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

**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, February 19, 2025**
**1:00 p.m.**
Join the meeting now Meeting
ID: 295 274 039 796
Passcode hfyyic
**Dial in by phone**
+1 719-733-3651,,344735897#

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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 citizen wishing to address the Utilities Board. (Any items called up for separate consideration shall be acted upon following Compliance Reports.)<br>• **Approval of Jan. 22, 2025, Utilities Board meeting minutes**<br>• **Reappointment of Kim Gortz to the Homestake Steering Committee**<br>• **Reappointment of Kim Gortz to the Board of Directors of the Aurora – Colorado Springs Joint Water Authority Board**<br>• **Intergovernmental Agreement for Construction Cost Sharing for the Northern Monument Creek Interceptor** | Chair Donelson |
| **1:15 p.m.** | **4.** | **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 |
| **1:20 p.m.** | **5.** | **Recognition**<br>• President's Volunteer Service Award | Renee Adams, Chief Administrative and Human Resources Officer |

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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| | | • Resolution of Appreciation for Charles Cassidy, General Manager of Operations | Somer Mese, Chief Operations Officer |
| **1:35 p.m.** | **6.** | **Compliance Reports:**<br>• **I-4 Risk Management**<br>• **I-5 Economic Development**<br>• **I-13 Community Investment**<br><br>**E-2 CEO/Board Partnership Responsibilities**<br>• Water Outlook<br>• Electric Cost Adjustment / Gas Cost Adjustment Monitoring | Travas Deal, Chief Executive Officer |
| **1:40 p.m.** | **7.** | **Items Called Off Consent Calendar** | Chair Donelson |
| **1:50 p.m.** | **8.** | **Utilities Policy Advisory Committee (UPAC) Recommendation on the Nuclear Generation Assignment**<br>Vote to approve UPAC's recommendation on the nuclear generation assignment. | Kate Danner, current UPAC chair<br><br>Larry Barrett, past UPAC chair |
| **2:10 p.m.** | **9.** | **Utilities Board Bylaws Update**<br>Vote to approve changes to the Utilities Board Bylaws. | Natalie Watts, Manager of Strategic Planning and Governance |
| **2:20 p.m.** | **10.** | **Board Member Updates** | Board of Directors |
| **2:30 p.m.** | **11.** | **Summary of Board Actions** | Gail Pecoraro, Utilities Board Administrator |
| **2:35 p.m.** | **12.** | **Adjournment** | Chair Donelson |

**MINUTES**
**Colorado Springs Utilities Board Meeting**
**Wednesday, January 22, 2025**

**Utilities Board members present via Microsoft Teams or Blue River Conference Room:**
Chair Dave Donelson, Vice Chair Yolanda Avila, Lynette Crow-Iverson, Randy Helms, Nancy Henjum, David Leinweber, Mike O'Malley, Brian Risley and Michelle Talarico

**Staff members present via Microsoft Teams or Blue River Conference Room:**
Travas Deal, Renee Adams, Lisa Barbato, Mike Francolino, Tristan Gearhart, Somer Mese, Jay Anderson, Joe Awad, Pattie Benger, Steve Berry, Nathan Bloomfield, Melissa Brown, Steven Carr, Charles Cassidy, Will Cherry, Andrew Colosimo, Jessica Davis, Nate De Kock, Kandy Drake, Matt Dudden, Travis Eckland, Brian Fergen, Sean Frech, Ian Gavin, Kim Girling, Jason Green, Kelly Guisinger, Lisa Halcomb, Diana Harmon, Heather Harvey, Adam Hegstrom, Kalib Heidenreich, Tyrone Johnson, Jennifer Jordan, Sybil Lasha, Cecily Lerma, Amy Lewis, Jonathan Liepe, David Longrie, Lindsay Martin, Nick Miller, Danielle Nieves, Dan Norton, Jacqueline Nunez, Chris Olney, Abigail Ortega, David Padgett, Gail Pecoraro, Nicholas Peters, David Reeve, Shannon Root, Kathryn Rozwod, Bethany Schoemer, Kim Schwartz, Mark Shea, April Speake, Amber Sweet, Matthew Thieme, Amy Trinidad, Jennifer Valdois, Deb Walker, Brian Wortinger, Natalie Watts, Al Wells, Carlos Wright and Jane Zook

**City of Colorado Springs staff members present via Microsoft Teams or Blue River Conference Room:**
Sally Barber, David Beckett, Chris Bidlack, Kellie Billingsley, Renee Congdon, Jamie Fabos, Elli Harris-Mevis, Jacqueline Rowland, Alex Ryden, Gayle Sturdivant and Ryan Trujillo

**Citizens present via Microsoft Teams or Blue River Conference Room:**
Melanie Chavez, Larry Barrett, Gary Burghart, Tom Carter, Kate Danner, Brennen Kauffman, Chris Meyer, Lindsey Samelson, Scott Smith and David Watkins

1. **Call to Order**
   Chair Donelson called the Utilities Board meeting to order at 1:05 p.m., and Ms. Gail Pecoraro, Utilities Board Administrator, called the roll.

2. **Invocation and Pledge of Allegiance**
   Mr. Nick Miller, Engineering Manager, delivered the invocation, and Board Chair Donelson led the Pledge of Allegiance.

3. **Consent Calendar**
   Approval of Nov. 20, 2024, Utilities Board meeting minutes

The Consent Calendar was approved on a vote of 9-0 after a motion by Board Member Talarico and a second by Board Member O'Malley.

**4. Customer Comments**

There were no customer comments.

**5. Recognition**

- **Top Ten Award for Military Friendly Employer**

  Ms. Renee Adams, Chief Human Resources Officer, introduced Mr. Jonathan Liepe, Talent Acquisition and Selection Supervisor, and members of the Veterans Employee Resource Group. Springs Utilities was recently recognized by the Veterans Employee Resource Group (VERG) as a Top 10 Military Employer. Specific rankings and categories are #5 in Veteran Employer, #9 in Military Spouse Employer, #10 in Brand, and #8 in Company.

  Board Chair Donelson thanked the Committee for their work in employing military veterans and spouses.

- **10th Annual Whack Dam It Golf Tournament Contribution to Project COPE**

  Ms. Adams said that the Whack Dam It Tournament began in 2013 as an after-hours team building event. The tournament has dedicated all proceeds to Project COPE (Citizen's Option to Provide Energy) since 2015. The 2024 event was sold out and raised $24,000 for Project COPE. This amount will be fully matched by Springs Utilities. In total, this group has raised $111,000 (a total of $222,000 with matching funds) for Project COPE. Everyone is invited to participate in the 11th Annual tournament, which will take place on Sept. 12, 2025.

  Ms. Kandy Drake, Community Relations Specialist, and Mr. Carlos Wright, Operations Manager, recognized members of the Water Distribution, Collection and Treatment Department (DCT) who hosted the 10th Annual Whack Dam It Golf Tournament on Sept. 13, 2024.

  Board Chair Donelson thanked the committee for the assistance that they will provide to customers with the funds raised from this tournament.

- **2024 Year in Review**

  Ms. Adams said that the organization entered into a friendly competition with the City of Colorado Springs for Take a Turkey to Workday in November. Springs Utilities donated 50 turkeys and the City donated 33 turkeys.

  The organization's Employee Giving Campaign raised $158,904, compared to the $105,452 raised by the City. This is through the hard work of employees. The money donated to Project COPE will be matched by the organization.

A video showcasing 2024 highlights was viewed. Ms. Adams thanked the Creative Services team for creating the video.

6. **Compliance Reports**
   The I-6 Infrastructure report was included in the meeting materials packet and there were no questions.

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

     These reports were provided in the meeting packet and there were no questions.

7. **Items Called Off Consent Calendar**
   There were none.

8. **Utilities Policy Advisory Committee (UPAC) Assignment Update**
   Mr. Larry Barrett, former UPAC chairperson, introduced the new UPAC chairperson, Ms. Kate Danner.

   The UPAC nuclear generation assignment is to examine nuclear power options for Springs Utilities. The committee used 12 questions to examine nuclear power options. Guest presentations have been given by internal subject matter experts, the Colorado Energy Office, the American Public Power Association, the Grant County Washington Public Utility District, the Utah Associated Municipal Power Systems, TerraPower and Bechtel.

   There are two remaining UPAC meetings, Feb. 5 and March 5, where the committee will continue to discuss and refine final recommendations to the Utilities Board. UPAC will present their final assignment recommendation to the Utilities Board on March 19, 2025.

   Board Member O'Malley asked if fusion has been looked at (specifically Helion). Ms. Danner said that they this technology had not been considered since it is in the early stages, and the main focus of the committee is what policy Springs Utilities should be taking. Technology selection is something that would be left to Springs Utilities.

   Board Member Helms asked if nuclear energy is worth "going forward" based on the information they currently have available. Mr. Barrett said that at some point in the future this looks like an attractive option, particularly with federal grant and loan funding. Board Member Helms asked how long the permitting process takes. Mr. Barrett said that for planning purposes, it is an approximate 10-year process from beginning to end.

   Vice Chair Avila thanked UPAC for their extensive work and asked for clarification on the size differences in reactors and how much each powers. Small modular reactors (SMRs) power between 5 MW to 30 MW and can have additional modules added.

Board Member O'Malley asked about the availability of uranium. Mr. Barrett said that the Department of Energy has said that worldwide there are sufficient uranium resources.

Board Chair Donelson said that the final UPAC report is due in a couple of months. He thanked the members of UPAC for their work into this assignment.

Mr. Travas Deal, Chief Executive Officer, said that permitting reforms are necessary to move forward for planning purposes.

**9. Pipeline and Hazardous Material Safety Administration (PHMSA) Notice of Proposed Safety Order (NOPSO) Work Plan Submittal**

Mr. Nate De Kock, Gas Systems Unit Supervisor, explained that Springs Utilities received a NOPSO from PHMSA on Oct. 21, 2024, as part of the transition of compliance/enforcement authority from the Colorado Public Utilities Commission (PUC) to PHMSA. The NOPSO identified issues with Springs Utilities' natural gas distribution system and its Distribution Integrity Management Program (DIMP). Per the NOPSO, Springs Utilities is required to submit a work plan with PHMSA to address the deficiencies by Jan. 31, 2025.

The gas system consists of five gate stations receiving gas from Kinder Morgan, 157 miles of 150 PSI backbone, 141 regulator stations, 46 pressure districts, 2,750 miles of main piping, and 185,677 service lines.

PHMSA issued a formal NOPSO to Springs Utilities CEO on October 21, 2024. This included concerns of active corrosion on bare steel assets. Springs Utilities has an 80-year replacement timeframe to remove all bare steel from its system, risk mitigation – leak survey every quarter on all affected pipe, and repairs to all leaks found on affected assets within six months. Springs Utilities is required to develop an action plan and submit it to PHMSA by Jan. 31, 2025.

Members of Springs Utilities met with PHMSA on Nov. 14 and Nov. 21, 2024. A verbal agreement was reached for a remediation plan. This includes replacement of affected assets within a 10-year timeframe, one-year leak survey for affected assets, repair non-hazardous leaks within 12-15 month timeframe (matches existing Springs Utilities' standards), and the organization will provide quarterly updates on progress to PHMSA until all affected pipe has been replaced or otherwise remediated.

Board Member Leinweber asked if this new gas line currently being installed has the capability of carrying hydrogen, or does it require separate lines. Mr. Deal said that the organization's distribution system is currently not able to handle hydrogen. Ms. Somer Mese stated the material on the distribution system would have to be upgraded to handle hydrogen.

The proposed work plan for the Pipeline and Hazardous Material Safety Administration (PHMSA) Notice of Proposed Safety Order was approved on a vote of 9-0 after a motion by Board Member O'Malley and a second by Board Member Crow-Iverson.

**10. Disposal of Utilities – Controlled Property on S. Marksheffel Road**

Ms. Jessica Davis, Land Resource Manager, said that in the early 1990s, Springs Utilities purchased properties for a future substation on Marksheffel Road east of the airport. El Paso County realigned and reconstructed the road. Due to the realignment, the adjacent property owner is unable to access Marksheffel Road. After discussions with Contrarian Airport, LLC, and Public Works, it was determined the best way for the property owner to access Marksheffel Road was through a portion of Springs Utilities' property. Springs Utilities' has determined that it does not need to retain ownership of the portion of the property and is in support of disposing of the westerly portion of the property to Contrarian Airport, LLC. The property will be sold for $20,000.

Next steps include forwarding a resolution declaring property surplus and authorizing disposal to one logical purchaser to City Council for approval. The proposed regular City Council Meeting date is Feb. 11, 2025.

Vice Chair Avila said that Ms. Davis does amazing work and makes real estate transactions quite easy to understand, and she is very appreciative of that.

The disposal of Utilities-controlled property on S. Marksheffel Road to one logical purchaser, pursuant to section 5.2 of the City's Real Estate Manual was approved on a vote of 9-0 after a motion by Vice Chair Avila and a second by Board Member O'Malley. This item will move forward to the Feb. 11, 2025, regular City Council meeting on consent.

**11. Acquisition of Utility Easement in Conjunction with Public Works Marksheffel Road – North Carefree to Dublin Project**

Ms. Davis said that the City of Colorado Springs' Public Works department is working on widening Marksheffel Road from North Carefree to Dublin. Working with Public Works, Springs Utilities identified future easement needs along this corridor for our finished water system. This includes a utility easement on the property owned by Gerald M. and Sharon A. Oleszek at a cost of $177,931.88. The cost of acquiring these easements will be reimbursed by Pikes Peak Rural Transportation Authority. Pursuant to the City's Real Estate Manual, this acquisition will require the approval of both the Utilities Board and City Council.

The acquisition of a utility easement in excess of $100,000 as part of the Marksheffel Road – North Carefree to Dublin Project, pursuant to section 4.1 of the City's Real Estate Manual. was approved on a vote of 9-0 after a motion by Vice Chair Avila and a second by Board Member O'Malley. This item will move forward to the Jan. 28, 2025, regular City Council meeting.

**12. Working Committee Structure Proposal**

Ms. Natalie Watts, Manager of Strategic Planning and Governance, said that Springs Utilities' staff is recommending modifying the current structure of Utilities Board committee meetings (Finance Committee, Personnel, Program Management Review, and Strategic Planning) to a single Board Working Committee model. This purpose of this new structure is to help improve the effectiveness of information sharing while also maximizing the time commitment of Utilities Board Members.

If adopted, the single Working Committee would occur the day before, or two days before, the monthly Utilities Board meeting, from 9:00 a.m. to 12:00 p.m.

Having Board Members together for the Working Committee will foster better communication and understanding, while removing redundancy. This new structure will be piloted in February 2025 before being formalized in governance documents and voted on at the Feb. 19 Utilities Board meeting. The Working Committee would be effective March 17, 2025.

Board Member Henjum asked for a history of the current committee structure. Ms. Henjum stated that she is open to trying the Working Committee structure, but her preference is not to meet in the Blue River Board Room, but in a setting around a table. Mr. Deal said that he is open to meeting room options and set up. Mr. Deal said the Finance Committee began during a budget cycle review. Ms. Henjum's also said that she is concerned that Board Members are allowed to do their due diligence from a governance perspective, doing the right things in a more in-depth fashion.

Board Member Leinweber said it would be more helpful to have more time between the Working Committee and the Utilities Board Meetings, rather than having both meeting during the same week. Ms. Watts stated that the thought is to have one month of separation, having initial discussion at the Working Committee the month before it comes before the Utilities Board Meeting the next month. Board Member Leinweber said that this would be too much time. Board Member Leinweber said that the Board Members' schedules need to be taken into consideration, with their commitments to City Council being considered. Mr. Deal said the organization's commitment is to allow Utilities' Board Members business to occur only one week per month, allowing Board members one off week on their calendars with their City Council duties.

Board Member Helms said that having one week option is helpful, and members of City Council Leadership do have other commitments during that first week of each month.

Board Member Risley is in support of the Working Committee, but he is concerned that the "deep dive" allowed at the current focused subject committee meetings will be lost. That will be a disservice to the organization. He feels that it will be beneficial to keep this as informal as possible, and this can best be accomplished around a table, and not at the dais. Board Member Risley asked how burdensome it would be on staff to find a different structure or move back to the current structure. Ms. Watts said it would not be onerous to move back to the current bylaws and structure.

Vice Chair Avila said that she has mixed feelings about this. She believes all current committees are equally important. She stressed the deeper dive that happens at the Personnel Committee which she currently chairs. Each member that serves on their separate committee brings their own perspectives to those committees to staff that serves on those committees. Vice Chair Avila said she wonders if there may be a hybrid option for the Working Committee, and if the chairperson at the Working committee alternates between Board Members and is not always the Chair of the Utilities Board. She is concerned about attendance at the Working Session and engagement.

Board Member Crow-Iverson said that this new structure will not mirror a City Council work session, and she will not be able to attend the upcoming pilot meeting. She said the current structure allows her to review the meeting, and to contact the Committee Chairperson for an update when she is unable to attend the meeting. She does not believe the new structure will allow this same benefit. It will also be hard to accommodate another half day meeting on her calendar. She does not believe that this will achieve the same sense of a City Council work session.

Board Chair Donelson said that the goal of the Working Committee is for it to be more of a round table working committee with a discussion. For Board Members who currently try to attend all the current committee meetings, it is more than half a day, so the new structure will be a time saver.

Ms. Watts said that she will share the feedback with the leadership team to determine how to move forward.

Mr. Deal said that this new structure has continuity of operations and information sharing. He said that there have been times over the last few years where there have been no Board Members show up for committee meetings, which is not efficient. The goal is not to lose the essence of the committee meetings. The dialogue should improve because more members should be present at the Working Committee meeting.

Vice Chair Avila asked if the question should be that the number of committees Board Members serve on, serving only on those committees where their expertise and interests reside.

Board Member O'Malley said that he has been a proponent of cutting down the number of meetings, and he applauds these efforts.

Board Chair Donelson said that another benefit of this new structure is to streamline redundant sharing of information. The Working Committee meeting will be recorded. Each month's meeting may have a different focus.

Board Member Leinweber suggested having subcommittees on a timely basis as needed when subjects arise. Board Chair Donelson said this is a reasonable and good idea.

Board members gave their overall approval to move ahead with piloting the Working Committee in February, with Board Member Henjum excused.

**13. Board Member Updates**

Board Member Helms said fiber has surpassed 19,000 homes with installation.

Board Member Leinweber said one year ago he noticed there was water coming out of Costilla Street, but he did not report this. He recently reported this to Mr. Deal who found out it was not Springs' Utilities water. Sometimes it is worth mentioning things as you see them.

Vice Chair Avila said the last Personnel Committee meeting was held on Jan. 17. She is grateful for the staff that supports this committee. An Employee Climate Survey update was given, and action planning is currently underway. A safety moment was shared on slips, trips, and falls.

Board Chair Donelson thanked the staff for the great work they are doing, especially through the recent cold snap.

**14. Summary of Board Actions**

- Approval of Nov. 20, 2024, Utilities Board Meeting minutes.
- Approval of proposed work plan for the Pipeline and Hazardous Material Safety Administration (PHMSA) Notice of Proposed Safety Order.
- Approval to dispose the Utilities – controlled property on S. Marksheffel Road to one logical purchaser, pursuant to section 5.2 of the City's Real Estate Manual. This item will move forward to the Feb. 11 regular City Council meeting on the consent calendar.
- Approval to acquire a utility easement in excess of $100,000 as part of the Marksheffel Road – North Carefree to Dublin Project, pursuant to section 4.1 of the City's Real Estate Manual. This item will move forward to the Jan. 28, 2025, regular City Council meeting.
- Approval to proceed with piloting the Working Committee meeting structure in February.

**15. Executive Session**

The Board unanimously voted to go into Executive Session related to compliance with Utilities' Clean Energy Plan and Regional Haze requirements, on a vote of 8-0 with Board Member Henjum excused. They entered into Executive Session at 3:08 p.m. and returned from Executive Session at 5:01 p.m.

**16. Adjournment**

The meeting adjourned at 5:02 p.m.

# Board Memo Agenda Item
## Staff Report

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|---|---|
| **Date:**<br>(Date of Utilities Board Meeting) | February 19, 2025 |
| **To:** | Utilities Board |
| **From:** | Travas Deal, Chief Executive Officer |
| **Subject:** | A Resolution Re-Appointing a Member of the Homestake Steering Committee |
| **NARRATIVE:** | |
| **Desired Action:**<br>Choose only one | ☒ Approval<br>☐ Discussion<br>☐ Information |
| **Executive Summary:** | The city of Colorado Springs and the city of Aurora as partners operate the Homestake Water Project. The Homestake Water Project is governed by the Homestake Steering Committee, which is made up of three representatives of each City who are appointed by their respective governing bodies.<br><br>A Colorado Springs seat of the Homestake Steering Committee, currently held by Kim Gortz, expired on December 31, 2024. It is necessary for Utilities Board to re-appoint a Board Member to fill the upcoming three-year terms. The attached resolution would re-appoint Kim Gortz, Manager, Water Resources Management, as a Director of the Homestake Steering Committee effective January 1, 2025, and ending December 31, 2028. |
| **Benefits:** | Representation for Colorado Springs Utilities on the Homestake Steering Committee |
| **Board Policy:**<br>If this impacts one of the board policies, indicate that here. | UBA-4: Appoint directors and representatives to water authorities, partnerships, joint ventures, and similar entities in which Springs Utilities participates. |
| **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. | Colorado Springs Utilities and the Homestake Steering Committee |
| **Alternatives:** | N/A |

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| **Submitter:** | Abigail Ortega | Email Address: | ajortega@csu.org |
| **Division:** | System Planning and Projects | Phone Number: | 719-668-8748 |
| **Department:** | Water Resources Management | Date Submitted: | January 30, 2025 |

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| **SPG Staff Use Only:** | Consent Calendar ☐ Yes ☒ No | Item Number 3 |

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

**RESOLUTION NO. 25-01**

**A RESOLUTION OF THE BOARD OF DIRECTORS OF COLORADO SPRINGS UTILITIES RE-APPOINTING KIM GORTZ TO THE HOMESTAKE STEERING COMMITTEE**

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

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

**WHEREAS,** A Colorado Springs seat of the Homestake Steering Committee, currently held by Kim Gortz, expired on December 31, 2024; and

**WHEREAS,** Kim Gortz is seeking re-appointment to the Homestake Steering Committee effective January 1, 2025 and ending December 31, 2028.

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

The Board of Directors of Colorado Springs Utilities supports the re-appointment of Kim Gortz to the Homestake Steering Committee effective January 1, 2025, and ending December 31, 2028.

