



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

**AGENDA**  
**Wednesday, March 18, 2026**  
**1:00 p.m. – 5:00 p.m.**  
[Join the meeting now](#)  
**Dial-in by phone**  
[+1 719-733-3651,,932234228#](tel:+17197333651,932234228)

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- |                  |  |   |
|------------------|--|---|
| <b>1:00 p.m.</b> | <b>1. Call to Order</b>  | Chair Donelson                          |
| <b>1:05 p.m.</b> | <b>2. Invocation and Pledge of Allegiance</b>  | Chair Donelson                          |
| <b>1:10 p.m.</b> | <b>3. Consent Agenda</b><br>These items will be acted upon as a whole unless a specific item is called for discussion by a Board Member or a customer wishing to address the Utilities Board. (Any items called up for separate consideration shall be acted upon following Compliance Reports.) <ul style="list-style-type: none"> <li>• <b>Approval of Feb. 18, 2026, Utilities Board meeting minutes</b></li> </ul>   | Chair Donelson                          |
| <b>1:15 p.m.</b> | <b>4. Customer Comments</b> <ul style="list-style-type: none"> <li>• During the customer comment period, comments are accepted for any topic not on the agenda.</li> <li>• Comments for specific agenda items will be taken following the presentation of the item and the Board’s discussion.</li> <li>• Comments will be limited to three minutes per speaker, per item.</li> <li>• 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.</li> </ul> | Chair Donelson                          |
| <b>1:20 p.m.</b> | <b>5. Compliance Reports:</b> <ul style="list-style-type: none"> <li>• <b>ER: 1-3 Utilities Board Expected Results Year End Performance – Scorecard</b></li> <li>• <b>I-4 Risk Management – Office of the City Auditor’s Report</b></li> <li>• <b>I-5 Economic Development</b></li> <li>• <b>I-8 Asset Protection</b></li> <li>• <b>I-13 Community Investment</b></li> <li>• <b>CEO/Board Partnership Responsibilities – CEO Responsibilities</b> <ol style="list-style-type: none"> <li>1. Water Outlook</li> </ol> </li> </ul>   | Travas Deal,<br>Chief Executive Officer |

2:00 p.m.	<b>6. Items Called Off Consent Agenda</b>	Chair Donelson
2:05 p.m.	<b>7. Drought Response Resolution</b>	Abigail Ortega, General Manager of Resource and Infrastructure Planning
2:20 p.m.	<b>8. Electric Cost Adjustment/Gas Cost Adjustment Rate Filing</b> <u>Informational presentation</u> regarding City Council approval of an Electric Cost Adjustment and Gas Cost Adjustment rate filing.	Scott Shirola, Pricing and Rates Manager
2:35 p.m.	<b>9. Authorization of the Use of a Possession and Use Agreement and/or Eminent Domain to Acquire Permanent Easements on Properties Owned by the Lockwood Limited Liability Company Needed for the Kelker to South Plant Transmission Project</b> <u>Vote</u> to recommend approval of a resolution authorizing the use of a possession and use agreement and/or eminent domain to acquire an easement from Lockwood Limited Liability Company for the Kelker to South Plant Transmission Project, pursuant to section 7.3(e) of the City's Real Estate Manual.	Jessica Davis, Manager of Facilities and Land Resources
2:45 p.m.	<b>10. Board Member Updates</b>	Chair Donelson
2:50 p.m.	<b>11. Summary of Board Actions</b>	Anna Bingman, Utilities Board Administrator
2:55 p.m.	<b>12. Executive Session</b> In accordance with City Charter art. III, § 3-60(d) and its incorporated Colorado Open Meetings Law, C.R.S. § 24-6-402(4)(f) and Utilities Board Bylaws Rule 10(c)(6), the Utilities Board, in Open Session, is to determine whether it will hold a Closed Executive Session on one issue. The issue to be discussed is the 2025 year-end performance review of the Chief Executive Officer.  The City Attorney's Office, on behalf of the Chair of the Utilities Board, shall poll the Utilities Board members, and, upon consent of two-thirds of the members present, may conduct a Closed Executive Session. In the event any Utilities Board member is participating electronically or telephonically in the Closed Executive Session, each Utilities Board member participating electronically or telephonically in the Closed Executive Session shall affirmatively state for the record that no other member of the public not authorized to participate in the electronic Closed Executive Session is present or able to hear the matters discussed as part of the Closed Executive Session. If consent to the Closed Executive Session is not given,	Renee Congdon, Utilities Division Chief, Office of the City Attorney

the item may be discussed in Open Session or withdrawn from consideration.

**4:00 p.m.**

**13. Adjournment**

Chair Donelson



**Minutes**  
**Wednesday, February 18, 2026**  
**1:00 p.m. – 5:00 p.m.**  
**Blue River Board Room**

**1. Call to Order**

Chair Dave Donelson called the meeting to order at 1:03 p.m.

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

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

Excused – Board Member David Leinweber

**2. Invocation and Pledge of Allegiance**

Mr. Eric Carpenter, Lead Pastor at Springs Community Church, offered the invocation, and Chair Donelson led the Pledge of Allegiance.

**3. Consent Agenda**

- **Approval of the January 21, 2026, Utilities Board Meeting Minutes**
- **I-2, Financial Conditions and Activities Governance Manual Revisions**
- **1-4, Risk Management Governance Manual Revisions**

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

**4. Customer Comments**

Mr. James Lockhart, Conservation Chair for the Pikes Peak Sierra Club, shared his concerns over Senate Bill 26-022 which would keep the Ray Nixon Power Plant operational while Colorado Springs Utilities find affordable and reliable replacement power supplies. Mr. Lockhart stated that more than 50 other utilities throughout the state are committed to meeting the Clean Energy Plan goals and is concerned that Colorado Springs Utilities appears to not be. He said the Sierra Club was presented an analysis on this plan, adding that coal is the more expensive alternative to clean energy.

**5. Recognition**

- **2026 Military Friendly Employer**

Ms. Renee Adams, Chief Human Resources Officer, informed the Board that Colorado Springs Utilities had recently received a gold level designation for 2026 Military Friendly Employer and 2026 Military Spouse Friendly Employer. Ms. Adams expressed the great pride that Springs Utilities takes in the veterans and active-duty service members who are a part of the workforce. Ms. Adams introduced Mr. Jonathan Leipe, Human Resources Supervisor, and Mr. Jason Green, Project Manager II, to tell the Board more about this designation.

Chair Donelson thanked the team for their efforts in achieving this award, and said it meant a lot that Colorado Springs Utilities hires from the wonderful and diverse pool of veterans and service members in the community.

**6. Compliance Reports:**

- **I-4 Risk Management**
- **I-6 Infrastructure**
- **E-2 CEO/Board Partnership Responsibilities**
  - Water Outlook
  - Electric Cost Adjustment / Gas Cost Adjustment Update

There was no presentation for these items.

**7. Items Called Off Consent Agenda**

No items were called off consent.

**8. Update on Arkansas Water Sharing Program Activities**

Mr. Scott Lorenz, Resource Planning Supervisor, introduced Mr. Caleb Wertz and Ms. Zaiden Wertz, two farmers from the Lower Arkansas Basin, who provided an overview on their low-water farming techniques and updates on a project that is testing the viability of growing cotton as a low-water use crop. This project overlaps with the Center Pivot Project, as Mr. Wertz was the first to partner with Springs Utilities in that program. Ms. Wertz shared additional information about how they advertise this information and educate other farmers in the surrounding area on low water crop growing.

The Utilities Board expressed their sincere appreciation for Mr. and Ms. Wertz's commitment to water conservation and approach to learning new farming techniques.

Board Member Henjum asked what Mr. and Ms. Wertz would like Colorado Springs Utilities customers to know about their operations. Mr. Wertz responded that he hoped people would understand the importance of the project and honor the sacrifices that go into a project like this, especially since it is very different from traditional farming techniques and values.

Chair Donelson commented that Mr. and Ms. Wertz are wonderful spokespeople for this type of partnership and a great representation of farming in the Lower Arkansas Valley.

**9. Electric Large Load Rate Schedule**

Mr. Scott Shirola, Pricing and Rates Manager, presented the Electric Large Load Rate Schedule. Mr. Shirola noted that while there is no change to the rates in this resolution, a clarifying sentence has been added that gives Spring Utilities the ability to execute economic development special contracts to customers receiving service under this rate schedule. This change supports the I-5 Economic Development instruction and rate competitiveness. This has always been allowed through Utilities Rules and Regulations (URRs), but is spelled out more clearly in this additional sentence. Mr. Shirola also clarified why there are five tariff sheets affected by this change, stating that the additional sentence on the first page bumped language on to the subsequent four sheets. There were also a few other small administrative changes made to clean up the language.

Board Member Risley stated that he was very vocal about this change, and clarified he wanted the change made to both the tariff and the URRs so this would not be an impediment to potential prospects who look more closely at the tariff itself and not just the rules and regulations.

Chair Donelson asked for a thumbs up from Board Members to put this item on the consent agenda at the February 24, 2026, regular City Council Meeting. All Board Members provided a thumbs up.

**10. Distribution Integrity Management Program (DIMP) Acceleration Plan and Natural Gas Rate Filing**

Mr. Shirola presented the Distribution Integrity Management Program (DIMP) Acceleration Plan and Natural Gas Rate Filing. Mr. Shirola reminded the Board of the federal requirements for the DIMP acceleration plan and provided an explanation of the natural gas line item that customers and businesses will see on future bills.

Mr. Shirola reiterated that this was not included in the five-year rate case that was approved in November 2024, and the first federal order from Pipeline and Hazardous Materials Safety Administration (PHMSA) for this program was delivered in October 2024. This temporary bill rider will allow Springs Utilities to accelerate the DIMP program and complete work in a 10-year timeframe rather than the previously anticipated 80-year timeline.

Mr. Shirola also provided information on the various resources that customers can use if they need assistance with their utility bill. The resolution would request a hearing date at the March 10, 2026, regular City Council meeting, with a vote at the April 28, 2026, regular City Council meeting. The effective date for the bill rider would be July 1, 2026. Mr. Tristan Gearhart, Chief Planning and Finance Officer, commented that quarterly filings for the Electric Cost Adjustment and Gas Cost Adjustment will be taking place around the same time, and the Board discussed keeping a potential gas cost adjustment on the same timeline

as the DIMP item. This would make the ECA/GCA changes take effective May 1, 2026, instead of April 1, 2026, however they could be approved at the same City Council meeting.

Board Member Henjum asked Mr. Shirola to provide additional background information on the initial work plan prior to the order from the federal government. Ms. Jennifer Alecci, Operations Technical Services General Manager, answered that Springs Utilities began working on the DIMP plan in 2011 when the regulation came out, and then has worked ever since to inventory the natural gas system and develop the program. Following inspections with the Colorado Public Utilities Commission, indicators of areas in need of replacement were received.

In 2023, Springs Utilities significantly increased the program budget from \$3 million to \$15 million annually. However, around this time, it became clear that the rate of change needed to be increased to work in conjunction with regulators. Staff then went to PHMSA to renegotiate the consent agreement and update the timeline. Board Member Henjum thanked Ms. Alecci for her explanation and stated that it is important for customers to be aware that this has been an ongoing process since before 2024.

Chair Donelson asked if it was fair to assume there had been a program in place to inspect and replace these lines, however an agreement with the regulatory agency is what required the significant speed up. Ms. Alecci agreed with this statement, and that staff agrees with PHMSA. The factor of safety will be elevated sooner than later, which is a positive outcome of this change.

Mr. Gearhart reiterated that the five-year rate case supports a lot of capital improvement and it was discussed in 2024 what would happen if other critical needs came up, such as this one. He stated that this agreement was not finalized at the time of the rate case, so this is just the best way to move forward from now until 2029 to get critical work done and can be re-evaluated in the future on whether it will remain a rider or be factored into base rates. Mr. Travas Deal, Chief Executive Officer, explained that of all the commodities, gas has the least amount of bandwidth in transmission, so there is no way to budget to cut or prioritize work, hence the large increase in budget for the project.

Vice Chair Williams agreed with Mr. Gearhart that it would be better to implement savings earlier for customers. Mr. Gearhart said there is always an ECA/GCA update at the Working Committee meeting and could bring the filing information forth next month.

Chair Donelson asked for a thumbs up from Board Members to put this item on the Consent Agenda at the March 10, 2026, Regular City Council Meeting. All Board Members provided a thumbs up. The item going to the March 10 City Council meeting is a request to set a hearing date, not the actual hearing itself.

**11. Northern Monument Creek Interceptor Project Intergovernmental Agreement Addendum and Triview and Forest Lakes Regional Service Agreements**

Mr. Andy Muser, Infrastructure Project Manager, and Mr. Bryan English, Project Development Manager, presented the Board with the Northern Monument Creek Interceptor (NCMI) Intergovernmental Agreement (IGA) Addendum and the Triview and Forest Lakes Regional Service Agreements. Mr. Muser provided an overview of the NMCI, and the partnerships between all parties involved, to include the Triview and Forest lakes Metropolitan Districts. The addendum establishes agreement that the cost proposals received have been reasonable and that all partners want to move ahead on the project. Additionally, the addendum establishes an equitable interest in the capacity of the interceptor. Mr. English then explained the two wastewater service agreements, the locations of the metropolitan districts, and the customers served, both business and residential.

Board Member Henjum asked for a definition of normal domestic strength wastewater. Mr. English responded that this is the typical residential or business flows. These contracts cover any special industrial wastewater discharges that would be of concern to Springs Utilities or disrupt the treatment process at the plant.

Board Member Bailey made the motion to move the NMCI IGA addendum forward to the February 24, 2026, Regular City Council Meeting. Board Member Henjum seconded the motion. The motion carried. The Board agreed to put this item on the Consent Agenda.

Board Member Bailey made the motion to move the Triview Regional Service Agreement forward to the March 24, 2026, Regular City Council Meeting. Board Member Gold seconded the motion. The motion carried. The Board agreed to put this item on the Consent Agenda.

Board Member Gold made the motion to move the Forest Lakes Regional Service Agreement forward to the March 24, 2026, Regular City Council Meeting. Board Member Henjum seconded the motion. The motion carried. The Board agreed to put this item on the Consent Agenda.

**12. Intergovernmental Agreement Between Colorado Springs Utilities (“Springs Utilities”) and the City of Aurora, acting through its Utilities Enterprise, Aurora Water**

Ms. Kim Gortz, Water Supply Resources Manager, provided the Board with the Intergovernmental Agreement (IGA) between Colorado Springs Utilities and the City of Aurora, acting through its Utilities Enterprise, Aurora Water. Ms. Gortz explained that this IGA is a cost share agreement for the Wild Horse Second Valve as part of the Homestake project. The IGA details the ownership, operations, maintenance, repair and cost of the second valve that will create a connection to the Otero Pipeline for Wild horse Reservoir deliveries.

Board Member Henjum made the motion to move the IGA forward to the February 24, 2026, Regular City Council Meeting. Board Member Risley seconded the motion. The motion carried. The Board agreed to put this item on the Consent Agenda.

**13. Sterling Ranch Area – Proposed Natural Gas Service Boundary Adjustment**

Mr. Todd Sturtevant, Customer Utilities Connection Manager, presented the Board with a proposed natural gas service boundary adjustment in the Sterling Ranch area. Mr. Sturtevant explained the controlling law, provided a map of the boundary adjustment, and next steps. The affected territory is outside of City limits, so this does impact Black Hills Colorado Gas. The gas territory boundary is proposed to align with the east side of Briargate Boulevard, west of Vollmer Road. The current service boundary does not follow the current and soon-to-be platted parcel borders, and this adjustment would follow that alignment.

Chair Donelson asked for a thumbs up from Board Members to put this item on the Consent Agenda at the March 10, 2026, Regular City Council Meeting. All Board Members provided a thumbs up.

**14. Sun Hills Subdivision – Proposed Natural Gas Service Boundary Adjustment**

Mr. Todd Sturtevant presented the Board with a proposed natural gas service boundary adjustment in the Sun Hills subdivision. Mr. Sturtevant provided the controlling law, and displayed a map of the proposed boundary adjustment, which will impact Black Hills Colorado Gas.

Chair Donelson asked for a thumbs up from Board Members to put this item on the Consent Agenda at the March 10, 2026, Regular City Council Meeting. All Board Members provided a thumbs up.

**15. Changes to City Code § 12.1.108 and the Rules and Procedures of City Council Regarding the Rate Changes Process**

Ms. Renee Congdon, Utilities Division Chief, Office of the City Attorney, presented the Board with the proposed changes to City Code § 12.1.108 and the Rules and Procedures of City Council Regarding the Rate Changes Process.

Ms. Congdon explained that following the rate case last fall, it was pointed out that there were some ambiguities in the current process that needed to be cleaned up. The changes proposed to the City Code and Rules and Procedures of City Council will define the timeline of rate changes, setting the hearing, and when items need to be finalized, as well as the disclosure of ex-parte communication. The changes to the Rules and Procedures of City Council will be presented at Council lunch on February 23, 2026, at the Work Session on March 9, 2026, and at the Regular City Council Meeting on March 24, 2026.

Board Member Crow-Iverson commented that the lunch presentation to Council on February 23 was not on their agenda. Ms. Congdon responded that Mr. Michael

Montgomery, Deputy City Council Administrator, would be providing the presentation. Board Member Crow-Iverson said she would verify this with City Council staff.

Vice Chair Williams made the motion to move the Changes to City Code § 12.1.108 and the Rules and Procedures of City Council Regarding the Rate Changes Process forward to the February 24, 2026, Regular City Council Meeting. Board Member Risley seconded the motion. The motion carried. The Board agreed to put this item on the Consent Agenda.

#### **16. Board Member Updates**

Vice Chair Williams thanked Ms. Congdon for all of the work to clear up communication around rate changes.

Board Chair Donelson thanked Ms. Bingman for her work facilitating this meeting as it was her first Utilities Board Meeting as the Utilities Board Administrator.

