
Join the meeting now
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9:00 a.m.	Call to Order Pursuant to the Colorado Open Meetings Law and the City Charter, since three or more members of the Utilities Board may be attending this public meeting, it is noticed and open to the public. Pursuant to the Utilities Board Bylaws, this Committee of the Utilities Board will not accept public comments at this meeting.	Board Chair Donelson
9:05 a.m.	Acceptance of Minutes • Oct. 20, 2025, Working Committee Minutes	Committee
9:10 a.m.	Safety Moment: Holiday Safety	Mike Francolino, Chief Customer & Enterprise Services Officer
9:15 a.m.	Compliance Reports:	
	• I-1 Pricing of Services G-5, G-6 Annual	Tristan Gearhart, Chief Planning and Financial Officer
	• I-2 Financial Condition and Activities (to include Contracts Over $500K**) G-7 (Quarterly July-Sept.)	Tristan Gearhart, Chief Planning and Financial Officer
	• E-2.3 Organizational Oversight – Compliance Frequency and Method	Natalie Watts, Strategic Planning and Governance Manager
	• P-1.2 2026 Annual Planning Calendar	Natalie Watts, Strategic Planning and Governance Manager
	• P-5.4 2026 CEO Performance Plan	Renee Adams, Chief Human Resources Officer
	• P-5.4 2026 BER Scorecard	Natalie Watts, Strategic Planning and Governance Manager

	• E-2 CEO/Board Partnership Responsibilities – CEO Responsibilities ○ ECA/GCA update	Scott Shirola, Pricing and Rates Manager
9:55 a.m.	Supply Chain Update	Rich Norton, Supply Chain Management General Manager
10:10 a.m.	2026 Strategic Plan Overview	Natalie Watts, Strategic Planning and Governance Manager
10:25 a.m.	Rate Case Process	Renee Congdon, Utilities Division, City Attorney
10:45 a.m.	Net Metering Update	Tristan Gearhart, Chief Planning and Financial Officer
11:35 a.m.	Financial Impact of Government Shutdown	Adam Hegstrom, Treasury and Finance Manager John Hunter, Financial Planning and Risk Manager
11:50 a.m.	Graywater Ordinance	Jenny Bishop, Engineer IV Lauren Swenson, Manager of Environmental Services
12:00 p.m.	Adjournment	Board Chair Donelson

MINUTES
October 20, 2025
Rosemont Conference Room or by Microsoft Teams

1. **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 9:01 a.m.

Present – Board Chair Donelson, Board Member Tom Bailey, Board Member Nancy Henjum and Board Member David Leinweber

Vice Chair Brandy Williams, Board Member Lynette Crow-Iverson, Board Member Kimberly Gold and Board Member Roland Rainey attended the meeting virtually.

Board Member Risley was excused.

2. **Acceptance of Aug. 18, 2025, Working Committee Minutes**
Board Member Bailey made a motion to approve the August meeting minutes and Board Member Henjum seconded the motion. The motion passed unanimously.

3. **Safety Moment: Fire Prevention Month**
Ms. Renee Adams, Chief Human Resources Officer, advised that October is National Fire Safety Month and provided information on smoke alarm and fire extinguisher safety.

4. **Compliance Reports**
E-2 CEO/Board Partnership Responsibilities – CEO Responsibilities
- Electric Cost Adjustment / Gas Cost Adjustment (ECA/GCA) Update

Mr. Scott Shirola, Pricing and Rates Manager, reviewed the ECA/ GCA adjustment update.

I-7 Water Supply Management (Annual)
Ms. Jenny Bishop, Water Resource Planning Engineer, reviewed the I-7 Water Supply Management (Annual) report and proposed changes to the I-7.

Board Member Henjum asked if the Fort Lyon supply was in the Arkansas Basin, and Ms. Bishop said that it is.

Board Member Henjum asked what NMCI stands for. Ms. Bishop said it is the Northern Monument Creek Interceptor Project.

Board Member Henjum asked what effect on capacity bringing the Air Force Academy could potentially have. Ms. Bishop said that the J.D. Phillips facility was designed to process

approximately 20 million gallons per day. There is a lot of extra capacity for regional use as well.

Board Chair Donelson asked if water used in watering landscaping goes back into the wastewater system. Ms. Bishop said this water does not go back into the wastewater system.

Mr. Nicholas Peters, Chief Systems Planning and Projects Officer, said that there have been a lot of savings from energy programs.

Board Member Leinweber asked when the construction starts on Cheyenne Mountain. Ms. Bishop said she is not sure of the timeline to bring Cheyenne Mountain Estates online.

I-10 Treatment of Staff (Annual)
Ms. Heather Harvey, Human Resources Manager, provided a brief overview of the I-10 Treatment of Staff (Annual) Compliance Report.

Board Member Henjum asked when the last full Employee Climate Survey was conducted. Ms. Harvey said that the full survey was conducted in 2024, and that action planning is done the following year.

Board Member Henjum asked how many discrimination complaints have been received, and Ms. Harvey said that these are tracked as required by law. Ms. Harvey said there is a formalized process that is followed by Human Resources.

Board Member Bailey asked if any significant changes were anticipated for the Employee Policy and Procedure Manual. Ms. Harvey said that the latest promulgation only had 11 employee suggestions.

I-11 Compensation & Benefits G-9 (Annual)
Ms. Heather Harvey, Human Resources Manager, reviewed the I-11 Compensation & Benefits G-9 (Annual) report.

Board Member Henjum asked when the next compensation updates should be implemented. Ms. Harvey said any marked changes should be implemented in January 2026.

E-2.8 Emergency CEO Succession (Annual)
Ms. Adams reported on the E-2.8 Emergency CEO Succession (Annual) Compliance Report.

Board Member Leinweber said that the legislative section of the City does not have a Succession plan.

5. Government Streetlighting Revenue Requirement
Mr. Shirola provided an update on the Government Streetlighting Revenue Requirement.

Board Member Henjum asked if there is outstanding debt with the City. Mr. Shirola said that there is still debt, because the cost at one point was too much to cash fund, so this is being addressed over time.

Board Member Leinweber asked if there are still problems with vandalization and stealing copper from the streetlights. Mr. Tristan Gearhart, Chief Planning and Financial Officer, said

that the lights now contain aluminum and not copper, but there is still an expense to repair damage once it is realized that the streetlights do not contain copper. Board Member Leinweber asked if numbers can be provided for damage to streetlights through theft.

Board Member Leinweber asked how many streetlights are still fluorescent. Mr. Peters said that these are replaced as they fail or damage occurs with the LED lights. Mr. Shirola estimates 50% of the lights are LED.

Board Member Henjum wondered if there was an opportunity to do a brief presentation for City Council highlighting the relationship between Colorado Springs Utilities and the City.

6. **City Code Changes: Lead and Copper Service Lines**

Ms. Tara McGowan, Design Water and Wastewater Engineering Manager, explained City Code Changes to the Lead and Copper Service Lines.

Board Chair Donelson asked if there was a conscious decision to not include lead fittings and just the lead pipes. Ms. McGowan said that this was not led by the Colorado Department of Public Health and Environment (CDPHE), but by the Environmental Protection Agency (EPA).

Board Member Henjum if lead can be found through the routine testing that is performed. Ms. McGowan said that it can be found through water quality testing.

Board Member Henjum asked how often lead is found inside the customer's property and how that is handled. Ms. McGowan said that she is unsure.

Board Member Rainey asked if lead is identified and mentioned to the customer, does the customer have the option to have it fixed at their cost or not to have it fixed. Ms. McGowan said that the organization is not required to make those repairs on the customer's side or to require the customer to make those replacements.

Board Chair Donelson asked when using lead fittings were mandated to stop. Ms. McGowan said that eliminating the use of copper was dictated in 1969.

Board Member Henjum asked if customers are notified of this code change. Ms. McGowan said the communications team is working on a campaign to notify customers of these changes. Ms. Jennifer Jordan, Public Affairs Specialist, Senior, said that there is a campaign that outlines responsibility – this should be rolled out within the coming year. Board Member Henjum asked if the City Code change will be included in this communication, and it will be included.

Board Member Leinweber asked about forever chemicals and plastic piping. Ms. McGowan said that new residents are installing High-Density Polyethylene (HDPE). Board Member Leinweber asked if Polyvinyl Chloride (PVC) pipe has forever chemicals in it, and Ms. McGowan said that it does not.

Board Member Henjum asked what caused this code change. Ms. McGowan said that the Colorado Department of Public Health and the Environment (CDPHE) adopting different requirements caused the need for this code change. Board Member Henjum asked if there is still an EPA, Ms. McGowan said that the EPA is not going away.

7. How We Exchange Water

Ms. Katie Garrett, Engineer IV, gave an informational presentation on how the organization exchanges water.

Board Member Leinweber asked about decreased snowpack and increased rain amounts. Ms. Abigail Ortega, General Manager of Infrastructure & Resource Planning, said that is where storage comes into play. Ms. Garrett said that this is daily operation and there is a team in place to monitor and manage the water exchanges. Ms. Kim Gortz, Water Supply Resources Manager, said that water is moved in anticipation of major storm events – but the demand also decreases during these times.

Board Member Leinweber asked if the organization ever hits lower water rights. Ms. Ortega said that certain conditions must be met to store water.

Board Member Leinweber asked about water that is received from northern El Paso County. Ms. Ortega said this will go into the transit model.

Board Member Bailey asked how water quality is measured. Ms. Garrett said that as long as exchange rules meet the Colorado statute requirements, then water quality should not be much of a concern.

Board Member Henjum said that every time she hears about the water system, she learns something. She said she is impressed by the expertise of the Water Planning Department and how they manage the system.

Board Member Henjum asked how the knowledge of such a complex system is captured within the organization and shared. Ms. Ortega said that there are numerous process documents that have been developed and a SharePoint database has been created.

Board Member Bailey asked what the plan is for addressing net metering. Board Chair Donelson said that staff needs time to consider different options based on feedback received at the recent City Council meeting before they present to the Utilities Board. Ms. Renee Congdon, City Attorney Utilities Division said that this topic has not been noticed, so in order to discuss it, it should appear on the agenda. Mr. Gearhart said that a discussion topic on net metering can be expected at a future Utilities Board or Working Committee meeting.

Board Member Bailey asked about the process for requesting information to be included at a future meeting. Ms. Congdon said that the Board Chair sets the agenda so the item needs to come to the Board Chair so that it can be reviewed at the monthly agenda prep meeting. Another option is to bring the subject up during the Board Member comments section at the end of the regular Utilities Board meeting.

Vice Chair Williams said that some conversations need to be more timely, and a process needs to be worked out to allow this to happen.

8. Adjournment

Chair Donelson adjourned the meeting at 10:59 a.m.