DATED at Colorado Springs, Colorado, this 19th day of February 2025.

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Dave Donelson, Utilities Board Chair

ATTEST:

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Travas Deal, Secretary

# Board Memo Agenda Item
## Staff Report

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|---|---|
| **Date:**<br>(Date of Utilities Board Meeting) | February 19, 2025 |
| **To:** | Utilities Board |
| **From:** | Travas Deal, Chief Executive Officer |
| **Subject:** | A Resolution Re-Appointing a member of the Board of Directors of the Aurora-Colorado Springs Joint Water Authority Board |
| **NARRATIVE:** | |
| **Desired Action:**<br>Choose only one | ☒ Approval<br>☐ Discussion<br>☐ Information |
| **Executive Summary:** | The city of Colorado Springs and the city of Aurora as partners operate the Homestake Water Project. The cities formed the Aurora-Colorado Springs Joint Water Authority as a financing vehicle for the extension of the Homestake pipeline from Twin Lakes to the Otero Pump Station. The Board of Directors of the Aurora-Colorado Springs Joint Water Authority is made of three representatives of each city who are also appointed by their respective governing bodies and two non-voting members. Colorado Springs appoints members through the Utilities Board.<br><br>A Colorado Springs seat of the Board of Directors of the Aurora-Colorado Springs Joint Water Authority, currently held by Kim Gortz, will expire on January 14, 2025. It is necessary for the Utilities Board to re-appoint a Board Member to fill the upcoming three-year terms. The attached resolution would re-appoint Kim Gortz, Manager, Water Resources Management, as a Director of the Aurora-Colorado Springs Joint Water Authority effective January 15, 2025 and ending January 14, 2028. |
| **Benefits:** | Representation for Colorado Springs Utilities on the Board of Directors of the Aurora-Colorado Springs Joint Water Authority Board |
| **Board Policy:**<br>If this impacts one of the board policies, indicate that here. | UBA-4: Appoint directors and representatives to water authorities, partnerships, joint ventures, and similar entities in which Springs Utilities participates. |
| **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. | Colorado Springs Utilities and the Aurora-Colorado Springs Joint Water Authority Board |
| **Alternatives:** | N/A |

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| **Submitter:** | Abigail Ortega | Email Address: | ajortega@csu.org |
| **Division:** | System Planning and Projects | Phone Number: | 719-668-8748 |
| **Department:** | Water Resources Management | Date Submitted: | January 30, 2025 |

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| **SPG Staff Use Only:** | Consent Calendar ☐ Yes ☒ No | Item Number 3 |

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

**RESOLUTION NO. 25-02**

**A RESOLUTION OF THE BOARD OF DIRECTORS OF COLORADO SPRINGS UTILITIES RE-APPOINTING KIM GORTZ TO THE BOARD OF DIRECTORS OF THE AURORA-COLORADO SPRINGS JOINT WATER AUTHORITY**

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

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

**WHEREAS,** A Colorado Springs seat of the Board of Directors of the Aurora-Colorado Springs Joint Water Authority, currently held by Kim Gortz, will expire on January 14, 2025; and

**WHEREAS,** Kim Gortz is seeking re-appointment as a member of the Board of Directors of the Aurora-Colorado Springs Joint Water Authority effective January 15, 2025 and ending January 14, 2028.

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

The Board of Directors of Colorado Springs Utilities supports the re-appointment of Kim Gortz to the Board of Directors of the Aurora-Colorado Springs Joint Water Authority effective January 15, 2025, and ending January 14, 2028.

DATED at Colorado Springs, Colorado, this 19th day of February 2025.

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Dave Donelson, Utilities Board Chair

ATTEST:

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Travas Deal, Secretary

# Board Memo Agenda Item
## Staff Report

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|---|---|
| **Date:**<br>(Date of Utilities Board Meeting) | February 19, 2025 |
| **To:** | Utilities Board |
| **From:** | Travas Deal, Chief Executive Officer |
| **Subject:** | Northern Monument Creek Interceptor Construction Services Cost Sharing Agreement |
| **NARRATIVE:** | |
| **Desired Action:**<br>Choose only one | ☒ Approval<br>☐ Discussion<br>☐ Information |
| **Executive Summary:** | The Northern Monument Creek Interceptor project is a wastewater pipeline connecting the Upper Monument Wastewater Treatment Facility to the JD Phillips Water Reclamation Facility. Colorado Springs Utilities is partnering with Triview and Forest Lakes Metropolitan Districts and has completed the 30% design. In order to move forward with the next phase of design and in preparation for construction, the Utilities Board will be asked to approve the Construction Cost Sharing Intergovernmental Agreement to be presented on the Consent Agenda at the Feb. 25, 2025, City Council meeting. Details of the project will be shared in the Feb. 18 Utilities Board Working Committee meeting. |
| **Benefits:** | The Northern Monument Creek Interceptor Project brings both regional and operational benefits to the parties. |
| **Board Policy:**<br>If this impacts one of the board policies, indicate that here. | Board Instruction 7 |
| **Cost / Budget:**<br>Include the projected cost or budget here. | Total construction cost estimated $88 million. Springs Utilities' share is about 64%. |
| **Affected Parties:**<br>This could include community groups, specific City Council Districts, other utilities, nonprofit organizations, certain neighborhoods, Colorado Springs Utilities employees, etc. | Triview and Forest Lakes Metropolitan Districts |
| **Alternatives:** | Approve the item to move to City Council or deny |

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| **Submitter:** | Abby Ortega | Email Address: | ajortega@csu.org |
| **Division:** | Systems Planning and Projects | Phone Number: | 719-668-8748 |
| **Department:** | Infrastructure and Resource Planning | Date Submitted: | February 3, 2025 |
| **SPG Staff Use Only:** | Consent Calendar ☐ Yes ☒ No | Item Number 3 | |

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

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

# Northern Monument Creek Interceptor (NMCI)

Andy Muser, Project Manger

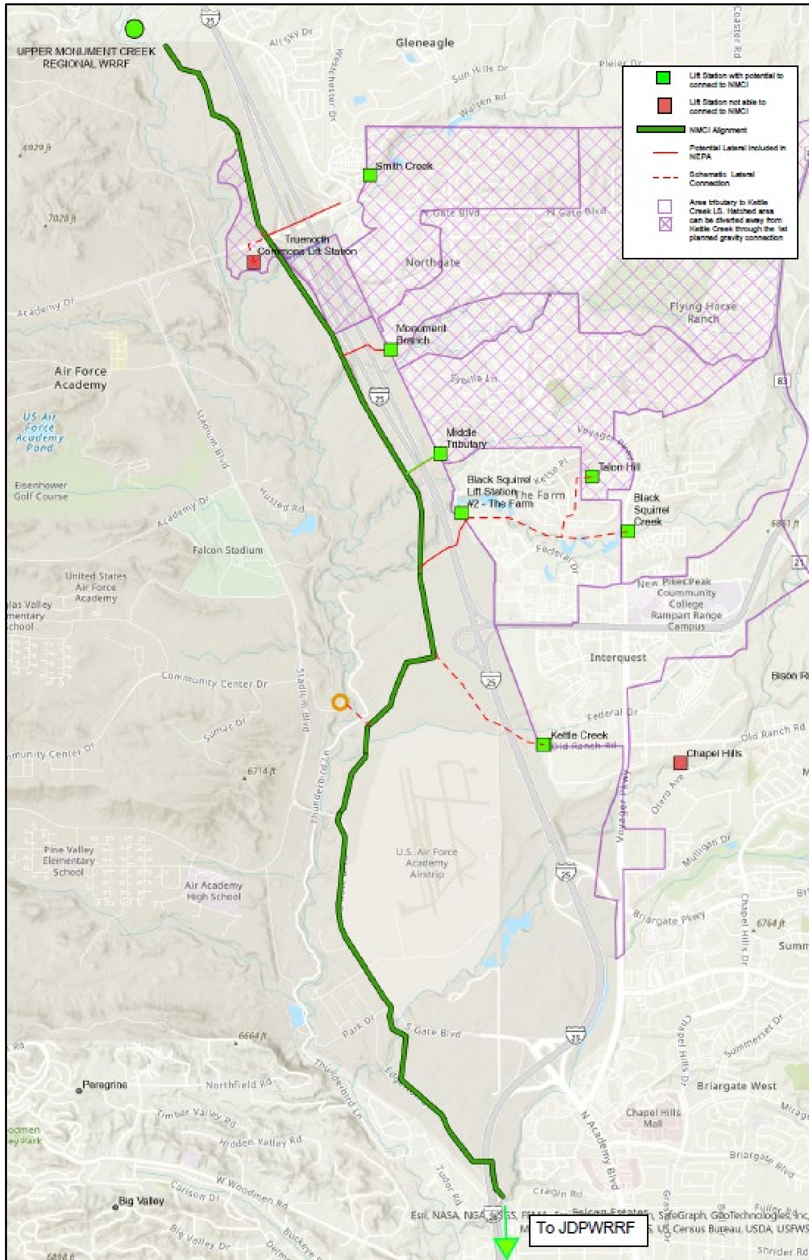
February 18, 2025

# Agenda

1. Project description and background
2. Project Benefits
3. Current Project Status
4. Intergovernmental Agreement

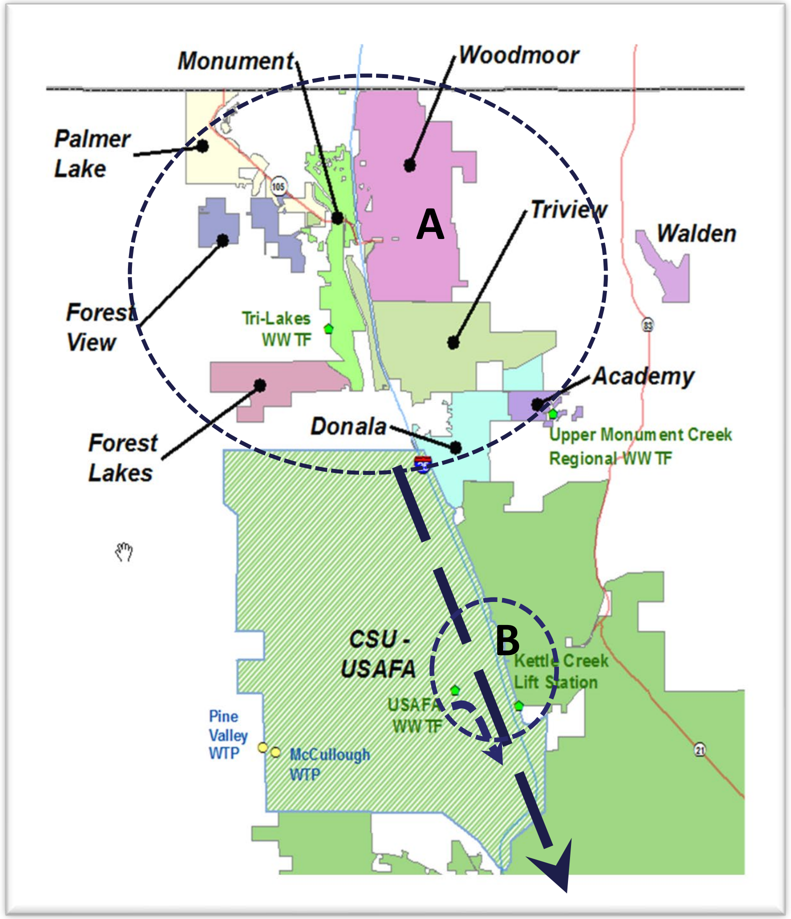
# Northern Monument Creek Interceptor (NMCI)

- **What is NMCI?**
  - 8.6 mile, 30-inch wastewater (WW) interceptor
  - Southern edge of USAFA to Upper Monument Creek WW Treatment Plant
- **Why NMCI?**
  - Capacity relief for existing Utilities' wastewater collection system
  - Regional Partnerships
- **NMCI Partners**
  - Triview Metropolitan District: Capital contributor; future treatment customer
  - Forest Lakes Metropolitan District: Capital contributor; future treatment customer
  - USAFA: NEPA sponsor; access to interceptor corridor



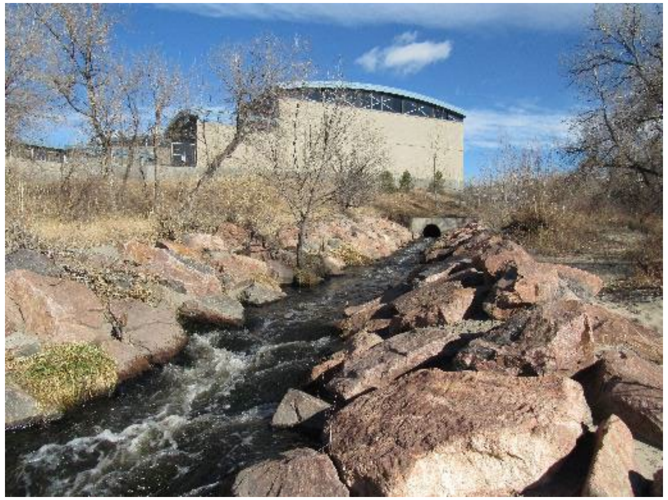
# Background

- **Original concept:**
  - Developer driven to support new USAFA Visitor Center
  - Six northern districts; two treatment plants
- **Where we have been**
  - Initial Utility Board Engagements, 2018-2019
  - Routing Study, 2019
  - NEPA process
    - Initiated, 2019
    - Alternatives evaluated
    - Approved, 2024
  - Contract with Design Consultant 2024
  - Participant Agreements
    - NEPA Agreement, March 2020
    - Design Agreement, October 2022




# Benefits of Project

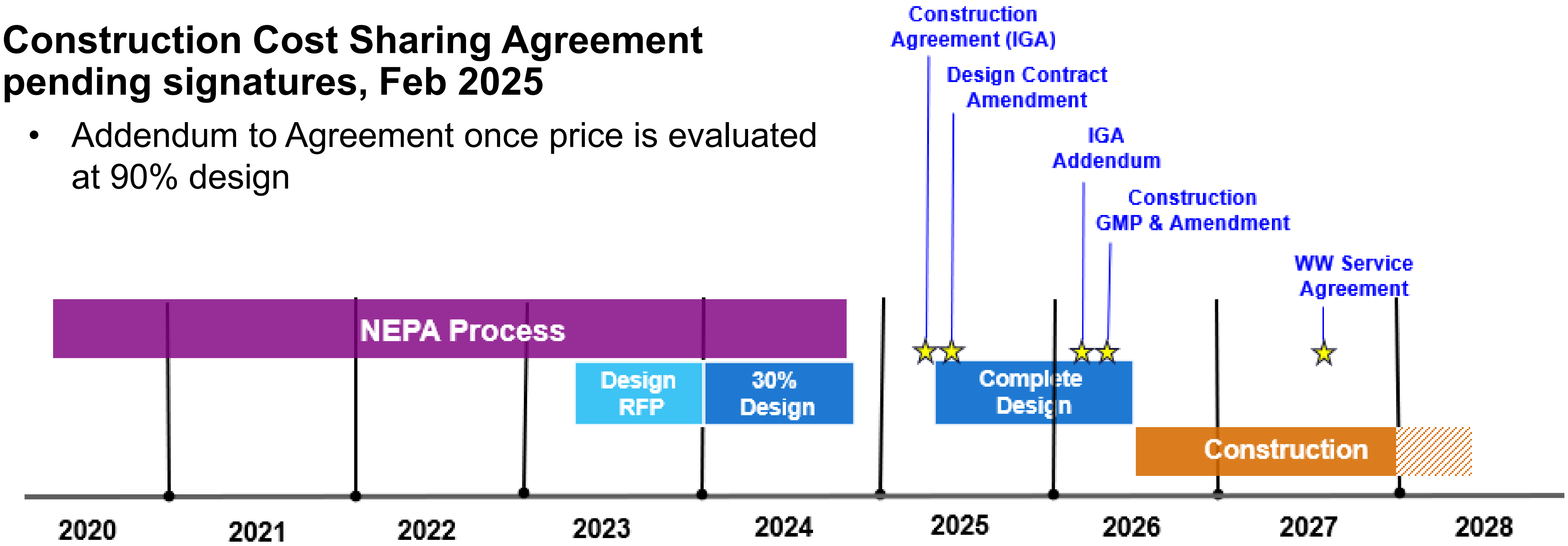
- **Regional Partnerships**
  - Consolidate wastewater treatment from three or more regional entities
  - Increased efficiency for regional wastewater return flow operations
  - Meet upcoming State Water Quality regulatory requirements
- **Alleviate capacity concerns in key Utilities' wastewater lift stations**
  - Immediately connect and retire Middle Tributary lift station
  - Improve future capacity issues in Kettle Creek lift station
  - Ability to connect/close additional lift stations in the future
- **Gravity pipeline reduces maintenance and risks**
- **More efficient use of J.D. Phillips Water Resource Reclamation Facility**



*J.D. Phillips Outfall*

# Current Project Status

- **NEPA Complete, Aug 2024**
- **30% Design Complete, Sep 2024**
  - Included updated cost estimate from construction contractor
- **Construction Cost Sharing Agreement pending signatures, Feb 2025**
  - Addendum to Agreement once price is evaluated at 90% design



# Intergovernmental Agreement Approval

- Continuation with design is dependent on respective Participants' Boards' approvals
- Agreement Establishes Participant cost share
  - Based on pro-rata build out capacity in each section of the pipeline
- Cost based on 30% design:
  - Current construction estimate: $88.1M
  - Cost share based on projected average daily flows for each participant
    - Colo Springs Utilities: 64.1% ($56.5)
    - Triview: 28.4% ($25M)
    - Forest Lakes: 7.5% ($6.6M)
- Recognition of a future addendum to confirm participation at 90% design upon review of Guaranteed Maximum Price; City Council approval prior to construction

**Intergovernmental Agreement Among**
**City of Colorado Springs, Colorado,**
**Acting by and through its enterprise, Colorado Springs Utilities**
**And**
**Forest Lakes Metropolitan District**
**And**
**Triview Metropolitan District**
**for Construction Cost Sharing for the Norther**
**Effective ______**

This Intergovernmental Agreement (Agreement) for Con Monument Creek Interceptor (NMCI), is effective upon s and is among the following parties (each of whom is a Pa as the Participants):

The City of Colorado Springs, Colorado, a Colora corporation, acting by and through its enterprise,

Forest Lakes Metropolitan District (Forest Lakes) political subdivision in the State of Colorado; and

Triview Metropolitan District (Triview), a quasi-m subdivision in the State of Colorado.

In this Agreement, Forest Lakes, and Triview are each a referred to as the Northern Entities.

**Purpose**

The purpose of this Agreement is to establish how the Pa for the Northern Monument Creek Interceptor (NMCI) pr continuation of design services for the NMCI Project. Co commence in early 2026.

**Recitals**

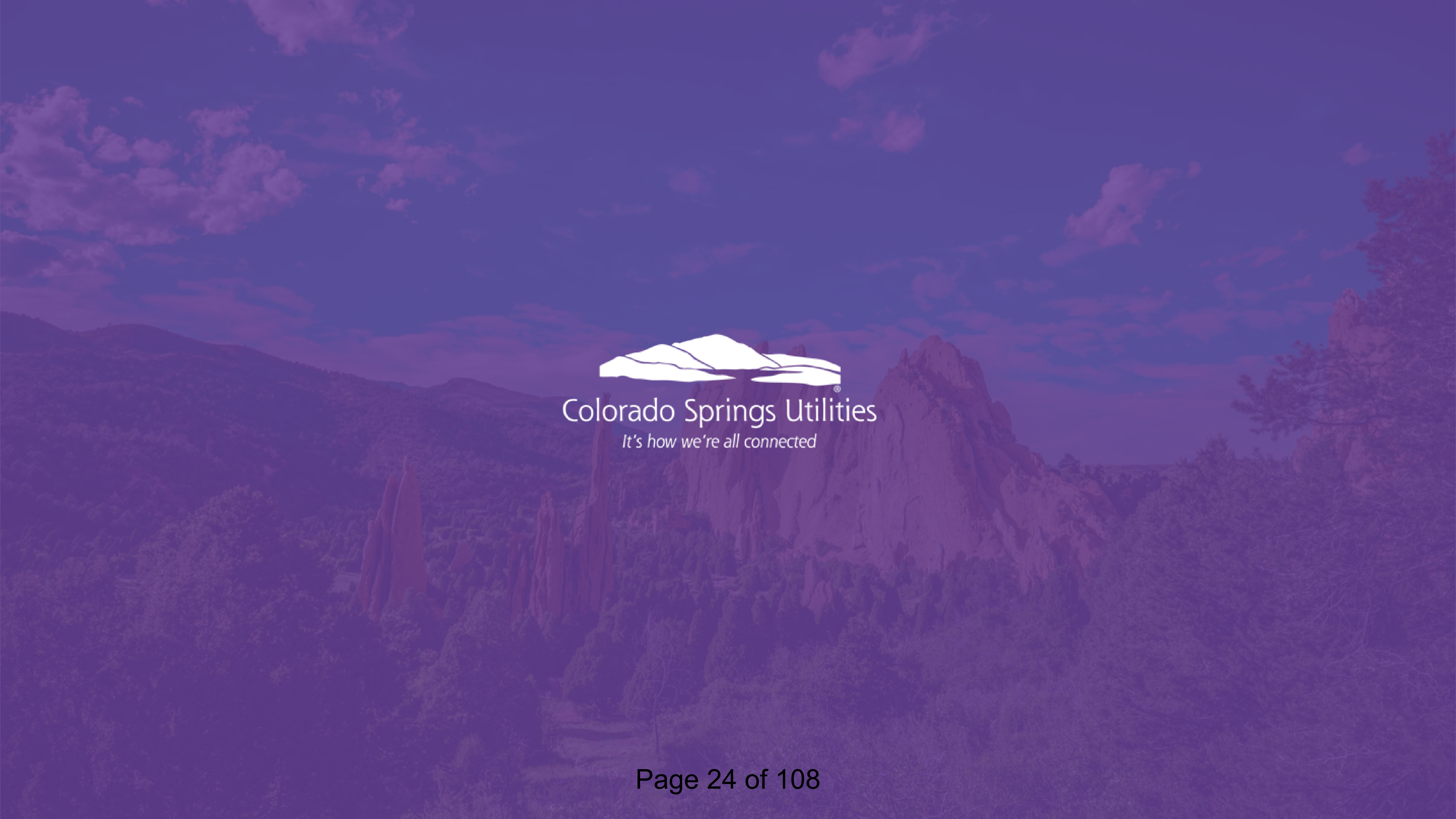
A. The Northern Entities, together with the Donala W and operate the Upper Monument Creek Regiona
B. The Participants believe they will mutually benef wastewater at Utilities' J.D. Phillips Water Resou Utilities' existing wastewater collection system to wastewater flows to the NMCI for treatment by U

- **Section 1**: Definitions
- **Section 2**: Term and Scope
- **Section 3**: Utilities' Rights and Responsibilities
- **Section 4**: Northern Entities' Rights and Responsibilities
- **Section 5**: Joint Rights and Responsibilities
- **Section 6**: Budgets and Appropriations
- **Section 7**: Monthly Invoicing and Payment
- **Section 8**: Default
- **Section 9**: Regular Project Communications
- **Section 10**: Enforcement, Dispute Resolution, and Termination
- **Section 11**: Records and Accounts
- **Section 12**: Governing Law; Jurisdiction and Venue
- **Section 13**: Notices
- **Section 14**: Severability
- **Section 15**: Counterparts
- **Section 16**: Intent of Agreement
- **Section 17**: Amendments
- **Section 18**: Assignability
- **Section 19**: Entire Agreement

**Recommendation: Utility Board and City Council approve IGA as written via respective Consent Agendas**

# Next Steps

- On Utilities Board Consent Agenda for February 19
- Intergovernmental Agreement go to City Council February 25 on Consent Agenda
- IGA Addendum confirming agreement to construction costs and participation, early 2026
- Wastewater Service Agreements will be presented in 2026


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

**Intergovernmental Agreement Among**

**City of Colorado Springs, Colorado,**

**Acting by and through its enterprise, Colorado Springs Utilities**

**And**

**Forest Lakes Metropolitan District**

**And**

**Triview Metropolitan District**

**for Construction Cost Sharing for the Northern Monument Creek Interceptor**

**Effective __________**

This Intergovernmental Agreement (Agreement) for Construction Cost Sharing for the Northern Monument Creek Interceptor (NMCI), is effective upon signing by all parties (Effective Date), and is among the following parties (each of whom is a Participant and are collectively referred to as the Participants):

The City of Colorado Springs, Colorado, a Colorado home rule city and municipal corporation, acting by and through its enterprise, Colorado Springs Utilities (Utilities);

Forest Lakes Metropolitan District (Forest Lakes), a quasi-municipal corporation and political subdivision in the State of Colorado; and

Triview Metropolitan District (Triview), a quasi-municipal corporation and political subdivision in the State of Colorado.