#### **17. Summary of Board Actions**

Ms. Bingman provided a summary of Board Actions:

- Approved the January 21, 2026, Utilities Board Minutes
- Approved the I-2, Financial Conditions and Activities Governance Manual Revisions
- Approved the I-4, Risk Management Governance Manual Revisions
- Recommended the Electric Large Load Rate Schedule be placed on the February 24, 2026, regular City Council meeting on Consent.
- Recommended the Distribution Integrity Management Program (DIMP) Update to the Rate Case be placed on the March 10, 2026, regular City Council meeting agenda as Utilities Business.
- Recommended the Northern Monument Creek Interceptor IGA addendum be placed on the Feb. 24, 2026, regular City Council meeting on Consent.
- Recommended the Triview Service Agreement be placed on the March 24, 2026, regular City Council meeting on consent.
- Recommended the Forest Lakes Regional Service Agreement be placed on the March 24, 2026, regular City Council meeting on consent.
- Recommended the Intergovernmental Agreement between Colorado Springs Utilities and the City of Aurora be placed on the Feb. 24, 2026, regular City Council meeting on consent.
- Recommended the Sterling Ranch Area – Proposed Natural Gas Service Boundary Adjustment be placed on the March 10, 2026, regular City Council meeting agenda on consent.
- Recommended the Sun Hills Subdivision – Proposed Natural Gas Services Boundary Adjustment be placed on the March 10, 2026, regular City Council meeting agenda on consent.
- Recommended the City Code section 12.1.108 be placed on the February 24, 2026, regular City Council meeting agenda on consent.

**18. Executive Session**

Ms. Renee Congdon read the meeting into Closed Executive Session.

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

Board Members took a five-minute break at 3:13 p.m. to prepare the room.

The Regular Utilities Board Meeting came back into session at 4:27 p.m.

**19. Adjournment**

Chair Donelson adjourned the meeting at 4:28 p.m.



**Date:** March 18, 2026

**To:** Utilities Board

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

**Subject:** **Excellence in Governance - Utilities Board Expected Results (ER: 1-3) Year-end 2025**

**Desired Action:** Monitoring

**Compliance:** Performance Measures: 3.86 = Exceeds Expectations  
 Competencies: 4.42 = Exceeds Expectations  
 Overall Score: 4.14 = Exceeds Expectations

EXPECTATIONS			
Category:	<b>Utilities Board/Chief Executive Officer Partnership Expectations</b>	Reporting Timeframe:	<b>As of December 31, 2025</b>
Policy Title (Number):	<b>Utilities Board Expected Results Balanced Scorecard (ER: 1-3)</b>	Reviewing Committee:	<b>Working Committee</b>
Monitoring Type:	<b>Internal</b>		
Monitoring Frequency:	<b>Semi-annually</b>		

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

The Board Expected Results elements are allocated as follows:

- 50% toward achieving performance measure targets related to the Utilities Board strategic focus areas of reliability, rates and relationships. The performance measures result is 3.86 on a scale of 1 to 5.
- 50% based on the Utilities Board assessment of CEO leadership competencies. The CEO leadership competencies result is 4.42 on a scale of 1 to 5.
- The overall Board Expected Results score is 4.14 on a scale of 1 to 5.

The overall rating is based on the scale below.

Rating Scale				
<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
<b>Does Not Meet Expectations</b>	<b>Partially Meets Expectations</b>	<b>Meets Expectations</b>	<b>Exceeds Expectations</b>	<b>Far Exceeds Expectations</b>
<b>&lt;2.00</b>	<b>2.00 - 2.99</b>	<b>3.00 - 3.74</b>	<b>3.75 - 4.49</b>	<b>&gt;4.49</b>

The Year-end 2025 Board Expected Results rating is derived from evaluation of performance measures in the enterprise scorecard as outlined below.

MEASURE DESCRIPTION

**Strategic Objective Supported:** Operational Excellence

**Reported as:** 12 month rolling average

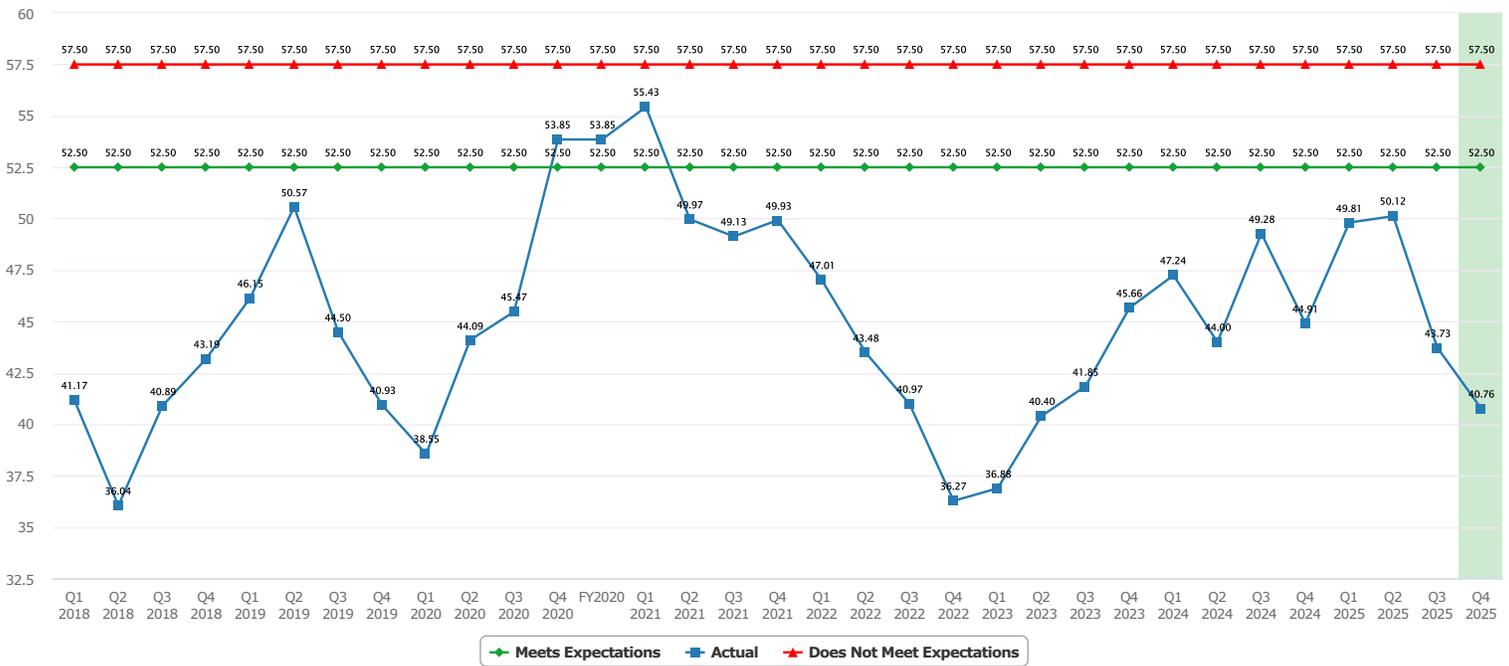
**Target range:** 52.50 – 47.51 (minutes interruption per customer per year)

MEASURE PERFORMANCE

The year-end 2025 result is 40.76 minutes.

TREND CHART

Electric System Average Interruption Duration Index (SAIDI)  
 In Minutes per Customer - Lower is Better



PERFORMANCE ANALYSIS

- There were 170 sustained outages in the fourth quarter of 2025.
- There were 1,010 sustained outages from January 2025 through December 2025.
- There were no Major Event Days (MED) during this period.
- According to the 2025 Institute of Electrical and Electronics Engineers (IEEE) Reliability Benchmark Survey (2024 data), Colorado Springs Utilities ranked fifth out of 73 survey participants for Electric SAIDI performance.

### 3 C1b Failures per 100 Miles of Natural Gas Pipe

Performance Measure Status: Meets Expectations

#### MEASURE DESCRIPTION

**Strategic Objective Supported:** Operational Excellence

**Reported as:** 12 month rolling average

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

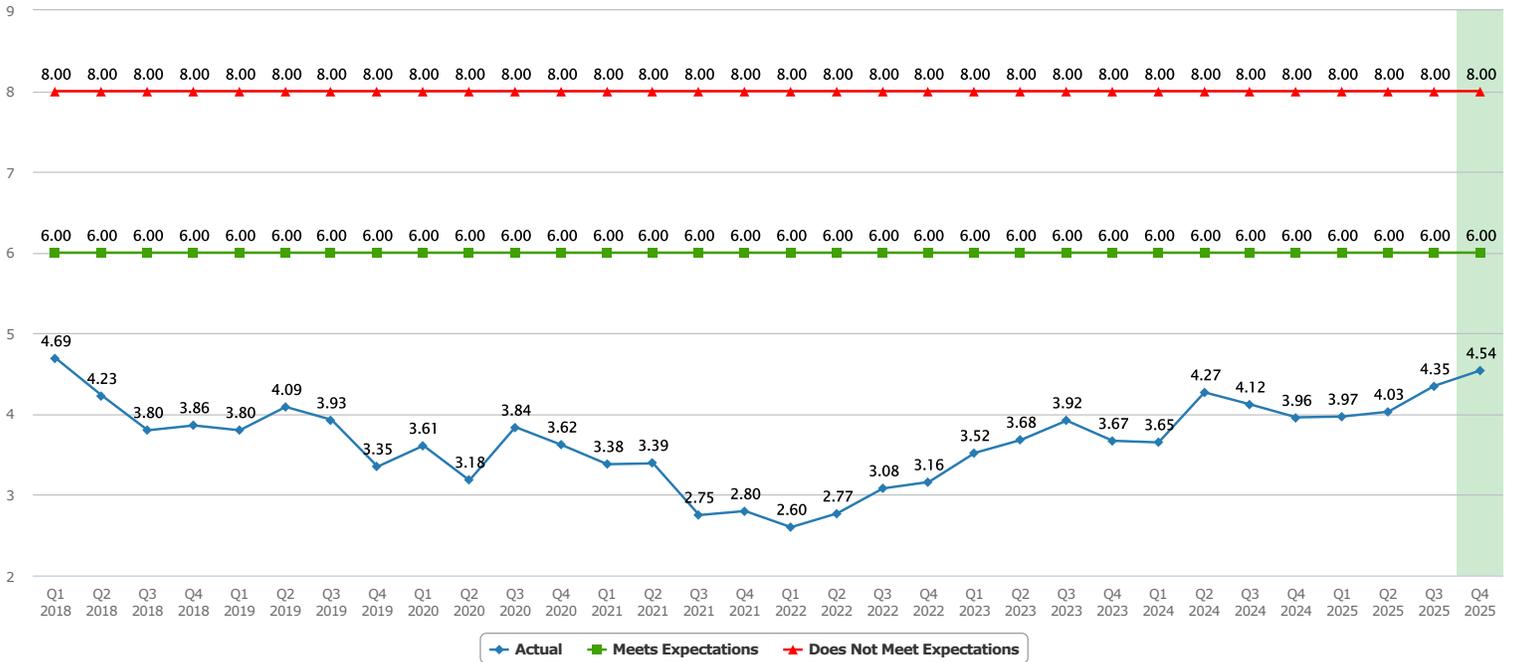
#### MEASURE PERFORMANCE

The year-end 2025 result is 4.54 failures per 100 miles of pipe.

#### TREND CHART

### Failures per 100 Miles of Natural Gas Pipe

Number of Failures - Lower is Better



#### PERFORMANCE ANALYSIS

- There were 262 failures on the 5,774 miles of gas pipe from Dec 2024 through Dec 2025.
- $262 / 57.74 = 4.54 = \text{Meets Expectations}$

MEASURE DESCRIPTION

**Strategic Objective Supported:** Operational Excellence

**Reported as:** 12 month rolling average

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

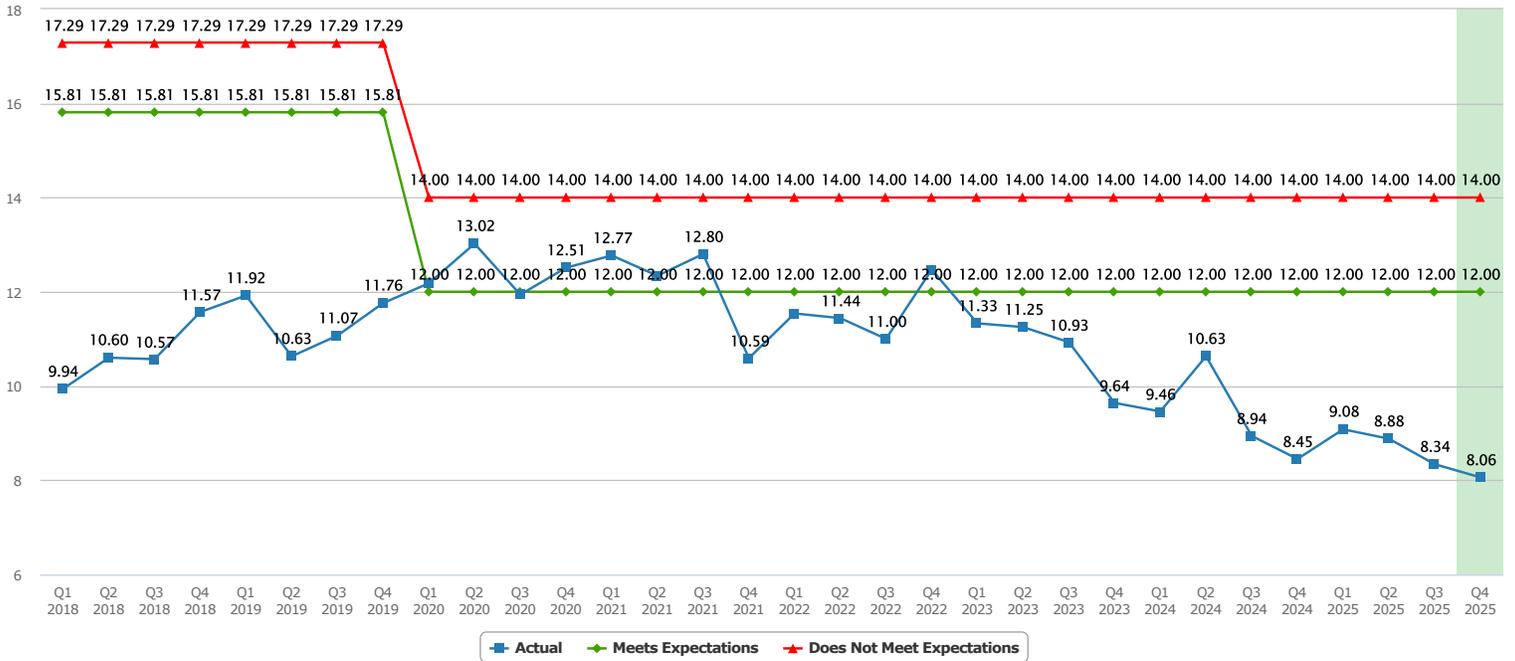
MEASURE PERFORMANCE

The year-end 2025 result is 8.06 failures per 100 miles of pipe.

TREND CHART

Failures per 100 Miles of Water Pipe

Number of Failures - Lower is Better



PERFORMANCE ANALYSIS

- There were a total of 63 failures on 2,321 miles of pipe in Q4 2025. 42 of the failures were main breaks, 19 were main leaks, 2 were valve leaks.
- There were a total of 187 failures on 2,321 miles of pipe in all of 2025. 111 of the failures were main breaks, 56 were main leaks, 2 were hydrant leaks and 18 were valve leaks.
- A detailed analysis by System Planning and Projects Division shows that, at current funding levels for the capital program that addresses water main replacement, cathodic protection, and lining of water mains, a minimal increase in water main failures is expected over the next 5 years.
- The capital program prioritizes addressing high risk water mains, minimizing leaks under new pavement, and aligning with the City’s paving initiative.

MEASURE DESCRIPTION

**Strategic Objective Supported:** Operational Excellence

**Reported as:** 12 month rolling average

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

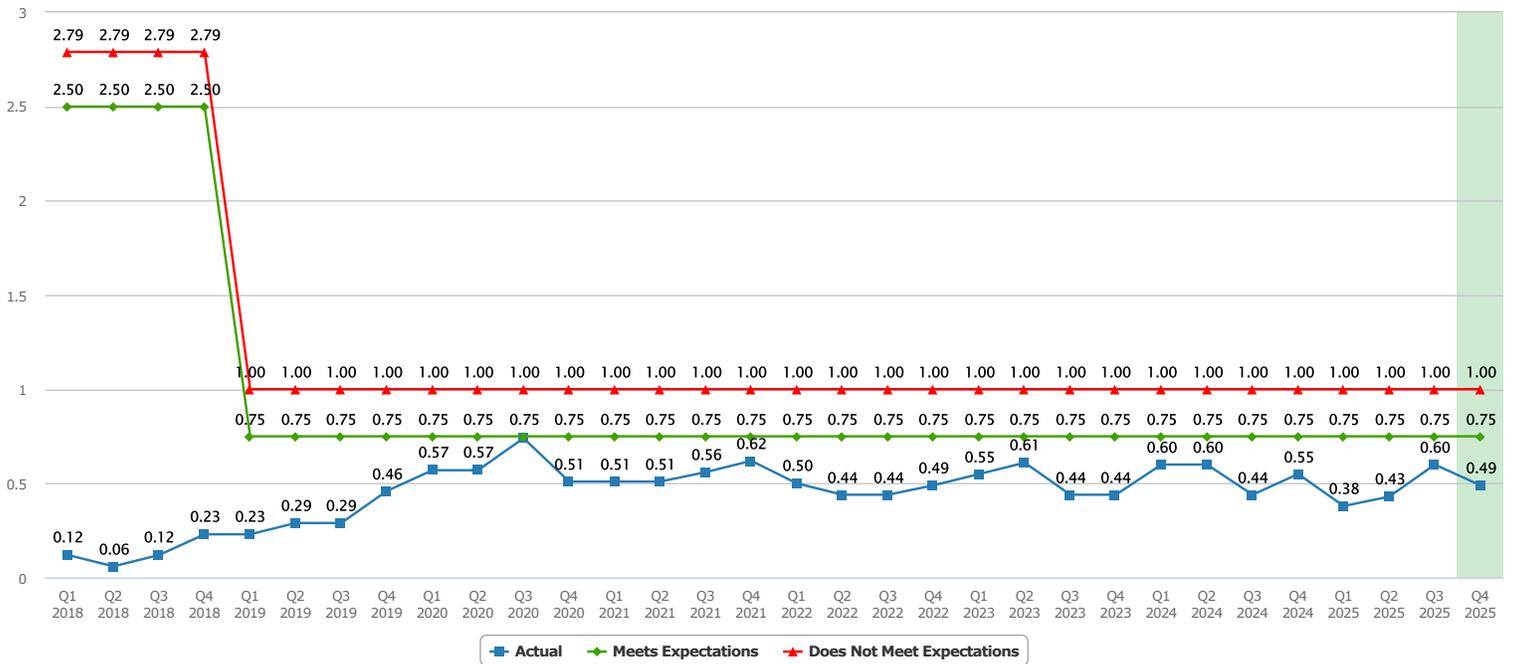
MEASURE PERFORMANCE

The year-end 2025 result is 0.49 failures per 100 miles of pipe.