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Holiday Safety

Ladder Safety

Ladder Type

Moving Ladders

3 Points of Contact

Use the right side of the ladder



Electrical Safety

Outlet Capacity

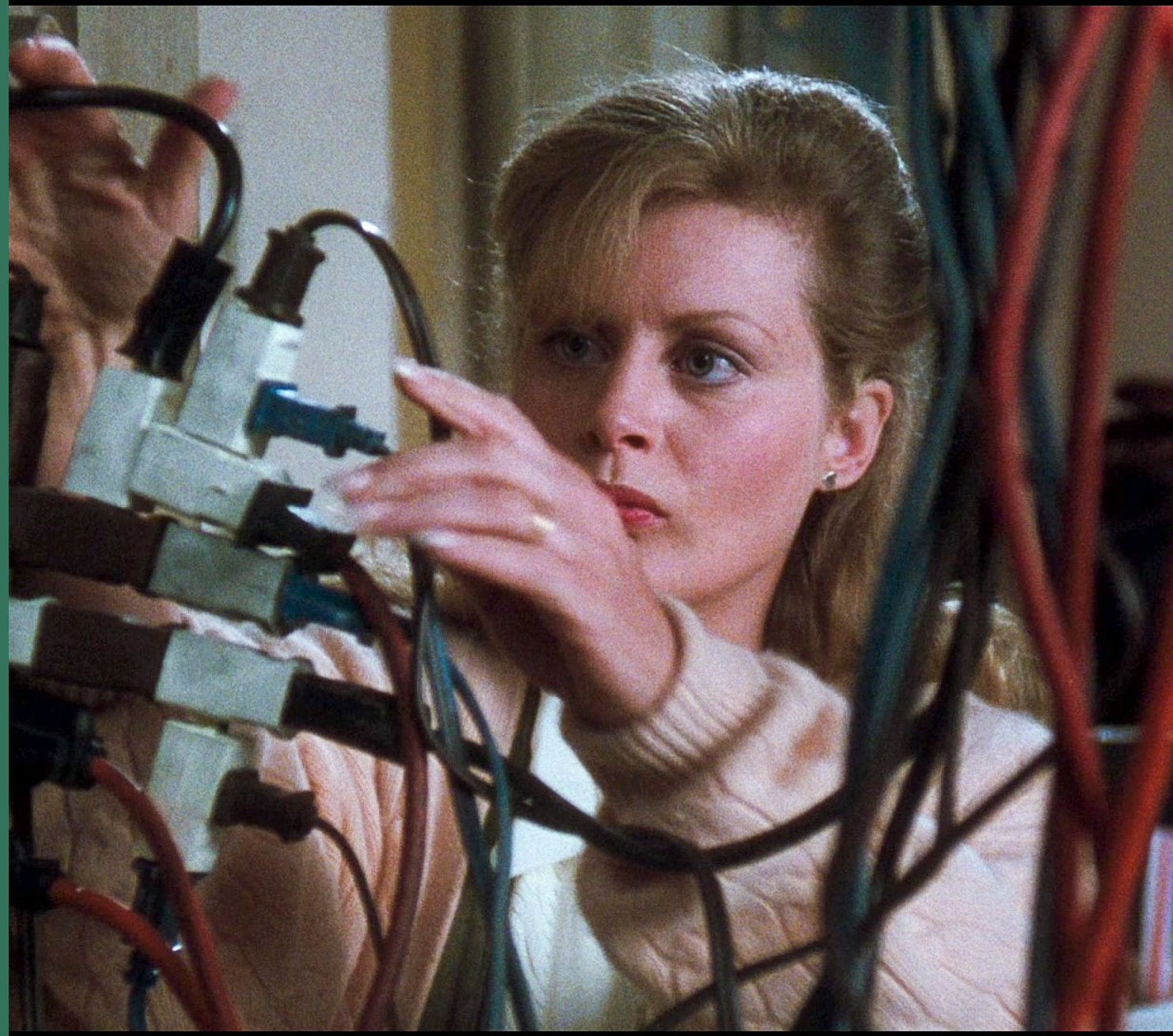
Power strips

Ground Pins

GFCI

Dollar Store Cords

Check for Damage



Tree Safety

Keep your tree watered

No flammable decorations

Use UL listed lights

Keep smokers away




DON'T BE A
GRISWOLD

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Date: November 19, 2025

To: Utilities Board

From: Travas Deal, Chief Executive Officer

Subject: **Excellence in Governance Compliance Report**
Pricing of Services (I-1)

Desired Action: Compliance

Compliance: The CEO reports compliance with the instructions.

INSTRUCTIONS			
Category:	**Utilities Board Instructions to the Chief Executive Officer**	Reporting Timeframe:	**November 1, 2024 – October 31, 2025**
Policy Title (Number):	**Pricing of Services (I-1)**	Reviewing Committee:	**Finance**
Monitoring Type:	**Internal**	Monitoring Frequency:	**Annual**
Guidelines:	**Rate Design (G-5); Electric and Gas Cost Adjustments (G-6)**		

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

1. *Establish pricing practices that result in revenues that are sufficient to provide safe, reliable utility services to Springs Utilities citizens and customers.*

   Springs Utilities prepares an annual revenue requirement for each separate regulated service to determine that revenue generated from current effective rates are sufficient to support all the budgeted expenses while maintaining strong financial metrics. As part of the five-year rate case approved by City Council on November 12, 2024, base rate increases take effect each January 1 for the years 2025 through 2029. Approved annual base rate increases by service are as follows:
   - Electric: 6.5%
   - Natural Gas: 4.0%
   - Water: 6.5%
   - Wastewater: 9.0%

2. *Establish pricing practices that maintain financial viability of each separate regulated service.*

All rate proceedings adhere to state statutes and City Code utilizing industry accepted pricing principles and methodology that demonstrate just and reasonable pricing that is not unduly discriminatory. Non-fuel base rate adjustments are submitted to City Council for approval and supported by cost-of-service studies forecasted to provide sufficient revenue to support non-fuel expense recovery. Non-fuel base rates are designed consistent with the principles established in the Rate Design Guideline (G-5).

The 2026 Rate Case approved by City Council on October 28, 2025, proposed several changes to Springs Utilities' tariffs and procedural actions including:

- Electric
  - Establishment of an Industrial Service – Large Load (ELL) Rate Schedule (effective January 1, 2026)
  - Modification to the Contract Service – Military Wheeling rate to include transmission cost (effective April 1, 2026)
  - Accepting conclusions and recommendations concerning two new Public Utility Regulatory Policy Act (PURPA) standards
  - Clerical corrections and/or revisions (effective January 1, 2026)
- Utilities Rules and Regulations (effective January 1, 2026)
  - Addition of substation and transmission fees and recovery agreement provisions related to ELL service
  - Changes to Large Load Requirement Study Fee applicability
  - Addition of $200/hr. Hydraulic Analysis Report for basic analysis
  - Clerical corrections and/or revisions
- Open Access Transmission Tariff (OATT) Service
  - Clerical corrections and/or revisions (effective November 1, 2025)
  - Rescission of OATT upon entrance into Southwest Power Pool (SPP) Regional Transmission Organization (RTO) (effective upon entrance into SPP RTO), currently anticipated to be April 1, 2026)
- Transmission Owner Filing submittals for SPP tariff
  - Establishment of Transmission Formula Rate Template, Implementation Protocols, and 2026 Annual Transmission Revenue Requirement

The cost adjustment and capacity charge rate structures establish rates sufficient to recover fuel related costs. Electric Cost Adjustment (ECA), Electric Capacity Charge (ECC), Gas Cost Adjustment (GCA) and Gas Capacity Charge (GCC) rate adjustments are submitted to City Council for approval and forecasted to provide sufficient revenue to support fuel expense recovery. Fuel rates are calculated consistent with the Electric and Gas Cost Adjustment Guideline (G-6).

On March 25, 2025, City Council approved a change to the GCA effective April 1, 2025. Additionally, on June 24, 2025, City Council approved changes to the ECA, ECC, Green Power, GCA, and GCC rates effective July 1, 2025.

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Date: November 19, 2025

To: Utilities Board

From: Travas Deal, Chief Executive Officer

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

Desired Action: Monitoring

Compliance: The CEO reports compliance with the instructions.

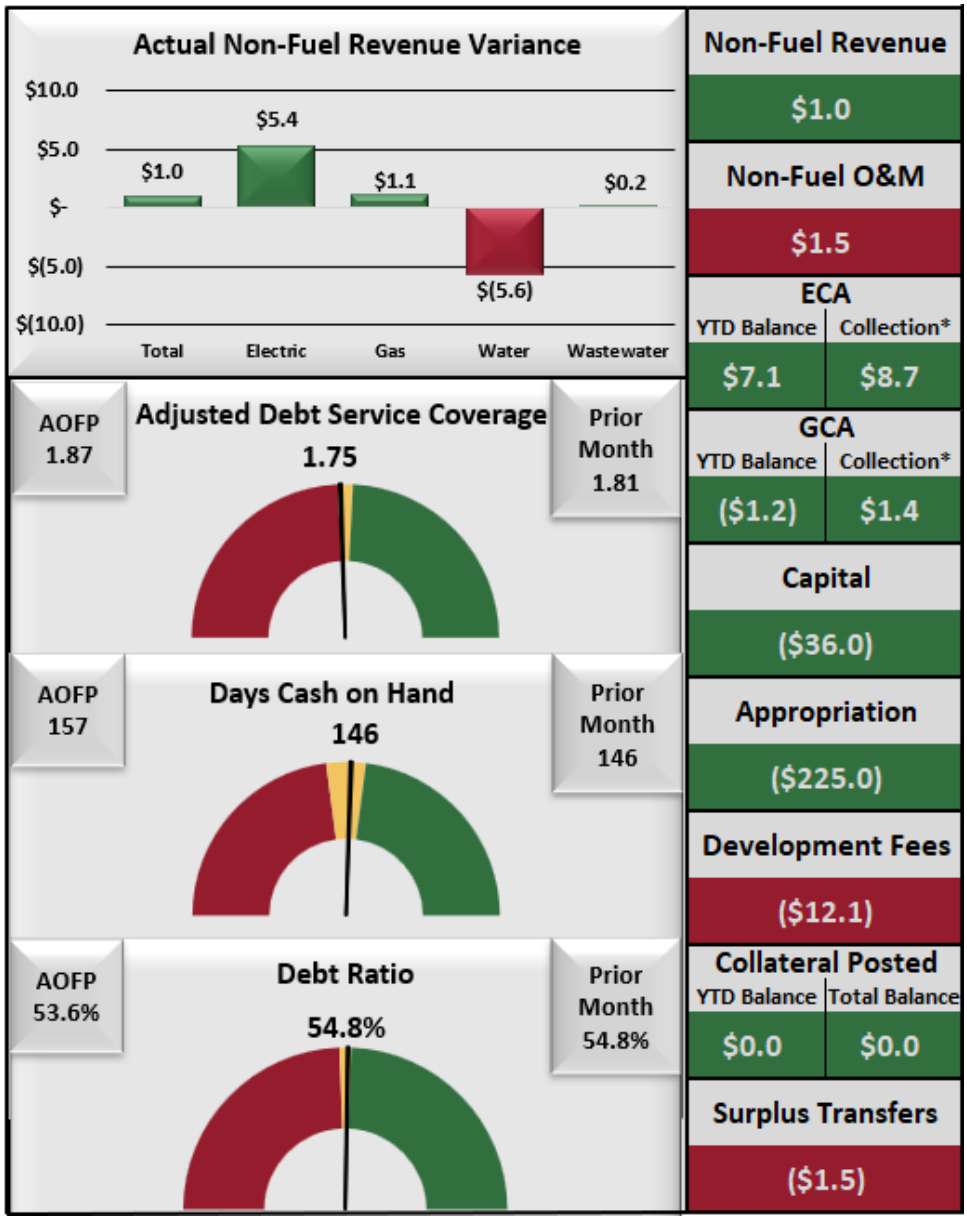
INSTRUCTIONS			
Category:	**Utilities Board Instructions to the Chief Executive Officer**	Reporting Timeframe:	**July 1, 2025 – September 30, 2025**
Policy Title (Number):	**Financial Condition and Activities (I-2)**	Reviewing Committees:	**Finance; Program Management Review**
Monitoring Type:	**Internal; City Auditor**	Monitoring Frequency:	**Quarterly, Annually**
Guidelines:	**Local Vendor (G-7)**		

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

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

   a. *Significant financial variances*

   - 2025 projected Total Use of Funds to be $1.60 billion a decrease of $(225.0) million or (12.3)% from the 2025 Approved Budget of $1.83 billion.
   - Fuel expenses are projected to be $(192.1) million or (38.9)% under the approved budget primarily due to lower actual 2025 natural gas prices than those projected at the time of the 2025 budget appropriation.
   - Operating revenues are currently $(142.0) million or (14)% under the approved budget due to a decrease in fuel costs that are being reflected in lower ECA / GCA revenue.
   - Capital expenses are projected to be $(36.0) million or (5.7)% under the approved budget primarily related to Las Animas Consolidated Company Shares shift from 2025 to 2026 and Labor and Benefits offset in Non-Fuel O&M.
   - Non-fuel operating expenses are projected to be $1.5 million or 0.3% over the approved budget primarily influenced by labor and benefits offset in Capital.
   - Debt Service, Surplus Transfers, and Franchise Fees are projected to be $1.7 million or 0.6% over the approved budget primarily due to higher debt service.