In this Agreement, Forest Lakes, and Triview are each a Northern Entity and are collectively referred to as the Northern Entities.

**Purpose**

The purpose of this Agreement is to establish how the Participants will share construction costs for the Northern Monument Creek Interceptor (NMCI) prior to Utilities committing to continuation of design services for the NMCI Project. Construction of the NMCI is anticipated to commence in early 2026.

**Recitals**

A. The Northern Entities, together with the Donala Water & Sanitation District, jointly own and operate the Upper Monument Creek Regional Wastewater Treatment Facility.
B. The Participants believe they will mutually benefit from consolidating the treatment of wastewater at Utilities' J.D. Phillips Water Resource Recovery Facility by extending Utilities' existing wastewater collection system to allow the Northern Entities to deliver wastewater flows to the NMCI for treatment by Utilities.

C. In addition to serving the needs of Utilities and its customers, the NMCI will allow for the Northern Entities and the customers they serve within their respective present and future service areas to receive master-metered Wastewater Service from Utilities under the Contract Service-Regional tariff, and Utilities is expressly committed to provision of such Wastewater Service to the Northern Entities, as provided herein.
D. The Participants, therefore, desire to share construction costs of the NMCI.
E. In April 2019, Utilities executed a Construction Manager/General Contractor Agreement with Garney Companies, Inc. (Garney), for the construction of the NMCI.
F. In January 2024, Utilities executed a Professional Services Agreement with HDR Engineering Inc. (HDR), for design and engineering services for the NMCI.
G. Pursuant to the PSA, HDR agreed to develop the design and specifications for the NMCI Construction Project up to 30% design, and Utilities agreed to decide on continuation of the NMCI Design Services Project when this 30% design milestone was reached.
H. HDR has completed 30% design for the NMCI Project.
I. To continue with the NMCI Design Services Project, HDR and Utilities must amend the PSA.
J. Before Utilities amends the PSA to allow for continuation of the NMCI Design Services Project, the Participants desire to establish how construction costs for the NMCI will be shared.
K. The Participants acknowledge that they may need to execute amendments to this Agreement prior to the start of construction of the NMCI, but that any such amendments will not modify the Cost Shares established herein.
L. The Participants also acknowledge that they will need to execute subsequent agreements relating to Utilities' provision of Wastewater Service to the Northern Entities.
M. The Participants, along with other entities who are not Participants to this Agreement, previously executed the March 30, 2020 NMCI NEPA Participation Agreement.
N. The Participants previously executed the October 5, 2022 Design Services Cost Contribution Agreement.
O. This Agreement does not supersede the March 30, 2020 NMCI NEPA Participation Agreement or the October 5, 2022 Design Services Cost Contribution Agreement, and therefore those agreements and this Agreement coexist according to their respective terms.
P. This Agreement provides for the joint exercise of powers lawfully authorized to each of the Participants, for the sharing of costs for the construction of facilities that will serve each of the Participants, all as authorized by the provisions of Sections 18(2)(a) and (2)(b) of Article XIV of the Colorado Constitution and Sections 29-1-201 *et seq.*, C.R.S., regarding intergovernmental relationships.
Q. Each Participant's governing body has authorized the execution and delivery of this Agreement.

# **<u>Agreement</u>**

NOW, THEREFORE, in consideration of the mutual undertakings herein contained and the mutual benefits to the Participants, the receipt and sufficiency of which is acknowledged, the Participants agree as follows:

**Section 1. <u>Definitions</u>.**

For the purposes of this Agreement, these terms shall mean as follows:

(a) Annual Construction Costs: the Construction Costs for a calendar year.
(b) Average Day Build Out Flow: the 90-day rolling average of wastewater flow rate in millions of gallons per day (mgd).
(c) Construction Costs: all costs due and owing to CM/GC pursuant to the Construction Agreement.
(d) Construction Manager/General Contractor (CM/GC): Garney Companies, Inc.
(e) Construction Manager/General Contractor Agreement (Construction Agreement): the contract effective as of April 29, 2019, and any subsequent amendments to the same, by and between Utilities and Garney Companies, Inc., for the NMCI Construction Project.
(f) Cost Share: Each Participant's percentage share of the Construction Costs, as set forth in Section 5(b) herein.
(g) Flow Share in the Lower Section: the pro-rata share of Average Day Build Out Flow in the NMCI from the northern property boundary of the United States Air Force Academy to existing Colorado Springs Utilities Wastewater Manhole WW.191491.
(h) Flow Share in the Upper Section: the pro-rata share of Average Day Build Out Flow in the NMCI from the Point of Connection to the northern property boundary of the United States Air Force Academy.
(i) Monthly Cost Share: Each Participant's monthly share of the Construction Costs, which shall equal the monthly Construction Costs multiplied by the Participant's Cost Share.
(j) Northern Monument Creek Interceptor (NMCI): the planned extension of Utilities' existing wastewater collection between Utilities' existing wastewater collection system located near Pine Creek and I-25 and the Upper Monument Creek Regional Wastewater Treatment Facility, which extension is to be designed, constructed, installed, owned, and operated by Utilities.
(k) NMCI Construction Project: the phase of the NMCI Project governed by the Construction Agreement.
(l) NMCI Design Services Project: the phase of the NMCI Project governed by the PSA, environmental and permitting services, and constructor engagement during the design process.
(m) NMCI National Environmental Policy Act Project (NMCI NEPA Project): the NEPA permitting phase of the NMCI Project.
(n) NMCI Project: the design, construction, and commissioning of the NMCI.
(o) Point of Connection: the demarcation point between the Northern Entities' wastewater collection system and the NMCI, at which point a metering flume will be installed.

(p) Professional Services Agreement (PSA): the contract effective as of January 23, 2024, and any subsequent amendments to the same, by and between Utilities and HDR Engineering Inc., for the NMCI Design Services Project, permitting, and construction oversight services. The scope of the PSA includes the main interceptor and any metering facilities, all of which shall be owned and operated by Utilities.

(q) Wastewater Service: Utilities' receipt and treatment of wastewater conveyed through the NMCI: (1) from the Point of Connection between the master meter(s) associated with each Northern Entity or group of Northern Entities and the NMCI through the point of discharge of treated wastewater; and (2) from any Utilities feeder pipeline connected to the NMCI. Wastewater Service also includes the accounting of the Northern Entities' total return flows and reporting of such, and the maintenance of the NMCI and Utilities' water resource recovery facilities at all times in good and workable condition so as to facilitate such collection and treatment of wastewater to, or for the benefit of, the Participants.

**Section 2. <u>Term and Scope</u>.**

(a) This Agreement will be in effect from the Effective Date until the first of the following to occur (Term): (a) all Participants have performed all their respective obligations under this Agreement; or (b) all Participants agree to terminate this Agreement.

(b) This Agreement is intended to govern only the rights and obligations of the Participants with respect to the NMCI Construction Project.

**Section 3. <u>Individual Rights and Responsibilities of Utilities</u>.**

(a) Upon this Agreement becoming effective, Utilities will execute an amendment to the PSA to provide for continuation of the NMCI Design Services Project to 100% design.

(b) When the NMCI Design Services Project reaches 90% design, Utilities will issue a request to the CM/GC for a guaranteed maximum price (GMP). Upon receipt of the GMP, Utilities will provide the Northern Entities with notice of the GMP pursuant to the notice provisions set forth in Section 13 below.

(c) If all Participants execute the addendum to this Agreement described in Section 5(a) below, Utilities will execute an amendment to the Construction Agreement authorizing the CM/GC to proceed with construction of the NMCI.

(d) Utilities will manage the NMCI Construction Project in accordance with this Agreement and with its responsibilities and obligations under the PSA and the Construction Agreement.

(e) Utilities will manage the NMCI Construction Project in accordance with all applicable governmental laws, ordinances, regulations, and requirements applicable thereto.

(f) Utilities will exercise due diligence in performing its obligations under this Agreement, the PSA, and the Construction Agreement.

(g) Utilities will make all reasonable attempts to ensure that the time between the Notice to Proceed and Substantial Completion of the NMCI, with both the Notice to Proceed and

Substantial Completion as defined in the Construction Agreement, does not exceed thirty-six (36) months.

(h) Utilities, in its sole discretion pursuant to the terms of the PSA and the Construction Agreement, will make all decisions related to amendments to the PSA and the Construction Agreement.

(i) Utilities acknowledges that it will bear its own indirect costs, such as internal staff time, related to the NMCI Construction Project.

(j) Utilities will prepare and, if necessary, schedule and conduct the Regular Project Communications more specifically set forth in Section 9.

(k) Utilities will hold title to and ownership of the NMCI at all times; however, in connection with any revenue bonds or similar financing undertaken by or on behalf of the Northern Entities to fund their shared cost of the NMCI (NMCI Revenue Bonds), Utilities shall not take (or omit to take) or permit or suffer any action to be taken if the result of the same would cause the interest on NMCI Revenue Bonds which is excludable from gross income for federal income tax purposes, to be (i) "arbitrage bonds" within the meaning of Section 148 of the Internal Revenue Code; or (ii) "private activity bonds" within the meaning of Section 141 of the Internal Revenue Code.

(l) Utilities will, in advance of giving the Northern Entities notice of the GMP described in Section 3(b) above, which notice will be given pursuant to Section 13 below, provide each Northern Entity with a proposed Wastewater Services Agreement for the Northern Entity's review and comment. The Participants expect that such Wastewater Services Agreements may be revised to the achieve mutual agreement between each Northern Entity and Utilities and expect that such Agreements are to be executed concurrently with, or in advance of, the Participants executing the addendum described in Section 5(b) below.

**Section 4. <u>Individual Rights and Responsibilities of the Northern Entities</u>.**

(a) Each Northern Entity will provide Utilities with any and all assistance needed to complete the NMCI Construction Project, including, but not limited to, the following:
   (1) Sharing of information related to its wastewater system, including point of connection and design thereof;
   (2) Cooperating with other Participants to obtain all federal, state, and local permits and approvals necessary for the construction and use of the NMCI;
   (3) With respect to property owned by a Northern Entity, providing property access and rights of entry; and
   (4) With respect to property located within a Northern Entity's service boundaries, to the extent possible, assisting with property access and rights of entry.

(b) Each Northern Entity will review and provide timely comment on the 60% and 90% designs for the NMCI prepared pursuant to the PSA and on the CM/GC's GMP prepared pursuant to the Construction Agreement.

(c) A Northern Entity will not speak on behalf of the NMCI Construction Project, the NMCI Project, or Utilities without the written approval of Utilities or as permitted by Section 11.

(d) The Northern Entities acknowledge that each will bear its own indirect costs related to the NMCI Construction Project, such as consultant fees, costs related to supplying information for the NMCI Construction Project, and legal fees.

**Section 5. Joint Rights and Responsibilities of all Participants**

(a) If all Participants agree the GMP is reasonable, the Participants intend to enter into an addendum to this Agreement documenting the Participants' agreement to move forward with the NMCI Construction Project. Utilities will, subject to any restrictions in the Colorado Springs City Charter, Colorado Springs City Code, and Utilities' rules and regulations, concurrently execute a separate Wastewater Services Agreement with each Northern Entity documenting the Northern Entity's contractual entitlement to the use of the NMCI and Utilities' responsibility to provide Wastewater Services.

(b) If any Participant does not agree that the GMP received by Utilities and provided to the Northern Entities pursuant to Section 3(b) is reasonable, the Participants will promptly meet to discuss whether opportunities exist to either value engineer the CM/GC's proposal or to reject the CM/GC's GMP and solicit competitive bids from third party contractors or explore other alternatives satisfactory to all the Participants which would allow the NMCI project to continue.

(c) All Participants will participate in good faith in any and all negotiations related to any disputes that arise under this Agreement, any amendments to this Agreement, and agreements related to the operation of the NMCI and to Utilities' provision of Wastewater Service to the Northern Entities.

(d) Each Participant will pay its Cost Share as follows, with invoicing and billing to take place in accordance with Section 7 herein:

| Participant | Average Day Build Out Flow | Flow Share Lower Section (%) | Flow Share Upper Section (%) | **Project Cost Share (%)** |
|---|---|---|---|---|
| Forest Lakes | 0.264 mgd | 7.09% | 20.9% | **7.5%** |
| Triview | 1.000 mgd | 26.85% | 79.1% | **28.4%** |
| Colorado Springs Utilities | 2.460 mgd | 66.06% | 0.0% | **64.1%** |
| *Total* | *3.724 mgd* | *100%* | *100%* | ***100%*** |

(e) In the event a Participant withdraws from this Agreement, and provides notice of this withdrawal pursuant to Section 13, the remaining Participants agree to meet, with this meeting attended by persons with decision-making authority, within thirty (30) days of the notice of withdrawal to decide whether to continue the NMCI Construction Project and to take appropriate actions in response to the notice of withdrawal.

(f) In the event a non-Participant requests to become a party to this Agreement, the Participants will, within thirty (30) days of this request, meet, with this meeting attended by persons with decision-making authority, to consider the request and decide whether to enter negotiations with the non-Participant on an amended and restated agreement to replace this Agreement

**Section 6. Budgets and Appropriations for Annual Construction Project Costs.**

(a) On or before the first of August of each calendar year, Utilities will prepare or cause to be prepared a written estimate of Annual Construction Costs for the NMCI Construction Project for itself and for each Northern Entity for the next calendar year along with a high-level forecast for subsequent years.

(b) Utilities, prior to the beginning of each calendar year, will adopt an annual budget sufficient to pay its share of the estimated Annual Construction Costs for the ensuing calendar year.

(c) Each Northern Entity, prior to the beginning of each calendar year, will adopt an annual budget, will appropriate sufficient funds to pay its share of the estimated Annual Construction Costs for the ensuing calendar year, and will deliver to Utilities a copy of the budget as adopted.

(d) Appropriation of Funds: The Participants acknowledge that, in accordance with the Colorado Constitution, Article X, Section 20, performance of the Participants' obligations under this Agreement is expressly subject to annual appropriation and availability of funds for that purpose. In the event that funds are not appropriated, in whole or in part, sufficient for any Participant's performance of its obligations under this Agreement, or appropriated funds may not be expended due to any Participant's spending limitations, such event shall be treated as a withdrawal from this Agreement and shall be subject to the provisions in Section 5(e).

(e) If, at any time or from time to time after the Participants adopt annual budgets and make appropriations in accordance with Section 6(b) and (c), as relevant, Utilities estimates that the actual Annual Construction Costs for the calendar year or any part thereof for which such annual budgets apply will be greater than the Annual Construction Costs set forth in the written estimate prepared pursuant to Section 6(a), then each Participant will prepare and adopt an amended annual budget including sufficient amounts to pay all actual Annual Construction Project Costs for the current year and, as necessary, will approve supplemental appropriations consistent with the amended budget or will commit to deferring such additional appropriation to the next fiscal year.

(f) Any Participant which does not adopt an annual budget sufficient to pay its share of the estimated Annual Construction Costs, or which does not appropriate, as relevant, sufficient funds to pay its share of the estimated Annual Construction Costs, will be in breach of this Agreement.

(g) No later than November 1, 2025, each Participant shall commence appropriate action to budget and appropriate, as relevant, sufficient funds to pay all estimated Annual Construction Costs for 2026.

(h) Each Participant reserves the right to provide for the payment of its Cost Share through the issuance of bonds or indebtedness, on such terms as the Participant deems appropriate.

**Section 7. Monthly Invoicing and Payment of each Northern Entity's Cost Share.**

(a) Each month throughout the Term, Utilities will determine each Participant's Monthly Cost Share of the monthly CM/GC-invoiced Construction Costs and will invoice each Northern Entity for its Monthly Cost Share.

(b) Each Northern Entity shall pay its Monthly Cost Share within thirty (30) calendar days after receiving its monthly invoice.

(c) All payments due from a Northern Entity pursuant to this Agreement will be due and payable as stated in the relevant provision of this Agreement, without setoff, recoupment, or counterclaim.

(d) Each Northern Entity's payment obligation under this Agreement is separate and several; the failure of any Northern Entity to make any payment when due will not relieve any other Northern Entity of its own payment obligations under this Agreement.

(e) Within sixty (60) days after the end of each calendar year, Utilities will review all Construction Costs, monthly invoices, and monthly payments during the previous calendar year to assure that all Construction Costs were invoiced and paid in accordance with this Agreement. Utilities will credit any amount it determines a Northern Entity overpaid towards the amount due from that Northern Entity in the next monthly invoice it sends to that Northern Entity. Utilities will invoice any amount it determines a Northern Entity underpaid in the next invoice it sends to that Northern Entity, and that Northern Entity will pay such amount as part of its payment due for that invoice.

(f) As soon as practicable after the completion of the NMCI Construction Project, Utilities will conduct a final review of all of the Construction Costs, invoices, and payments. If the final review reveals that a Northern Entity has overpaid its Cost Share, Utilities will remit the amount of the overpayment to that Northern Entity within thirty (30) days. If the final review reveals that a Northern Entity has underpaid its Cost Share, Utilities will send that Northern Entity an invoice for the underpayment, and that Northern Entity will remit payment of that amount to Utilities within thirty (30) days of its receipt of the invoice.

**Section 8. Default.**

(a) If a Participant fails to comply with any of the provisions of this Agreement, including by failing to make any payments when due, any other Participant may give notice, per Section 13, to the defaulting Participant specifying the nature of the default.

(b) The defaulting Participant may cure the default within thirty (30) days of the date of the notice of default, in which case the other Participants will have no further right or remedy regarding the default.

(c) If the defaulting Participant does not cure the default within thirty (30) days of the date of the notice of default, any other Participant may exercise any right or remedy available at law because of such default.

(d) In the event that the event of default is non-payment of a Northern Entity's Monthly Cost Share to Utilities, the non-defaulting Northern Entity may assume responsibility for payment of the defaulting Northern Entity's Monthly Cost Share until the non-defaulting Participants meet, pursuant to Section 5(e), and make a final decision on whether to continue the NMCI Construction Project.

(e) If the non-defaulting Northern Entity assumes responsibility for the payment of the defaulting Northern Entity's Monthly Cost Share, the defaulting Northern Entity may redeem its allocated share of the NMCI Construction Project within three (3) months after the non-defaulting Northern Entity assumes such responsibility by curing all payment and non-payment defaults and by paying all expenses incurred by the non-defaulting Participants in connection with any default, including reimbursement of all of the non-defaulting Northern Entity's payments of the defaulting Northern Entity's Monthly Cost Share plus interest at the rate of one percent per month on all expenses incurred and amounts paid by the non-defaulting Participants. The foregoing right of redemption may be exercised only once by any Northern Entity.

(f) In the event a Northern Entity is in default under this Section 8 and does not cure such default in accordance with Section 8(b), in addition to all other available remedies, Utilities or a non-defaulting Northern Entity which chooses to assume responsibility for payment of the defaulting Northern Entity's Monthly Cost Share may pursue collection through litigation with all costs of collection, including reasonable attorneys' fees, to be paid by the defaulting Northern Entity.

**Section 9. <u>Regular Project Communications</u>.** Utilities will provide regular detailed updates to the Northern Entities, at least quarterly, on the status of the NMCI Construction Project and any pending amendments to the PSA or Construction Agreement. Each update shall include a report on the budget and projected and incurred Construction Costs. The updates and communications provided by Utilities may be used by the Northern Entities for internal communications, board or council documents, and communications with each Northern Entity's respective customers.

**Section 10. <u>Enforcement, Dispute Resolution, and Termination</u>.**

(a) It is specifically understood that, by executing this Agreement, each Participant commits itself to timely and diligent performance of its responsibilities and obligations, pursuant to the terms contained herein.

(b) In the event of any claim or dispute under, or in connection with, this Agreement, the Participants will meet, with this meeting attended by persons with decision-making authority, within thirty (30) days of the written notice of the dispute by one of the Participants to any other Participant. At this meeting, the Participants will, in good faith, attempt to negotiate a resolution to the dispute. Such meeting will not be deemed to reduce or eliminate the obligations and liabilities of the Participants or be deemed a waiver by a Participant of any remedies to which such Participant would otherwise be entitled, unless otherwise agreed to by the Participants in writing.