TREND CHART

Failures per 100 Miles of Wastewater Pipe

Number of Failures - Lower is Better



PERFORMANCE ANALYSIS

- In the fourth quarter, there was one (1) failure event due to roots resulting in a backup into a residence.
- There have been a total of nine (9) failure events from Q1 – Q4 2025, one of which resulted in a reportable Sanitary Sewer Overflow.
- By comparison, the year-end 2024 result was 0.55 failures per 100 miles of pipe. Through the same reporting event in 2024, there were ten (10) failure events.

MEASURE DESCRIPTION

**Strategic Objective Supported:** Financial Accountability

**Reported as:** Average natural gas bill

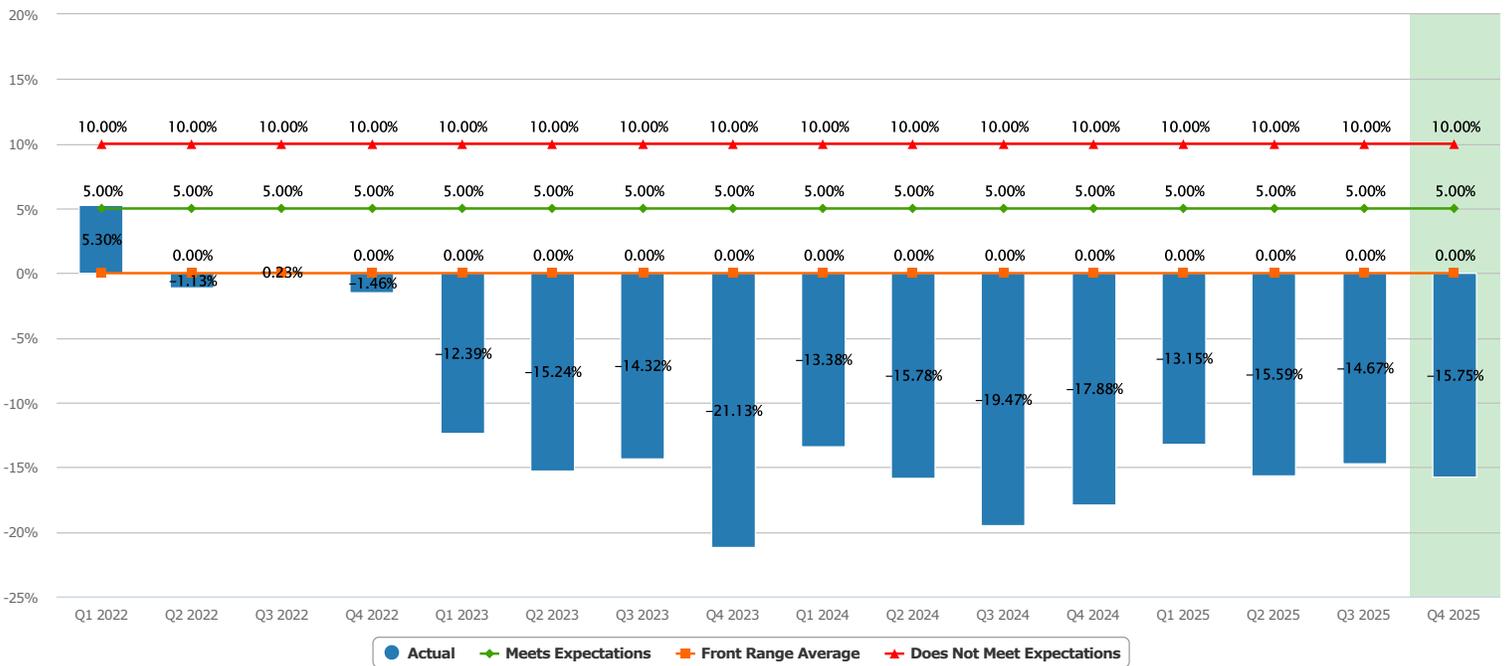
**Target Range:** +/- 5% of Colorado Front Range average

MEASURE PERFORMANCE

The year-end 2025 result is 15.75% lower than front range average.

TREND CHART

Residential Electric Service  
 Front Range Comparison - Lower is Better



PERFORMANCE ANALYSIS

Rate computations have been estimated using tariffs rates publicly available on websites as of October 1, 2025 and assumed billing determinations.

MEASURE DESCRIPTION

**Strategic Objective Supported:** Financial Accountability

**Reported as:** Average bill

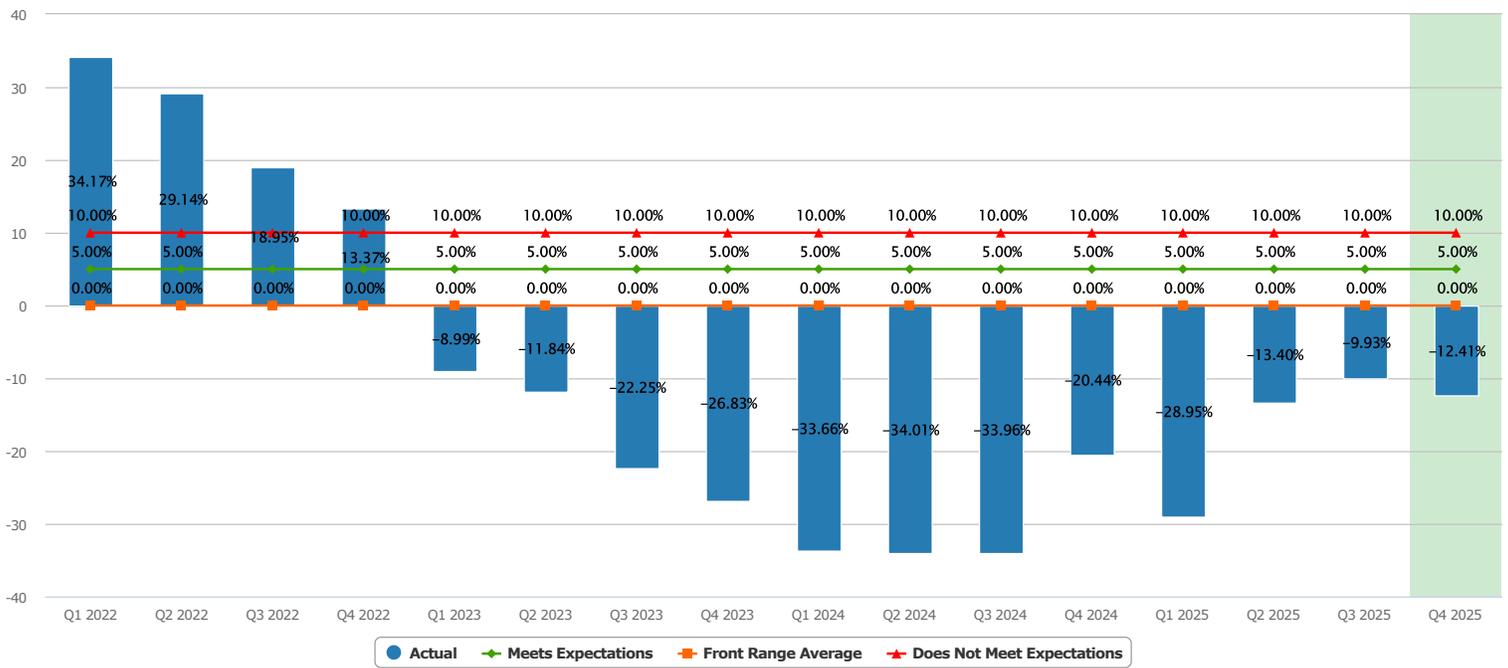
**Target Range:** +/- 5.0% of Colorado Front Range average

MEASURE PERFORMANCE

The year-end 2025 result is 12.41% below Front Range average.

TREND CHART

Residential Natural Gas Service  
 Front Range Comparison - Lower is Better



PERFORMANCE ANALYSIS

The most recent rate computations have been estimated using tariff rates publicly available on websites as of October 1, 2025 and assumed billing determinants.

MEASURE DESCRIPTION

**Strategic Objective Supported:** Financial Accountability

**Reported as:** Average bill

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

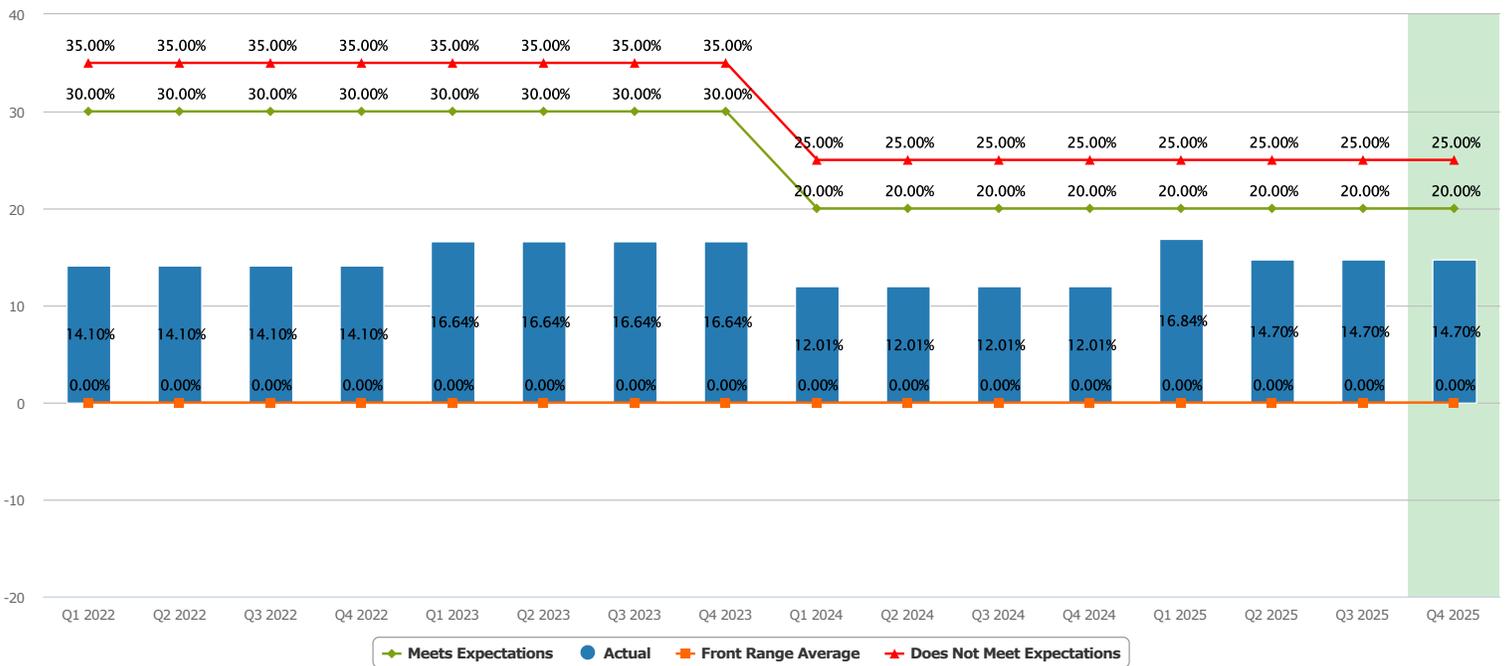
MEASURE PERFORMANCE

The year-end 2025 result is 14.70% above Front Range average.

TREND CHART

Residential Water Service

Front Range Comparison - Lower is Better



PERFORMANCE ANALYSIS

The most recent rate computations have been estimated using tariff rates publicly available on websites as of October 1, 2025 and assumed billing determinants.

MEASURE DESCRIPTION

**Strategic Objective Supported:** Financial Accountability

**Reported as:** Average bill

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

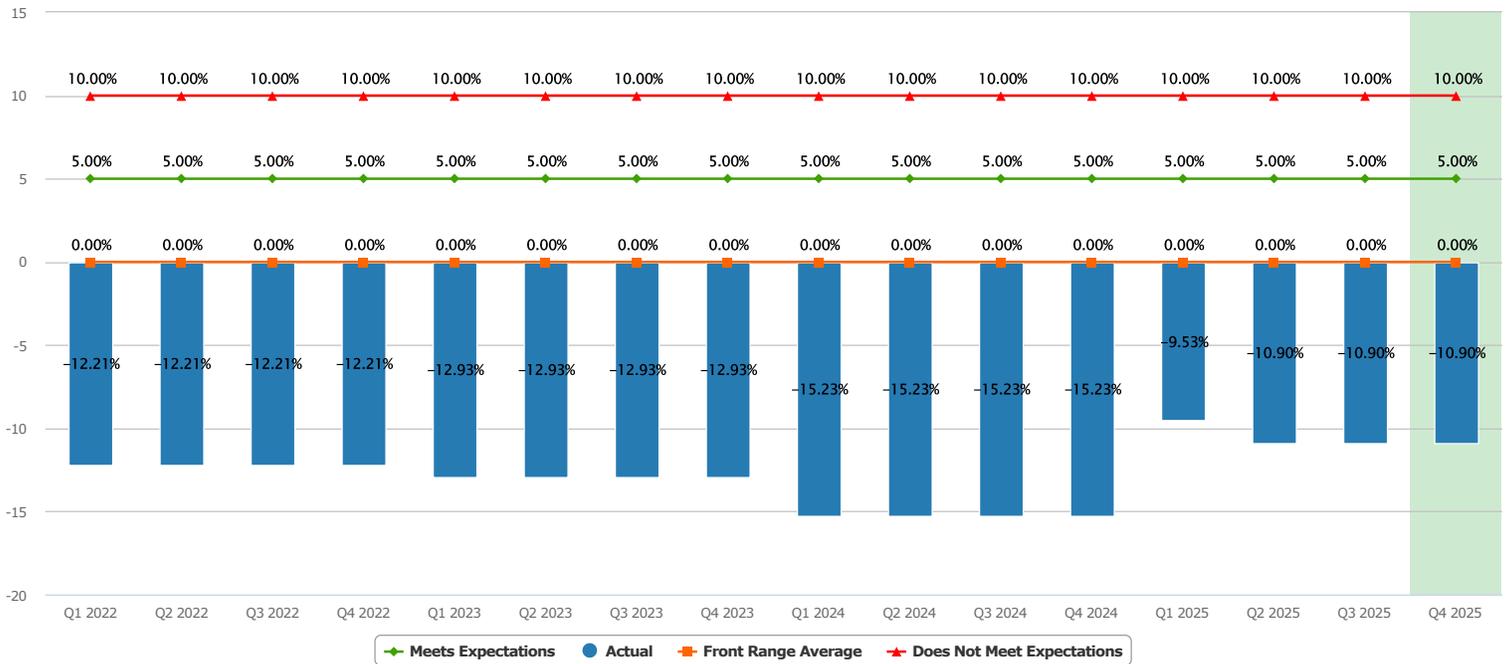
MEASURE PERFORMANCE

The year-end 2025 result is 10.90% below Front Range average.

TREND CHART

Residential Wastewater Service

Front Range Comparison - Lower is Better



PERFORMANCE ANALYSIS

The most recent rate computations have been estimated using tariff rates publicly available on websites as of October 1, 2025 and assumed billing determinants.

MEASURE DESCRIPTION

**Strategic Objective Supported:** Financial Accountability

**Reported as:** Average combined bill

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

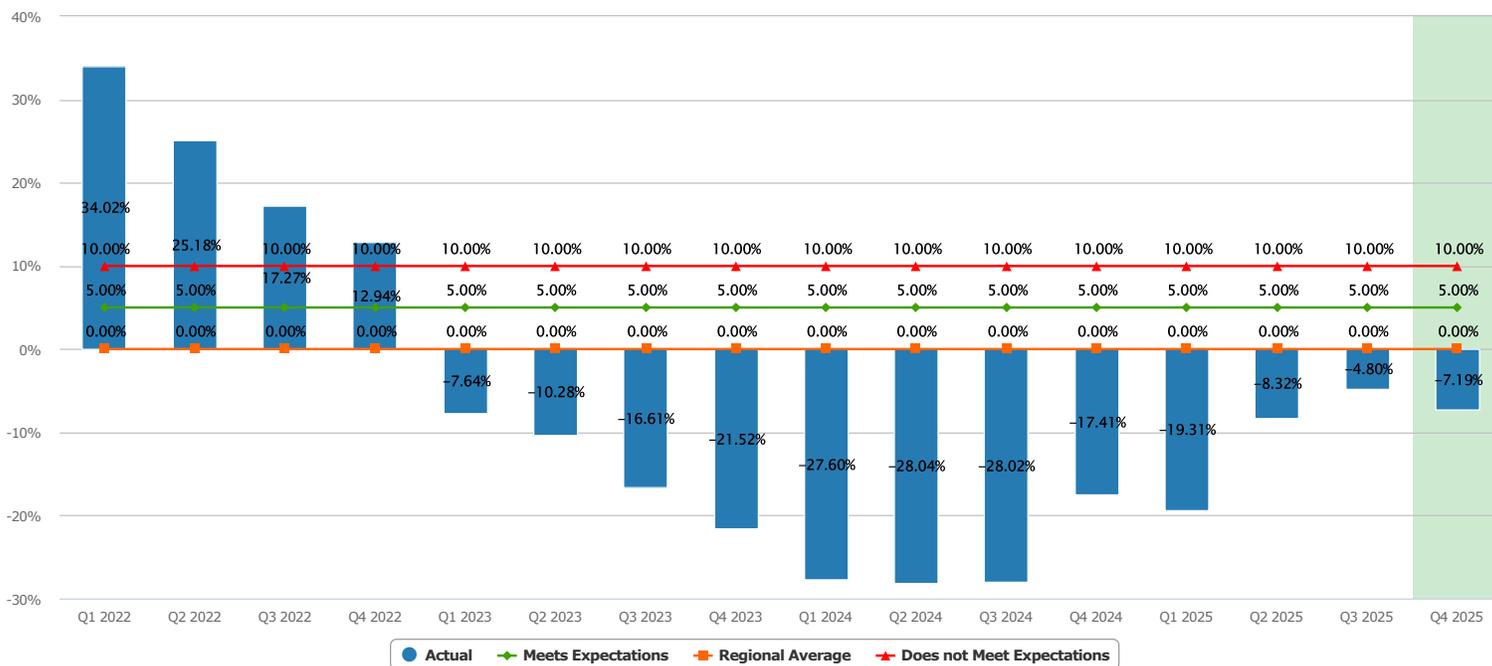
MEASURE PERFORMANCE

The year-end 2025 result is 7.19% below Front Range average.