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

	O&M	Capital
Electric	$ (77,665)	$ 33,365
Gas	$ (104,636)	$ 6,451
Water	$ 976	$ (40,651)
Wastewater	$ 1,242	$ (20,478)
A&G and Common	$ (10,510)	$ (14,696)
Utilities Total	$ (190,594)	$ (36,009)

Note: O&M is both fuell and non-fuel, non-fuel is over by $1.5 million

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

Project Over/Under Runs						
Activity#	Project Name	Service Line	Investment Type	2025 AOFP	Change	New Budget
193952	Operational Fiber Network	Electric	Regulatory	$63,045,000	$20,161,781	$83,206,778
495436	EWSE Phase 1 - New Lift Stations and Force Mains	Wastewater	Growth	$18,871,906	($13,504,419)	$5,367,487
193884	APIP - Claremont Substation - Add Transformer, Switchgear, and Feede	Electric	Regulatory	$260,000	$8,328,799	$8,588,799
394749	Highline Pressure Zone Extension and Redundant Supply	Water	Growth	$13,699,398	($7,699,397)	$6,000,001
193877	SEP Kelker-South Plant New 115kV Transmission Line	Electric	Regulatory	$8,604,232	($7,261,819)	$1,342,413
194037	APIP - Horizon Substation - Add New (34.5kV) Transformer, Switchgear,	Electric	Growth	$9,600,000	($6,869,765)	$2,730,235
193898	Front Range CT1 & CT2 Rotor Replacement	Electric	Reliability	$6,750,000	($6,524,005)	$225,995
394652	WOLF and UBGT Pressure Zone Interconnection - North Segment, Phase	Water	Regulatory	$5,589,000	($5,018,097)	$570,903
394744	Finished Water Linear Asset Program	Water	Reliability	$11,312,000	$5,000,001	$16,312,001
394476	Rosemont Pipeline Replacement	Water	Reliability	$4,854,879	($4,594,490)	$260,389
394696	N. Slope - South Catamount Dam Rehabilitation	Water	Reliability	$6,000,000	$4,362,781	$10,362,781
495307	LVSWRRF Aeration System Modifications	Wastewater	Reliability	$10,960,000	($4,260,624)	$6,699,376
193880	SEP MW-KE Transmission Line	Electric	Growth	$19,242,704	$4,077,387	$23,320,091
293182	DIMP - Gas Projects	Natural Gas	Regulatory	$220,000	$4,069,406	$4,289,406
193642	Central Bluffs Substation	Electric	Growth	$16,000,000	($3,788,871)	$12,211,129
293170	Marksheffel Connector GPAP expansion	Natural Gas	Growth	$2,000,000	$3,717,867	$5,717,867
193975	Tesla TIV Replacement & Stanley Canyon Repair Project	Electric	Reliability	$2,920,500	$3,598,792	$6,519,292
193970	Manitou Units 1&2 Turbines & Generators Rehabilitation Project	Electric	Reliability	$3,500,000	($3,493,845)	$6,155
293179	DIMP - Gas High-Pressure Distribution System Renewals	Natural Gas	Regulatory	$7,433,144	($3,490,799)	$3,942,345
193407	Front Range General Electric Hot Gas Path Replacement	Electric	Reliability	$6,201,347	$3,399,781	$9,601,128
495363	LVSWRRF Influent Junction Box Replacement	Wastewater	Reliability	$4,000,000	($3,367,839)	$632,161
193974	System Additions for New Development	Electric	Growth	$2,400,000	$3,224,622	$5,624,622
495435	EWSE Phase 1 - Upper and Lower Crosstown Interceptor	Wastewater	Growth	$2,689,052	$3,038,306	$5,727,358
394587	Potable Pumping Station Replacement Program	Water	Reliability	$6,000,000	$2,999,999	$8,999,999
596710	Computer Maintanence Management System (CMMS)	Common	Reliability	$4,935,000	($2,946,469)	$1,988,531
596761	Vac Material Processing Wash Plant Recovery System	Common	Reliability	$2,600,000	($2,560,000)	$40,000
596712	Data Analytics and Strategy - Storage & Access	Common	Regulatory	$4,500,000	($2,454,111)	$2,045,889
495437	EWSE Phase 1 - Milton Proby Interceptor	Wastewater	Growth	$481,584	$2,440,130	$2,921,714
194029	Santa Fe Substation - Add New Transformer, Switchgear, and Feeders	Electric	Growth	$1,150,000	$2,290,883	$3,440,883
180283	Public Improvements-Electric	Electric	Reliability	$253,003	$2,235,136	$2,488,139
394669	AMI Project - Water	Water	Reliability	$3,700,000	($2,221,627)	$1,478,373
394722	Pine Valley & McCullough DOVE Disinfection Improvements	Water	Reliability	$2,250,000	($2,200,000)	$50,000
194103	Airport & Powers - Electric Relocation - CDOT T&M	Electric	Reliability	$300,000	$2,059,421	$2,359,421
495356	Northern Monument Creek Interceptor	Wastewater	Growth	$4,000,000	($1,799,686)	$2,200,314
192347	Electric Meters - Base Requirements	Electric	Growth	$2,359,948	($1,750,692)	$609,256
193874	SEP Kelker Substation Rebuild-Expansion	Electric	Regulatory	$31,485,002	$1,586,792	$33,071,794
293180	DIMP - Gas Coated Steel Renewals	Natural Gas	Regulatory	$2,000,000	($1,399,785)	$600,215
596759	Network TIL Redesign	Common	Growth	$1,500,000	($1,388,964)	$111,036
596758	BRDS02 Data Center PDU/UPS Upgrade	Common	Reliability	$1,500,000	($1,300,000)	$200,000
194045	Fontanero Substation - Add Second 115/12.5 kV Transformer, Switchge	Electric	Growth	$4,000,000	($1,237,521)	$2,762,479
596544	Network Enterprise Services Program	Common	Reliability	$2,000,000	($1,226,819)	$773,181
394575	Potable Water Tank Refurbishment/Replacement Program	Water	Reliability	$1,054,236	$1,225,152	$2,279,388
293183	Gas Unplanned Maintenance	Natural Gas	Regulatory	$1,605,533	$1,155,126	$2,760,659
394675	Homestake 72" Inline Valve on Discharge Line	Water	Reliability	$1,500,000	$1,128,689	$2,628,689
495343	CSRRRF Electrical Upgrades Project	Wastewater	Reliability	$2,300,000	$1,124,671	$3,424,671
193224	Electric Underground Infrastructure Preventative Maintenance	Electric	Reliability	$1,890,000	$1,099,273	$2,989,273
394345	Continental-Hoosier System Project	Water	Growth	$3,681,095	$1,034,751	$4,715,846
193745	Atmel Substation - Add New Transformer, Switchgear, and Feeders	Electric	Growth	$458,543	($1,026,306)	($567,763)
Total				$313,657,106	($10,026,404)	$303,630,699

Cancelled / Delayed Projects						
Activity#	Project Name	Service Line	Investment Type	2025 AOFP	Change	New Budget
193784	SEP EIRP Implementation	Electric	Growth	$42,120,000	($42,120,000)	$0
394683	Water Acquisition	Water	Growth	$33,000,000	($33,000,000)	$0
194133	SEP EIRP Implementation - Transmission	Electric	Reliability	$25,000,000	($25,000,000)	$0
394790	Ruxton 24" and 30" Raw Water Main Replacement/Rehabilitation	Water	Reliability	$3,500,000	($3,500,000)	$0
300905	Water Manager Reserve	Water	Reliability	$2,872,469	($2,872,469)	$0
194028	Fuller Substation - Add Two New Feeders	Electric	Growth	$2,385,000	($2,385,000)	$0
394722	Pine Valley & McCullough DOVE Disinfection Improvements	Water	Reliability	$2,250,000	($2,250,000)	$0
400905	WWater Manager Reserve	Wastewater	Reliability	$1,544,144	($1,544,144)	$0
394771	Reduced Briargate Tank (2021 FWSP)	Water	Reliability	$1,186,086	($1,186,086)	$0
586280	BRDS02 Halon Replacement	Common	Reliability	$1,050,446	($1,050,446)	$0
Total				$114,908,145	($114,908,145)	$0

New or Advanced Projects						
Activity #	Project Name	Service Line	Investment Type	2025 AOFP	Change	New Budget
194144	SEP - Horizon Power Plant	Electric	Reliability	$0	$66,411,013	$66,411,013
194147	Front Range High Energy Piping Insulation & Heat Trace Replacement Er	Electric	Regulatory	$0	$8,950,903	$8,950,903
394802	South Suburban Reservoir Emergency Repairs	Water	Regulatory	$0	$5,438,477	$5,438,477
193889	Kettle Creek 12.5kV Feeder Addition	Electric	Regulatory	$0	$2,285,873	$2,285,873
394755	Arkansas Basin Storage - Clear Creek	Water	Reliability	$0	$1,900,000	$1,900,000
394807	FLCC Shares Acquisition	Water	Growth	$0	$1,807,000	$1,807,000
394793	SDS I&C Pump Station Upgrades	Water	Reliability	$0	$1,504,976	$1,504,976
495475	LVTP06 Complete Interior Renovation Project	Wastewater	Growth	$0	$1,499,991	$1,499,991
194179	Rock Island Relocation Land Acquisition	Electric	Reliability	$0	$1,400,000	$1,400,000
194154	Substations Power Transformer Purchases	Electric	Reliability	$0	$1,074,297	$1,074,297
394787	Penrose Water Supply	Water	Reliability	$0	$1,007,239	$1,007,239
Total				$0	$93,279,769	$93,279,769

Summary			
Category	2025 AOFP	Change	New Budget
Total I-2 Reportable Changes	$428,565,251	($31,654,780)	$396,910,468
Total Other Changes	$200,186,927	($4,353,791)	$195,833,139
Grand Total	$628,752,178	($36,008,571)	$592,743,607

*Refer to appendix for variance type code descriptions

5-year Capital Outlook (in thousands)					
Category	2025	2026	2027	2028	2029
AOFP Budget*	$628,752	$697,046	$997,463	$985,384	$602,274
I-2 Forecast	$592,744	$948,201	$860,019	$812,512	$758,300
Variance	($36,008)	$251,155	($137,443)	($172,872)	$156,027
5-year Total Variance					$60,859

*Based on 2025 approval

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

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

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

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

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

   Days Sales Outstanding (DSO) is the average number of days receivables remain outstanding before being collected. At the end of the third quarter of 2025, there is 23.85 of DSO.

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

   These conditions have been achieved as of this monitoring report.

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

   These conditions have been achieved as of this monitoring report.

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

   Colorado Springs Utilities maintains written purchasing regulations that assure legal and fiscal compliance with competitive acquisition practices, avoid conflicts of interest, avoid favoritism, and promote procurement from local vendors. Total spending associated with purchase orders and contracts with local area addresses at 30.6% for the third quarter, with a target of 30%.

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

   During the third quarter of 2025, there were no significant financial impacts on the Municipal Government.

   Surplus Transfers are forecast to be $36.1 million, which is below the budget by $1.4 million or 3.7%.

   The Office of the City Auditor is conducting an Audit to ensure surplus rates are set at the appropriate levels.

   City Council and Clerk payment allocations are being reviewed by the City and Utilities.