(c) If, within thirty (30) calendar days after such meeting, the Participants have not succeeded in negotiating a resolution of the dispute, they agree to submit the dispute to non-binding mediation and to bear equally the costs of the mediation.

(d) The Participants will jointly appoint a mutually acceptable mediator. If they fail to do so within twenty (20) calendar days from the conclusion of the negotiation period, they shall each select a mediator. The three mediators will then appoint a fourth mediator who shall, as the sole mediator, conduct mediation for the Parties

(e) The Participants agree to participate in good faith in the mediation and negotiations for a period of thirty (30) calendar days. The substantive and procedural law of the State of Colorado shall apply to the proceedings. If the Participants are not successful in resolving the dispute through mediation, then the Participants shall be free to litigate the matter.

(f) The Participants intend that this Agreement will only be terminated for causes beyond their reasonable control that render the NMCI Construction Project infeasible, including financial or legal restrictions.

**Section 11. Records and Accounts.** Utilities will keep accurate and detailed records of the NMCI Construction Project and of the transactions relating to the NMCI Construction Project in accordance with generally accepted accounting principles as applied to governmental entities. Upon giving at least thirty (30) days' notice to the other Participants, a Northern Entity may informally or formally audit Utilities' records, accounts, and transactions related to the NMCI Construction at the Northern Entity's sole expense.

**Section 12. Governing Law; Jurisdiction and Venue.** This Agreement will be subject to, and shall be interpreted and performed under, the laws of the State of Colorado, and the Charter, City Code, Ordinances, Rules and Regulations of the City of Colorado Springs. Each Participant hereby expressly and irrevocably agrees and consents that any suit, action or proceeding arising out of or relating to this Agreement and the transactions contemplated hereby shall be instituted by any party hereto exclusively in any State court sitting in El Paso County, Colorado or, if federal jurisdiction exists, exclusively in the Federal court sitting in the City and County of Denver, State of Colorado and, by the execution and delivery of this Agreement, expressly waives any objection which it may have now or hereafter to the laying of the venue of any such suit, action, or proceedings.

**Section 13. Notices.** Any notice, request, demand, or statement provided for in this Agreement will be in writing and will be considered to have been duly delivered when personally delivered, sent by overnight delivery service, or sent by certified mail, postage prepaid, return receipt requested, addressed as follows, unless another address has been designated, in writing, by the party:

| | | |
|---|---|---|
| (a) Utilities: | | System Planning and Projects Officer<br>Colorado Springs Utilities<br>121 South Tejon Street, Fifth Floor<br>P.O. Box 1103/MC 950<br>Colorado Springs, CO 80903/80947-0950 |
| | With a copy to: | City Attorney<br>City of Colorado Springs<br>30 S. Nevada<br>P.O. Box 1575/MC 510<br>Colorado Springs, CO 80901-1575 |
| (b) Forest Lakes: | | Forest Lakes Metropolitan District<br>District Manager<br>2 North Cascade, Suite 1280<br>Colorado Springs, CO 80903<br>(719) 327-5810 |
| (c) Triview: | | Triview Metropolitan District<br>Attn: District Manager<br>16055 Old Forest Point, Suite 302<br>Monument, CO 80132 |
| | With Copy to: | Monson, Cummins, Shohet, & Farr LLC<br>Chris D. Cummins<br>13511 Northgate Estates Dr., Ste. 250<br>Colorado Springs, CO 80921 |

**Section 14. <u>Severability</u>.** If any provision of this Agreement is held by any court of competent jurisdiction to be invalid under the laws of the State of Colorado, or the United States, such invalidity will not invalidate the whole Agreement, but it will be construed as though not containing that particular provision and the rights and obligations of the Participants will be construed and in force accordingly, provided that the purposes of this Agreement are accomplished as originally intended by the Participants.

**Section 15. <u>Counterparts</u>.** This Agreement may be executed in several counterparts, each of which will be an original, but all of which together will constitute one and the same instrument.

**Section 16. <u>Intent of Agreement</u>.** This Agreement is intended to describe the rights and responsibilities of and between the Participants and is not intended to, and will not be deemed to, confer any rights upon any persons or entities not named as parties, nor to limit in any ways the powers and responsibilities of the Participants or any other entity not a party hereto.

**Section 17. Amendments.** This Agreement may be amended, modified, changed, or terminated, in whole or in part, only by a written agreement duly authorized and executed by all Participants.

**Section 18. Assignability.** Each Participant, without the approval of the other Participants, may assign its rights and obligations under this Agreement only to a governmental entity that succeeds to ownership of that Participant's wastewater system. Such governmental entity will become a Subsequent Participant upon execution by all Participants and by the Subsequent Participant of an Amendment to this Agreement whereby the Subsequent Participant agrees to be bound by all terms and conditions of this Agreement and agrees to assume all obligations of the former Participant under this Agreement. Such Amendment will release the former Participant from all further obligations under this Agreement. Upon execution of such Amendment by all Participants and the Subsequent Participant, the Subsequent Participant will be entitled to all rights of the former Participant under this Agreement and will be obligated for all further obligations of the former Participant under this Agreement.

**Section 19. Entire Agreement.** This Agreement constitutes the entire contract between the Participants relative to the subject matter hereof. Any previous agreement among the Participants with respect to the subject matter hereof is superseded by this Agreement. The Purpose and Recitals are incorporated herein by this reference.

IN WITNESS WHEREOF, this Agreement has been duly authorized and executed by the officers authorized thereunto, on the dates shown below for each Participant.

**Colorado Springs Utilities,**
an enterprise of the City of Colorado Springs, a
Colorado home rule city and municipal corporation

By: ________________________________
Travas Deal
Chief Executive Officer

Date: ______________________________

Approved as to form:

___________________________________

**Forest Lakes Metropolitan District**

By: ______________________________

Date: ______________________________

Attest:

___________________________________

**Triview Metropolitan District**

By: ________________________________

Date: _______________________________

Attest:

____________________________________

# Board Memo Agenda Item
## Staff Report

| | |
|---|---|
| **Date:**<br>(Date of Utilities Board Meeting) | February 19, 2025 |
| **To:** | Utilities Board |
| **From:** | Travas Deal, Chief Executive Officer |
| **Subject:** | Presidential Service Awards Recognition |
| **NARRATIVE:** | |
| **Desired Action:**<br>Choose only one | ☐ Approval<br>☐ Discussion<br>☒ Information |
| **Executive Summary:** | The President's Volunteer Service Award, an initiative of AmeriCorps and administered by Points of Light, recognizes the vital role volunteers play in enhancing America's strength and national identity. This is a prestigious civic honor bestowed by the President of the United States to individuals who have shown an exceptional commitment to volunteerism. We celebrate those who have made a significant impact through their dedicated volunteer service to communities and the nation, inspiring others to follow their example.<br><br>In 2024, 57 employees volunteered 13,665 hours of their time. Of these, 36 Colorado Springs Utilities employees earned the award for their volunteer commitment of 100 plus hours to one or more nonprofit organizations in 2024 (these are volunteer hours outside of our Community Focus Fund and paid volunteer projects). Colorado Springs Utilities has ordered a certificate and a bronze, silver, or gold service pin for each of these employees. |
| **Benefits:** | Supports Excellence in Governance Community Investment I-13 |
| **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. | The entire community benefits from these hours of service. |
| **Alternatives:** | N/A |

| | | | |
|---|---|---|---|
| **Submitter:** | Kandy Drake | Email Address: | kdrake@csu.org |
| **Division:** | AHRD | Phone Number: | 668-7375 |
| **Department:** | Public Affairs | Date Submitted: | January 17, 2025 |

| | | |
|---|---|---|
| **SPG Staff Use Only:** | Consent Calendar ☐ Yes ☒ No | Item Number 5 |

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

# Board Memo Agenda Item
## Staff Report

| | |
|---|---|
| **Date:**<br>(Date of Utilities Board Meeting) | February 19, 2025 |
| **To:** | Utilities Board |
| **From:** | Travas Deal, Chief Executive Officer |
| **Subject:** | A Resolution Recognizing Charlie Cassidy for his Service to the Customers of Colorado Springs Utilities |
| **NARRATIVE:** | |
| **Desired Action:**<br>Choose only one | ☒ Approval<br>☐ Discussion<br>☐ Information |
| **Executive Summary:** | After providing seven years of dedicated service to Colorado Springs Utilities, Mr. Charlie Cassidy, Operations General Manager, announced his retirement, effective April 11, 2025.<br>To recognize Mr. Cassidy's leadership service, a resolution of appreciation acknowledging his dedicated service is included in the Utilities Board materials for approval. |
| **Benefits:** | N/A |
| **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:** | Somer Mese | Email Address: | smese@csu.org |
| **Division:** | Operations | Phone Number: | 719-668-8103 |
| **Department:** | | Date Submitted: | February 6, 2025 |
| **SPG Staff Use Only:** | Consent Calendar ☐ Yes ☒ No | Item Number 05 | |

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

RESOLUTION 25-03

A RESOLUTION RECOGNIZING CHARLIE CASSIDY FOR HIS SERVICE TO THE CUSTOMERS OF COLORADO SPRINGS UTILITIES

WHEREAS, Charlie Cassidy has served as a valuable staff member and leader within Colorado Springs Utilities since 2018, serving as General Manager of Operations; and

WHEREAS, Mr. Cassidy has been a vital member of the Operations division making major contributions to the Construction and Maintenance department; and

WHEREAS, Mr. Cassidy championed and led several high profile initiatives such as Advanced Meter Infrastructure (AMI) upgrades, the fiber network expansion initiative, and the creation of the work zone traffic safety program; and

WHEREAS, Mr. Cassidy was instrumental in developing Leader Fundamentals and Leader Business Acumen training, which will play a pivotal role in leadership development now and into the future of Colorado Springs Utilities for many years to come; and

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

That the Utilities Board extends its deepest appreciation to Charlie Cassidy for his outstanding service and leadership to Colorado Springs Utilities and the Colorado Springs community.

DATED at Colorado Springs, Colorado, this 19th day of February 2025.

By: ______________________________________
Dave Donelson, Chair of the Utilities Board

Attest: ______________________________
Travas Deal, CEO

Colorado Springs Utilities
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**Date:** February 19, 2025

**To:** Utilities Board

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

**Subject:** **Excellence in Governance Monitoring Report**
**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: | **July 1, 2024 – December 31, 2024** |
| Policy Title (Number): | **Risk Management (I-4)** | Reviewing Committee: | **Working Committee** |
| Monitoring Type: | **Internal, External, City Auditor** | Monitoring Frequency: | **Semi-Annual, Annual, Years ending in 0 and 5** |

**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.

   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 maintained and remains current. This plan reports energy-related commodity risks to operational groups and executive management. Additionally, the plan’s processes and controls were in place for trade and settlement activities associated with transactions in these commodity 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 second half of 2024, Colorado Springs Utilities did not enter into any financial derivative transactions which are governed by the plan.

Colorado Springs Utilities
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**Date:** Feb. 19, 2025

**To:** Utilities Board

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

**Subject:** **Excellence in Governance Compliance Report Economic Development (I-5)**

**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, 2024 – December 31, 2024** |
| Policy Title (Number): | **Economic Development (I-5)** | Reviewing Committees: | **Working Committee** |
| Monitoring Type: | **Internal** | Monitoring Frequency: | **Annual** |

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

1. *Offer economic development incentives, special rates or terms and conditions for utility services and alternative development solutions when they are defined within Utilities Rules and Regulations, Tariffs and City Code and approved by the City Auditor.*

   In 2024, all prospecting and business expansion and retention efforts aligned with existing tariffs and Colorado Springs Utilities' Rules and Regulations. Springs Utilities offered four new economic development incentive packages, but they have not been executed to date as outlined in the Utilities Rules and Regulations, Application and Contract for Services. As required, written documentation demonstrating compliance with tariff provisions were provided to the City Auditor and City Attorney for each incentive package, contract review and approval.

2. *Consider economic development support that:*

   A. *Optimizes existing utility infrastructure.*
   B. *Grows the customer base.*
   C. *Assures a neutral or positive impact to citizens.*
   D. *Partners with local entities.*

   In 2024, Colorado Springs Utilities worked closely with the Colorado Springs Chamber and EDC, El Paso County, and the Municipal Government to provide utility assessments and solutions for 42 potential new businesses interested in locating in Colorado Springs. Each of the 42 assessments prepared by Springs Utilities' engineers provided:

   - Analysis of existing utility resource capabilities
   - Infrastructure delivery assessment
   - Transmission interconnect study requirements
   - Distribution or transmission upgrade or extension obligations
   - Timelines

   Through the year, Colorado Springs Utilities was involved with 163 business retention and expansion meetings. Colorado Springs Utilities partnered with numerous local entities Exponential Impact, Apartment Association of Colorado Springs, Pikes Peak Small Business Development Center, Downtown Partnership and many other entities.

3. *Create a business-friendly culture by eliminating operational policies and standards that no longer provide value and by proactively communicating the rationale behind current operational policies.*

   - In 2024, Colorado Springs Utilities worked closely with the Colorado Springs Chamber and EDC, El Paso County Economic Development, City Economic Development, Downtown Partnership, Exponential Impact, Small Business Development Center and other economic development community partners to evaluate customer feedback regarding utility barriers to development.

   - Colorado Springs Utilities staff participated on the City Agencies for Small Business Advancement team to proactively assist and provide solutions to small businesses, thereby shaping how businesses navigate the various processes while reinforcing the narrative that our city agencies are committed to supporting businesses.

   - Colorado Springs Utilities staff proactively shared information with community partners so they can serve as our ambassadors and assist developers and customers in navigating the Springs Utilities' development process.

   - Colorado Springs Utilities staff participated in forums and served on panels aimed at educating existing and prospective customers and community partners and clarifying the rationale behind Springs Utilities policies and standards. Examples include Colorado Restaurant Association – Pikes Peak Chapter, Building Owners & Managers Association (BOMA), Apartment Association of Colorado Springs (AASC) and support for Exponential Impact's Accelerate programming and Survive and Thrive loan fund.

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**Date:** Feb. 19, 2025

**To:** Utilities Board

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

**Subject:** **Excellence in Governance Monitoring Report**
**Community Investment (I-13)**

**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, 2024 – December 31, 2024** |
| Policy Title (Number): | **Community Investment (I-13)** | Reviewing Committees: | **Working Committee** |
| Monitoring Type: | **Internal** | Monitoring Frequency: | **Annual** |
| Guidelines: | **Affordable Housing (G-10)**<br>**Community Support (G-11)** | | |

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

1. *Maintain a community involvement plan that is in alignment with Colorado Springs Utilities' strategic objectives and that provides a benefit to the citizens and customers.*

   Colorado Springs Utilities developed and implemented a 2024 community involvement strategy aligned with the Colorado Springs Utilities Strategic Plan and Utilities Board policies. The plan is managed by the Community Relations Section of the Public Affairs Department.

2. *Encourage and support employee volunteerism within the communities served by Colorado Springs Utilities.*

   The CEO and his executive team supported volunteerism through personal participation, active recognition of volunteers, and the addition of two new paid volunteer programs: Team Building and Individual Volunteering. Total volunteerism through the Community Focus Fund, Ambassador volunteer program and new paid programs was 18,705.20 hours.

3. *Communicate to customers and provide student and adult education programs on the safe and efficient use of utility services.*

   Community education and outreach programs convey the value of our services and promote utility efficiency and safety. In 2024, staff presented numerous water, energy and safety programs to student and adult audiences. Messaging revolved around safe and efficient use of utility services. Methodology included community event booths, facility and stakeholder tours, adult presentations, teacher workshops, student programs, landscape classes and webinars, public meetings and town halls. New in 2024 were the inaugural State of the Utility and a contract agreement with Culver. The Culver agreement served to augment our communication efforts regarding damage prevention and leak recognition education in accordance with the Pipeline and Hazardous Materials Safety Administration (PHMSA) requirements.

4. *Allow philanthropic support of community-oriented organizations only in the service territories or localities impacted by Colorado Springs Utilities' operations.*

   All organizations that received philanthropic support in 2024 were in the Colorado Springs Utilities service territory or localities impacted by Colorado Springs Utilities' operations.

5. *Only allow funding of community-oriented organizations that complete an application describing how the funds will be used in alignment with Colorado Springs Utilities' strategic objectives.*

   All organizations that received Community Focus Fund (CFF) financial support in 2024 completed an application which included a description of how the funds would be used. Funding decisions were based on requested project alignment with Colorado Springs Utilities' strategic objectives.

6. *Allow funding of community-oriented organizations with Political Action Committees (PACs) only if they demonstrate independent PAC revenue and decision-making.*

No organizations with PACs received funding in 2024.

7. *Consider partnerships with other funding entities to leverage resources and maximize impact.*

   In compliance with Community Support Guideline (G-11.3), Colorado Springs Utilities provided $500,000 to match employee, customer, and business donations to Project COPE in 2024. These funds were directed to the Colorado Springs Utilities Foundation to assist 2,431 households in paying their utilities bills.

8. *Inform the community of the enterprise's corporate citizenship and employee volunteerism.*

   Throughout the year, Colorado Springs Utilities publicized efforts of our employees and their families to give back to the community we serve. We accomplished this using internal and external communication channels, including social media, website, the State of the Utility, newsletters, news media and the annual report. Our partnership with the Pikes Peak United Way 2-1-1 informs customers requesting utility assistance of our Project COPE utility assistance program.

9. *Develop programs intended to support affordable housing within the City.*

   In compliance with Affordable Housing Guideline (G-10.1), Colorado Springs Utilities promoted affordable housing through coordination with the City and provided funding, rebates and credits to incentivize affordable housing. In 2024, Colorado Springs Utilities provided $511,112 in support. All affordable housing projects that received funding, credits, or rebates from Colorado Springs Utilities met specified energy and water conservation criteria.

Colorado Springs Utilities
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**Date:** February 19, 2025

**To:** Utilities Board

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

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

**Desired Action:** Monitoring

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

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

**February 2025 Water Outlook using data as of January 31, 2025**

Locally, temperatures were below average, and precipitation was above average in January. Demands were greater than last year at this time.

**2025 Demands:** January use averaged 42.3 million gallons per day (MGD), which was about 2.3% greater than last January. Temperatures in January were below the 30 average at 24.5 degrees Fahrenheit, which was 7.3 degrees below normal. Total precipitation for January was 0.64 inches, which is above normal. Year-to-date precipitation is 0.64 inches, which is 221% of normal.

**Current Reservoir Levels:** Local storage is currently at about 41,686 acre-feet (63% of capacity). The 1991-2020 average is 72% of capacity. Rampart Reservoir is at 69% of capacity, and Pikes Peak storage is at 54% of capacity. System wide, total storage is about 206,300 acre-feet (79% of capacity). Last year at this time, total system wide storage was 84% of capacity. It was about 72%at this same time in 2023, about 73%of capacity in 2022, about 71% of capacity in 2021, about 80% of capacity in 2020, about 73% of capacity in 2019, about 83% of capacity in 2018, about 78% of capacity in 2017, and about 80% of capacity in 2016. The 1991-2020 average system wide storage for the end of January is 73% of capacity.

**Water Supply Outlook:** The U.S. Drought Monitor shows varying drought conditions throughout the U.S. with two-thirds of the country experiencing some level of abnormally dry or drought conditions. The drought monitor indicates 61% of Colorado is free from drought conditions, a decrease from 75% at the end of December. However, abnormally dry or moderate drought conditions persist in North, West, and Southwest Colorado. Severe drought pockets are confined to North-Central and South-Central Colorado, while extreme drought is limited to North-Central Colorado. The seasonal drought outlook predicts persisting drought conditions in North-Central and Southwest Colorado with the remainder of the state experiencing no drought between now and April 30, 2025.The three-month climate outlook predicts below normal chances for normal precipitation in Northern Colorado with increasing chances for below normal precipitation across Southern Colorado. The three-month outlook also predicts slightly higher chances for above normal temperatures across Southwest Colorado

**Operational Notes:** South Catamount Reservoir capacity remains restricted for planned dam maintenance. South Suburban Reservoir is drained for outlet work repairs. Total system storage is at 79.3% of capacity and holds about 3 years of demand, which is above average for the end of January. Local storage contains about 219 days of demand.

## ECA/GCA

### Electric Cost Adjustment (ECA)

On September 24, 2024, City Council approved the ECA rate of $0.0301 per kWh effective October 1, 2024. As of January 31, 2025, the ECA under collection balance was $4.7 million. The under collection balance changed by $3.3 million from the $1.4 million under collection balance reported last month. Utilities will continue to provide regular updates to the Utilities Board as appropriate.

### Gas Cost Adjustment (GCA)

On September 24, 2024, City Council approved the GCA rate of $0.1725 per Ccf effective October 1, 2024. As of January 31, 2025, the GCA under collection balance was $5.5 million. The over collection balance changed by $6.4 million from the $0.9 million over collection balance reported last month. Utilities will continue to provide regular updates to the Utilities Board as appropriate.

Colorado Springs Utilities

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# Water Outlook

Nick Harris, P.E.