TREND CHART

Small Commercial 4 Service Bill

Front Range Comparison - Lower is Better



PERFORMANCE ANALYSIS

The most recent rate computations have been estimated using tariff rates publicly available on websites as of October 1, 2025 and assumed billing determinants.

MEASURE DESCRIPTION

**Strategic Objective Supported:** Financial Accountability

**Reported as:** Average combined bill

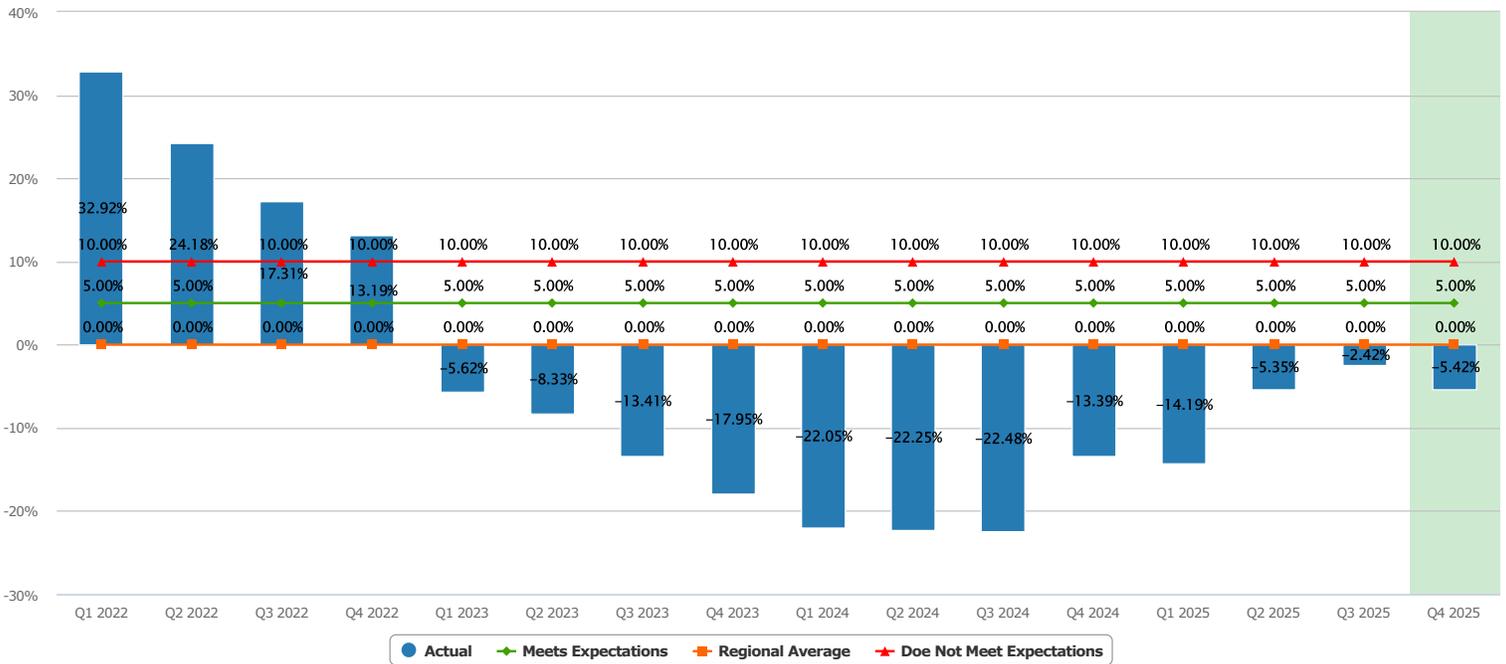
**Target Range:** +/- 5.0% of Colorado Front Range average

MEASURE PERFORMANCE

The year-end 2025 result is 5.42% below Front Range average.

TREND CHART

Large Commercial/Industrial 4 Service Bill  
 Front Range Comparison - Lower is Better



PERFORMANCE ANALYSIS

The most recent rate computations have been estimated using tariff rates publicly available on websites as of October 1, 2025 and assumed billing determinants.

MEASURE DESCRIPTION

**Strategic Objective Supported:** Financial Accountability

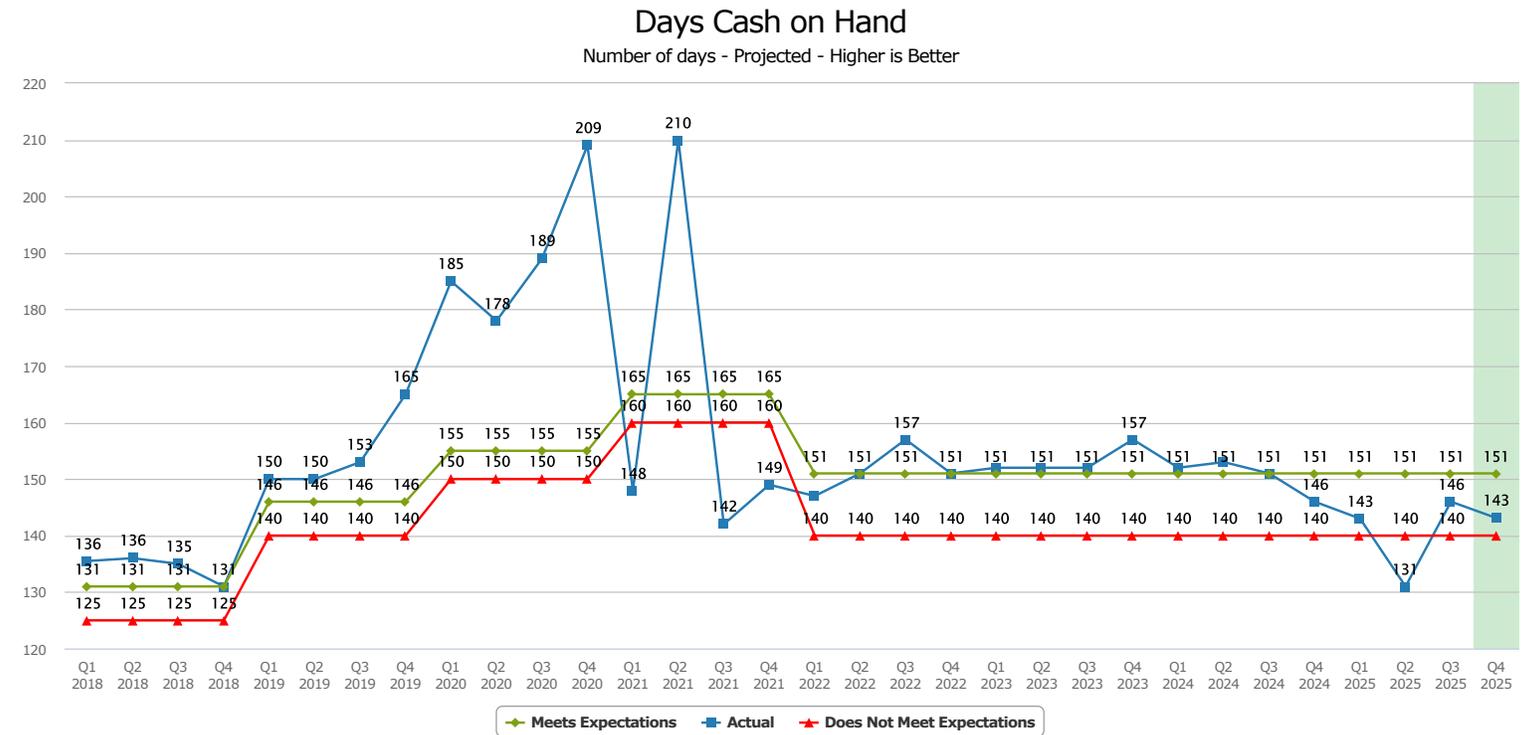
**Reported as:** year-end projection of actual result plus forecast

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

MEASURE PERFORMANCE

The year-end 2025 result is 143 days.

TREND CHART



PERFORMANCE ANALYSIS

The 2025 year-end result is driven by the Fiber Project over spend of \$29.8 million (-14.6 Days Cash on Hand (DCH)), Contributions in Aid of Construction (CIAC)/Developer Fees under budget of \$10.7 million (-5.2 DCH), 2025 Cash balance starting level lower than Annual Operating and Financial Plan (AOFP) assumption by \$7.2 million (-3.5 DCH), Net Income (less Depreciation) under AOFP by \$7.0 million (-3.4 DCH), Interest Earnings under on the unrestricted Cash Balances of \$5.0 million (-3.0 DCH), under collection of Military (Government Shutdown) \$4.5 million (-2.2 DCH), Debt Service increase vs AOFP of \$2.6 million (-1.3 DCH). These were offset by Increased Bond Funded Capex % vs AOFP of \$35.4 million (+17.3 DCH) and a slight reduction of our Expense per day (+1.8 DCH).

MEASURE DESCRIPTION

**Strategic Objective Supported:** Financial Accountability

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

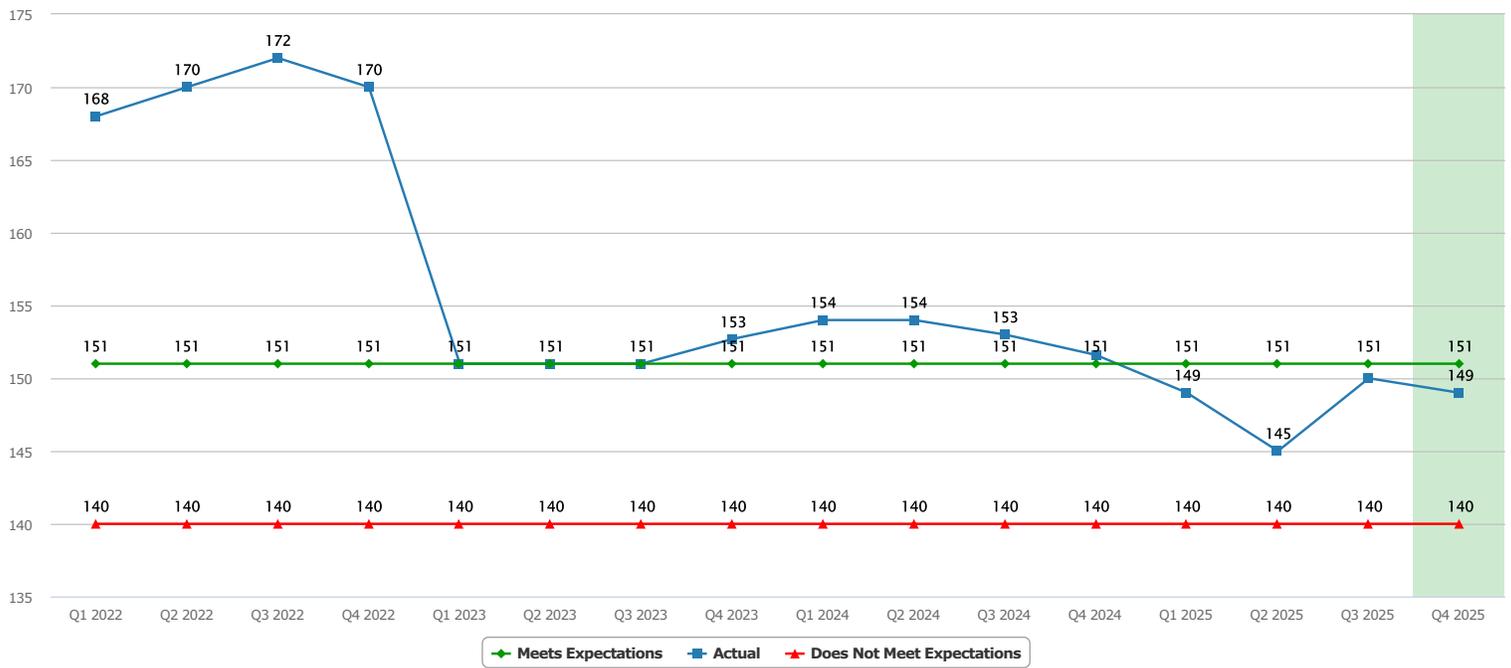
**Target Range:** 151 – 160 (days cash on hand)

MEASURE PERFORMANCE

The year-end 2025 3 year average result is 149 days.

TREND CHART

Days Cash on Hand  
Number of Days - Projected - Higher is Better



PERFORMANCE ANALYSIS

The DCH for 2023 and 2024 were 157 and 146, respectively. The year-end 2025 result of 143 allowed the three-year average to fall below the 'meets expectation' score of 151. Refer to the single-year performance analysis for DCH for year-end 2025 drivers. Forecasted budget for years 2026–2031 are projecting results above 151 Days.

MEASURE DESCRIPTION

**Strategic Objective Supported:** Financial Accountability

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

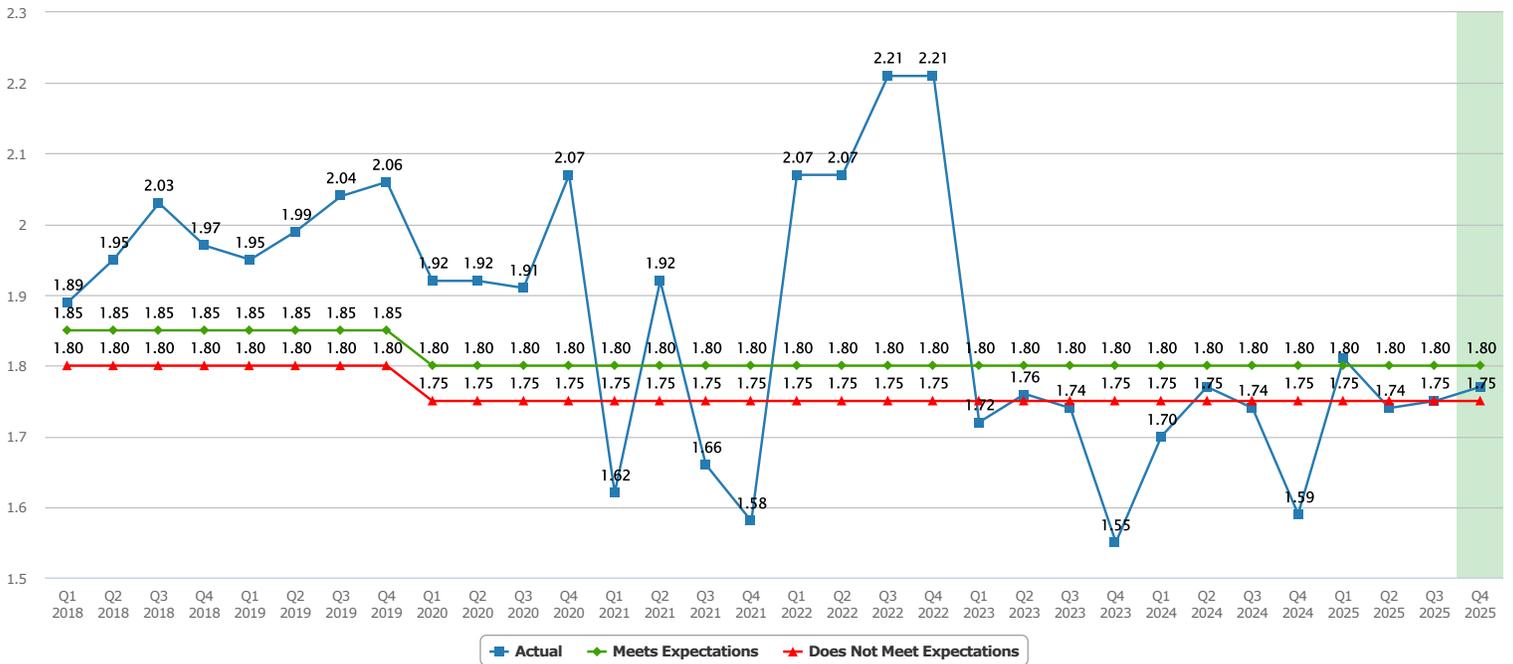
**Target Range:** 1.80 – 1.90

MEASURE PERFORMANCE

The year-end 2025 result is 1.77 times.

TREND CHART

**Adjusted Debt Service Coverage**  
 Projected Net Pledged Revenues (after surplus funds to City)/Bond Year Debt Service - Higher is Better



PERFORMANCE ANALYSIS

The result for year-end 2025 was driven by the following: CIAC/Developer Fees below budget by \$10.7 million (-5 points), Net Income (less Depreciation) below AAFP by \$7.0 million (-3 points), Interest Earnings on the Unrestricted Cash balances below AAFP by \$5.0 million (-2 points) and Debt Service above AAFP by \$2.6 million (-2 points), and partially offset by Surplus Transfers to the City under AAFP by \$2.3 million (+1 point).