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

Compliance Report Frequency and Method

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

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2026 Working Committee Planning Calendar

Meeting Date	Topics
January 20, 2026	**Compliance Reports:** • I-6 Infrastructure (Annual)* • E-2 UB/CEO Partnership Expectations – CEO Responsibilities
February 17, 2026	**Compliance Reports:** • I-4 Risk Management (Semi-annual) • I-5 Economic Development (Annual)* • I-13 Community Investment (Annual)* • E-2 UB/CEO Expectations
March 16, 2026	**Compliance Reports:** • ER:1-3 Utilities Board Expected Results Year End Performance – Scorecard (Semi-annual) • I-4 Risk Management (Annual City Auditor Report) • I-8 Asset Protection (Semi-annual) • I-12 Environmental Stewardship (Annual)* • E-2 UB/CEO Partnership Expectations – CEO Responsibilities
April 20, 2026	**Compliance Reports:** • I-2 Financial Condition and Activities (to include Contracts Over $500K) G-7 (Quarterly Oct-Dec) • E-2 UB/CEO Partnership Expectations – CEO Responsibilities
May 18, 2026	**Compliance Reports:** • I-2 Financial Condition and Activities - Annual City Auditors Report G-7 • I-2 Financial Condition and Activities (to include Contracts Over $500K) (Quarterly January-March) • I-8 Asset Protection - Annual City Auditors Report • E-2 UB/CEO Partnership Expectations – CEO Responsibilities
June 15, 2026	**Compliance Reports:** • E-2 UB/CEO Partnership Expectations – CEO Responsibilities (Monthly)
July 20, 2026	**Compliance Reports:** • I-3 Financial Planning & Budgeting G-8 (Annual)*

*These annual reports will go to the Utilities Board the month after they are seen by Working Committee to provide additional time should there be questions

Meeting Date	Topics
	• E-2 UB/CEO Partnership Expectations – CEO Responsibilities (Monthly)
August 17, 2026	**Compliance Reports:** • ER:1-3 Utilities Board Expected Results – Mid-year Scorecard and CEO Performance Results G-4 (Semi-Annual) • I-2 Financial Condition and Activities (to include Contracts Over $500K**) G-7 (Quarterly April-June) • I-4 Risk Management (Semi-annual) • I-7 Water Supply Management (Annual)* • I-8 Asset Protection (Semi-annual) • I-9 Treatment of Customers and Customer Information (Annual)* • E-2 UB/CEO Partnership Expectations – CEO Responsibilities (Monthly)
September 14, 2026	**Compliance Reports:** • I-10 Treatment of Staff (Annual)* • I-11 Compensation & Benefits G-9 (Annual)* • E-2.8 Emergency CEO Succession (Annual) • E-2 UB/CEO Partnership Expectations – CEO Responsibilities (Monthly)
October 19, 2026	**Compliance Reports:** • I-1 Pricing of Services G-5, G-6 (Annual)* • E-2 UB/CEO Partnership Expectations – CEO Responsibilities (Monthly)
November 16, 2026	**Compliance Reports:** • I-2 Financial Condition and Activities (to include Contracts Over $500K) (July-September) • E-2.3 Organizational Oversight – Compliance Frequency and Method (Annual)* • P-1.2 2027 Annual Planning Calendar (Annual)* • P-5.4 2027 Committee Work Plan (Annual)* • P-5.4 2027 CEO Performance Plan (Annual)* • P-5.4 2027 BER Scorecard (Annual)* • E-2 UB/CEO Partnership Expectations – CEO Responsibilities (Monthly)
December 14, 2026	**Compliance Reports:** • E-2 UB/CEO Partnership Expectations – CEO Responsibilities (Monthly)

Last revised Oct. 31, 2025

*These reports will go to the Utilities Board the month after they are seen by Working Committee

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Working Committee
Draft 2026 Work Plan

Natalie Watts
Manager – Strategic Planning and Governance

Working Committee
Draft 2026 Work Plan

Meeting Schedule

- Tuesday, Jan. 20, 2026 (due to MLK Jr. Day)
- Tuesday, Feb. 17, 2026 (due to President's Day)
- Monday, March 16, 2026
- Monday, April 20, 2026
- Monday, May 18, 2026
- Monday, June 15, 2026
- Monday, July 20, 2026
- Monday, Aug. 17, 2026
- Monday, Sept. 14, 2026
- Monday, Oct. 19, 2026
- Monday, Nov. 16, 2026
- Monday, Dec. 14, 2026

All meetings will take place from 9 a.m. – 12 p.m. in the Rosemont Conference Room on the 5th Floor of the Plaza of the Rockies.

Working Committee
Draft 2026 Work Plan

Quarter 1

- JANUARY 20
  - I-6 Infrastructure (Annual)
  - E-2 UB/CEO Partnership Expectations – CEO Responsibilities

- FEBRUARY 17
  - I-4 Risk Management (Semi-annual)
  - I-5 Economic Development (Annual)
  - I-13 Community Investment (Annual)
  - E-2 UB/CEO Expectations

- MARCH 16
  - ER:1-3 Utilities Board Expected Results Year End Performance –Scorecard (Semi-Annual)
  - I-4 Risk Management (Annual City Auditor Report)
  - I-8 Asset Protection (Semi-annual)
  - I-12 Environmental Stewardship (Annual)
  - E-2 UB/CEO Partnership Expectations – CEO Responsibilities

Working Committee
Draft 2026 Work Plan

Quarter 2

- APRIL 20
  - I-2 Financial Condition and Activities (to include Contracts Over $500K) G-7 (Quarterly Oct-Dec)
  - E-2 UB/CEO Partnership Expectations – CEO Responsibilities
- MAY 18
  - I-2 Financial Condition and Activities - Annual City Auditors Report G-7
  - I-2 Financial Condition and Activities (to include Contracts Over $500K) (Quarterly January-March)
  - I-8 Asset Protection - Annual City Auditors Report
  - E-2 UB/CEO Partnership Expectations – CEO Responsibilities
- JUNE 15
  - E-2 UB/CEO Partnership Expectations – CEO Responsibilities (Monthly)

Working Committee
Draft 2026 Work Plan

Quarter 3

- JULY 20
  - I-3 Financial Planning & Budgeting G-8 (Annual)
  - E-2 UB/CEO Partnership Expectations – CEO Responsibilities (Monthly)

- AUGUST 17
  - ER:1-3 Utilities Board Expected Results – Mid-year Scorecard and CEO Performance Results G-4 (Semi-Annual)
  - I-2 Financial Condition and Activities (to include Contracts Over $500K**) G-7 (Quarterly April-June)
  - I-4 Risk Management (Semi-annual)
  - I-7 Water Supply Management (Annual)
  - I-8 Asset Protection (Semi-annual)
  - I-9 Treatment of Customers and Customer Information (Annual)
  - E-2 UB/CEO Partnership Expectations – CEO Responsibilities (Monthly)

- SEPTEMBER 14
  - I-10 Treatment of Staff (Annual)
  - I-11 Compensation & Benefits G-9 (Annual)
  - E-2.8 Emergency CEO Succession (Annual)
  - E-2 UB/CEO Partnership Expectations – CEO Responsibilities (Monthly)

Working Committee
Draft 2026 Work Plan

Quarter 4

- OCTOBER 19
  - I-1 Pricing of Services G-5, G-6 (Annual)
  - E-2 UB/CEO Partnership Expectations – CEO Responsibilities (Monthly)

- NOVEMBER 16
  - I-2 Financial Condition and Activities (to include Contracts Over $500K) (July-September)
  - E-2.3 Organizational Oversight – Compliance Frequency and Method (Annual)*
  - P-1.2 2027 Annual Planning Calendar (Annual)*
  - P-5.4 2027 Committee Work Plan (Annual)*
  - P-5.4 2027 CEO Performance Plan (Annual)*
  - P-5.4 2027 Enterprise Balanced Scorecard (Annual)*
  - E-2 UB/CEO Partnership Expectations – CEO Responsibilities (Monthly)

- DECEMBER 14
  - E-2 UB/CEO Partnership Expectations – CEO Responsibilities (Monthly)

QUESTIONS?

Colorado Springs Utilities

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Proposed 2026 Chief Executive Officer Performance Plan

Renee Adams

Chief Human Resources Officer

CEO Performance Plan

Background

- Combination of CEO leadership competencies + enterprise Balanced Scorecard
- An agreement between the CEO and the Utilities Board outlining the CEO's priorities and outcomes
- Measures enterprise and CEO performance
- Reviewed by the Utilities Board in December for the coming year



Proposed 2026 CEO Competencies – No changes recommended

- Competencies comprise 50% of CEO Performance Plan
- Evaluated by the Board semi-annually (2x/year)
- Five CEO leadership competencies with equal weight (10% each)
- Proposed for 2026 (same as 2025)
  - Builds Effective Teams
  - Ensures Accountability
  - Drives Engagement
  - Balances internal/external stakeholders
  - Strategic mindset



Balances Stakeholders

- Anticipates and balances the needs of multiple stakeholders.
- Creates flexibility in the organization that is needed to respond to varied stakeholder needs.
- Demonstrates foresight about how stakeholder priorities will change and evolve.
- Optimizes decisions across the varied needs of internal and external stakeholders.
- Serves as a role model for considering cultural and ethical factors in balancing the needs of stakeholders.



Builds Effective Teams

- Builds strong-identity teams that apply their diverse skills and perspectives to achieve common goals.
- Builds a cohesive leadership team that drives the goals and success of the organization.
- Creates a culture with systems and processes that enable cross-functional teamwork.
- Instills a common mindset and team spirit across the organization.
- Models teamwork by working effectively with other leaders throughout the organization.



Drives Engagement

- Creates a climate where people are motivated to do their best to help the organization achieve its objectives.
- Motivates others by appealing to deeply held values and goals.
- Creates a climate that makes work gratifying and enjoyable.
- Ensures that people in the organization feel their contributions are valued.
- Energizes the organization by clarifying the broader purpose and importance of the work.



Drives Results

- Consistently achieves results, even under tough circumstances.
- Creates an organization that pushes forward in difficult circumstances. Eliminates obstacles that affect organizational performance.
- Gets results that have a clear, positive, and direct impact on business performance.
- Drives the organization to achieve results.



Strategic Mindset

- Sees ahead to future possibilities and translates them into breakthrough strategies.
- Leverages the organization’s key differentiators to develop a viable long-term strategy.
- Explores future scenarios and possibilities to help the organization respond to change and shape the future.
- Revisits and updates business strategies in response to evolving market dynamics and organizational needs.
- Develops and integrates organizational strategies to achieve and sustain competitive advantage.



Colorado Springs Utilities

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Proposed 2026 Enterprise Balanced Scorecard

Natalie Watts

Manager – Strategic Planning and Governance

Approach to Updating the Balanced Scorecard

- Gauge the appropriate measures
- Use mix of leading versus lagging indicators
- Determine what or who is best to measure against
- Make targets achievable yet challenging
- Review and input timeline
  - September-October 2025:
    - Colorado Springs Utilities leadership
  - November 2025:
    - Working Committee
  - January 2026:
    - Utilities Board meeting for approval



Proposed 2026 Balanced Scorecard

- 50% of CEO Performance Plan
- A key element of the Kaplan Norton Balanced Scorecard strategic planning model
- Supports Board's strategic focus on reliability, rates and relationships
- Measures performance in achieving organization's 5 Strategic Objectives
- Results reported to Utilities leadership quarterly
- Results reported to Utilities Board semi-annually (2x/yr.)