Water Resource Engineer, Water Resource Planning

February 1, 2025

# Local Weather Conditions as of January 31, 2025

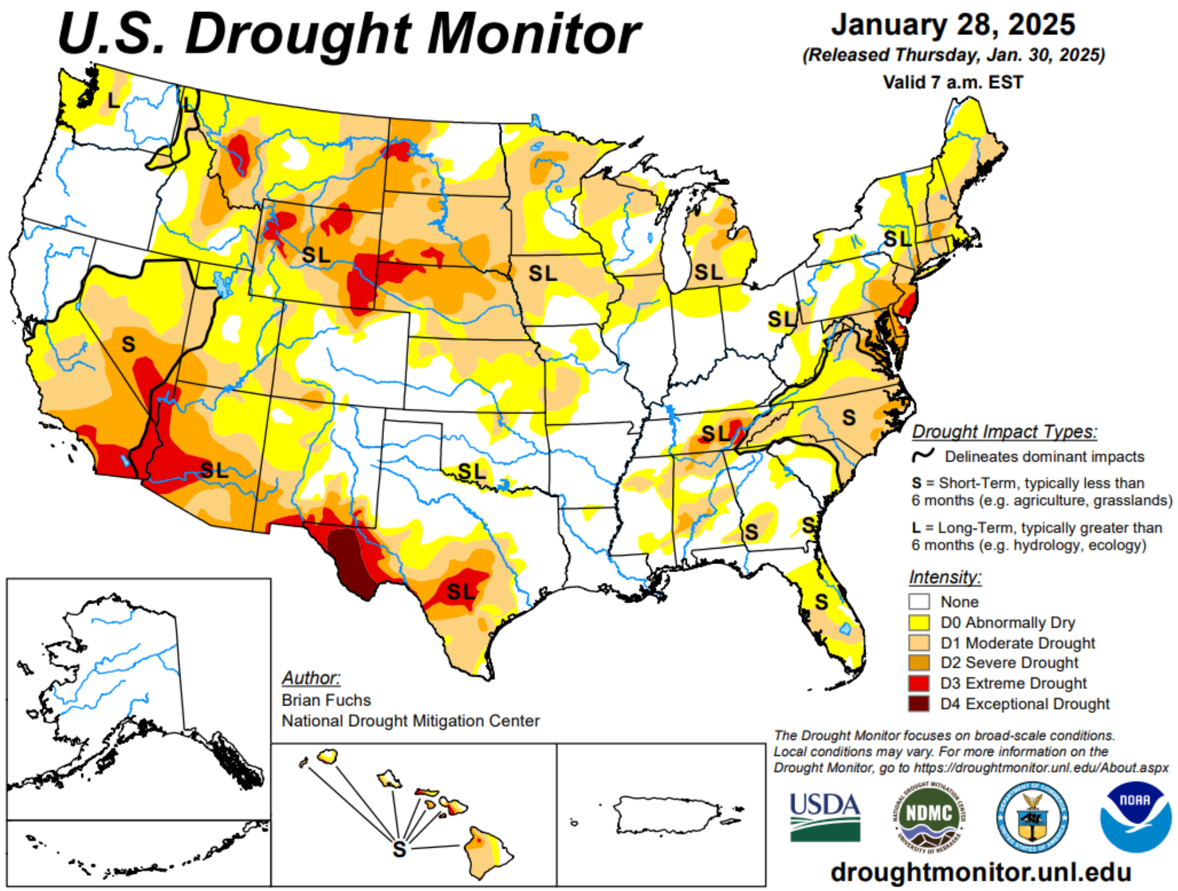
Precipitation (Inches of Moisture)

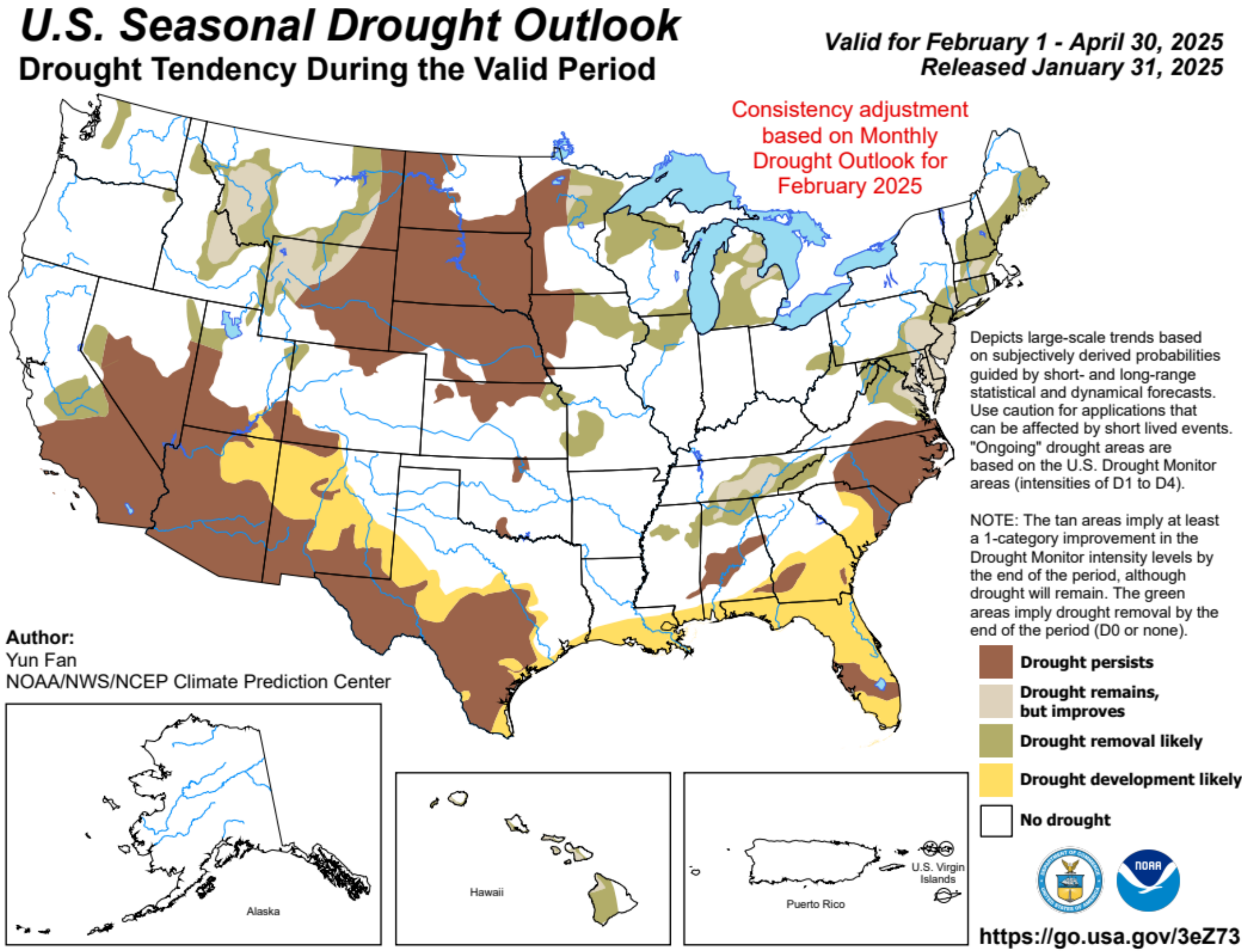
- January 2025 – 0.64 in. (221% of normal)
- 2025 YTD Total – 0.64 in. (221% of normal)

Average Temperature (Degrees F)

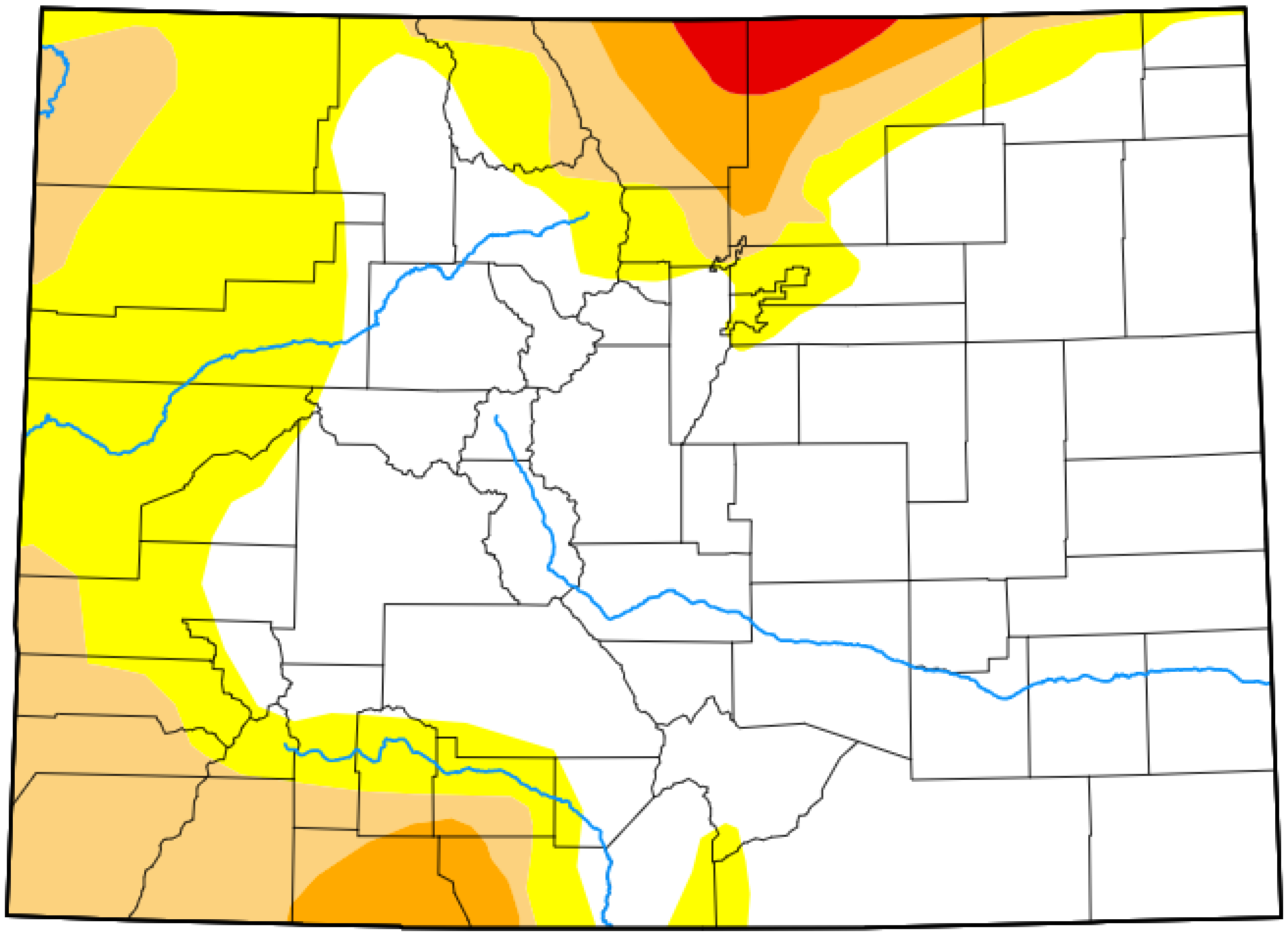
- January 2025 – 24.5 Deg. (7.3 deg. below normal)
- 2025 YTD Average – 24.5 Deg. (7.3 deg. below normal)

# DROUGHT MONITOR



# Colorado



**Map released: Thurs. January 30, 2025**

Data valid: January 28, 2025 at 7 a.m. EST

## Intensity

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

## Authors

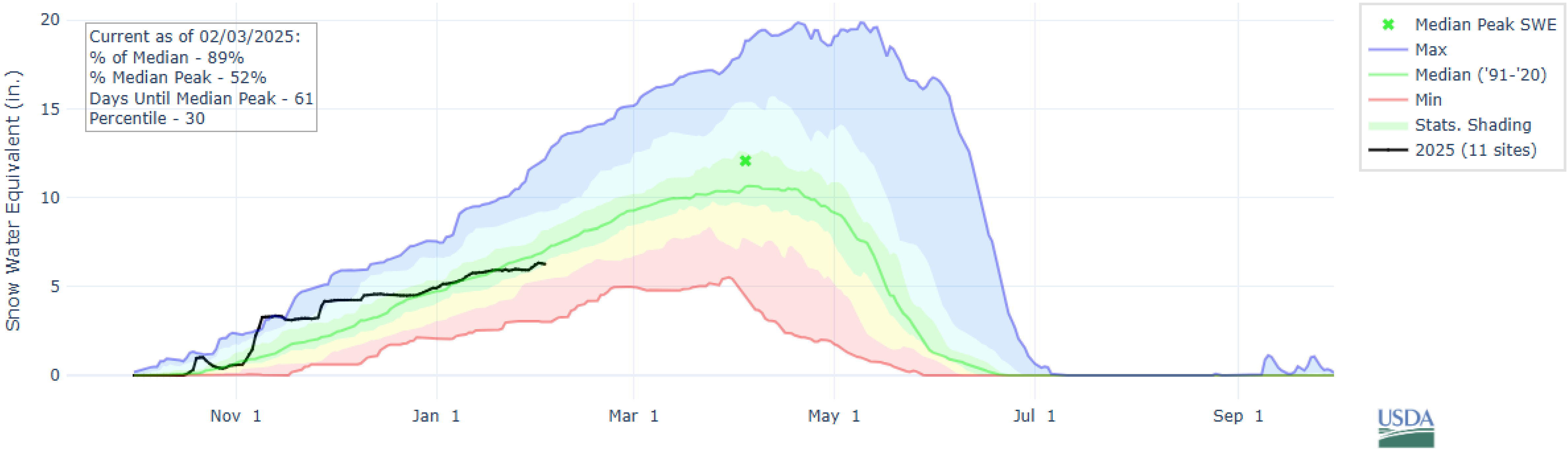
United States and Puerto Rico Author(s):

Brian Fuchs, National Drought Mitigation Center

Pacific Islands and Virgin Islands Author(s):

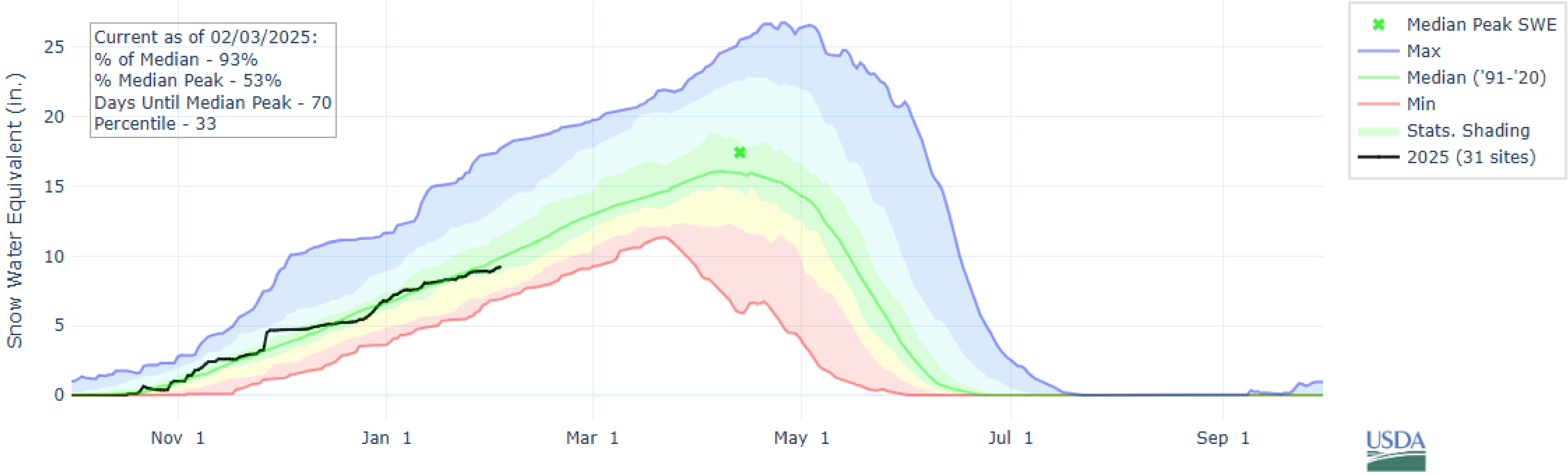
Curtis Riganti, National Drought Mitigation Center

# Snowpack in the Arkansas River Basin is 93% of normal as of January 31, 2025

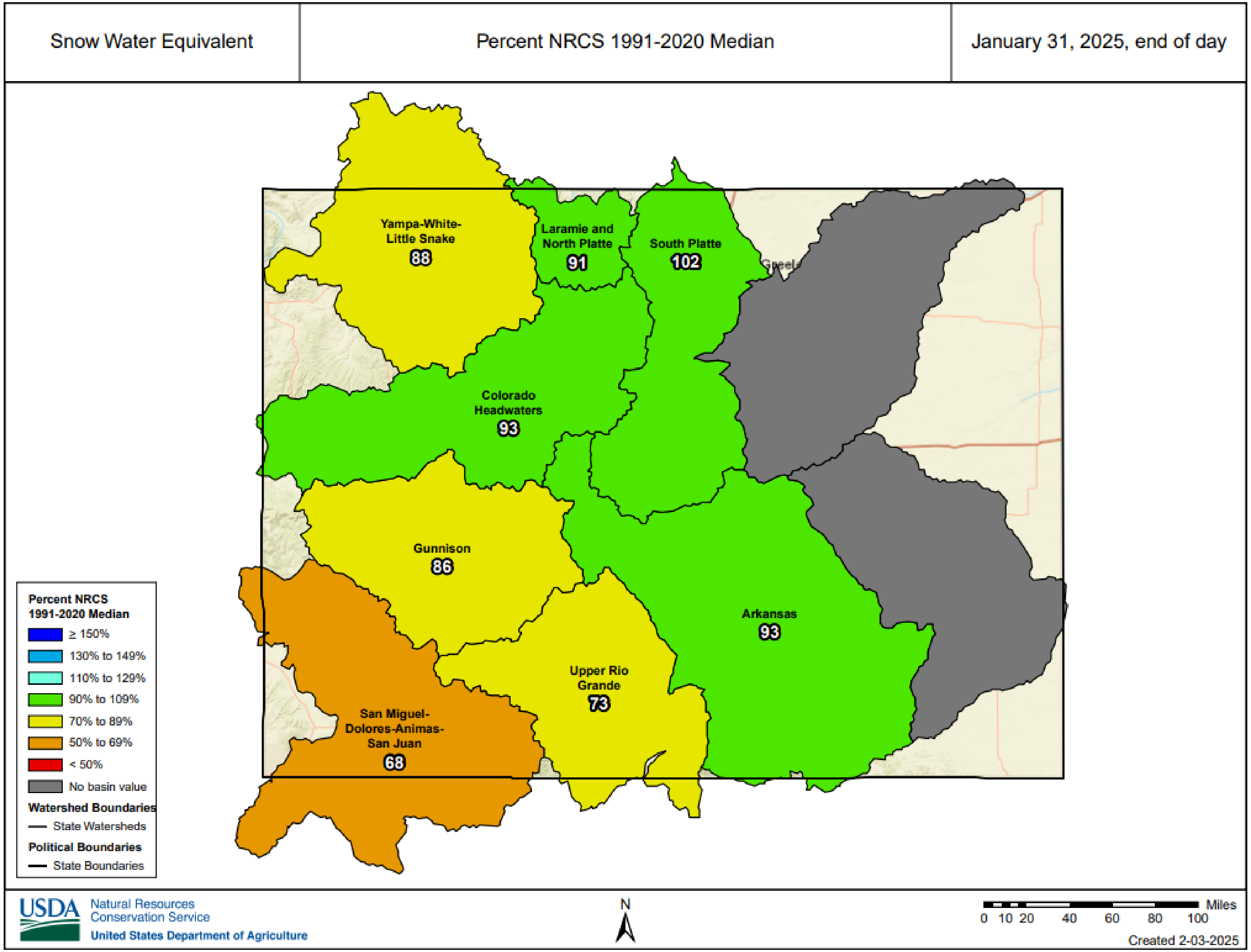



Source: NRCS/USDA

# Snowpack in the Colorado River Headwaters Basin is 93% of normal as of January 31, 2025




Source: NRCS/USDA


Snow Water Equivalent
Percent NRCS 1991-2020 Median
January 31, 2025, end of day
Yampa-White-Little Snake
88
Laramie and North Platte
91
South Platte
102
Colorado Headwaters
93
Gunnison
86
Arkansas
93
Upper Rio Grande
73
San Miguel-Dolores-Animas-San Juan
68
Percent NRCS 1991-2020 Median
≥ 150%
130% to 149%
110% to 129%
90% to 109%
70% to 89%
50% to 69%
< 50%
No basin value
Watershed Boundaries
State Watersheds
Political Boundaries
State Boundaries
USDA Natural Resources Conservation Service
United States Department of Agriculture
N
0 10 20 40 60 80 100 Miles
Created 2-03-2025