# 1 FS1I Adjusted Debt Service Coverage - 3 Year Average

Performance Measure Status: Does Not Meet Expectations

## MEASURE DESCRIPTION

**Strategic Objective Supported:** Financial Accountability

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

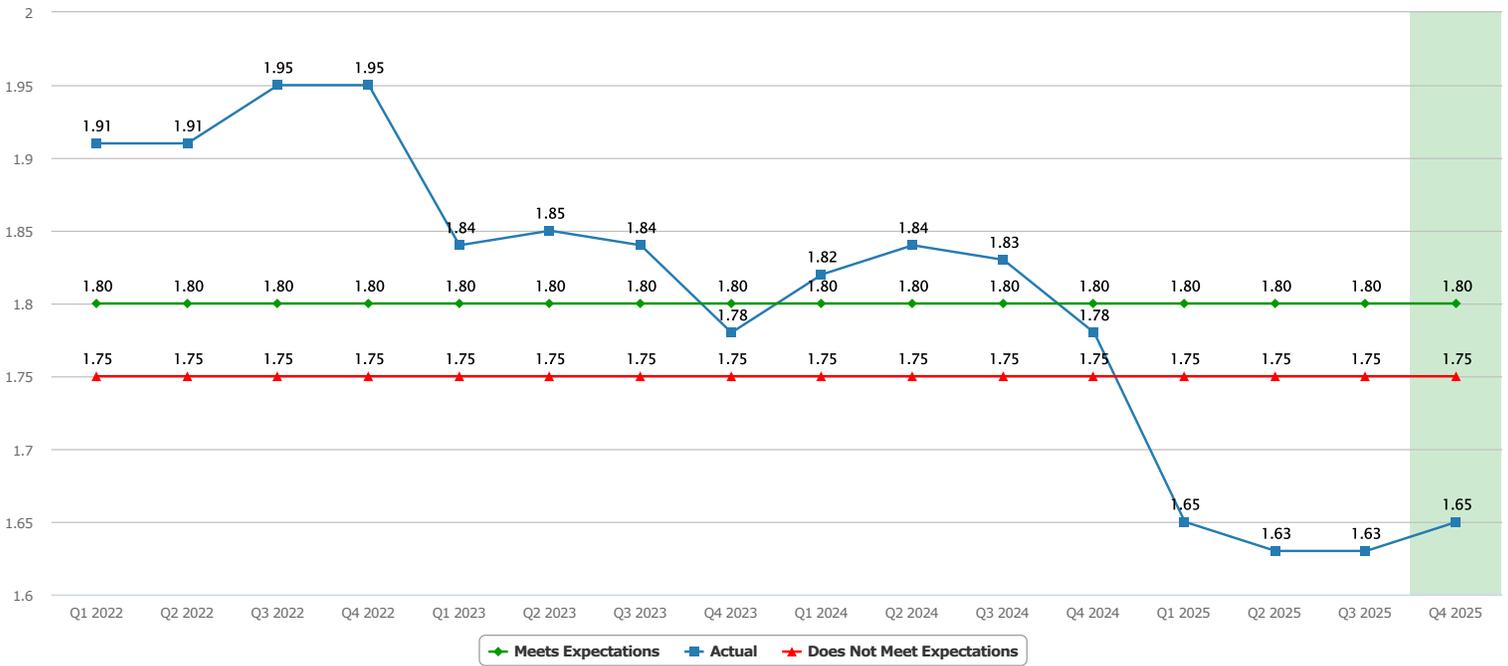
**Target Range:** 1.80 – 1.90

## MEASURE PERFORMANCE

The year-end 2025 3 year average result is 1.65

## TREND CHART

**Adjusted Debt Service Coverage - 3 Year Average**  
 Projected Net Pledged Revenues (after surplus funds to City)/Bond Year Debt Service - Higher is Better



## PERFORMANCE ANALYSIS

The "does not meet expectations" score is driven by adjusted debt service coverage scores of 1.55, 1.62 and 1.65 in 2023, 2024, and 2025, respectively. Based on our five-year rate plan, we anticipate that this three-year average will remain below expectations until 2027. Currently we are budgeting for metric scores of 1.95 & 2.03 in 2026 and 2027, respectively.

## MEASURE DESCRIPTION

**Strategic Objective Supported:** Financial Accountability

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

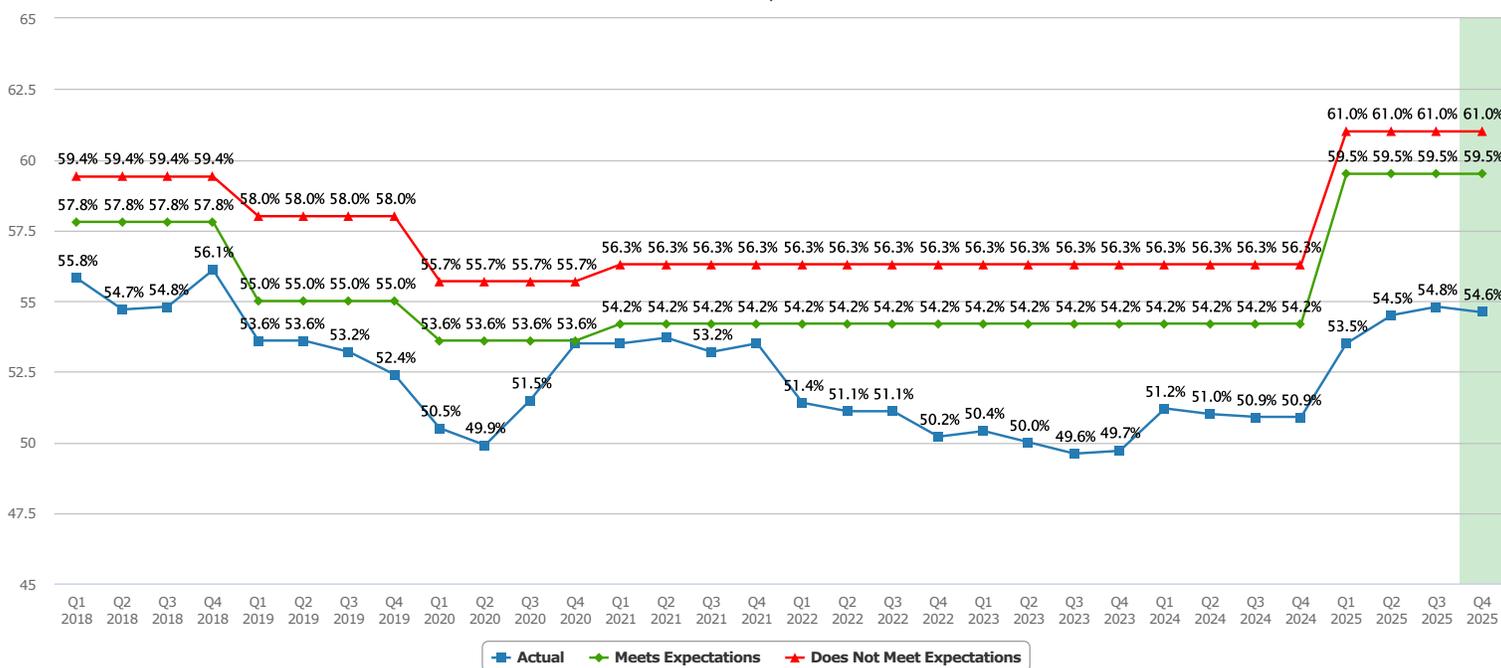
**Target Range:** 59.5 – 55.0%

## MEASURE PERFORMANCE

The year-end 2025 Debt Ratio result is 54.6%

## TREND CHART

**Debt Ratio**  
Ratio of debt to assets as a percent - Lower is Better



## PERFORMANCE ANALYSIS

The Q4 2025 debt ratio result of 54.6% exceeds expectations.

MEASURE DESCRIPTION

**Strategic Objective Supported:** Financial Accountability

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

**Target Range:** 59.5 – 55.0%

MEASURE PERFORMANCE

The year-end 2025 3 year average result is 51.7%.

TREND CHART

Debt Ratio - 3 Year Average

Lower is Better



PERFORMANCE ANALYSIS

The year-end debt ratio results were 49.7% for 2023, 50.9% for 2024 and 54.7% for Q4 2025, resulting in a 3 yr average rating of exceeds expectation.



## MEASURE DESCRIPTION

**Strategic Objective Supported:** Financial Accountability

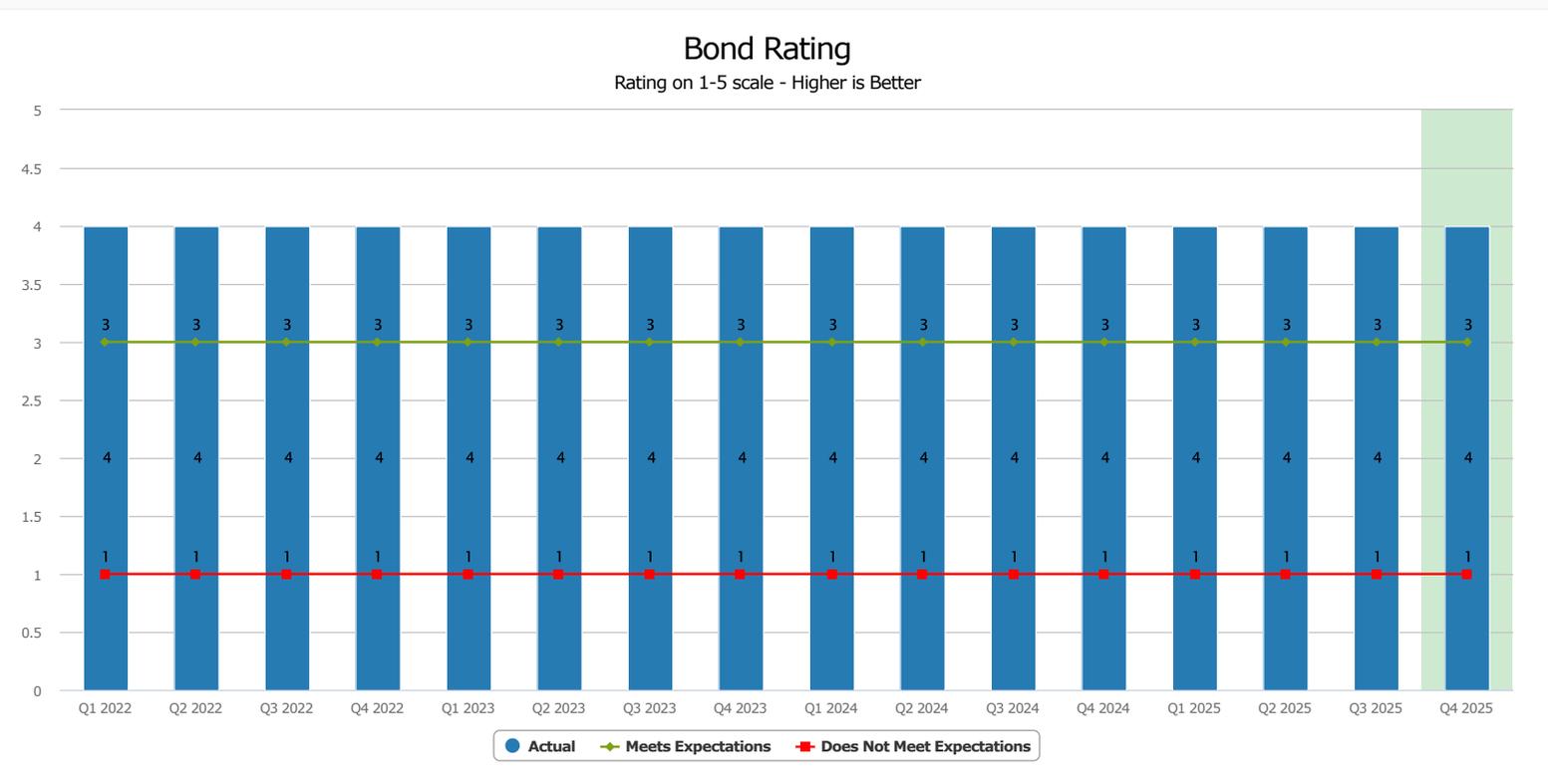
**Reported as:** Standard & Poor's, Moody's Investors Service, and Fitch Ratings

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

## MEASURE PERFORMANCE

The year-end 2025 result is Standard & Poor's (AA+), Moody's (Aa2), and Fitch Ratings (AA), respectively.

## TREND CHART



## PERFORMANCE ANALYSIS

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

MEASURE DESCRIPTION

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

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

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

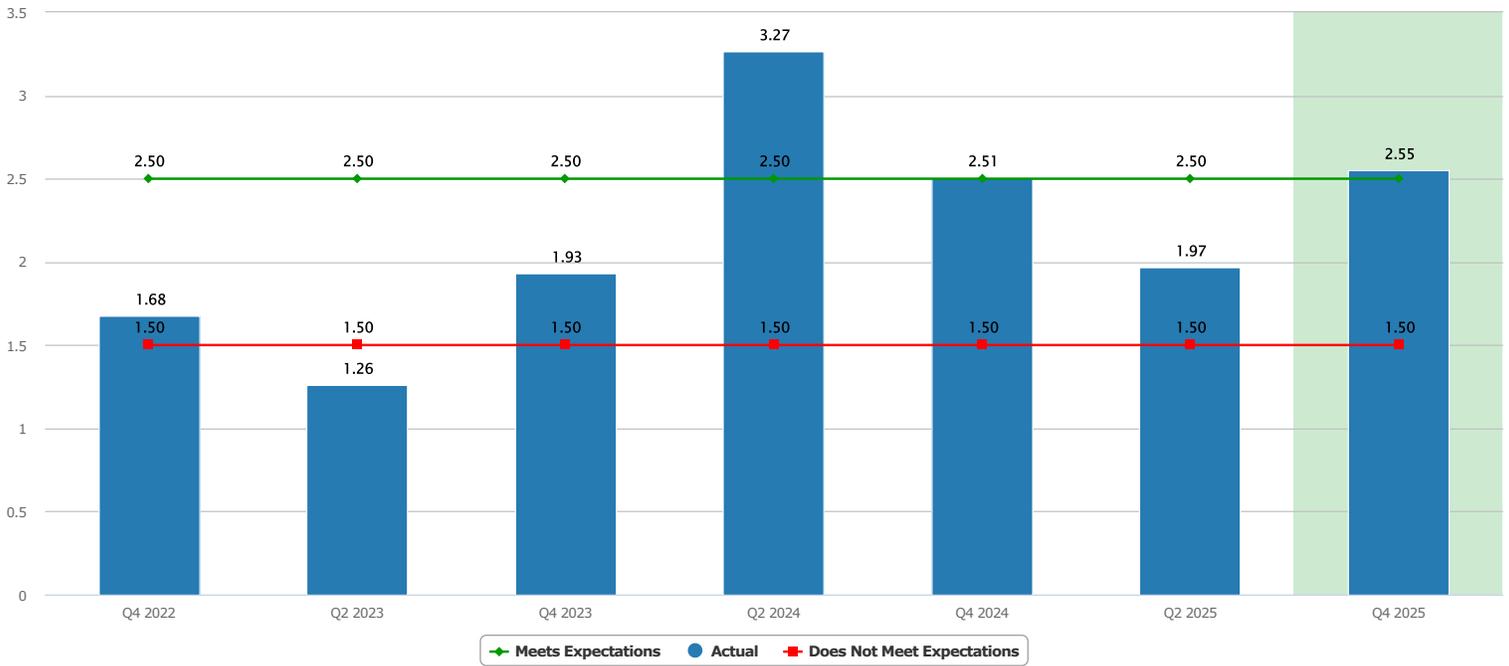
MEASURE PERFORMANCE

The year-end 2025 result is 2.55 out of a possible 5.00 points for the overall index.

TREND CHART

### Customer Satisfaction - Residential

Composite Score - Higher is Better



- Residential performance improved moderately in 2025, driven by an increase in industry rankings and solid transactional service experiences. J.D. Power rankings improved to **58th of 152 utilities**, with overall satisfaction increasing **24 points**, contributing to higher index scores. Customer Effort showed slight improvement, and internal transactional satisfaction remained strong with an **8.89/10** score. These combined components produced a total index score of **2.55**, resulting in a rating of **meets expectations**.

### **Customer Trends:**

- Customers increasingly noted and valued the utility's presence in the community—particularly visibility of field crews, environmental stewardship, and economic development efforts. Communication remained a strong driver, despite lower recall resulting from second-half budget reductions. Phone service showed mixed results: while issue resolution and first-call success were bright spots, challenges persisted in IVR ease, promptness, and CSR accessibility. Rate trust remained generally strong but softened in Q4, coinciding with rate activity and rising customer financial strain.

### **Action Plans:**

- Capture customer interactions within Genesys system and work toward a more complete understanding of customer touchpoints and experience (omni channel)
  - Continued development of outage communication management initiatives planned for 2025. AMI to OMS mapping is complete allowing for the automation of proactive outage notifications process to be determined.
  - Support for Energy Wise rate change implementation through enhanced digital tools and customer education through the winter rollout and the summer window change in May of 2026.

MEASURE DESCRIPTION

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

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

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

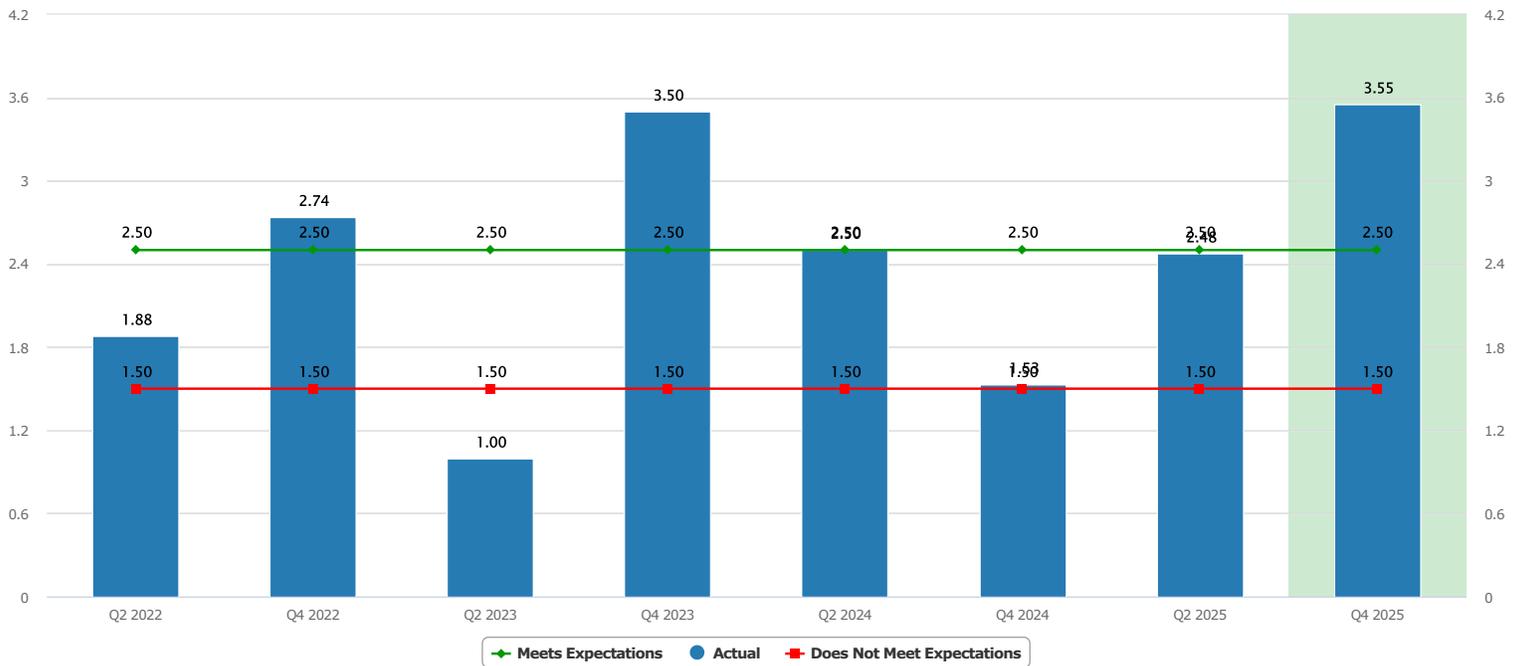
MEASURE PERFORMANCE

The year-end 2025 result is 3.55 out of a possible 5.00 points for the overall index.