Proposed 2026 Enterprise Balanced Scorecard

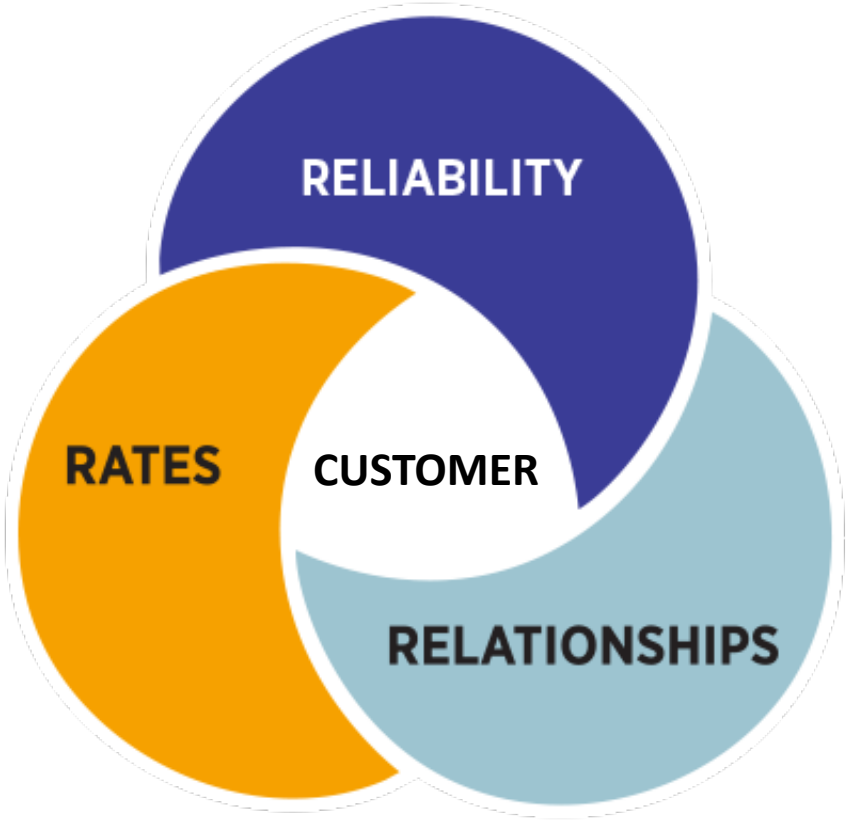
Strategic Focus Areas Weighting (no change)

- Reliability - 40%
- Rates - 40%
- Relationships - 20%

4 Reliability measures weighted at 10% each

13 Rates measures with weightings ranging from 2.5% - 7%

5 Relationship measures with different weightings from 3% - 8%



Proposed 2026 Scorecard

Proposed 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
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
		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. 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
		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
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
		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
		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
		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
		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. 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
		11. Days Cash on Hand - Current Year		2.5	<140 days	140 - 150 days	151 - 160 days	161 - 180 days	>180 days
		12. Days Cash on Hand - 3 Year Average		2.5	<140 days	140 - 150 days	151 - 160 days	161 - 180 days	>180 days
		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
		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
		15. Debt Ratio - Current Year		2.5	>61.0%	61.0 - 59.6%	59.5 - 55.0%	54.9 - 48.1%	<48.1%
		16. Debt Ratio - 3 Year Average		2.5	>61.0%	61.0 - 59.6%	59.5 - 55.0%	54.9 - 48.1%	<48.1%
		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)
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
		19. Customer Satisfaction - Business		3.0	< 1.50	1.50 - 2.49	2.50 - 3.49	3.50 - 4.49	> 4.49
	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
	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
		22. Workforce Index		3.0	< 1.50	1.50 - 2.69	2.70 - 3.49	3.50 - 4.60	> 4.60

If approved by the Board, the effective date would be January 1, 2026.


Colorado Springs Utilities
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Proposed 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
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		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
		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
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		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)
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		19. Customer Satisfaction - Business		3.0	< 1.50	1.50 - 2.49	2.50 - 3.49	3.50 - 4.49	> 4.49
	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
	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
		22. Workforce Index		3.0	< 1.50	1.50 - 2.69	2.70 - 3.49	3.50 - 4.60	> 4.60

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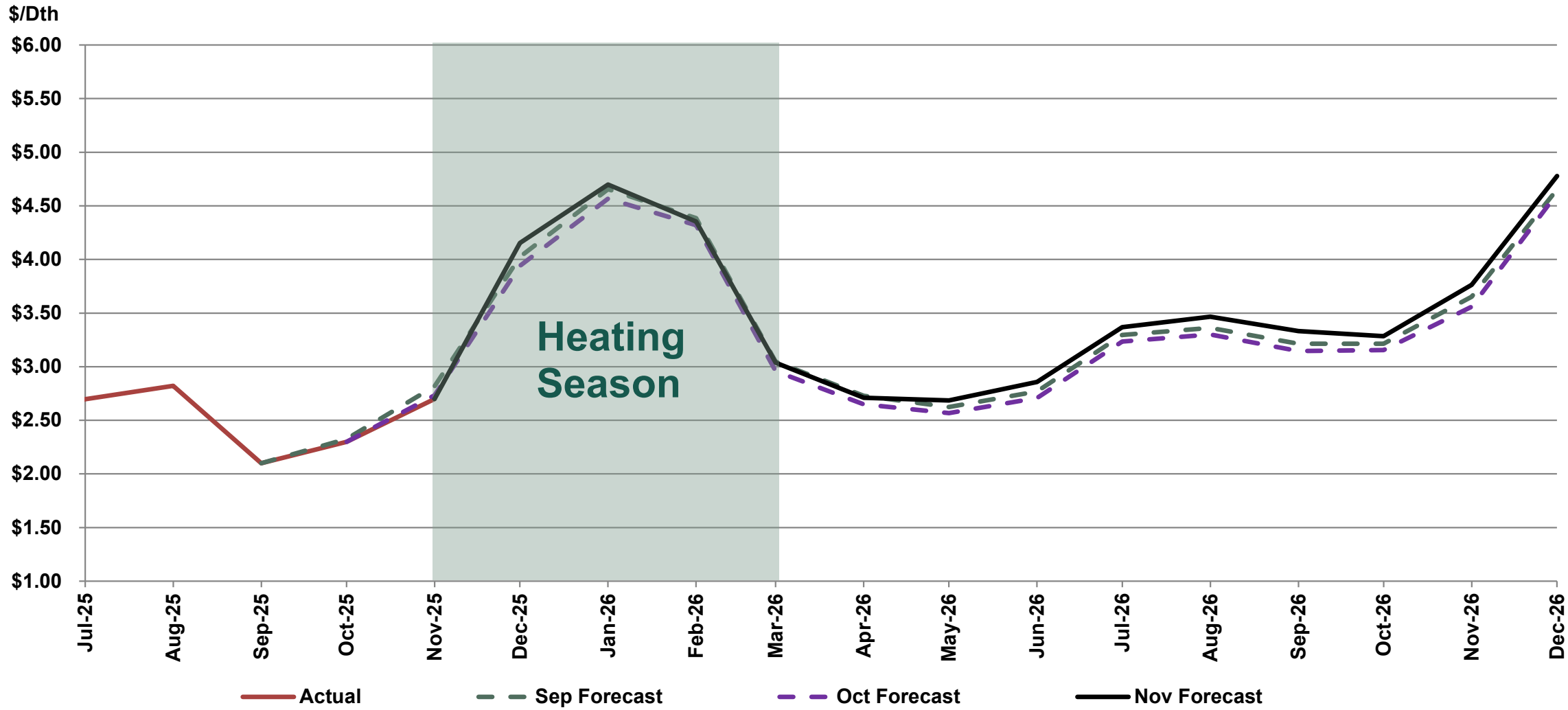
Colorado Springs Utilities
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Electric Cost Adjustment
Gas Cost Adjustment

Scott Shirola, Pricing and Rates Manager

November 19, 2025

Natural Gas Prices as of November 1, 2025

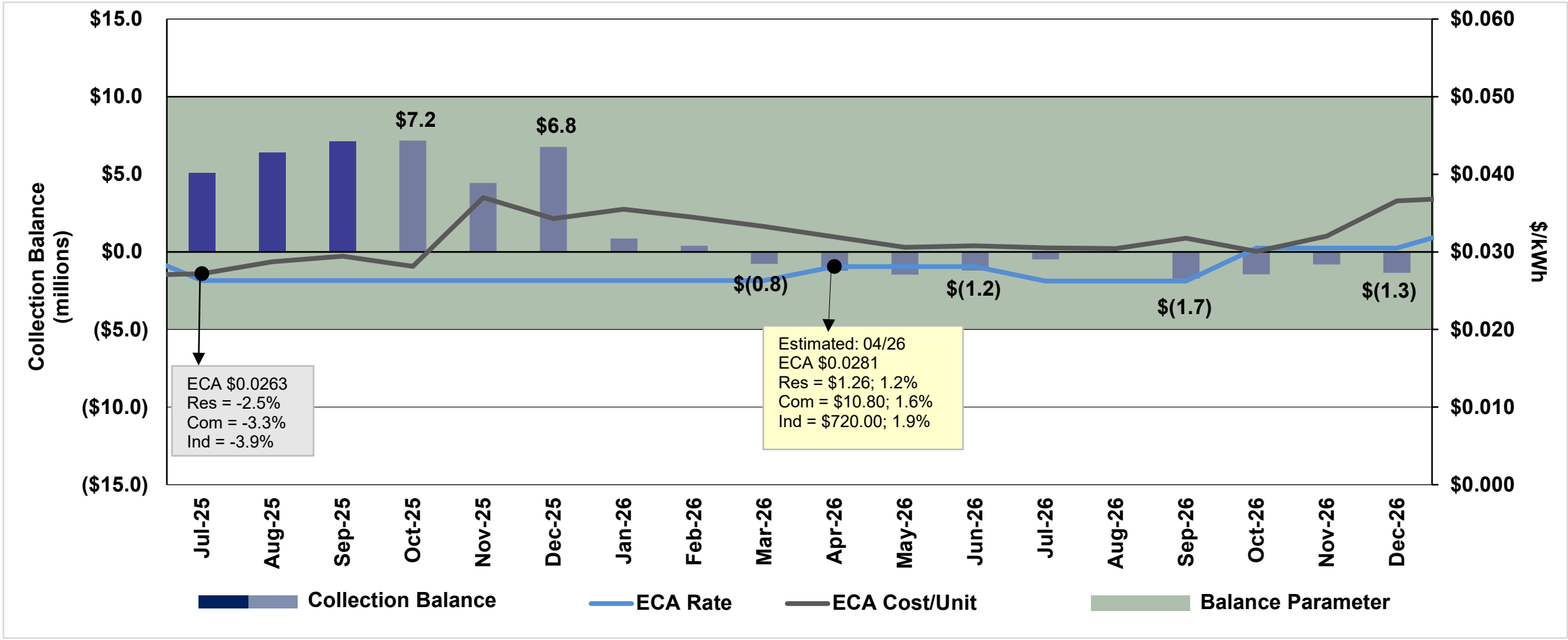


Monitoring and Filing Outlook

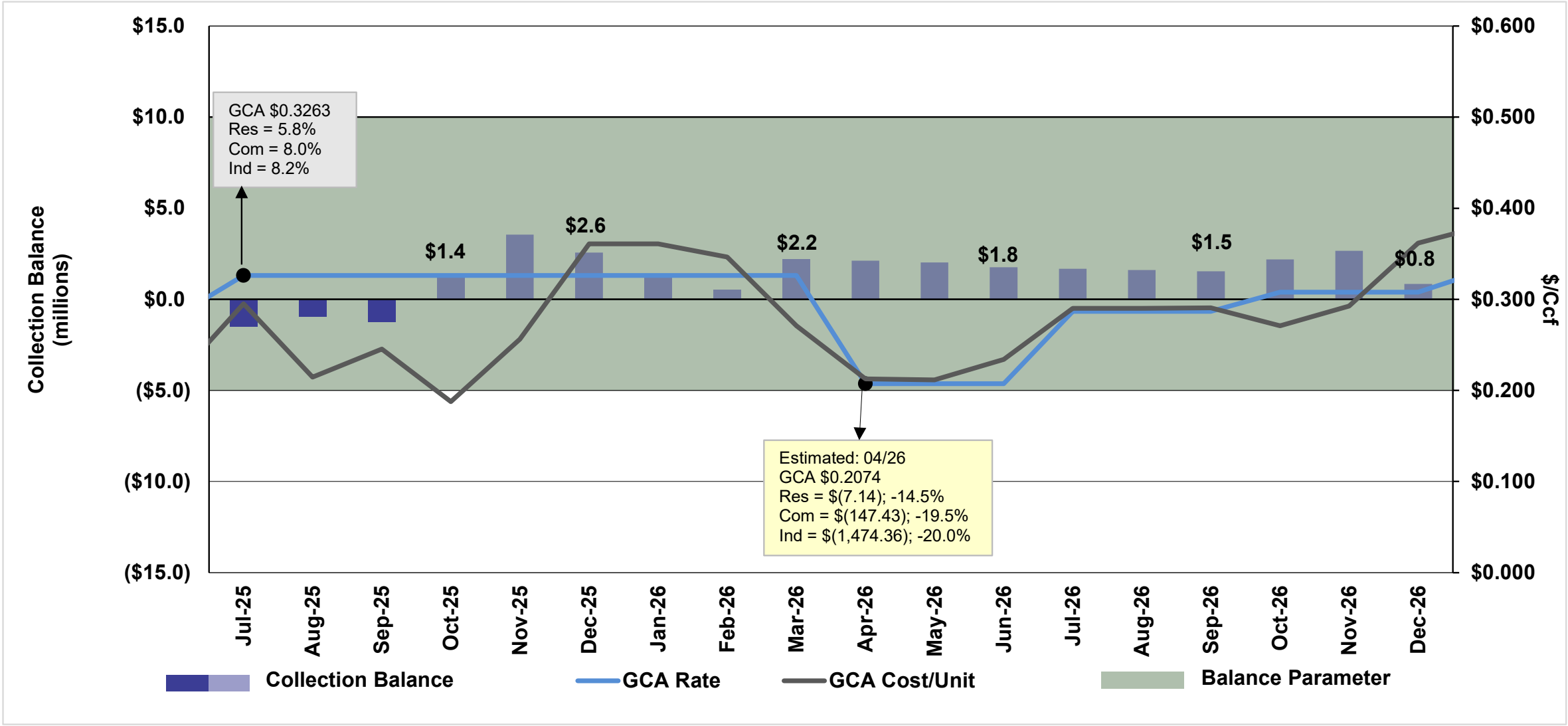
- Cost Adjustment Guidelines (G-6)
  - Quarterly ECA and GCA changes proposed effective:
    - January 1, April 1, June 1, and October 1
- Recommend no change to the ECA/GCA rates 01/01/26
  - Current collection balances
  - Natural gas market projections
- Monthly monitoring and Utilities Board reporting timeline:
  - December – Materials provided
  - January – Working Committee (01/20/26) and Board Meeting (01/21/26)*
  - February – Working Committee (02/17/26) and Board Meeting (02/18/26)
- Quarterly filing anticipated for rates proposed effective 04/01/26
  - March – Working Committee (03/16/26) and Board Meeting (03/18/26)
  - March – City Council (03/24/26)