# 2025 Demands

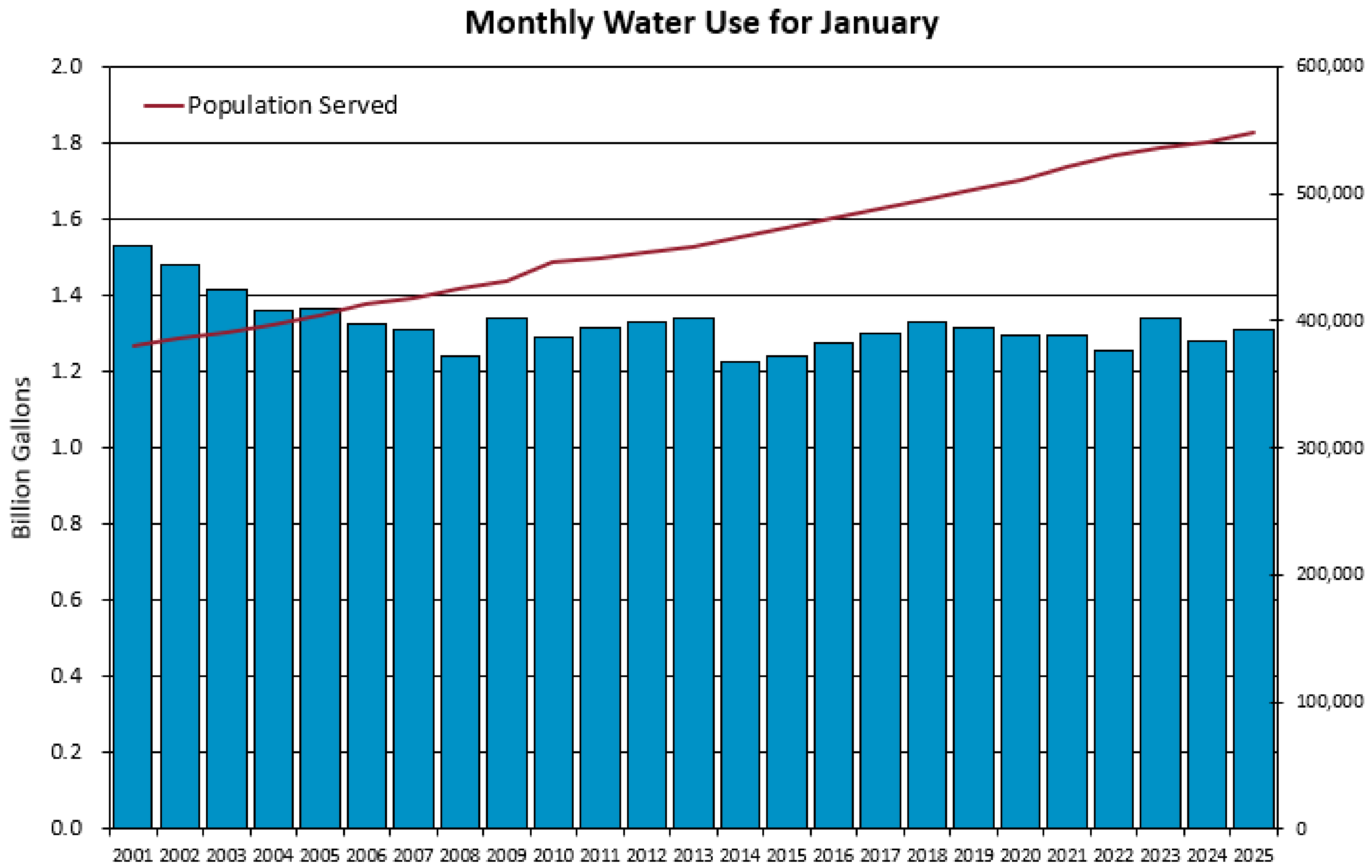
January

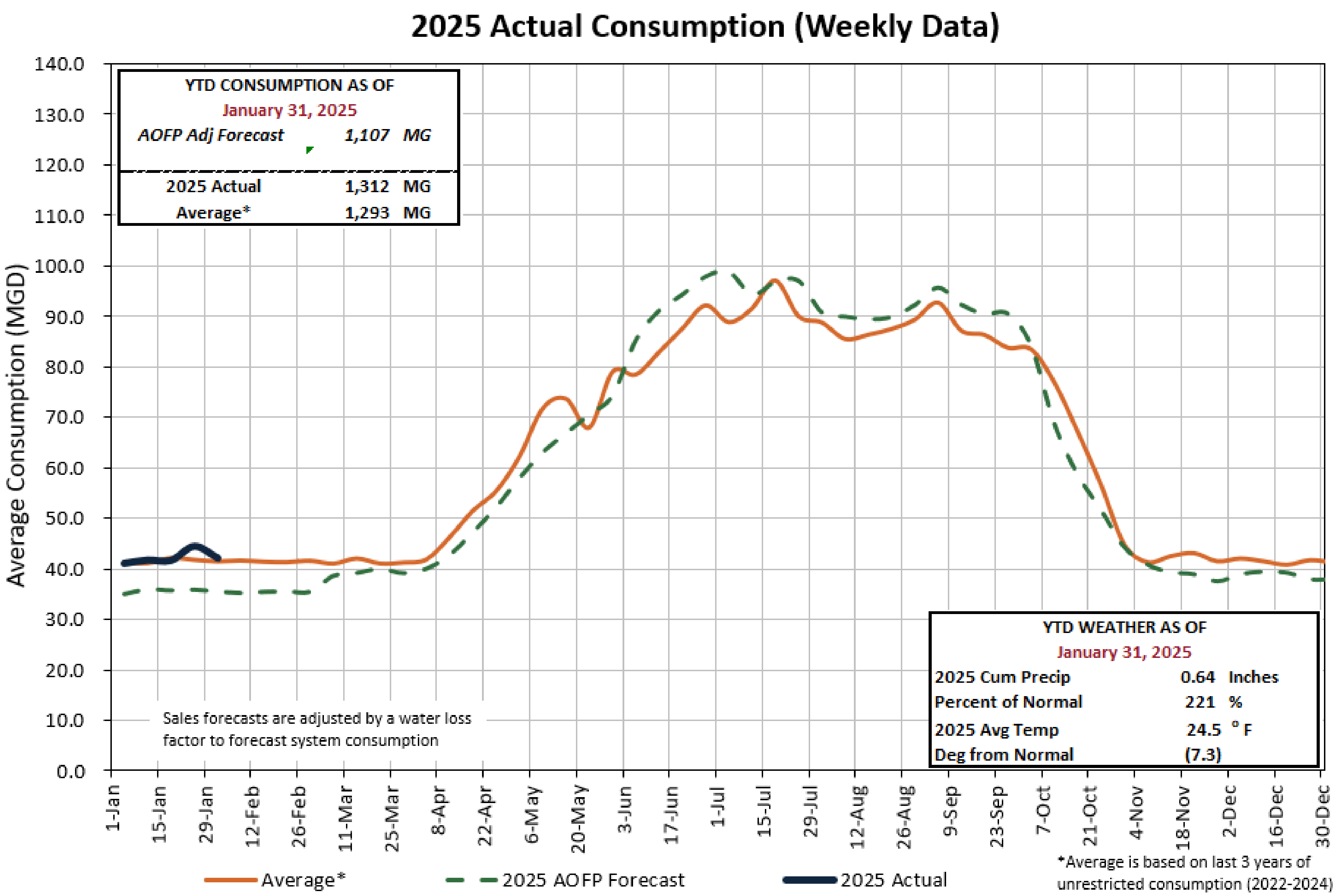
- Averaged 42.3 MGD
- 2.3% greater than January 2024

2025 Year to Date through January 31

- Averaging 42.3 MGD, 1.3 BG total
  - 2.3% more than January 2024
  - 0.03 Billion Gallons more than 2024




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


2025 Actual Consumption (Weekly Data)
YTD CONSUMPTION AS OF
January 31, 2025
AOFP Adj Forecast 1,107 MG
2025 Actual 1,312 MG
Average* 1,293 MG
Average Consumption (MGD)
140.0
130.0
120.0
110.0
100.0
90.0
80.0
70.0
60.0
50.0
40.0
30.0
20.0
10.0
0.0
Sales forecasts are adjusted by a water loss factor to forecast system consumption
YTD WEATHER AS OF
January 31, 2025
2025 Cum Precip 0.64 Inches
Percent of Normal 221 %
2025 Avg Temp 24.5 °F
Deg from Normal (7.3)
1-Jan
15-Jan
29-Jan
12-Feb
26-Feb
11-Mar
25-Mar
8-Apr
22-Apr
6-May
20-May
3-Jun
17-Jun
1-Jul
15-Jul
29-Jul
12-Aug
26-Aug
9-Sep
23-Sep
7-Oct
21-Oct
4-Nov
18-Nov
2-Dec
16-Dec
30-Dec
Average*
2025 AOFP Forecast
2025 Actual
*Average is based on last 3 years of unrestricted consumption (2022-2024)

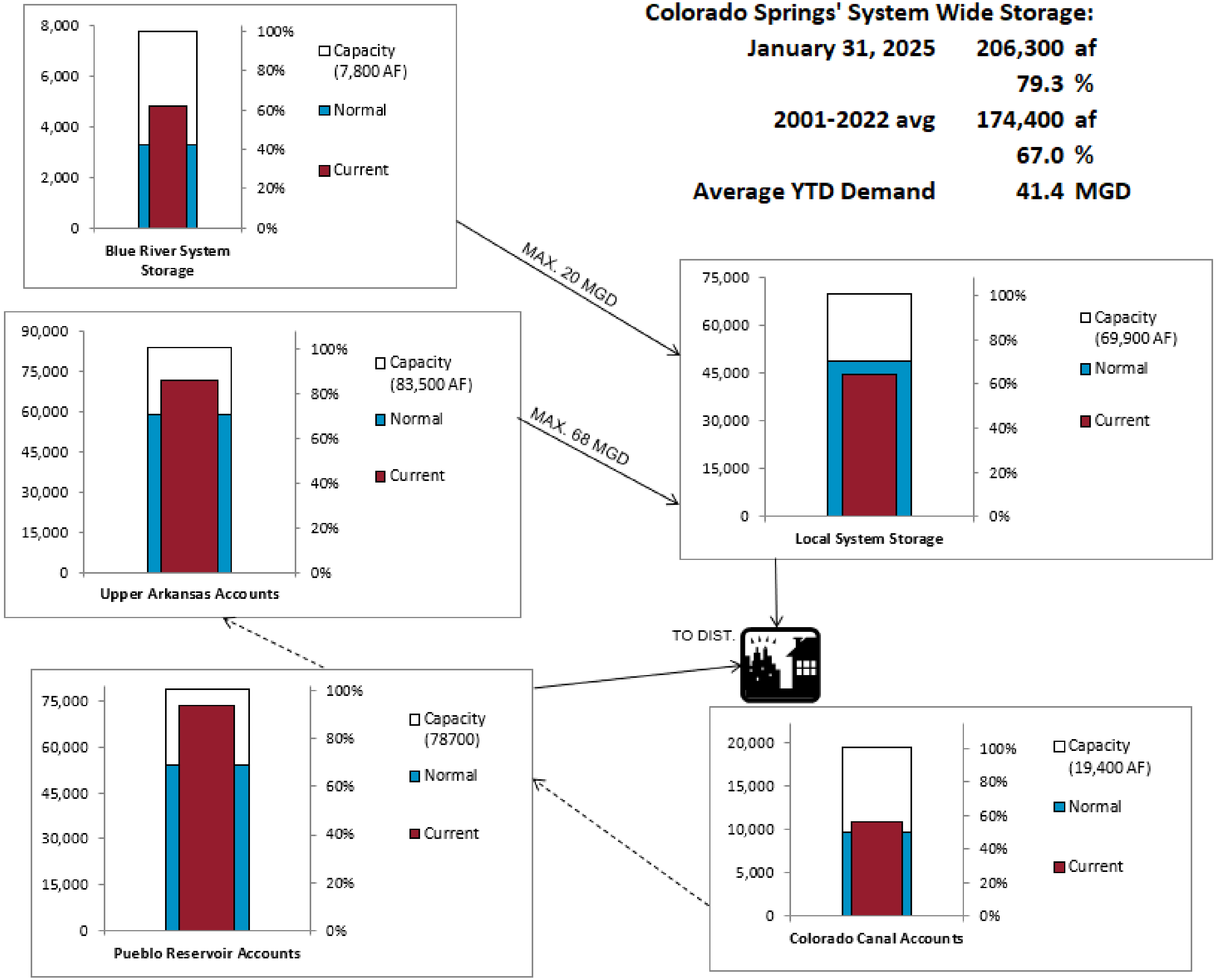
# Reservoir Levels

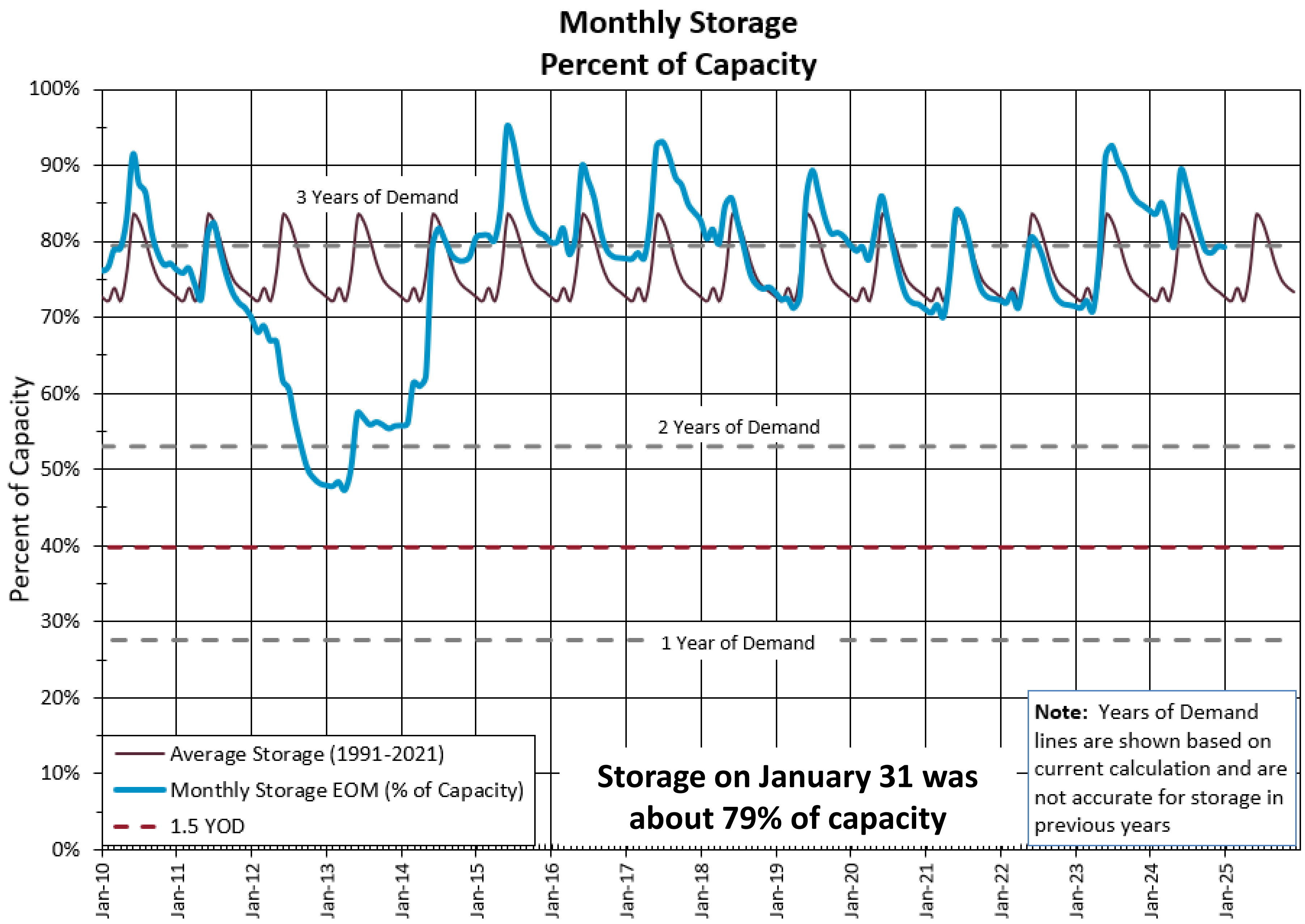
**January 31, 2025**

| | |
|---|---|
| • Pikes Peak | 54 % |
| ○ 91-20 Avg. | 65 % |
| • Rampart | 69 % |
| ○ 91-20 Avg. | 76 % |
| • Local Total | 63 % |
| ○ 91-20 Avg. | 72 % |
| • System Total | 79 % |
| ○ 91-20 Avg. | 73 % |

**Colorado Springs' System Wide Storage:**

| | | |
|---|---|---|
| January 31, 2025 | 206,300 | af |
| | 79.3 | % |
| 2001-2022 avg | 174,400 | af |
| | 67.0 | % |
| Average YTD Demand | 41.4 | 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 January 31 was
about 79% 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

# Water Outlook

- Situation Outlook Summary
  - System-wide storage is at 79.3% of capacity, about 6.6% above our long-term average
  - About 3.0 years of demand in storage, based on the past 3 years of demand
  - Have 219 days of demand in local storage
- Three-month outlook predicts
  - Slightly higher chances for above normal temperatures across Southwest Colorado
  - Below normal chances for normal precipitation in Northern Colorado with increasing chances for below normal precipitation across Southern Colorado
- We continue to monitor precipitation, demand and storage to maximize available water supply

# Operational Notes

## Storage Conditions

- South Catamount Reservoir capacity remains restricted for planned dam maintenance
- South Suburban Reservoir is drained for outlet work repairs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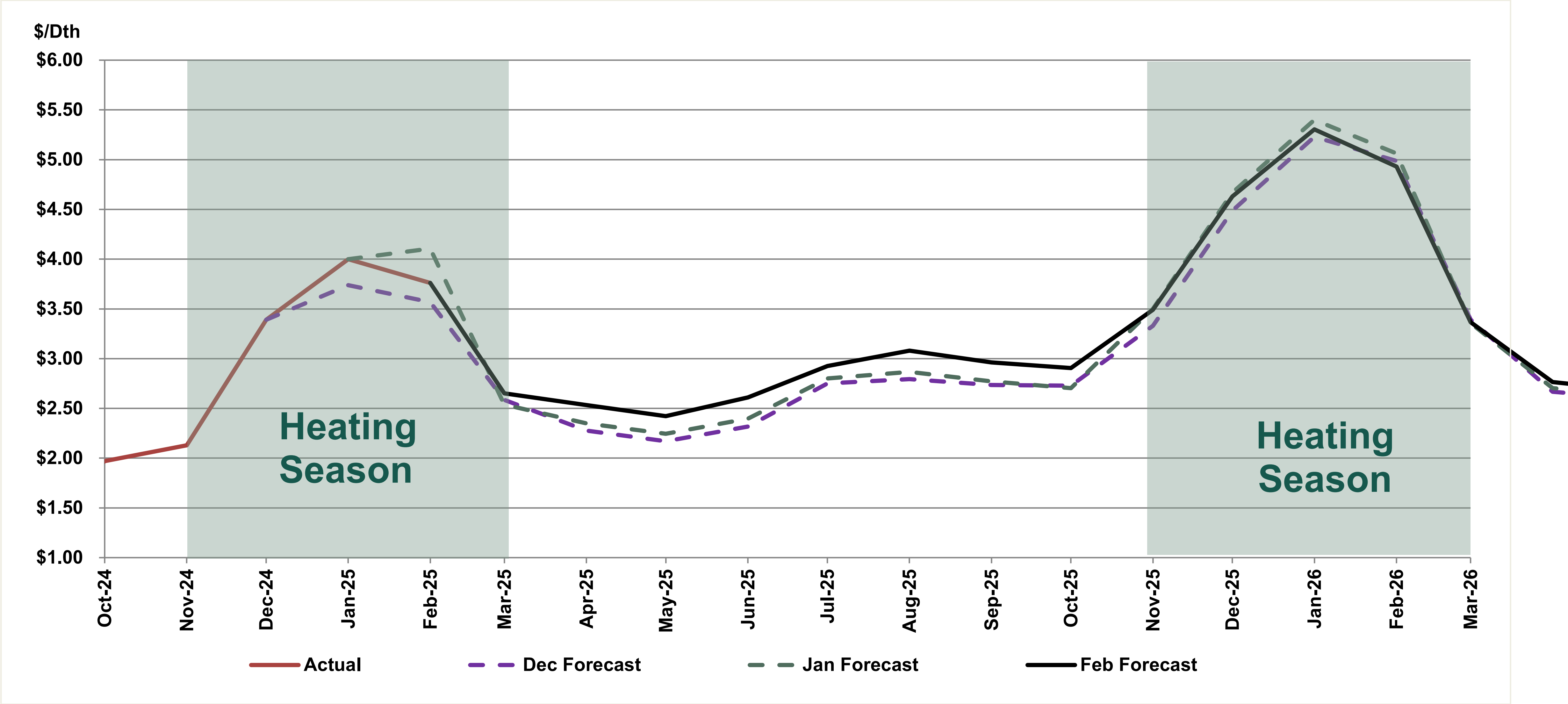
# Electric Cost Adjustment
# Gas Cost Adjustment

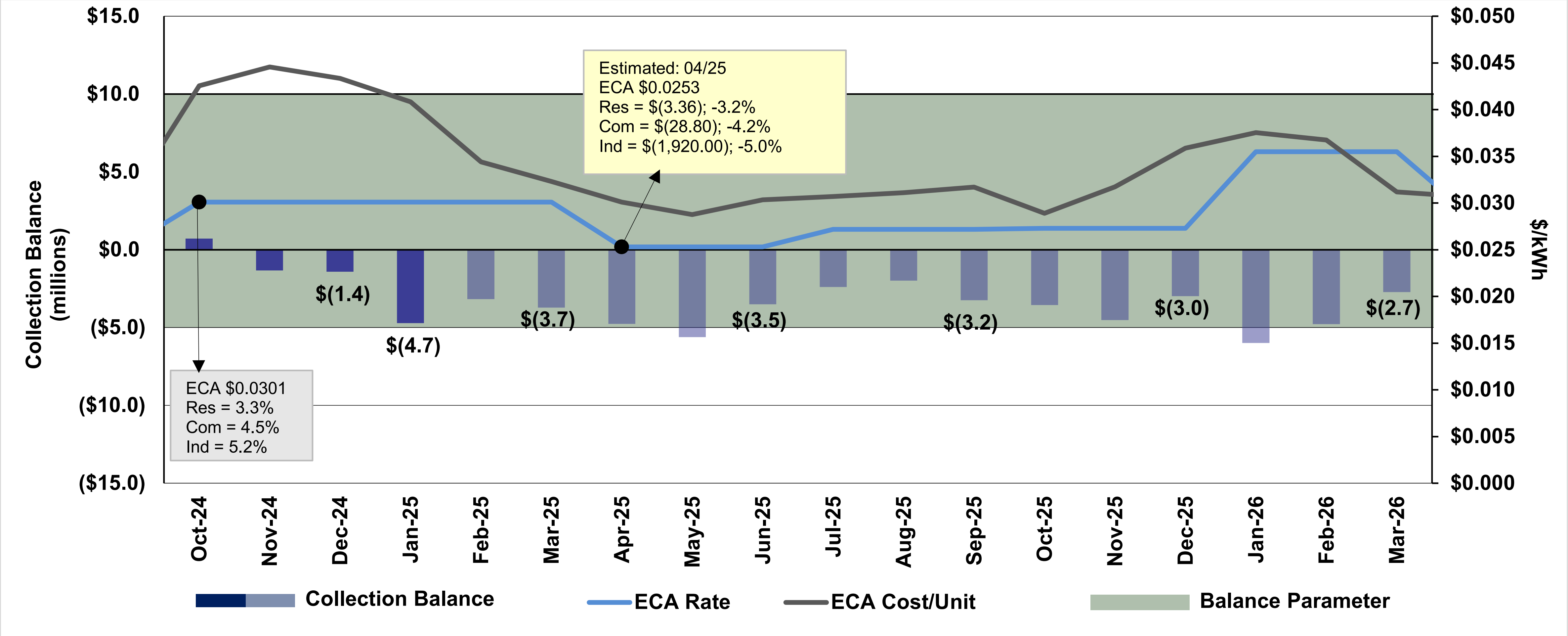
Scott Shirola, Pricing and Rates Manager