TREND CHART

### Customer Satisfaction - Business

Composite Score - Higher is Better



- Business customer satisfaction rebounded significantly from 2024, achieving an index score of **3.55**, resulting in a rating of **exceeds expectations**. Customer Effort saw major gains across nearly all measured categories, increasing the score to a **772** in 2025 from a **723** index in 2024. The Engaged Customer Relationship score reached its highest point since 2021 scoring a **743** for 2025 compared to **698** in 2024. The internal transactional satisfaction remained high at **8.6/10**. Industry rank was the lowest scoring component ending with a rank of **38th out of 85 qualifying utilities** with a rank percentage of **45%**. These improvements contributed to a strong overall performance.

### Customer Trends:

- Business customers reported improved ease of doing business, with higher scores in digital self-service navigation and service interactions. Enhanced onboarding communications—such as the welcome kit—had a measurable positive impact. However, challenges emerged in email resolution, mobile app usage, and satisfaction among customers showing financial strain. Businesses also showed declining support for rate increases unless tied to bill-lowering benefits.

### Action Plans:

- Continue work on transition through team member changes and development of new team
- Enhance account management service to small business sectors through a dedicated small business team.
- IVR improvements are reflected in satisfaction results, continue optimization of IVR for business customers to assist customers with reaching a knowledgeable representative in a timely manner.
- Continued development of outage communication management initiatives planned for 2025. AMI to OMS mapping is complete allowing for the automation of proactive outage notifications process to be determined.
- Support for Energy Wise rate change implementation through enhanced digital tools and customer education through the winter rollout and the summer window change in May of 2026.

MEASURE DESCRIPTION

**Strategic Objective Supported:** Support Our Community

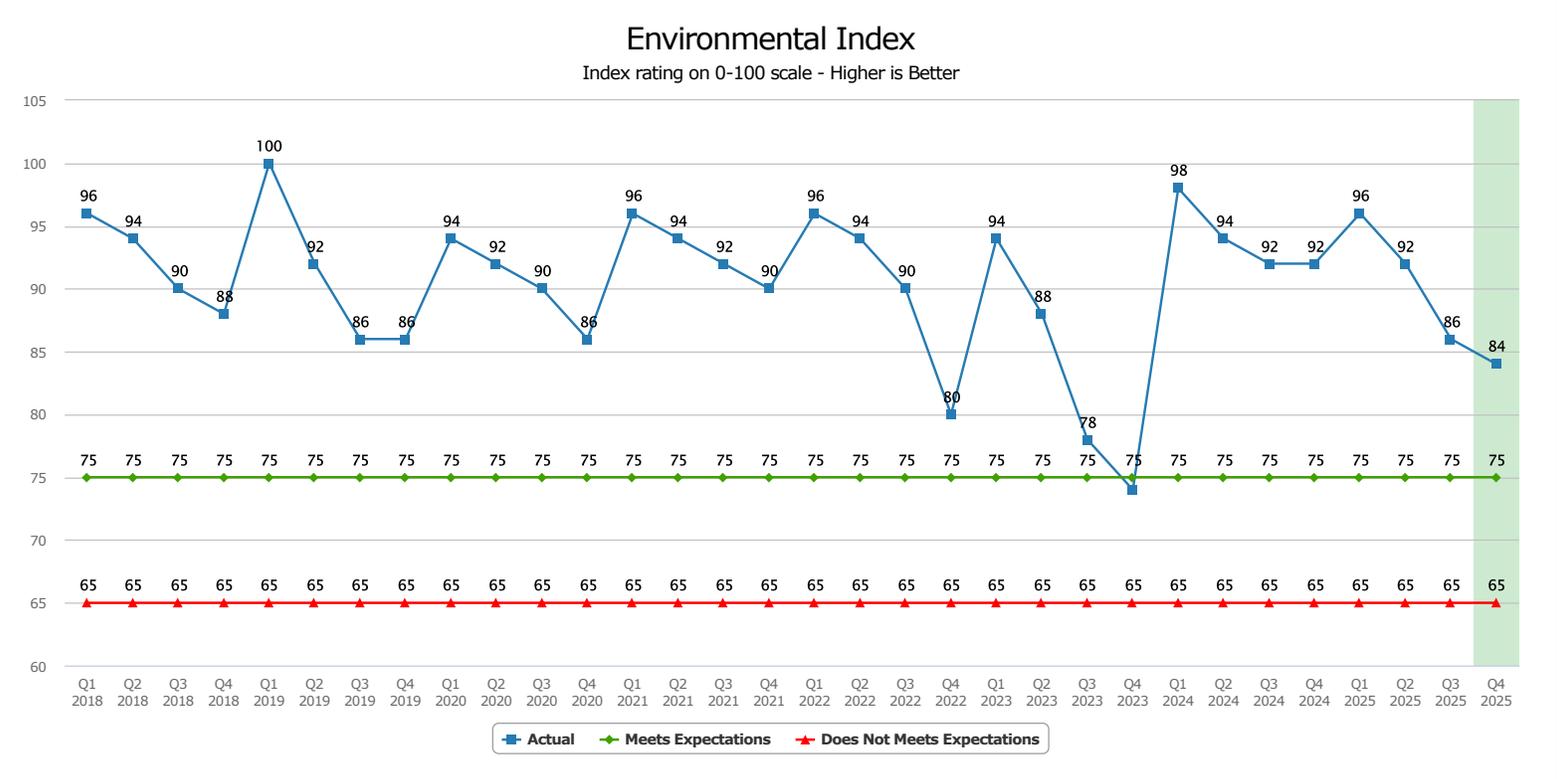
**Reported as:** year-to-date score

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

MEASURE PERFORMANCE

The year-end 2025 result is 84 on a scale of 1 to 100.

TREND CHART



## 2025 Year-End Summary:

### Regulatory Inspections (a total of nine):

- May 28 – Clear Spring Ranch SHDF – CDPHE Air Pollution Control Division (APCD), Title V Inspection
- May 29 – Front Range Power Plant Unit 1 – CDPHE APCD onsite partial compliance inspection (CEMS related)
- June 4 – Nixon Power Plant – CDPHE APCD onsite stack testing inspection, Unit 1 RATA testing
- June 12 – Front Range Power Plant – CDPHE APCD onsite stack testing inspection, Unit 1 RATA testing
- June 25 – Birdsall Power Plant – CDPHE APCD, Title V Inspection
- June 25 – Drake Power Plant – CDPHE APCD, Title V/CP Inspection
- June 15–17 – Pretreatment Compliance Inspection – Environmental Protection Agency
- August 25 – Sanitary Survey – CDPHE WQCD
- August 27 – Nixon and Front Range Power Plants – CDPHE APCD, Title V Inspection

### Minor Violations (a total of eight):

- Las Vegas Street WRRF – Compliance Advisory received in January for an administrative violation.
- March 12 – Reclaimed water release due to pipe break.
- April 23 – Crystal Reservoir – approximately 20 gallons of synthetic biodegradable hydraulic oil was released into Crystal Reservoir due to a leaking hydraulic fitting on the gate valve outlet pipe.
- June – J.D. Phillips WRRF exceeded the Total Inorganic Nitrogen (TIN) permit limit for the month of June.
- July 25 – Compliance Advisory received for 8th street waterline replacement project for failure to submit a DMR on time.
- August 13 – Walnut and Uintah – Reclaimed water release due to pipe break which resulted in approximately 3,600 gallons of reclaimed water into the storm drain and discharge to an unauthorized field next to I-25.
- September 3 – J.D. Phillips WRRF experienced a malfunction of the UV disinfection system. 582,000 gallons of secondary effluent were discharged without UV disinfection.
- October 13 – Compliance Advisory received for Nixon Ground Water Under Direct Influence (GWUDI) well water determinations and failure to maintain minimum treatment for surface water infiltration and detection.

### Major violations:

- None

### Air Emission Exceedances (a total of one):

- October 28, 2025: Verbal Warning from APCD received related to a flare outage at CSR SHDF. Not included in 2024 Environmental Index because it was considered a malfunction; however, the APCD disagreed in the 2025 Title V inspection report.

### Reportable Sanitary Sewer Overflows (a total of one):

- September 3, 2025: – manhole overflow due to roots in wastewater mainline. Release of 2,500 gallons of wastewater impacting Pine Creek. Line was not included in GIS viewer; therefore, cleaning frequency not met.

MEASURE DESCRIPTION

**Strategic Objective Supported:** Enable Employee Empowerment

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

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

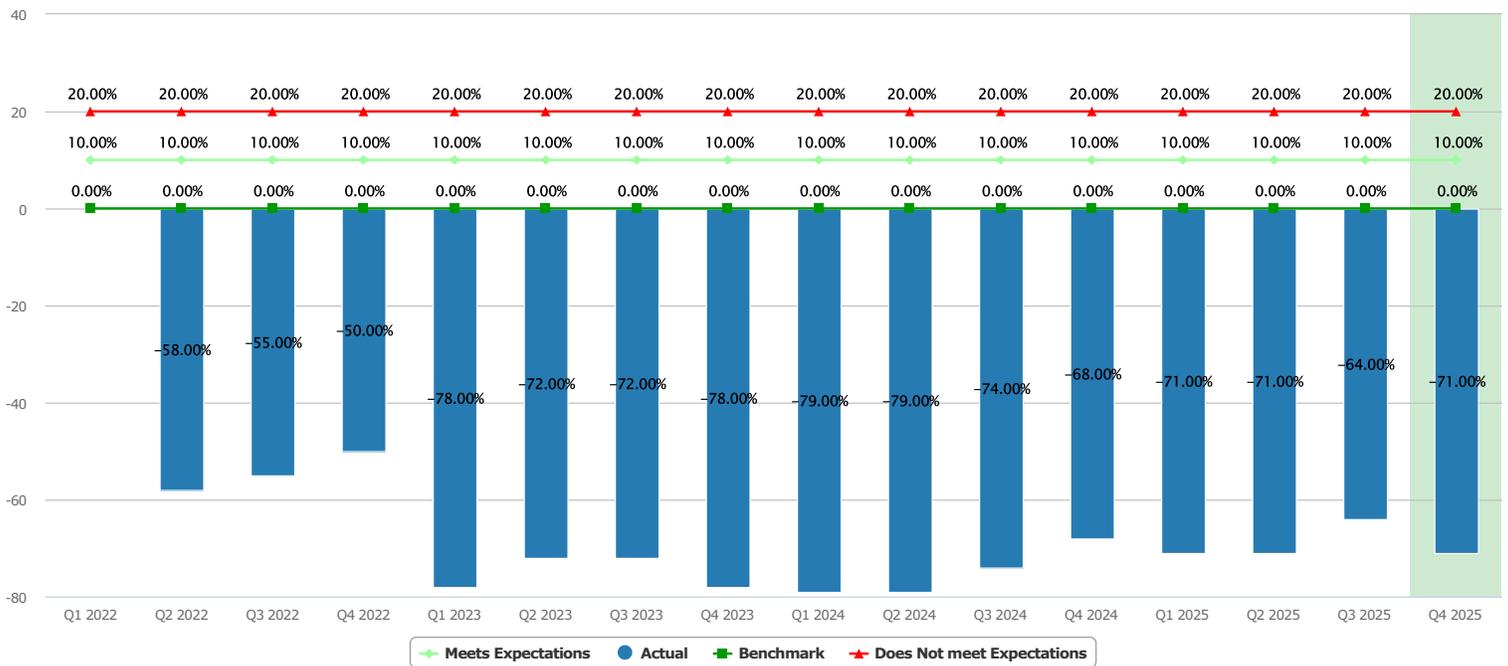
MEASURE PERFORMANCE

The year-end 2025 result is 71% below benchmark.

TREND CHART

Safety: Occupational Injuries and Illnesses Rate

Lower is better



PERFORMANCE ANALYSIS

- This measure is based on the number of injuries or illnesses with days away from work beyond the date of injury or onset of illness.
- The measure is benchmarked to the North American Industry Classification System (NAICS) Code 22 for utility incidents. The NAICS is the standard used by the Bureau of Labor Statistics to classify data on Occupational Injuries and Illnesses by industries.
- The score for this measure is based on Springs Utilities 6-month Lost Time Incident Rate compared to the previous years' NAICS rate.
- There were 10 Lost Time incidents and 240 Lost Days through 2025.



## MEASURE DESCRIPTION

**Strategic Objective Supported:** Enable Employee Empowerment

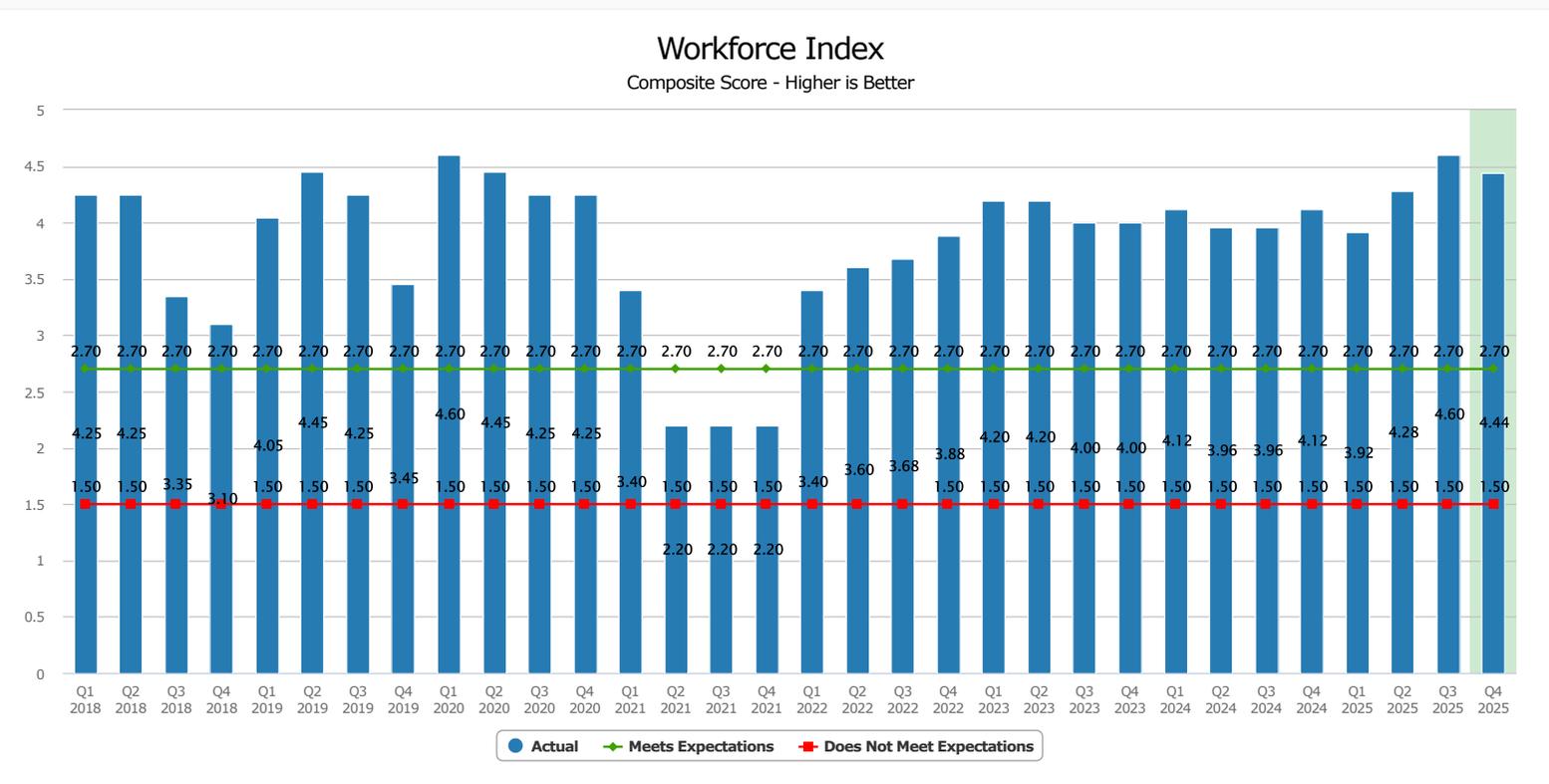
**Reported as:** Year-to-date

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

## MEASURE PERFORMANCE

The year-end 2025 result is 4.44.

## TREND CHART



## PERFORMANCE ANALYSIS

The overall Workforce Index is comprised of three components:

Quality of Hire for New Hires 20%

Total Turnover 40%

Compliance with Mandatory and Required Training 40%

- Quality of hire for new hires received a score of 3.00, which meets expectations.
- Total turnover received a score of 5.00, which far exceeds expectations.
- Compliance with mandatory and required training received a score of 4.60, which exceeds expectations.

Total Score:  $(3.00 \times .2) + (5.00 \times .4) + (4.60 \times .4) = 4.44 = \text{Exceeds Expectations}$



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# 2025 Year-End Scorecard Results

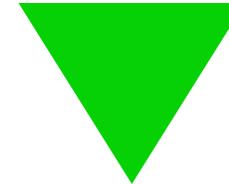
March 18, 2026

Natalie Watts

Manager – Strategic Planning and Governance

# 2025 Year-End Balanced Scorecard Results

- Measures the organization’s performance from Jan. 1, 2025 – Dec. 31, 2025.
- The overall score is **3.86** on a 1-5 scale.
  - This translates to a rating of “exceeds expectations.”
- There are a total of 22 measures on the enterprise scorecard.