*Out of cycle filing could be proposed in January with 02/01/26 effective date if needed.

ECA Projections November 2025



GCA Projections November 2025



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Supply Chain Update

Rich Norton

General Manager of Supply Chain

Tariff Impact

- **Tariff Volatility:** Weekly changes in trade policy are creating uncertainty and cost pressure across critical categories.

- **High Import Dependency:** Essential utility components—such as switchgear, solar equipment, valves, and cement—are heavily sourced from tariff-impacted countries including China, Mexico, Vietnam, and the EU.

- **Price Impact Forecast:**
  - Water and gas infrastructure components: 45–50% imported
  - Electric equipment: 60–70% imported
  - Cement and concrete: 18–22% imported

Strategic Response Framework – What is Utilities Doing?

- Continuous monitoring and federal advocacy to mitigate unintended tariff impacts.
  - Benchmarking with Large Public Power Council (LPPC) Supply Chain Working Group
- Exposure analysis on critical equipment (e.g., transformers, breakers).
  - Assessing inventory levels and opportunity to leverage domestic manufacturers.
- Supplier engagement and forward-buying strategies.
  - Assessing alternatives/substitutions for materials
- Scenario modeling for tariff impacts leveraging 3rd party.
  - Assessing cost and lead time impact.
- Supplier diversification and negotiation strategies.
  - Ensuring we have the correct mix of approved domestic and international manufacturers.
  - Strategic negotiations to lower the price of the good.

Supplier Expectations and Mitigation Actions

Suppliers are urged to:

- Audit product origin and content, including second-tier suppliers.
- Update contracts with tariff passthrough clauses and price review triggers.
- Accelerate qualification of nearshore/onshore alternatives.
- Share detailed tariff impact analysis with Utilities for joint mitigation planning.

Tariff Exposure

- Total Tariff Exposure: $848K
- Tariff cost avoided: $202K
- Net impact: $646K
- Examples:
  - Specialty valve from Switzerland: $441K tariff requested, $40K avoided
  - Irby warehouse items: $230K tariff requested, $75K avoided

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2026 Strategic Planning

November 17, 2025

Utilities Board Focus Areas: Reliability, Rates and Relationships

OUR MISSION	Provide safe, reliable and competitively-priced utilities to our customers.				
OUR VISION	Ready for today, prepared for a sustainable future.				
OUR VALUES	Safety, People, Trust, Responsibility, Collaboration, Continuous Improvement.				
STRATEGIC OBJECTIVES	Operational Excellence	Focus on the customer	Financial accountability	Support our community	Enable employee empowerment
2025 STRATEGIC INITIATIVES	Optimize business processes Develop enterprise prioritization	Enhance outage management communication	Align long-term financial plans	Implement Energy Wise	Promote safety maturity excellence

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Utilities Board Focus Areas:
Reliability, Rates, Relationships

Our Mission

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

Our Vision

Ready for today, prepared for a sustainable future.

Our Values

Safety • People • Trust • Responsibility • Collaboration • Continuous Improvement

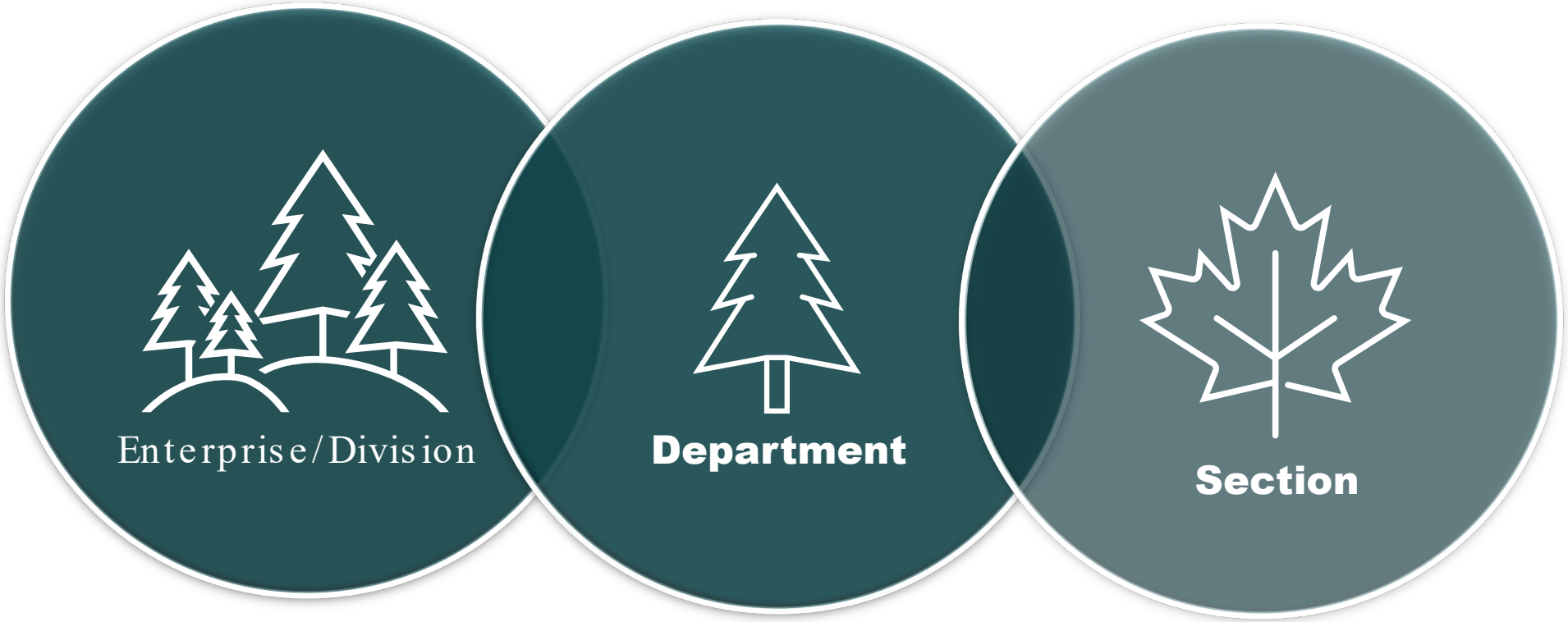
Strategic Objectives

Operational Excellence	Focus on the Customer	Financial Accountability	Support our Community	Enable Employee Empowerment
Uphold a culture of service reliability and create a standard of excellence focused on continuous improvement and organizational efficiency.	Serve by anticipating and exceeding customer expectations.	Ensure we are all responsible stewards of customer resources.	Contribute to the growth, vitality and quality of life in the Pikes Peak Region.	Create an environment where employees feel valued and have autonomy to complete their work and are supported.

Strategies

• Adopt innovative technologies • Optimize operations	• Anticipate and meet customer preferences • Enhance internal and external customer relationships	• Mitigate financial risk • Responsibly use resources at the division, department and section level	• Serve as a cooperative community partner • Maintain and update long-term integrated resources plans	• Encourage professional development and training opportunities • Recognize, appreciate and value employees

Strategic Approach



Division Priorities

Enterprise Priorities

STRATEGIC OBJECTIVE
Operational Excellence

Strategies	Priorities
Strategy 1.1	**Priorities**
Adopt innovative technologies	1. Maximize: multi-year enterprise transformation designed to modernize how we manage assets, systems and operations 2. Digital transformation with automation and artificial intelligence: harness the power of technology to improve the way we serve our customers through a variety of technology projects
Strategy 1.2	**Priorities**
Optimize operations	1. Continue implementation of business management systems to ensure uninterrupted planning and delivery of utilities services by ensuring all processes and policies are properly documented 2. Continue integrated asset management implementation to optimize performance, reduce costs, and enhance service reliability

Enterprise Priorities

STRATEGIC OBJECTIVE
Focus on the Customer

Strategies	Priorities
Strategy 2.1	**Priorities**
Anticipate and meet customer preferences	1. Enhance outage management communication to ensure a more seamless interaction with customers during outages 2. Enhance customer survey reporting for actional feedback and leverage trend reporting to pinpoint areas for improvement
Strategy 2.2	**Priorities**
Enhance internal and external customer relationships	1. Increase and improve communication and outreach to external customers providing information in advance of changes to rates, projects, and standards

Enterprise Priorities

STRATEGIC OBJECTIVE
Financial Accountability

Strategies	Priorities
Strategy 3.1	**Priorities**
Mitigate financial risk	1. Collections modernization: make key improvements to expand customer options, tangibly reduce work, and increase payment efficiency 2. Enhance risk mitigation plans in risk register and ensure communication is cascaded 3. Refine 10-year financial plans
Strategy 3.2	**Priorities**
Responsibly use resources at the division, department and section level	1. Zero based budgeting: focus on eliminating legacy costs and ensure every employee is intentional with each line item to significantly reduce waste and improve financial margins 2. Promote responsible stewardship of operation and maintenance and labor budgets by optimizing resource allocation across section levels to ensure fiscal discipline and operational efficiency

Enterprise Priorities

STRATEGIC OBJECTIVE
Support our Community

Strategies	Priorities
Strategy 4.1	**Priorities**
Serve as a cooperative community partner	1. Implement Wildfire Mitigation Plan to protect infrastructure and provide community safety 2. Ensure successful integration with the Regional Transmission Organization to provide more efficient and cost-effective services to our customers 3. Continue YOUtilities in the community volunteer program, encouraging team and personal volunteer hours for everyone in the enterprise 4. Continue enhancing readiness for large load prospects through large load studies, large load rate updates, and streamlined application queue processes
Strategy 4.2	**Priorities**
Maintain and update long-term integrated resource plans	1. Complete integrated resource plan true ups to ensure we are capturing industry, technology and demand changes 2. Use integrated resource plans to track and support growth and various economic development factors