February 19, 2025

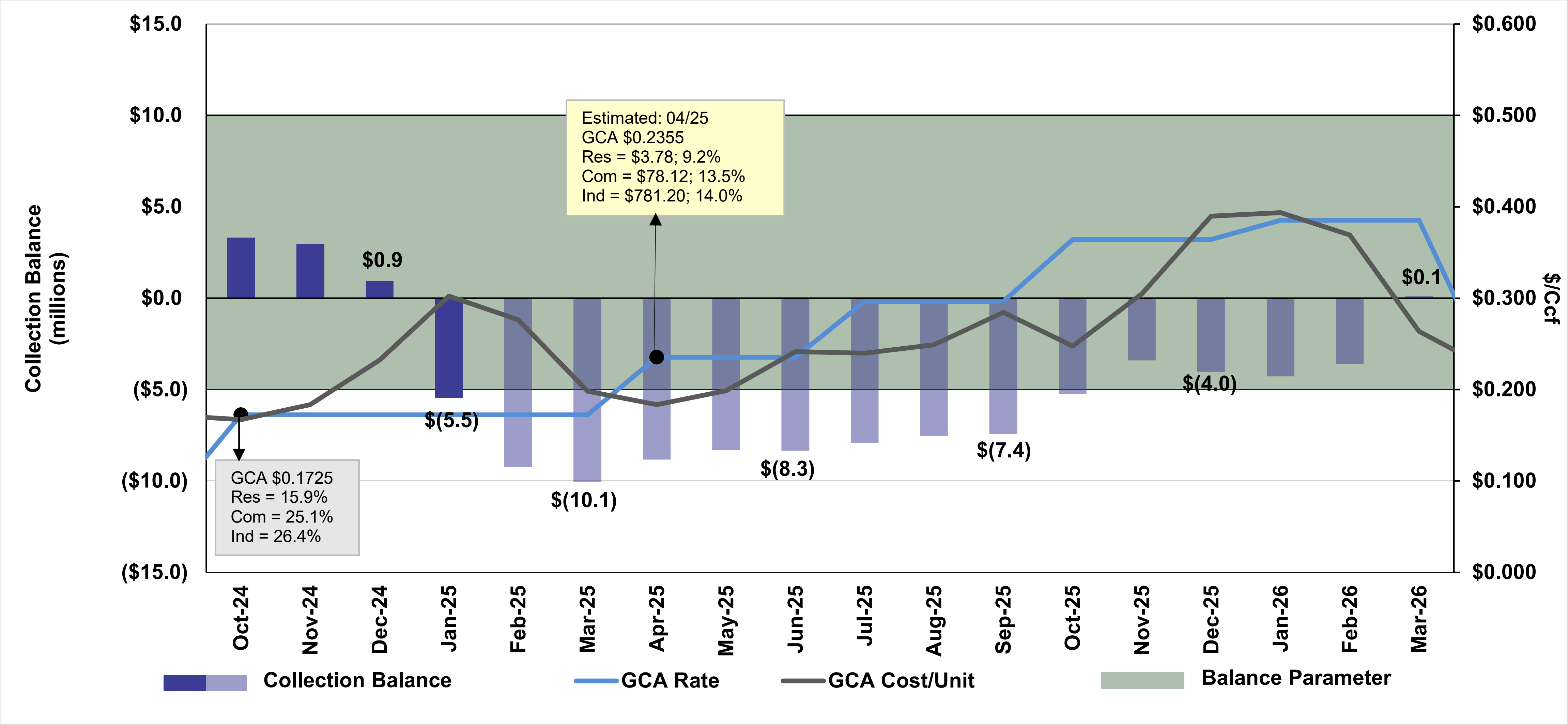
# Natural Gas Prices as of February 1, 2025

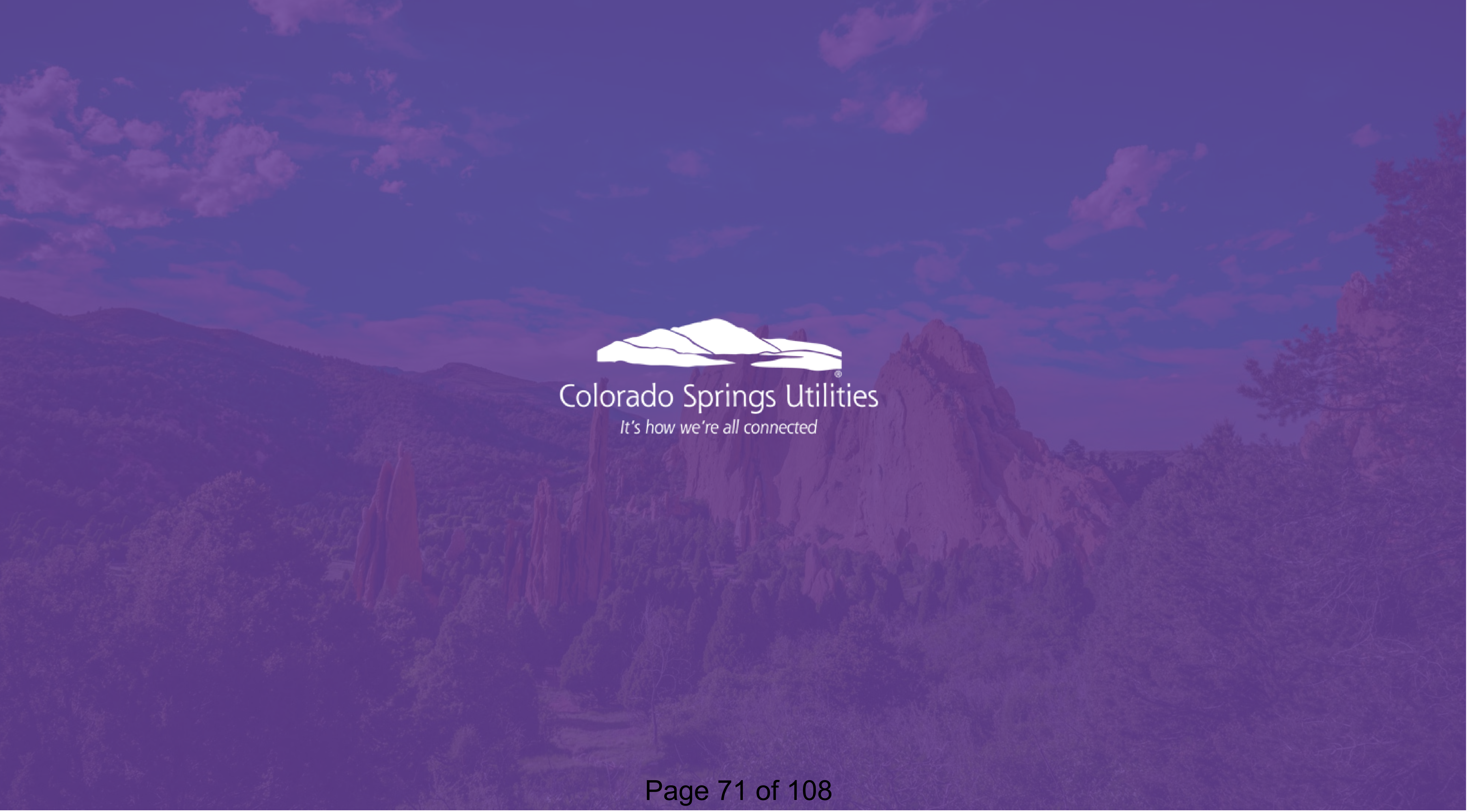


# ECA Projections February 2025



# GCA Projections February 2025

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# Board Memo Agenda Item
## Staff Report

| | |
|---|---|
| **Date:**<br>(Date of Utilities Board Meeting) | February 19, 2025 |
| **To:** | Utilities Board |
| **From:** | Travas Deal, Chief Executive Officer |
| **Subject:** | Utilities Policy Advisory Committee (UPAC) Nuclear Generation Assignment Recommendation |
| **NARRATIVE:** | |
| **Desired Action:**<br>Choose only one | ☒ Approval<br>☐ Discussion<br>☐ Information |
| **Executive Summary:** | The Utilities Policy Advisory Committee (UPAC) is an advisory committee directed by the Utilities Board that reviews, analyzes, and provides recommendations on specific issues or policies.<br><br>At the June 18, 2024, Utilities Board meeting the nuclear generation study was assigned to UPAC. UPAC has completed their research on the assignment and have prepared their final recommendation for the Utilities Board consideration. |
| **Benefits:** | UPAC's recommendations provide valuable insight for the Utilities Board to consider on specific policy or research-based issues. |
| **Board Policy:**<br>If this impacts one of the board policies, indicate that here. | Operational Resources P-5 |
| **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. | Utilities Board members, Utilities Policy Advisory Committee members, Colorado Springs Utilities staff and customers |
| **Alternatives:** | Accept and implement UPAC's recommendation or deny UPAC's recommendation |

| | | | |
|---|---|---|---|
| **Submitter:** | Bethany Schoemer | Email Address: | bschoemer@csu.org |
| **Division:** | Administration and Human Resources | Phone Number: | 719-668-3811 |
| **Department:** | Public Affairs | Date Submitted: | February 6, 2025 |

| | | |
|---|---|---|
| **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.

Colorado Springs Utilities
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# UPAC Recommendation Nuclear Generation

February 19, 2025

# Purpose

To examine nuclear power options for Colorado Springs Utilities

# Questions to examine:

1. What should Springs Utilities be doing to prepare for nuclear power generation in the future?
2. What is the state of the technology (SMRs, etc.)?
3. What is the cost range for different options? Should cost be seen as prohibitive?
4. What are the environmental pros and cons, including waste disposal and emissions?
5. Are the water constraints in Colorado a prohibitive factor?
6. What is the regulatory environment in Colorado and nationally?

# Questions to examine continued:

7. Are there federal or other funding or research opportunities that Springs Utilities should investigate?
8. How long does permitting take?
9. What is being done in the southwest and Rocky Mountain region – where similar water limitations and climate and altitude are found (i.e. projects in Wyoming)?
10. What are the opportunities for partnerships and collaboration?
11. What is recommended for the frequency of UPAC re-examining this topic, including for the EIRP?
12. Based on this assignments' findings, what areas need further evaluation by UPAC?

# Nuclear Power Guest Presentations

- Colorado Springs Utilities (nuclear, military key account manager and public preference data)
- Colorado Energy Office
- American Public Power Association
- Grant County (WA) Public Utility District
- Utah Associated Municipal Power Systems
- TerraPower
- Bechtel

# 2. What is the state of technology (SMRs, etc.)?

- There are 94 operating conventional nuclear power plants in 28 states
- Commercial Small Modular Reactors (SMR) are operating internationally but no domestic operations currently
  - First generation SMRs planned in US with NuScale, TerraPower, Xenergy and others
- SMRs are 20–300 MW per module vs 1,000+ MW for conventional nuclear
  - Scalable with 4 to 12 modules per site
  - Long development times: construction 43–71 months
- Technology landscape is developing rapidly
  - 80+ designs being developed in 19 countries
  - The first fusion nuclear power plant was just announced in Virginia

# 3. What is the cost range for different options? Should cost be seen as prohibitive?

- Levelized cost of energy per MWh combines capital costs, operating costs and capacity factor. Data from Lazard Financial:
  - Utility Scale Wind + storage:  $45 - $133
  - Utility Scale Solar + storage:  $60 – $210
  - Residential Rooftop Solar: $122 - $284
  - Gas peaking: $110 - $228
  - Nuclear: $142 - $222
- Wind and Solar require 2 – 4 times the installed capacity potentially increasing the levelized cost show above by the equivalent amount
- Costs for SMR may be seen as high for first wave designs
  - Second and third wave plants may be more competitive
  - Federal grants, loans and tax credits will help offset costs
  - Partnerships with deep pocketed commercial customers may be attractive

# 3. Cont. What is the cost range for different options?

- Wide range of initial capital cost estimates in 2023
- Example initial capital cost estimates of new 600 MW nuclear plant
  - NuScale:  $12.9 billion
  - Conventional Plant: $12 billion
  - Xenergy: $10.7 billion
  - TerraPower: $7.4 billion
  - 2023 EIRP: $5.2 billion
- Cost projections have more than doubled in last three years
- Xcel rejected SMR for Comanche coal plant conversion due to “cost and length of time to get off the ground”
- Utah Associated Municipal Power Systems canceled nuclear project due to construction risk and cost

# 4. What are the environmental pros and cons, including waste disposal and emissions?

- Zero emissions of greenhouse gases (DOE)
- Helps meet net zero carbon goals – but currently not recognized as clean energy by the state of Colorado
- SMRs offer higher reliability and resilience with good load following fluctuations when renewables are insufficient
- Small footprints – 10% of conventional nuclear plant or about 40 acres
- No major challenges to waste management compared to conventional nuclear light water reactors (DOE)

# 5. Are the water constraints in Colorado a prohibitive factor?

- Cooling water is not anticipated to be a constraint currently
- Water needed for cooling in most designs
- Can use non-potable water for cooling
- Palos Verde Nuclear Plant in Arizona uses municipal effluent
- Cooling water requirements for nuclear and coal plants are similar
  - As coal plants are retired, cooling water resources would become more available
- Alternate cooling technologies are available that could reduce water usage, but it would require balancing water usage vs. cost

# 6. What is the regulatory environment in Colorado and nationally?

- DOE seeks SMR deployment by early 2030s
- NRC requires rigorous permitting process for nuclear plant commissioning.
- In Colorado, nuclear is not included in the definition of renewables
  - State legislature is considering defining nuclear as a clean energy resource (HB25-1040)
- Colorado goals for greenhouse gas emissions reductions in electric sector from 2005 baseline
  - 80% by 2030
  - 100% by 2050

# 7. Are there federal or other funding or research opportunities that Springs Utilities should investigate?

- Yes, there may be federal funding mechanisms available, but it is an evolving landscape
- Department of Energy grants of $900 million for SMR first mover teams of utility, reactor vendor, constructor, and customers
- Inflation Reduction Act provides incentives for SMR
  - Production Tax Credit of $25/MWh for first 10 years of operation
    - 10% bonus if built at brownfield or fossil power plant site
  - Investment Tax Credit of 30% of capital cost of new plant
    - Same 10% bonus available as above
  - Must choose one incentive, not both
  - Payments in lieu of tax credit for non-taxable entities are available
- TerraPower plant (345 MW) to cost $4 billion with $2 billion from DOE and $1 billion from Gates Foundation
- Commercial partners are participating in several SMR projects
  - Amazon, Microsoft, Dow Chemical, Alphabet/Google

# 8. How long does permitting take?

- Highly uncertain—currently estimating 10 years from project kick off to operating permit
  - Early site permit is an option without specifying reactor design
- NRC licensing requirements and process
  - Construction permit
  - Operating license
  - A nuclear plant design may be sought separately through rulemaking without a site specification
  - Operating licenses issued for 40 years, plus 20-year increments to 60 years and 80 (NREL)
- The ADVANCE Act of 2024 for advanced nuclear reactor policies was enacted
  - Requires NRC in 36 months to recommend faster licensing processes
  - Could be 50% to 85% shorter

# 9. What is being done in the southwest and Rocky Mountain region – where similar water limitations and climate and altitude are found (i.e. projects in Wyoming)?

- NuScale SMR plant would have been located in Idaho
  - Obtained design certification in 3.6 years
- TerraPower SMR plant will be located in Wyoming
  - Construction process planned from 2024 to 2030, 6 years
- Retiring fossil fuel plants should free up water supplies and potential to use existing transmission infrastructure

# 10. What are the opportunities for partnerships and collaboration?

- Colorado Springs Utilities partnership opportunities with other utilities:
  - Xcel
  - Black Hills Energy
  - Tri State Generation and Transmission Association
  - Nebraska Public Power District (already has a nuclear plant)
- Customer partnership opportunities
  - Potential partners include military bases, data centers, distribution centers, education campuses, industrial plants, and AI.
- Utilities may provide sites and purchase power agreements
  - PacifiCorp, Grant County Public Utility District, Utah Associated Municipal Power Systems, Nebraska Public Power District

## 11. What is recommended for the frequency of UPAC re-examining this topic, including for the EIRP?

- Complete an in-depth review in the next 1-2 years and then a regular cadence of 3-5 years connected to the EIRP
- Consideration should be given to changing technology, economics, and impacts on safety, water use, licensing and related topics
- Changes in net zero carbon goals and compliance may also influence the frequency of SMR review

# 1. What should Springs Utilities be doing to prepare for nuclear power generation in the future?

Create a roadmap and research plan to develop a basic knowledge of nuclear power options focusing on SMRs with site permitting

Evaluate most promising nuclear options in the context of the next Electric Integrated Resource Plan (EIRP)

Complete an in-depth review in the next 1-2 years and then a regular cadence of 3-5 years connected to the EIRP

Pursue a nuclear site permit at a Colorado Springs Utilities controlled site

(ex. Clear Springs Ranch)

Develop relationships with potential partners

Education: Keep customers informed of plans and progress including being more proactive in educating the community on SMRs

**UPAC Recommendation**

# What are key steps in developing an SMR over a 10-year process?

| | |
|---|---|
| **Year 0** | Find favorable consideration in Electric Integrated Resource Plan |
| **Year 1** | Make decision to construct, own and operate a SMR or pursue PPA |
| **Year 2** | Start permitting process with NRC |
| **Year 3-8** | Obtain construction permit from NRC and begin construction |
| **Year 9** | Secure license to operate from NRC |
| **Year 10** | Begin operations and continue for 40 years with renewal up to 80 years |

# 12. Based on this assignment findings, what areas need further evaluation by UPAC?

- What are the prospects and implications of more flexible goals for carbon reductions?
- How many natural gas generators should Colorado Springs Utilities retain for reliability and resilience operations?
- How can future costs related to climate change be managed?
- What are the portfolio options in the next EIRP?
- Investigate alternative technologies (ex. fusion)

# Questions

# Board Memo Agenda Item
## Staff Report

| | |
|---|---|
| **Date:**<br>(Date of Utilities Board Meeting) | February 19, 2025 |
| **To:** | Utilities Board |
| **From:** | Travas Deal, Chief Executive Officer |
| **Subject:** | Utilities Board Bylaws Update |
| **NARRATIVE:** | |
| **Desired Action:**<br>Choose only one | ☒ Approval<br>☐ Discussion<br>☐ Information |
| **Executive Summary:** | On June 18, 2024, the Utilities Board approved changes to the Utilities Board Bylaws to incorporate language describing the UPAC (Utilities Policy Advisory Committee) Liaison. At that time, the Utilities Board requested greater clarity on what the expectations are of the liaison so this information can be preserved for future Utilities Board's knowledge.<br><br>The intent of the UPAC Liaison is to provide updates to the full Utilities Board to ensure Utilities Board expectations are met on assignments. A minor change has been added to reflect that clarity within the Utilities Board Bylaws. |
| **Benefits:** | These changes are intended to improve clarity of the UPAC Laison. |
| **Board Policy:**<br>If this impacts one of the board policies, indicate that here. | Operational Resources P-5 |
| **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. | Utilities Board members, Utilities Policy Advisory Committee members, Colorado Springs Utilities staff and customers |
| **Alternatives:** | Do not approve or modify changes to Utilities Board bylaws. |

| | | | |
|---|---|---|---|
| **Submitter:** | Natalie Watts | Email Address: | nwatts@csu.org |
| **Division:** | Administration and Human Resources | Phone Number: | 719-668-3811 |
| **Department:** | Public Affairs | Date Submitted: | February 6, 2025 |

| | | |
|---|---|---|
| **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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# Utilities Board Bylaws Update


Natalie Watts

Manager, Strategic Planning and Governance

# Background

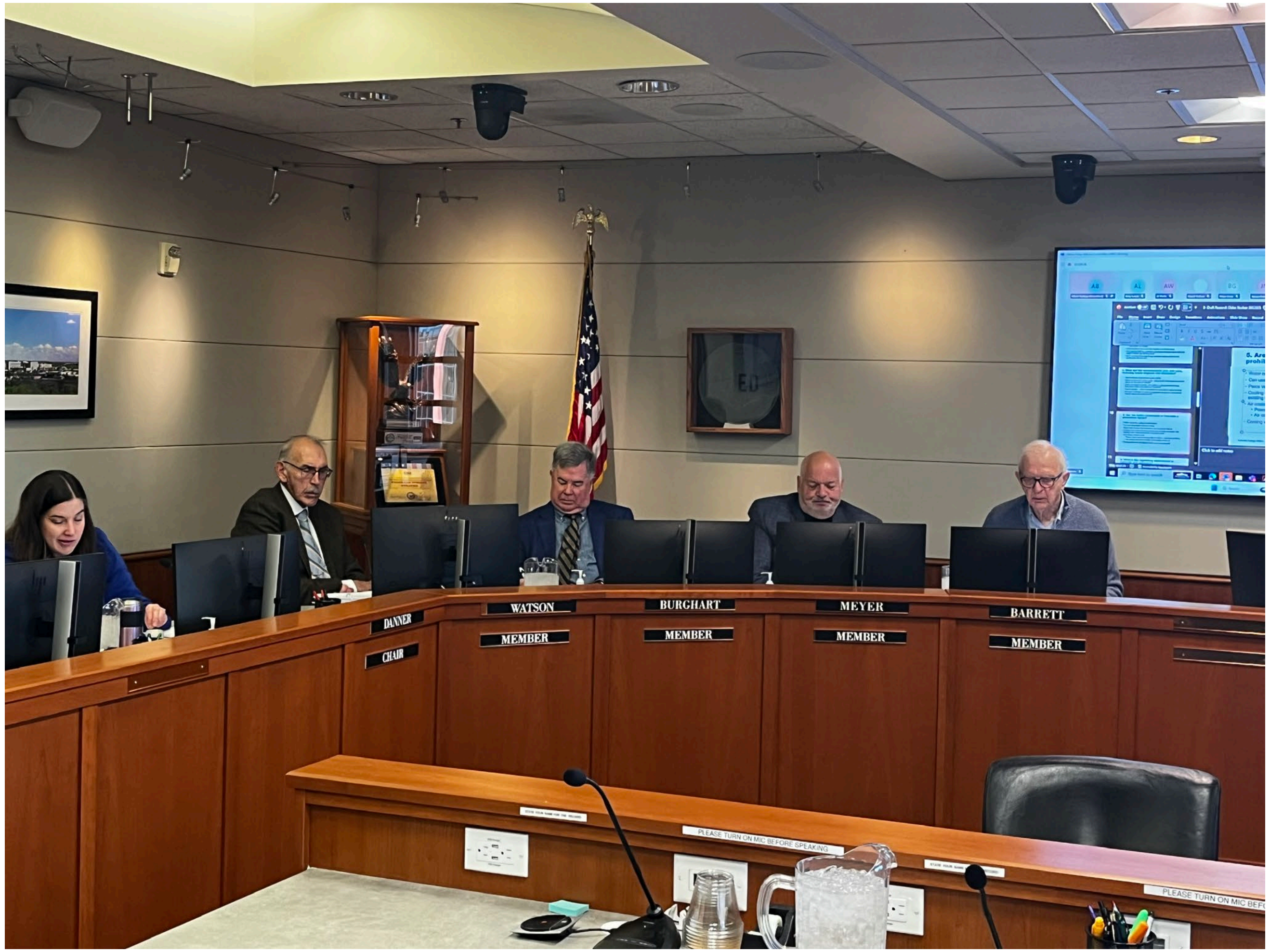
- June 18, 2024: Utilities Board approved changes to the Utilities Board Bylaws to incorporate language describing the UPAC Liaison.
- Utilities Board requested greater clarity on the expectations of the liaison.
- Intent is for the liaison to provide updates to the full Utilities Board to ensure Utilities Board expectations are met.
  - A minor change has been added to reflect that clarity within the Utilities Board Bylaws.