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

# Four-Year Performance Highlights

2022	2023	2024	2025
<b>3.24</b> Meets Expectations	<b>3.82</b> Exceeds Expectations	<b>3.76</b> Exceeds Expectations	<b>3.86</b> Exceeds Expectations



# 5 Measures Rated Far Exceeds Expectations

## Reliability

- Electric – SAIDI – Interruptions in minutes per year

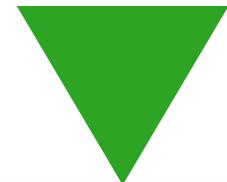
## Relationships

- Safety: Occupational Injuries and Illnesses Rate

## Rates

### Residential Front Range Comparison

- Electric Service
- Natural Gas Service
- Wastewater Service



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

# 9 Measures Rated Exceeds Expectations

## Reliability

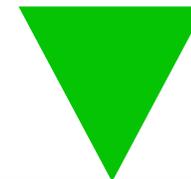
- Water – Failures per 100 miles of mainline
- Wastewater – Failures per 100 miles of mainline

## Relationships

- Customer Satisfaction – Business
- Workforce Index

## Rates

- Small Commercial 4 Service Bill - Front Range Comparison
- Large Commercial/Industrial 4-Service Bill - Front Range Comparison
- Debt Ratio – current year
- Debt Ratio – 3-year average
- Bond Rating



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

# 4 Measures Rated Meets Expectations

## Reliability

- Natural Gas – Failures per 100 miles of pipe

## Rates

- Residential Water Service Bill – Front Range Comparison

## Relationships

- Environmental Index
- Customer Satisfaction – Residential

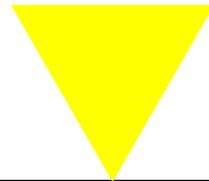


1	2	3	4	5
<b>Does Not Meet Expectations</b>	<b>Partially Meets Expectations</b>	<b>Meets Expectations</b>	<b>Exceeds Expectations</b>	<b>Far Exceeds Expectations</b>
<2.00	2.00 - 2.99	3.00 - 3.74	3.75 - 4.49	>4.49

# 3 Measures Rated Partially Meets Expectations

## Rates

- Days Cash on Hand – current year
- Days Cash on Hand – 3 year average
- Adjusted Debt Service Coverage – current year

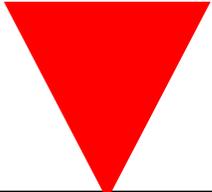


1	2	3	4	5
<b>Does Not Meet Expectations</b>	<b>Partially Meets Expectations</b>	<b>Meets Expectations</b>	<b>Exceeds Expectations</b>	<b>Far Exceeds Expectations</b>
<2.00	2.00 - 2.99	3.00 - 3.74	3.75 - 4.49	>4.49

# 1 Measure Rated Does Not Meet Expectations

## Rates

- Adjusted Debt Service Coverage – 3-year average



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

# Next Steps

- Action plans are being developed by leadership to address the four measures that partially meets or does not meet expectations.
- The 2026 mid-year scorecard results will be presented to the Utilities Board in August 2026.





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**Year-end 2025 Colorado Springs Utilities Enterprise Balanced Scorecard**  
**The Balanced Scorecard measures the organization's performance in achieving enterprise Strategic Objectives**

Utilities Board Strategic Focus Weight	Strategic Objective	Performance Measure	Responsible Officer	Weight	1 Does Not Meet Expectations	2 Partially Meets Expectations	3 Meets Expectations	4 Exceeds Expectations	5 Far Exceeds Expectations	Result	Trend	Rating	Weighted Rating
Reliability 40%	Operational Excellence	1. Electric - SAIDI - Interruptions in minutes per year	Sommer Mese	10.0	> 57.50 minutes	57.50 – 52.51 minutes	52.50 – 47.51 minutes	47.50 – 42.50 minutes	< 42.50 minutes	40.76	▲	5	0.50
		2. Natural Gas - Failures per 100 miles of pipe		10.0	> 8.00 failures	8.00 - 6.01 failures	6.00 - 4.00 failures	3.99 - 2.00 failures	< 2.00 failures	4.54	—	3	0.30
		3. Water - Failures per 100 miles of mainline		10.0	> 14.00 failures	14.00 – 12.01 failures	12.00 – 10.00 failures	9.99 – 8.00 failures	< 8.00 failures	8.06	—	4	0.40
		4. Wastewater - Failures per 100 miles of mainline		10.0	> 1.00 failures	1.00 - 0.76 failures	0.75 - 0.51 failures	0.50 - 0.25 failures	< 0.25 failures	0.49	▲	4	0.40
Rates 40%	Financial Accountability	5. Residential Electric Service - Front Range Comparison	Tristan Gearhart	3.0	>10.0% higher than average	5.1 – 10.0% higher than average	+/- 5.0% of average	5.1 – 10.0% lower than average	>10.0% lower than average	-15.75%	—	5	0.15
		6. Residential Natural Gas Service - Front Range Comparison		3.0	>10.0% higher than average	5.1 – 10.0% higher than average	+/- 5.0% of average	5.1 – 10.0% lower than average	>10.0% lower than average	-12.41%	▲	5	0.15
		7. Residential Water Service - Front Range Comparison		3.0	>25.0% higher than average	20.1 – 25.0% higher than average	10.1 – 20.0% higher than average	5.0 – 10.0% higher than average	<5.0% higher than average	14.70%	—	3	0.09
		8. Residential Wastewater Service - Front Range Comparison		3.0	>10.0% higher than average	5.1 – 10.0% higher than average	+/- 5.0% of average	5.1 – 10.0% lower than average	>10.0% lower than average	-10.90%	—	5	0.15
		9. Small Comm 4-Service Bill - Front Range Comparison		3.0	>10.0% higher than average	5.1 – 10.0% higher than average	+/- 5.0% of average	5.1 – 10.0% lower than average	>10.0% lower than average	-7.19%	▲	4	0.12
		10. Large Comm/Indust 4-Service Bill - Front Range Comparison		3.0	>10.0% higher than average	5.1 – 10.0% higher than average	+/- 5.0% of average	5.1 – 10.0% lower than average	>10.0% lower than average	-5.42%	▲	4	0.12
		11. Days Cash on Hand - Current Year		2.5	<140 days	140 - 150 days	151 - 160 days	161 - 180 days	>180 days	143	—	2	0.05
		12. Days Cash on Hand - 3 Year Average		2.5	<140 days	140 - 150 days	151 - 160 days	161 - 180 days	>180 days	149	—	2	0.05
		13. Adjusted Debt Service Coverage - Current Year		2.5	< 1.75 times	1.75 - 1.79 times	1.80 - 1.90 times	1.91-1.95 times	> 1.95 times	1.77	—	2	0.05
		14. Adjusted Debt Service Coverage - 3 Year Average		2.5	< 1.75 times	1.75 - 1.79 times	1.80 - 1.90 times	1.91-1.95 times	> 1.95 times	1.65	—	1	0.03
		15. Debt Ratio - Current Year		2.5	>61.0%	61.0 - 59.6%	59.5 - 55.0%	54.9 - 48.1%	<48.1%	54.6%	—	4	0.10
		16. Debt Ratio - 3 Year Average		2.5	>61.0%	61.0 - 59.6%	59.5 - 55.0%	54.9 - 48.1%	<48.1%	51.7%	—	4	0.10
		17. Bond Rating		7.0	Any 2 of the 3 ratings from the agencies less than AA (S&P)/Aa2 (Moody's)/AA (Fitch)	Any 1 of the 3 ratings from the agencies less than AA (S&P)/Aa2 (Moody's)/AA (Fitch)	Standard & Poors AA Moody's Investors Service: Aa2 Fitch Ratings : AA	Any 1 of the 3 ratings from the agencies greater than AA (S&P)/Aa2 (Moody's)/AA (Fitch)	Any 2 of the 3 ratings from the agencies greater than AA (S&P)/Aa2 (Moody's)/AA (Fitch)	Standard & Poor's AA+, Moody's Aa2, and Fitch AA	—	4	0.28
Relationships 20%	Focus on the Customer	18. Customer Satisfaction - Residential	Mike Francolino	3.0	< 1.50	1.50 - 2.49	2.50 - 3.49	3.50 - 4.49	> 4.49	2.55	▲	3	0.09
		19. Customer Satisfaction - Business		3.0	< 1.50	1.50 - 2.49	2.50 - 3.49	3.50 - 4.49	> 4.49	3.55	▲	4	0.12
	Support our Community	20. Environmental Index	Renee Adams	3.0	< 65.00	65.00 – 74.99	75.00 – 85.99	86.00 – 94.99	> 94.99	84.00	▼	3	0.09
	Enable Employee Empowerment	21. Safety: Occupational Injuries and Illnesses Rate	Renee Adams	8.0	> 20% Above Benchmark	10.01 - 20% Above Benchmark	+/-10% of Benchmark	10.01 - 20% Below Benchmark	> 20% Below Benchmark	-71.00%	—	5	0.40
		22. Workforce Index		3.0	< 1.50	1.50 - 2.69	2.70 - 3.49	3.50 - 4.60	> 4.60	4.44	—	4	0.12
										<b>Performance Measure Total:</b>		<b>3.86</b>	

As of 12/31/2025

Trend Key
▲ Favorable
▼ Unfavorable
— No Change

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



# OFFICE OF THE CITY AUDITOR COLORADO SPRINGS, COLORADO

Shawn Alessio  
Audit Manager, CPA, CFE

## 26-02 Colorado Springs Utilities Policy I-4, Risk Management

March 2026

### **Purpose**

The purpose of this high level review was to determine whether Colorado Springs Utilities complied with Utilities Board Instruction to the Chief Executive Officer, Policy I-4, Risk Management.

### **Highlights**

Based on our review we conclude that Colorado Springs Utilities (Utilities) and the Chief Executive Officer (CEO) were in compliance with Utilities Board Instructions to the Chief Executive Officer, Policy I-4, Risk Management (I-4) for the calendar year 2025.

The Office of the City Auditor completed our review as directed by City Council acting in its capacity as the Utilities Board. Under the Excellence in Governance Policy Manual, Guidelines, Organizational Oversight (E-2.3), the Office of the City Auditor is required to monitor compliance with Policy I-4, Risk Management annually.

Policy I-4 states, "The Chief Executive Officer shall direct that the enterprise maintain enterprise risk management activities that identify, assess, and prudently manage a variety of risks including strategic, financial, operational, legal and hazard."

Under the I-4 Policy, the CEO is required to maintain a Risk Management Committee, operate under, and maintain an Enterprise Risk Management Plan to include Energy Risk Management, Investment, and Financial Risk Management Plans.

Our audit included a review of the Risk Management Committee materials and written policies required by I-4. We interviewed Utilities personnel responsible for administering policies. Per the I-4, Utilities prepared semi-annual reports on Board instruction compliance results. We verified the accuracy and reliability of statements made in the August 20, 2025 and February 18, 2026 reports.



**Date:** March 18, 2026

**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:	<b>Utilities Board Instructions to the Chief Executive Officer</b>	Reporting Timeframe:	<b>January 1, 2025 – December 31, 2025</b>
Policy Title (Number):	<b>Economic Development (I-5)</b>	Reviewing Committees:	<b>UB Working Committee</b>
Monitoring Type:	<b>Internal</b>	Monitoring Frequency:	<b>Annual</b>

**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 2025, all prospecting and business expansion and retention efforts aligned with existing tariffs and Springs Utilities’ Rules and Regulations. Colorado 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 2025, 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 57 potential new businesses interested in locating in Colorado Springs. Each of the 57 assessments prepared by the Colorado 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

Throughout the year, Colorado Springs Utilities was involved with 128 business retention and expansion meetings. Colorado Springs Utilities partnered with numerous local entities such as Exponential Impact, Apartment Association of Colorado Springs, Pikes Peak Small Business Development Center, Downtown Partnership and many others.

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 2025, 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), Pikes Peak Lodging Association (PPLA), and support for Exponential Impact’s Accelerate programming and Survive and Thrive loan fund.



**Date:** March 18, 2026

**To:** Utilities Board

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

**Subject:** **Excellence in Governance Compliance Report  
Asset Protection (I-8)**

**Desired Action:** Monitoring

**Compliance:** The CEO reports compliance with the instructions

INSTRUCTIONS			
Category:	<b>Utilities Board Instructions to the Chief Executive Officer</b>	Reporting Timeframe:	<b>July 1, 2025- December 31, 2025</b>
Policy Title (Number):	<b>Asset Protection (I-8)</b>	Reviewing Committee:	<b>Working Committee</b>
Monitoring Type:	<b>Internal; City Auditor</b>	Monitoring Frequency:	<b>Semi-Annual; Annual</b>

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

- 1. Protect enterprise assets including, but not limited to, water rights, real property interests, physical assets, cyber assets, intellectual property, records and information from loss or significant damage.*

Plans and programs are in place that address and comply with the expectations of this policy to include, but are not limited to:

	<b>Frequency of Update</b>	<b>Last Updated</b>	<b>Planning Horizon</b>	<b>Responsible Division</b>
Cyber Security:				Customer and Enterprise Services
Cyber Security Incident Response Plan	Every 5 years	2024	5 years	No updates needed
Cyber Security Vulnerability Management Program	Every 3 years	2025	Ongoing	
Cyber Security (Risk Management) Framework	Every 3 years	2023	Ongoing	No updates needed
Security Operations:				Operations
Physical Security Program	5 years	2024	10 years	
Physical Security for Rampart Dam and Reservoir and Tesla Hydro Plant	1 year	2025	Ongoing	
Emergency Management:				Operations
Emergency Operations Plan	3 years	2025	Ongoing	
Dam Emergency Action Plans	1 year	2025	Ongoing	
Water Resource Recovery Facility Flood Emergency Evacuation Plans	1 year	2025	Ongoing	
Facilities Management:				System Planning and Projects
Facilities Master Plan	5 years	2021	10 years	
Facilities Maintenance Program	Annual	2024	10 years	
Records and Information Management:				Human Resources and Administration
Records Retention Program provides ongoing records compliance and disposition review and support	Ongoing	2023	3 years	
Water Resources Management:				System Planning and Projects
Reporting of water use in accordance with decrees, permits and agreements	Ongoing	Ongoing	Ongoing; updated as needed	
Watershed Management Plans	Ongoing; updated as needed	Ongoing	Ongoing; updated as needed	

2. *Allow real estate transactions that comply with the City of Colorado Springs Procedure Manual for the Acquisition and Disposition of Real Property Interests, Revised 2021.*

Colorado Springs Utilities collaborates with the Real Estate Services Office to ensure compliance with all requirements of:

- City of Colorado Springs Procedure Manual for the Acquisition and Disposition of Real Property Interests, Revised 2021 which was approved by City Council by Resolution 39-21 on March 23, 2021.

3. *Only sell, dispose of or allow use of assets at fair market value, except for de minimis contributions to community-oriented organizations.*

Colorado Springs Utilities is in compliance with Colorado Springs City Code §1.5.205, which states that all sales of personal property which are obsolete and unusable shall, except as otherwise specifically provided in this part, be based whenever possible on competitive bids.

4. *Protect the enterprise's public image and reputation.*

Colorado Springs Utilities strives to build and enhance the enterprise's public image through proactive communications, media relations, marketing communications and community relations. In 2025, the Public Affairs department has invested more resources into producing educational campaigns. The department used a variety of multimedia formats to reach customers to explain growth, rate comparisons and the importance of building our systems to continue supporting our community.



**Date:** March 18, 2026

**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:	<b>Utilities Board Instructions to the Chief Executive Officer</b>	Reporting Timeframe:	<b>January 1, 2025 – December 31, 2025</b>
Policy Title (Number):	<b>Community Investment (I-13)</b>	Reviewing Committees:	<b>Working Committee</b>
Monitoring Type:	<b>Internal</b>	Monitoring Frequency:	<b>Annual</b>
Guidelines:	<b>Affordable Housing (G-10) Community Support (G-11)</b>		

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 2025 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 full support of the paid volunteer programs: Team Building and Individual Volunteering. Total volunteerism through the Community Focus Fund, Ambassador volunteer program and new paid programs was 15,850.40 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 2025, 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 2025 was an intentional focus on the education of our senior citizens. Safety presentations were created and delivered at the Colorado Springs Senior Center. Additionally, we partnered in two senior safety summit events, allowing time to address questions and concerns from attendees, provide information about assistance programs and measures to manage utility bills.

**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 2025 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.***

The Utilities Board made the strategic decision to cease the Community Focus Fund (CFF) grants program to focus financial resources on our core mission of delivering safe, reliable, and affordable utility services to our ratepayers and providing utility assistance to families in need.

**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 2025.

**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 2025. These funds were directed to the Colorado Springs Utilities Foundation to assist 2,394 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 address, 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 2025, Colorado Springs Utilities provided \$83,821 in monetary support. All affordable housing projects that received funding, credits, or rebates from Colorado Springs Utilities met energy and water conservation criteria.



**Date:** March 18, 2026

**To:** Utilities Board

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

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

**Desired Action:** Monitoring

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

**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.**

**Water Outlook**

**February 2026 Water Outlook: Data as of February 28, 2026**

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

**Water Demands:** February water use averaged 41.1 million gallons per day (MGD), which was about 1.6% less than last February. Year-to-date water use averaged 2.5 billion gallons (BG), which was about 0.1 billion gallons less than 2025. Total system storage is currently at 77% of capacity, equating to approximately 3 years of demand in storage, based on the past 3 years of demand. Local storage currently holds enough water to meet approximately 225 days of demand, based on average usage.

**Climate Summary:** Temperatures in January were average at 41.6 degrees Fahrenheit. Total precipitation for January was 0.05 inches, which is below 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 74% of capacity, and Pikes Peak storage is at 47% of capacity. System wide, total storage is about 200,700 acre-

feet (77% of capacity). Last year at this time, total system wide storage was 79% of capacity. It was about 72% at this same time in 2023, about 73% of capacity in 2022, about 71% of capacity in 2021, and about 80% of capacity in 2020. The 1991-2020 normal system wide storage for the end of January is 73% of capacity.

**Water Supply Outlook:** The U.S. Drought Monitor indicates varying drought conditions across the country, with 26% of the U.S. experiencing no drought conditions. In Colorado, 26% of the state is currently free from drought conditions, a 31-percentage point decline since the beginning of 2025. There have been some notable increases in the drought conditions across the state over the 2025 calendar year.

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

**Operational Notes:** Mason Reservoir capacity remains restricted for maintenance.

### **Electric Cost Adjustment / Gas Cost Adjustment**

Electric Cost Adjustment (ECA)

Gas Cost Adjustment (GCA)



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

# Water Outlook

Nick Harris, P.E.