Enterprise Priorities

STRATEGIC OBJECTIVE
Enable Employee Empowerment

Strategies	Priorities
Strategy 5.1	**Priorities**
Encourage professional development and training opportunities	1. Develop Leader 2 Leader program to continue building a strong pipeline of leaders in the organization 2. Prioritize dollars to support professional development and training opportunities throughout the organization 3. Strengthen workforce capabilities through workforce and integrated human resource plans
Strategy 5.2	**Priorities**
Recognize, appreciate and value employees	1. Continue championing Total Worker Health 2. Promote safety maturity excellence 3. Roll out enhancements to our employee recognition system to deliver more meaningful, visible, and personalized accolades that celebrate individual achievements across the organization

Next Steps



JANUARY 21, 2026:

UTILITIES BOARD APPROVAL (CONSENT AGENDA)



JANUARY/FEBRUARY 2026:

ROLL OUT AND CASCADE TO THE ENTIRE ENTERPRISE



Q1-Q2 2026:

SHARE DIVISION-LEVEL STRATEGIC PLANS AT WORKING COMMITTEE

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Net Metering Follow-up

Utilities Board Working Committee
November 17, 2025

System Cost vs. Solar Credits

Sample Net Metering Customer

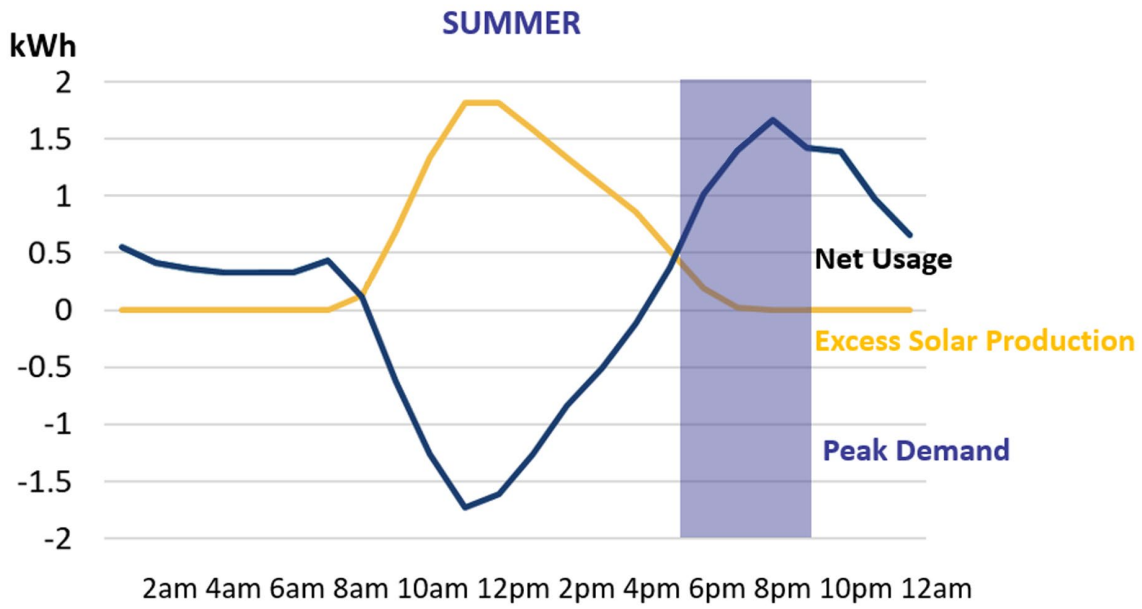
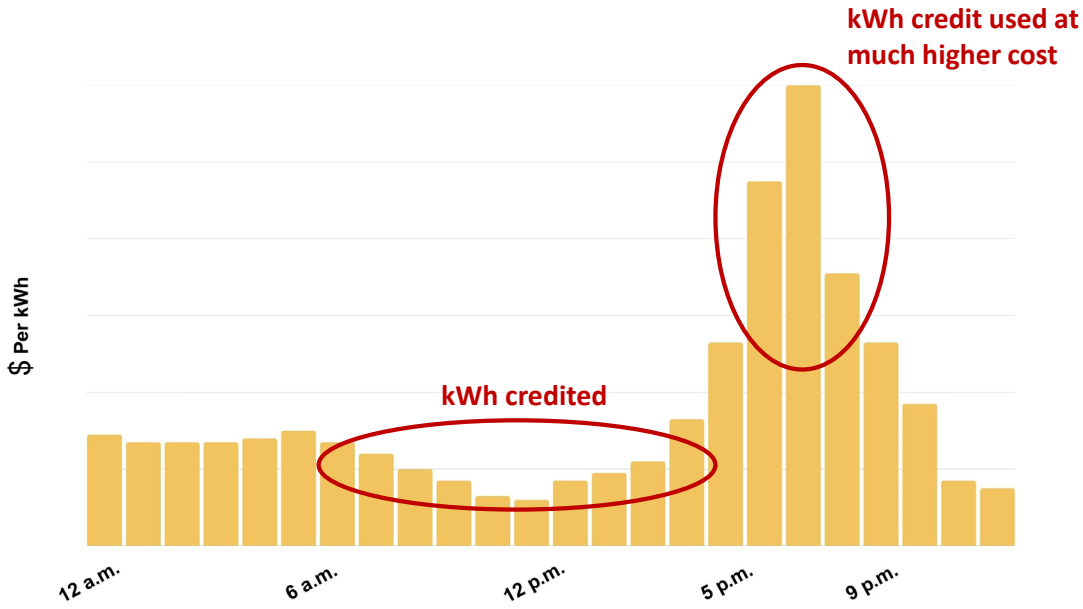


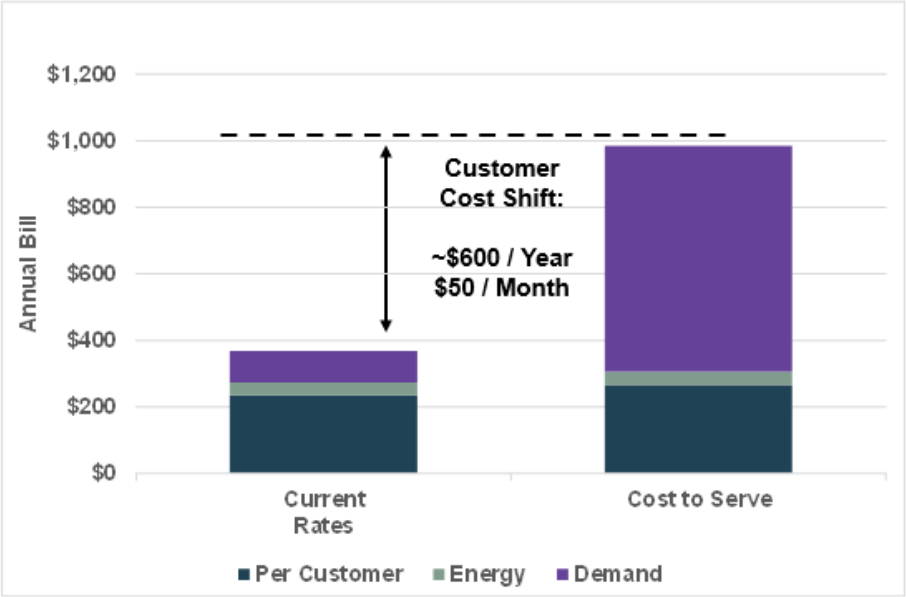
Illustration of System Cost



Summary of Previous Proposed Changes

- Maintain 1:1 credit of excess generation
- Changes to Access and Facilities, per day rate
- Changes to Access and Facilities, per kWh rate
- Addition of Demand Charge, per kW, per day
  - Originally proposed: Highest On-Peak Net Demand
  - Amended proposed: Average daily highest On-Peak Net Demand
- Applicable to all current and future residential and commercial Net Metering Customers, effective January 1, 2027

Typical Net Metering Customer Annual Non-Fuel Bill



Customer Feedback – Major Themes

- Maintain 1:1 credit of excess generation
- Honor previous customer investment
- Reflect benefit of solar
- Allow interconnection of larger systems
- Apply same rates as all other customers
- Credit bill for value of excess energy
- Battery considerations

Potential Future Rate Considerations

Net Metering

- Size of solar systems up to 200%
- Maintain 1:1 credit of excess generation
- Changes to Access and Facilities, per day rate
- Changes to Access and Facilities, per kWh rate
- Addition of Demand Charge, per kW, per day
  - Average daily highest On-Peak Net Demand
  - Summer and Winter differentiated

Net Billing

- Size of solar systems up to 200%
- Changes to Access and Facilities, per day rate
- Changes to Access and Facilities, per kWh rates for delivered energy
  - On-peak and off-peak
- Addition of excess energy credit rates for all received energy
  - On-peak and off-peak
- Excess energy exchanged at proportional on-peak and off-peak credit rates for bill credit

Potential Customer Outreach Opportunities

Options for public participation include:

Stakeholder Listening Sessions: Small group meetings with net metering and standard customers, installers, and advocates.

Online Feedback Portal: Dedicated webpage with background, FAQs, and a feedback form.

Community Survey: Gauge broader public sentiment on solar incentives, equity, and rate design.

Public Information Campaign: Clear messaging about why net metering is being revisited.

Public Forums / Town Halls: Host a forum to present the revised proposal and take questions.

Board/Council Presentations: Public process where representatives discuss and attendees observe.

Board Priorities for Net Metering Reforms

Rate Design Guidelines (G-5)

- Economic Efficiency
  - Rates act as a price signal
- Revenue Stability
  - Rates should recover the approved revenue requirement through sufficient and predictable revenues
- Equitable for All Customers
  - Rates should reflect cost causation and customer usage characteristics
- Customer Satisfaction
  - Rates should enhance customer satisfaction
- Customer Bill Stability
  - Customer bills should be stable and predictable

Net Metering Board Objectives

Board Discussion

Next Steps


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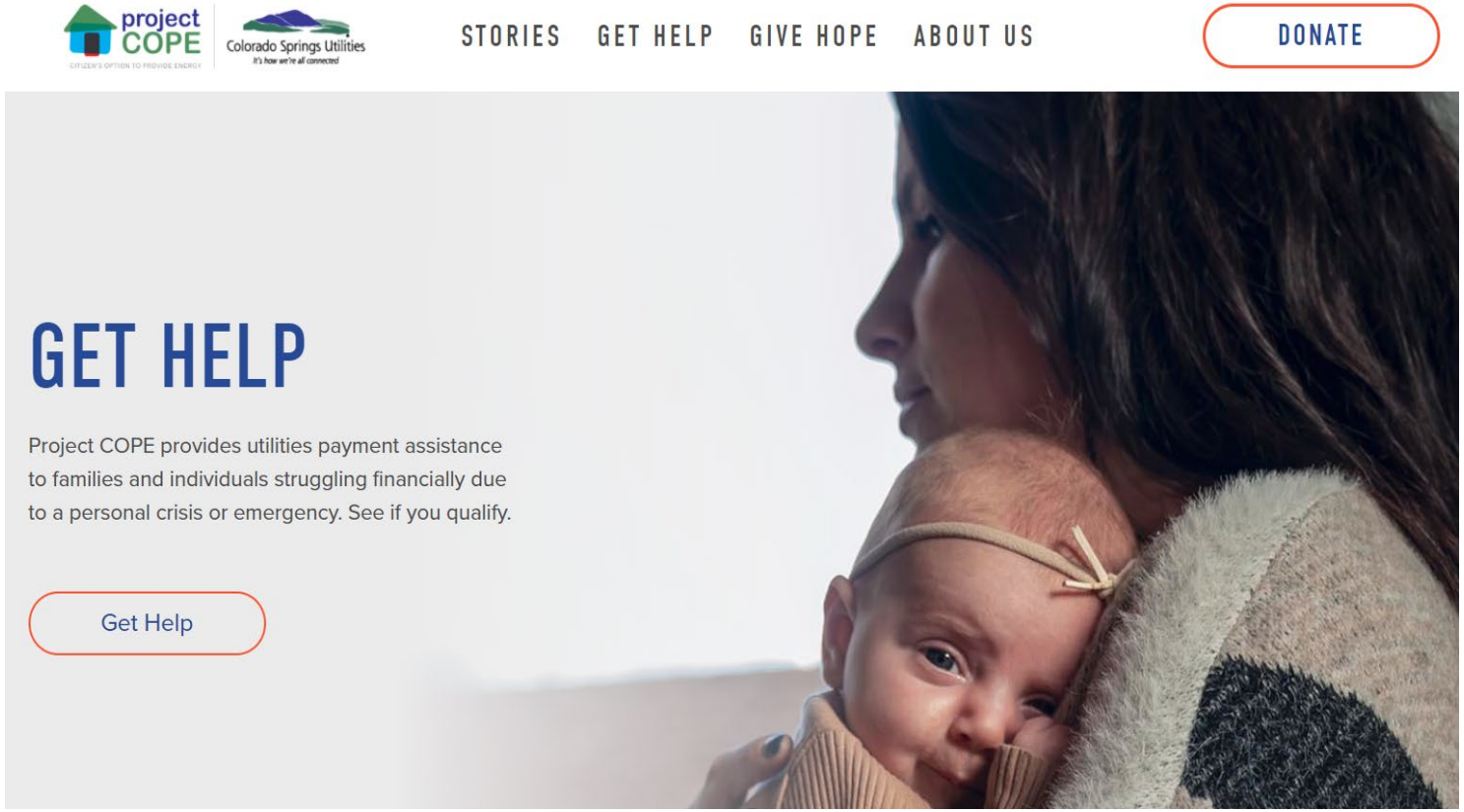
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Potential Financial Impacts of U.S. Government Shutdown