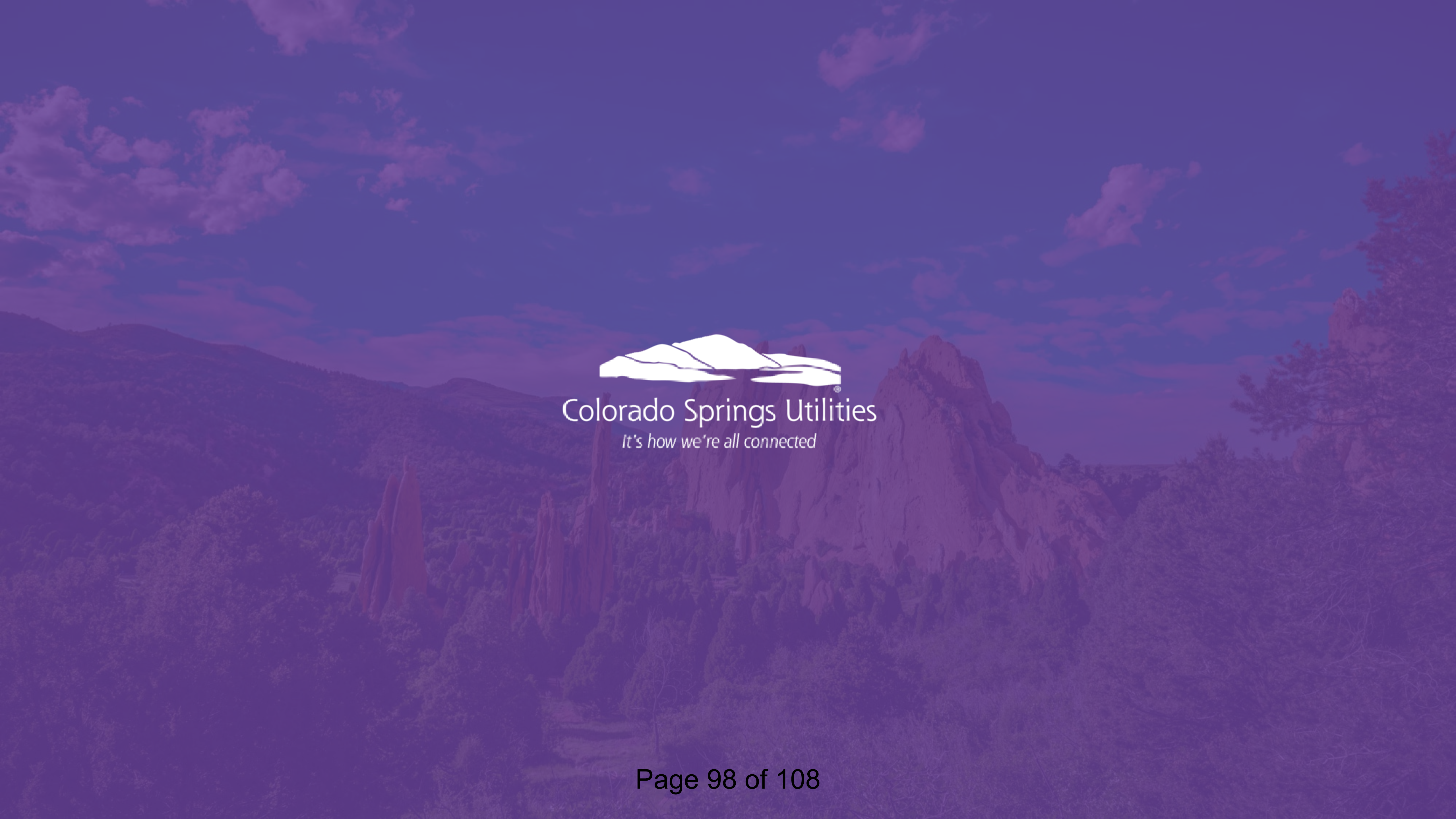
# Proposed Change

"The UPAC liaison is expected to attend the regularly scheduled UPAC meetings. At the regular Utilities Board meeting, the UPAC liaison is expected to provide updates from the UPAC."

# Next Steps

- Approve or disapprove the proposed change.

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# UTILITIES BOARD

# BYLAWS

Originally Adopted: May 21, 1997
Revised and Approved: February 19, 2025

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**COLORADO SPRINGS UTILITIES**
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## RULE 1. - BOARD OF DIRECTORS

(a) The City Council serves as the Board of Directors of Colorado Springs Utilities pursuant to Section 6-40(a) of the City Charter.

(b) The authority of the Utilities Board is set forth in Article 1 of Chapter 12 of the Code of the City of Colorado Springs.

(c) The Board's job description and details of the Policy Governance process utilized by the Board in carrying out its responsibilities are contained in the Utilities Board Policies.

## RULE 2. - BOARD OFFICERS AND DUTIES

(a) The officers of the Utilities Board are the Chair, Vice Chair and Secretary. The Chair and Vice Chair of the Utilities Board shall be elected by and from the members of the Utilities Board. The Chair of the Utilities Board shall have a voice and vote in the Utilities Board's proceedings. The Chair of the Utilities Board shall be recognized as leader of the Utilities Board. The Utilities Board will select the Utilities Board member to serve as Chair of the Utilities Board and the Utilities Board member to serve as Vice Chair of the Utilities Board by majority vote.

(b) Terms of office for the Utilities Board Chair and the Utilities Board Vice-Chair shall be two years. At its first regular meeting on or after the third Tuesday in April of each odd- numbered year, and biennially thereafter, the Utilities Board shall elect one of its members as Chair of the Utilities Board and one of its members as Vice Chair of the Utilities Board.

(c) The Chair of the Utilities Board, or in the Chair's absence, the Vice Chair of the Utilities Board, shall chair all regular or special meetings of the Utilities Board. In the absence of both the Chair of the Utilities Board and Vice Chair of the Utilities Board, the Utilities Board member with the most seniority present at the meeting shall chair the meeting and perform the duties of the Chair at the meeting. If two or more members have equal seniority, the Utilities Board shall select one of the most senior Utilities Board members to chair the meeting and perform the duties of the Chair at the meeting.

(d) The Chair of the Utilities Board may be removed from the office of Chair of the Utilities Board, but not as a Utilities Board member, by a vote of at least five (5) members of the Utilities Board.

(e) The Chief Executive Officer, or the Chief Executive Officer's designee, shall serve as Secretary to the Utilities Board.

The Chair or Vice Chair of the Utilities Board, as determined by the Chair, will serve as a liaison between Utilities Board and the Utilities Policy Advisory Committee (UPAC). The UPAC liaison will be the Utilities Board's direct point of contact with UPAC, communicating direction from Utilities Board to UPAC and providing guidance and support to UPAC so that Board expectations are met. The UPAC liaison is expected to attend the regularly scheduled

UPAC meetings. At the regular Utilities Board meeting, the UPAC liaison is expected to provide updates from the UPAC.

**RULE 3. - BOARD COMMITTEES**

(a) Colorado Springs Utilities Board has established four standing Committees of the Board (Finance Committee, Strategic Planning Committee, Personnel Committee, and the Program Management Review Committee).. The Board may establish other Committees on an ad hoc basis and only by a vote of the Utilities Board. The Board will establish the purpose and authority of each Committee e. Committees and are authorized to provide information and recommendations to the Utilities Board but do not have approval authority over operations or activities.

(b) Committee members are appointed from among members of the Utilities Board by the Utilities Board Chair and serve two-year terms concurrent with the municipal election cycle. Committee Chairs are appointed from among members of the Board Committees by the Utilities Board Chair and serve a two-year term concurrent with the municipal election cycle. Committees will have a minimum of three Board members.

(c) In the absence of the Chair during any Committee meeting, the Committee may designate a Chair. Regular attendance of members at Committee meetings is expected in order for the Committee to function effectively. Committee and Board members may be removed by the Utilities Board Chair.

(d) Committees will meet as often as may be deemed necessary or appropriate.

(e) Public notice of all meetings of the Committee shall meet governing legal requirements. The notice shall be served at least 24 hours prior to the time of such meeting. Copies of the agendas with attachments for meetings will be distributed to Committee members 24 hours prior to the time of such meeting.

(f) The Chief Executive Officer will provide Utilities staff support for Committees. The Chief Executive officer or designee will be responsible for preparing draft agendas for review and approval by the Committee and for keeping minutes of all Committee meetings. Copies of the minutes shall also be provided to members of the Utilities Board.

(g) At the discretion of the Committee or the majority of the Committee members present, public comment will be taken at meetings. Individual comments are limited to three minutes each unless time is extended by the Committee or majority of the Committee members present.

(h) A Committee member's attendance at a Committee meeting may be achieved electronically and/or telephonically with the approval of the Committee Chair.

**RULE 4. - MEETINGS**

(a) The regular meetings of the Utilities Board shall be held at 1:00 pm on the Wednesday following the third Tuesday of each month, unless another time for a specified regular meeting has been approved by the Chair or the Utilities Board and notice of the changed time for the specified regular meeting has been given in accordance with subsection (f) of this rule to the extent practical under the circumstances. In the event the time of a specified regular meeting is changed, the Chair or the Utilities

Board, as appropriate, shall also direct any change in the times for agenda preparation and distribution as necessary under the circumstances.

(b) The regular meetings of the Utilities Board shall be held in the Blue River Board Room, 5th Floor, Plaza of the Rockies South Tower, 121 S. Tejon Street, Colorado Springs, Colorado, unless another location for a specified regular meeting has been approved by the Chair or the Utilities Board and the substitute location for a specific regular meeting is specifically described in the agenda for that specific meeting.

(c) Five members of the Utilities Board shall constitute a quorum, but in the absence of a quorum, members present may adjourn the meeting to a later date or may attend to any matters not requiring a quorum. For the purpose of establishing a quorum, the Mayor shall not be counted as one of the five necessary members.

(d) Special meetings of the Utilities Board may be held at such time and place as stated in the notice of the meeting. The Chair may, or, upon the request of three Utilities Board members, shall call special meetings of the Utilities Board by notice to each of the Utilities Board members in writing, which notice shall state the purpose for which the meeting is called. The notice shall be served at least 24 hours prior to the time of such meeting. The notice shall be served personally or by email to each Utilities Board member at the email address shown on the Secretary's records.

(e) The Utilities Board by majority vote may recess a regular or special meeting to a time specified in the motion therefore.

(f) Public notice of all regular and special meetings of the Utilities Board shall at all times meet governing legal requirements. Copies of the complete agenda packet including all attachments will be posted on csu.org no later than one week before the meeting is to commence.

(g) The Board shall determine what monthly agenda topics are required as part of its annual planning calendar.

(h) The general format of monthly agendas shall be determined by the Board.

(i) The Chief Executive Officer shall be responsible for preparation of a draft agenda for each regular Utilities Board meeting. The draft agenda shall be reviewed by the Chair who shall have final authority as to items to be included on the monthly agenda in addition to the items required to be considered by the Boards' annual planning calendar.

(j) Agendas with attachments for regular meetings will be distributed to Utilities Board members by 5:00 p.m. on Wednesday of the week preceding each regular meeting.

(k) Utilities Board members may request agenda items by contacting the Chief Executive Officer's Office or the Manger of Strategic Planning and Governance or the Utilities Board Administrator. The cut-off time for requesting additional agenda items for regular meetings shall be 5:00 p.m. on Monday of the week preceding the regular meeting. For good cause, the Chair may authorize additional action or executive session items to be placed on the agenda for an upcoming meeting after this deadline provided that public notice of such additional action or executive session items is given in accordance with legal requirements and provided notice thereof is given to Board members in the same manner as required for a notice of special meeting under Rule (4)(d) above.

(l) As part of General Board Discussion, any Board member may raise any matter of concern relating to Utilities for discussion. However, no Board action can be taken on any such matter until it is placed on an agenda for a regular meeting or is a subject of a special meeting. Expense reimbursement matters may be discussed as part of General Board Discussion.

(m) Any Board members desiring to speak or to make a motion shall address the Chair as "Mr. (or Madam) Chair", and the Chair shall thereupon pronounce the name of the Board member entitled to the floor. Board members addressing the Board shall confine themselves to the issues being discussed.

(n) A Board member's presence at a Utilities Board meeting may be achieved electronically and/or telephonically with the approval of the Board Chair. Except in the event of extenuating circumstances, requests to attend a Utilities Board meeting electronically and/or telephonically must be submitted to the Board Chair no less than 7 days prior to a regular meeting of the Utilities Board, or no less than 12 hours prior to any special meeting of the Utilities Board.

**RULE 5. - CUSTOMER AND PUBLIC COMMENT**

(a) At each regular Utilities Board meeting, customers and members of the public shall be allowed to comment on any matters not on the current agenda and that are not repetitious, during the Customer Comment period. Individuals will be allowed a maximum of three (3) minutes, and the Customer Comment period will not exceed thirty minutes at each regular meeting. Time limits will be strictly enforced by Chair of the Utilities Board, unless the Chair agrees to extend the maximum time.

(b) At the discretion of the Chair, or the majority of Utilities Board members present, customers and members of the public will be allowed to comment or ask questions concerning other agenda items at regular meetings or concerning matters discussed at special meetings. Such comments or questions will be limited to three (3) minutes each, and will not exceed thirty minutes on any agenda item.

(c) Customers and members of the public may address the Utilities Board in person, electronically, or telephonically.

**RULE 6. - BOARD ACTIONS**

(a) Provided a quorum is present, the Utilities Board may take action only by resolution or motion.

(b) Resolutions or motions shall be approved by the majority vote of the members of the Utilities Board present, except that the affirmative votes of five members of the Utilities Board are required for adoption or revision of the Bylaws, adoption or revision of written Board Policies, and approval of any motion or resolution providing for the expenditure of money.

(c) A voice vote will be used for all Board items requiring a vote, with full details recorded in the minutes of the Utilities Board meeting. An additional roll call vote may be used as necessary for clarity or in the event a Board member is participating electronically and/or telephonically.

(d) Utilities Board resolutions shall be signed by the Chair and the Chief Executive Officer.

**RULE 7. - MOTIONS**

(a) When a motion is made and seconded, it may be restated by the Chair or by the Chief Executive Officer before a debate and again before the final vote. Any member may demand that a motion be reduced to writing. A motion may not be withdrawn by the mover without the consent of the second.

(b) When an item is before the Utilities Board, no motion shall be entertained except as listed according to priority (highest to lowest):

(1) Motion to Adjourn - Requires a second, is not debatable, is not amendable, and requires a majority vote of those present.

(2) Motion to Recess - Requires a second, is not debatable, is amendable only as to time and duration of recess, and requires a majority vote of those present.

(3) Motion to Postpone Temporarily - Requires a second, is not debatable, is not amendable, and requires a majority vote of those present.

(4) Motion to Close Debate - Requires a second, is not debatable, is not amendable, and requires a 2/3 vote of those present.

(5) Motion to Limit or Extend Debate - Requires a second, is debatable as to type and time of limitations, is amendable as to time and type of limitations, and requires a 2/3 vote of those present.

(6) Motion to Postpone to a Definite Time - Requires a second, is debatable as to reasons for postponement and date of reconsideration, is amendable as to date of reconsideration, and requires a majority vote of those present.

(7) Motion to Refer - Requires a second, is debatable as to the referral, is amendable as to the referral, and requires a majority vote of those present.

(8) Motion to Amend - Requires a second, is debatable unless applied to an undebatable motion, is amendable, and requires a majority vote of those present.

(9) Motion to Postpone Indefinitely - Requires a second, is debatable, is not amendable, and requires a majority vote of those present.

(10) Motion to Reconsider - Requires a second, is debatable, is not amendable, and requires a majority vote of those present. This motion can be made at the same meeting or at a meeting other than the meeting at which the action was taken. If made at a meeting other than the meeting at which the action was taken, all members of the Utilities Board must be given at least seven days written notice by the Chief Executive Officer that a named Board member is going to move to reconsider Item No. _ of the formal Utilities Board Agenda of (Date). If the motion to reconsider is voted upon and approved, no action shall be taken on the item

reconsidered until the next regular Utilities Board meeting.

(11) Main Motions - Requires a second, is debatable, is amendable, requires a majority vote of those present.

(c) In making any of the above motions, the motion maker may not interrupt another speaker.

**RULE 8. - SPECIAL MOTIONS**

(a) These motions must be disposed of immediately:

(1) Motion Objecting to Consideration - This motion must be made immediately after an item is called to the attention of the Utilities Board by the Chief Executive Officer. This motion enables the Utilities Board to avoid a main motion that would be undesirable to consider at the time. It does not require a second, is not debatable, is not amendable, and requires a 2/3 vote of those present.

(2) Motion to Withdraw - A mover of any motion may withdraw the motion as a matter of right so long as the consent of the second is first obtained.

(3) Motion to Suspend Rules - This motion applies to all procedural rules herein. The purpose of this rule is to enable the Utilities Board to set aside one or more of its procedural rules that would otherwise prevent consideration of a certain action. A motion to suspend rules suspends only those rules which specifically interfere with the consideration of the particular action involved. The rules are suspended only temporarily and are automatically reactivated when the proposed action has been considered. Voting or notice requirements set forth in these Bylaws and rules set forth in the City Charter, City Code, Utilities tariffs or written Board Policies may not be altered by suspending the rules. A motion to suspend rules is not a debatable motion and may not be amended. It requires a majority vote of the Utilities Board members present.

**RULE 9. - MINUTES AND RECORDINGS**

(a) The Chief Executive Officer will be responsible for keeping minutes of all Utilities Board meetings. Minutes of the previous regular meeting and any special meetings occurring in the previous month shall be included in the Utilities Board member's agenda packets for distribution prior to each regular meeting.

(b) All regular and special Utilities Board meetings will be recorded, and the audio recordings will be archived.

(c) Minutes of the Utilities Board shall be archived and then posted on Colorado Springs Utilities' website, for a minimum of three (3) years, in order to be available for public access.

**RULE 10. - EXECUTIVE SESSION PROCEDURES**

(a) The Chief Executive Officer and the City Attorney's Office Utilities Division Chief shall prepare the agenda for the Executive Session of the Utilities Board meeting. The agenda shall include those items that may be discussed in closed session.

(b) In compliance with the Colorado Open Meetings Act, prior to convening an

Executive Session, the Chair shall announce the general topics of the Executive Session as set forth below. The Chair shall poll Board members, and, upon consent of two thirds of the Board members present, not including the Mayor if he or she is present, may hold a closed Executive Session. The Mayor may attend an Executive Session, but must comply with Rule 13 when in attendance at an Executive Session. If consent to the closed Executive Session is not given, the item may be discussed in open session or withdrawn from consideration.

(c) No adoption of any proposed policy, position, resolution, rule, regulation or formal action shall occur in Executive Session which is not open to the public. However, Utilities Board members may receive information and provide direction, as provided by law in the following areas:

(1) Purchase, acquisition, lease, transfer, or sale of any real, personal or other property interests.

(2) Conferences with the City Attorney or other attorneys for Utilities, for the purposes of receiving legal advice on specific legal questions, issues or matters.

(3) Matters required to be confidential by federal or state law or rules and regulations.

(4) Specialized details of security arrangements or investigations.

(5) Determining positions relative to matters that may be subject to negotiations, developing strategy for negotiations, and instructing negotiators.

(6) Personnel matters except if the employee who is subject of the session has requested an open hearing, or if the personnel matter involves more than one employee, all the employees have requested an open meeting.

(7) Consideration of any documents protected by mandatory nondisclosure provisions of the Colorado Open Records Act or other information which is considered confidential or proprietary and, thus, would not be subject to disclosure requirements of the Colorado Open Records Act.

(d) Executive Sessions will be electronically recorded, and the audio recordings will be archived. All such recordings shall be privileged and confidential records.

(e) Any items discussed in Executive Session requiring formal Utilities Board or Council consideration ordinarily will be put on the next regular Utilities Board or City Council meeting agenda as a Utilities Business item.

(f) Nothing herein shall restrict the Board from deciding to hold an Executive Session regarding any other agenda item provided such decision meets the criteria set forth in sub paragraph 10 (c) above.

(g) Prior to entering into any Executive Session, Board members participating electronically or telephonically shall ensure that no other individual not authorized to participate in the Executive Session is present or able to hear the matter discussed as part of the Executive Session.

**RULE 11. - EXPENSE REIMBURSEMENT**

(a) Utilities Board may authorize reimbursement of expenses incurred by its members for travel and educational purposes relating to their duties as Utilities Board members. Such reimbursements shall be in accordance with Colorado Springs Utilities then current travel policies. Any conflicts or issues shall be resolved by the Utilities Board.

(b) No vote of Utilities Board or of City Council shall be required to authorize such reimbursements.

(c) The appropriate Staff of Colorado Springs Utilities will coordinate necessary travel arrangements and will process reimbursement requests.

**RULE 12. - MODIFICATION OF BYLAWS**

(a) Utilities Board members can suggest modifications to Bylaws by placing the matter as an agenda item at a regular Utilities Board meeting.

(b) The Chief Executive Officer may suggest Bylaw revisions, but the decision to bring any such matters to a vote will be reserved to the Utilities Board.

**RULE 13. - ROLE OF THE MAYOR ON THE UTILITIES BOARD**

The Mayor shall have the right, but not the obligation, to attend Utilities Board meetings. Under City Charter Art. 6- 40(a), which states that the Mayor is "an ex officio and non-voting member" of the Utilities Board, he or she does not have the right to vote as part of the Utilities Board; additionally, the Mayor shall not make or second any motions as a member of the Utilities Board. The Mayor may participate freely, within the procedural rules of the Utilities Board, in discussions, asking questions, and providing comments. Additionally, the Mayor may attend Executive Sessions of the Utilities Board in accordance with Rule 10.

**RULE 14. – APPLICATION OF CITY COUNCIL RULES**

In the event these Bylaws do not address a matter or issue, and such matter or issue is addressed by the Rules and Procedures of City Council, the Utilities Board shall apply the Rules and Procedures of City Council when considering such matter or issue.