John Hunter, Manager of Financial Planning and Risk
Adam Hegstrom, Manager of Treasury and Finance
November 17, 2025

Customer resources

- We recognize the significant impact the government shutdown is having on customers
- We continue to offer a full suite of customer assistance tools, plans, and programs
- Resources: https://www.csu.org/customer-assistance/



Direct payment impact

- Colorado Springs military installations are currently not paying utility bills due to the government shutdown
- Typical combined bill for these installations amounts to ~$3.5-$4.5 million per month
  - Currently behind by roughly 1 month
- The ultimate *credit* of the U.S. military remains sound. We anticipate fully collecting these revenues, plus applicable late fees
- Ultimate *timing* of these payments remains unknown

Secondary payment impact: commercial sector

- Federal contractors may delay bill payments
  - Colorado Springs EDC estimates there are around 200 companies in this sector
- Typical average bill for a commercial customer is $18,000 per month
- No definitive way to currently forecast revenue impact, time of payment catch up and/or potential bad debt impact



Secondary payment impact: residential customers

- Payments from residential customers may be impacted by the shutdown
  - Estimates of non-military federal employees in Colorado Springs at roughly 15,000
  - Approximately 78,000 people in El Paso County receive SNAP (Supplemental Nutrition Assistance Program) payments
  - Word searches of call center logs for "shutdown" and/or "furlough" appeared 285 times as of Oct. 30
  - Many economic assistance programs are available, but may be depleted faster
- Typical average bill for a residential customer is ~$274 per month
- Unclear how customers may reprioritize their finances in this environment - impact to revenue, timing of catch-up payments, and even bad debt is uncertain at this point

Potential financial impact

Adjusted debt service coverage ratio

- No material 2025 impacts anticipated at this time
- A deep and prolonged government shutdown impacting the local economy may result in an impact to 2026 results

Debt ratio

- No material impacts expected at this time

Days cash of hand

- Most recent forecast places this metric at 146 days at year-end (5 days below target) without shutdown-related impacts
- 1 day of cash = ~$2 million
- We lose around 2.1 days cash on hand for each month the shutdown lasts from direct military billing
- Other nonpayment rules of thumb that would result in losing 1 day of cash on hand:
  - 110 federal contractor businesses not paying bills one month
  - 7,500 residential customers not paying their bills for one month

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Graywater Ordinance

Jenny Bishop, Engineer IV

Lauren Swenson, Manager of Environmental Services

November 17, 2025

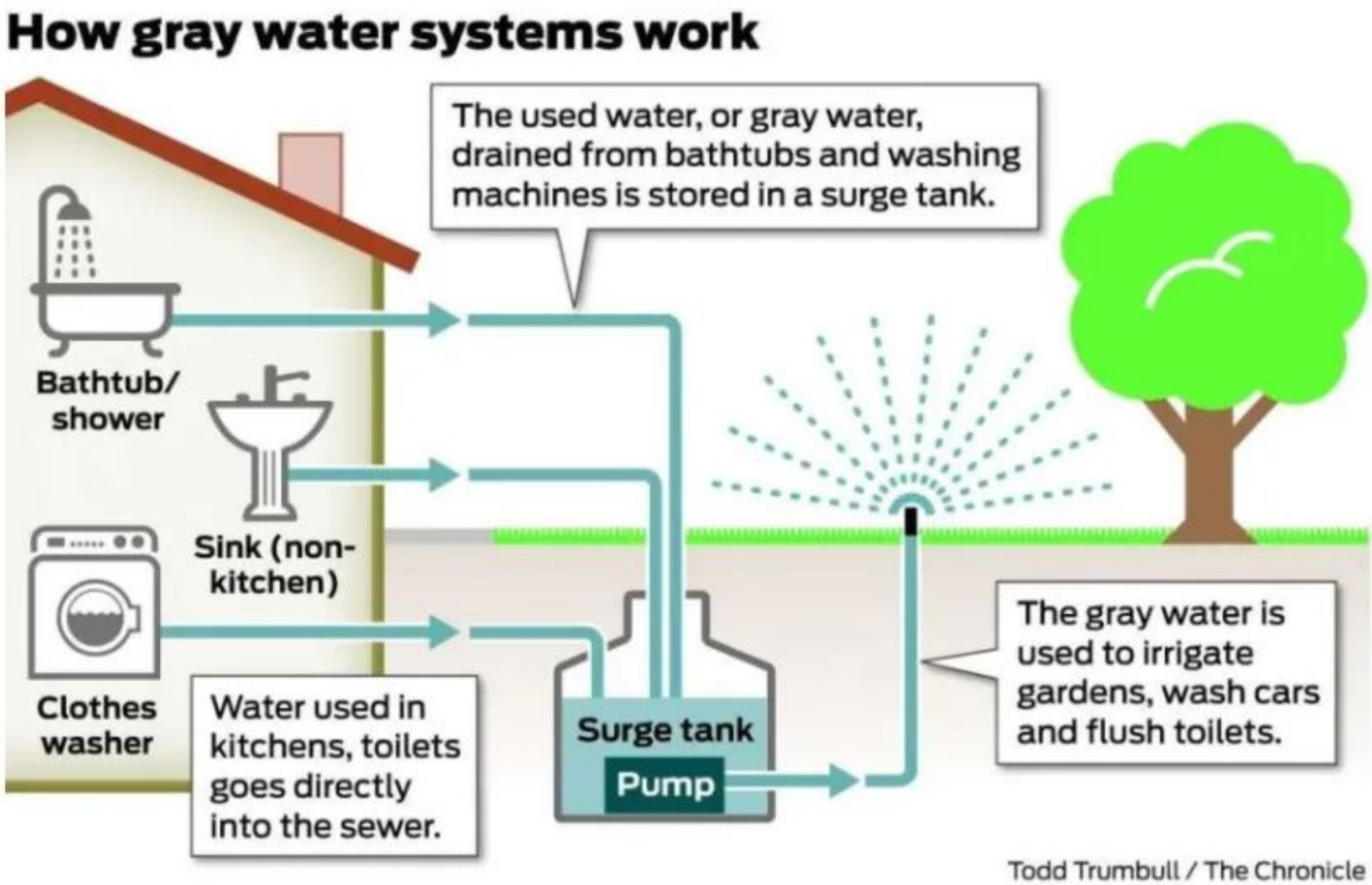


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Economic Development

January 2025 through October 2025

Economic Development Prospects

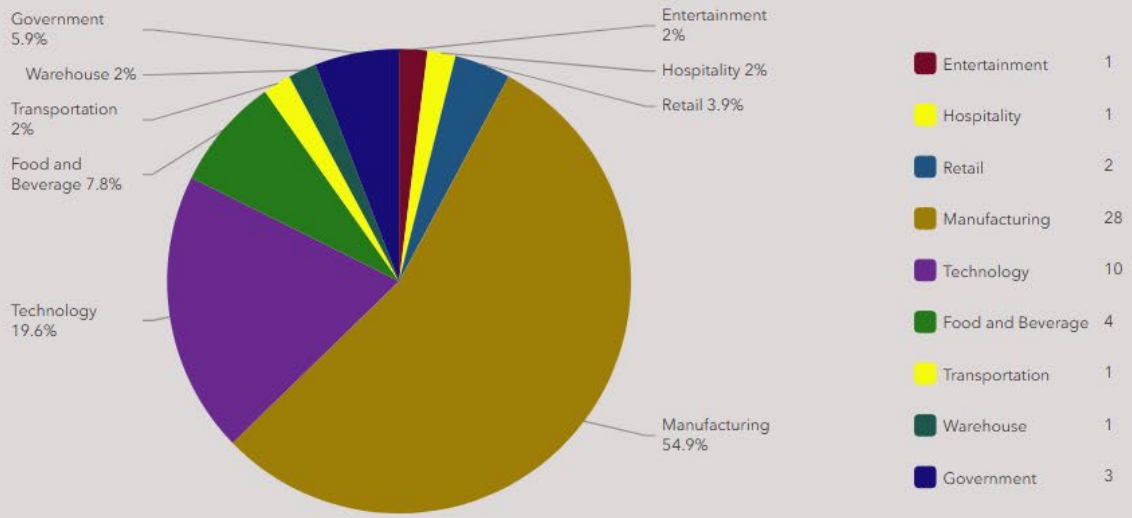
Select a Date Range
1/1/2025 - 10/31/2025

Prospects	Estimated Jobs	Rapid Response
51	8,082	4
Business Retention Meetings - Virtual		**Announcements**
66		2
Business Retention Meetings - In Person	**Estimated Capital Investment**	
40	14,868,730,000	

Prospect Status

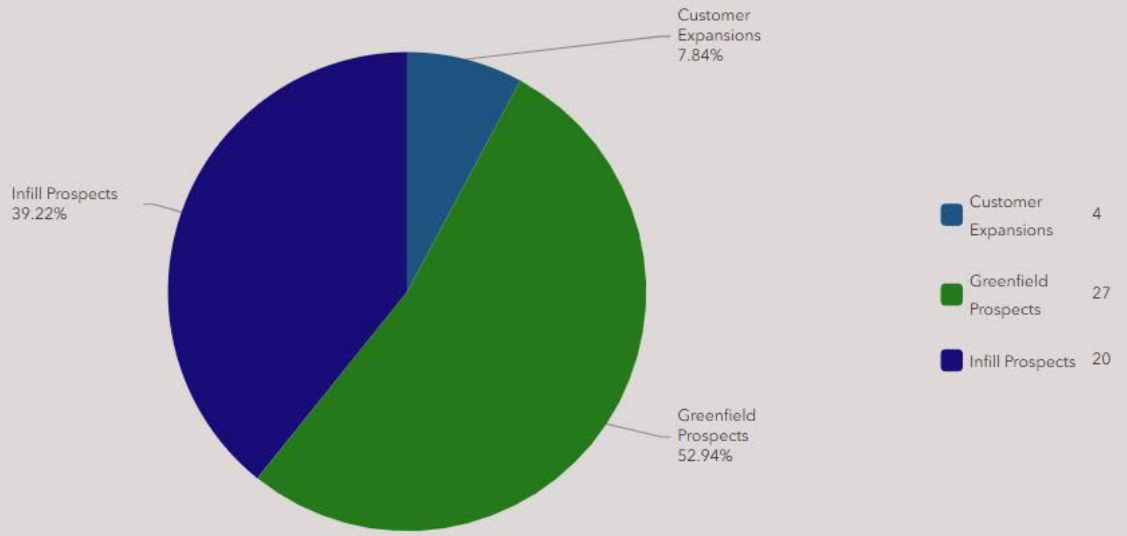


Opportunities by Industry



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Opportunities by Type



Economic Development Prospects

Select a Date Range
1/1/2025 - 10/31/2025