Water Resource Engineer, Water Resource Planning

March 1, 2026

# Local Weather Conditions as of February 28, 2026

## Precipitation (Inches of Moisture)

- February 2026– 0.05 in. (15.6% of normal)
- 2026 YTD Total – 1.07 in. (175.4% of normal)

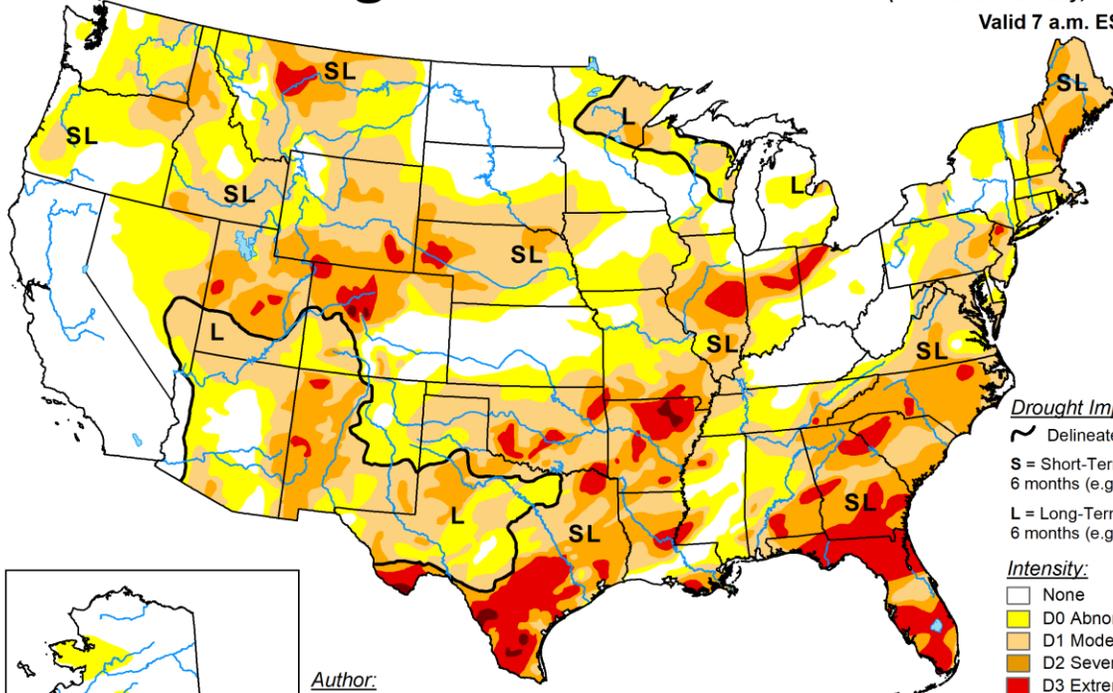
## Average Temperature (Degrees F)

- February 2026 – 41.6 Deg. (8.4 deg. above normal)
- 2026 YTD Average – 36.4 Deg. (3.8 deg. above normal)



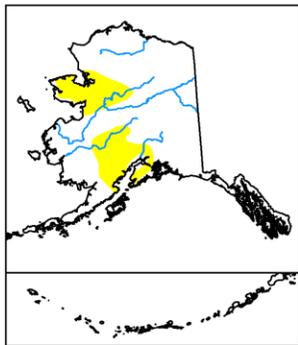
# U.S. Drought Monitor

February 24, 2026  
 (Released Thursday, Feb. 26, 2026)  
 Valid 7 a.m. EST

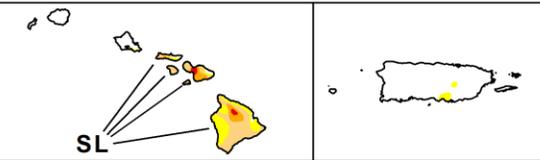


**Drought Impact Types:**  
 ~ Delineates dominant impacts  
 S = Short-Term, typically less than 6 months (e.g. agriculture, grasslands)  
 L = Long-Term, typically greater than 6 months (e.g. hydrology, ecology)

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



Author:  
 Brad Rippey  
 U.S. Department of Agriculture

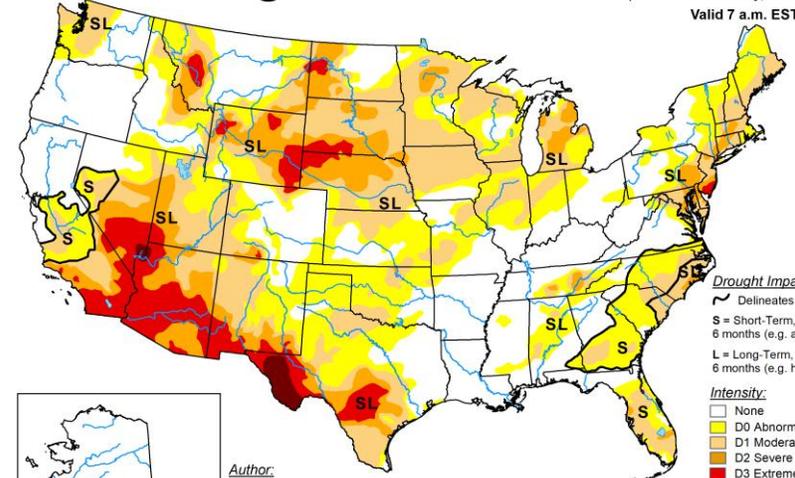


The Drought Monitor focuses on broad-scale conditions. Local conditions may vary. For more information on the Drought Monitor, go to <https://droughtmonitor.unl.edu/About.aspx>



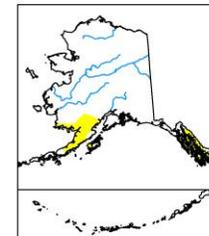
# U.S. Drought Monitor

February 25, 2025  
 (Released Thursday, Feb. 27, 2025)  
 Valid 7 a.m. EST

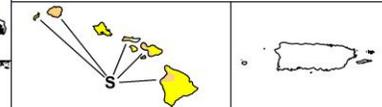


**Drought Impact Types:**  
 ~ Delineates dominant impacts  
 S = Short-Term, typically less than 6 months (e.g. agriculture, grasslands)  
 L = Long-Term, typically greater than 6 months (e.g. hydrology, ecology)

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



Author:  
 Brian Fuchs  
 National Drought Mitigation Center



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



# Colorado

Map released: Thurs. February 26, 2026

Data valid: February 24, 2026 at 7 a.m. EST

## Intensity

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

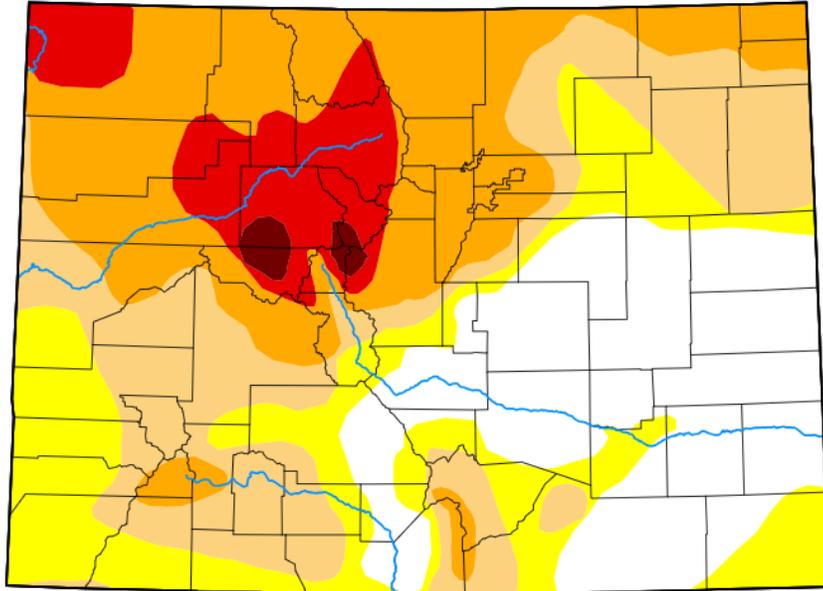
## Authors

United States and Puerto Rico Author(s):

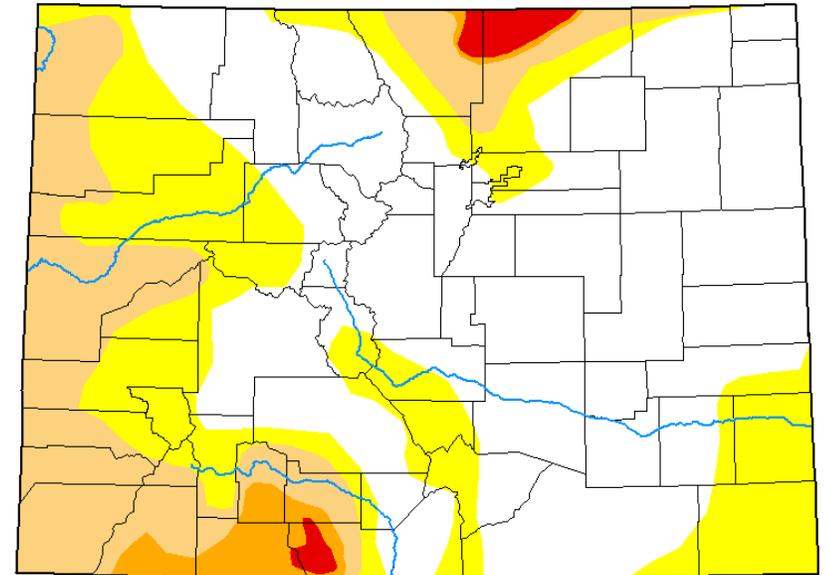
[Brad Rippey](#), U.S. Department of Agriculture

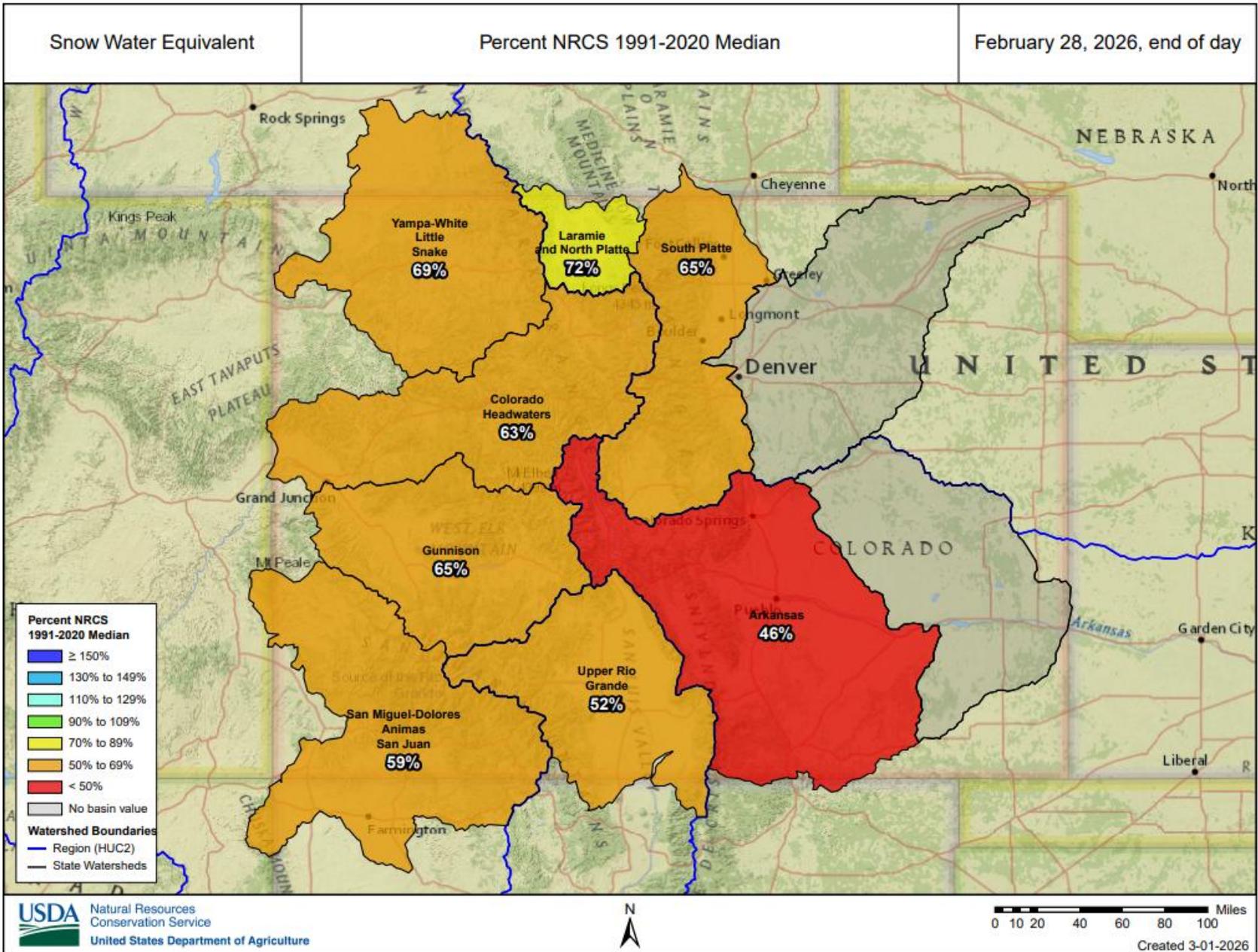
Pacific Islands and Virgin Islands Author(s):

[Rocky Bilotta](#), NOAA/NCEI



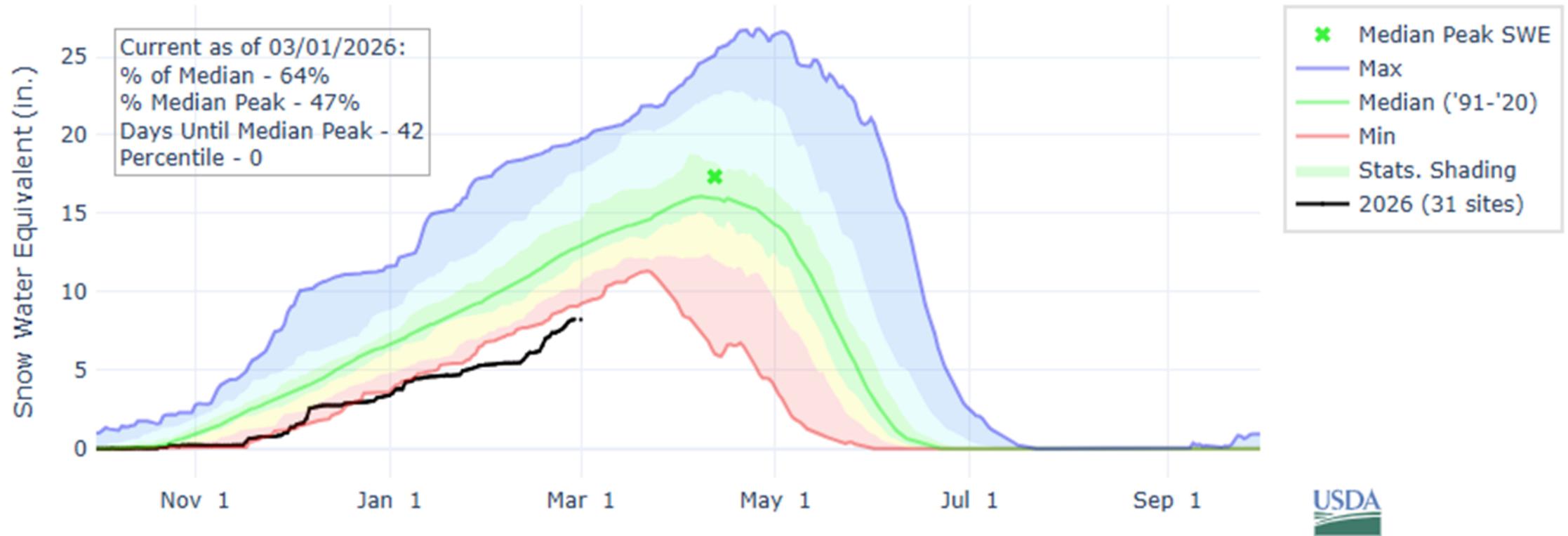
February 25, 2025





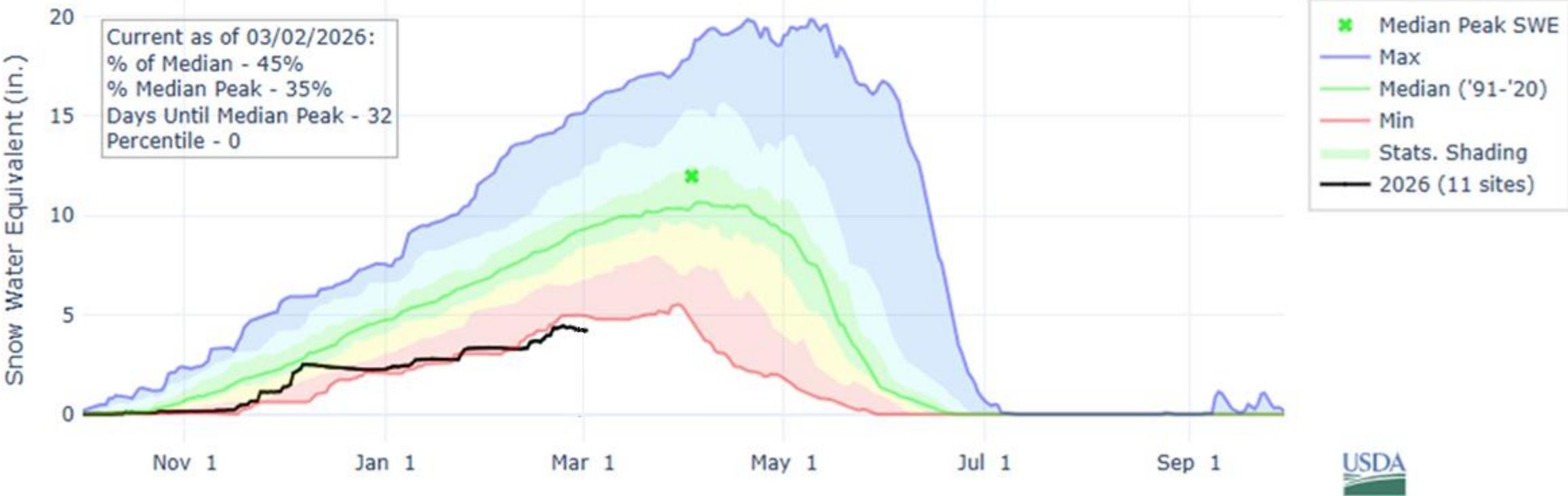
# Snowpack in the Colorado River Headwaters Basin is 64% of normal as of March 1, 2026

## SNOW WATER EQUIVALENT IN COLORADO HEADWATERS



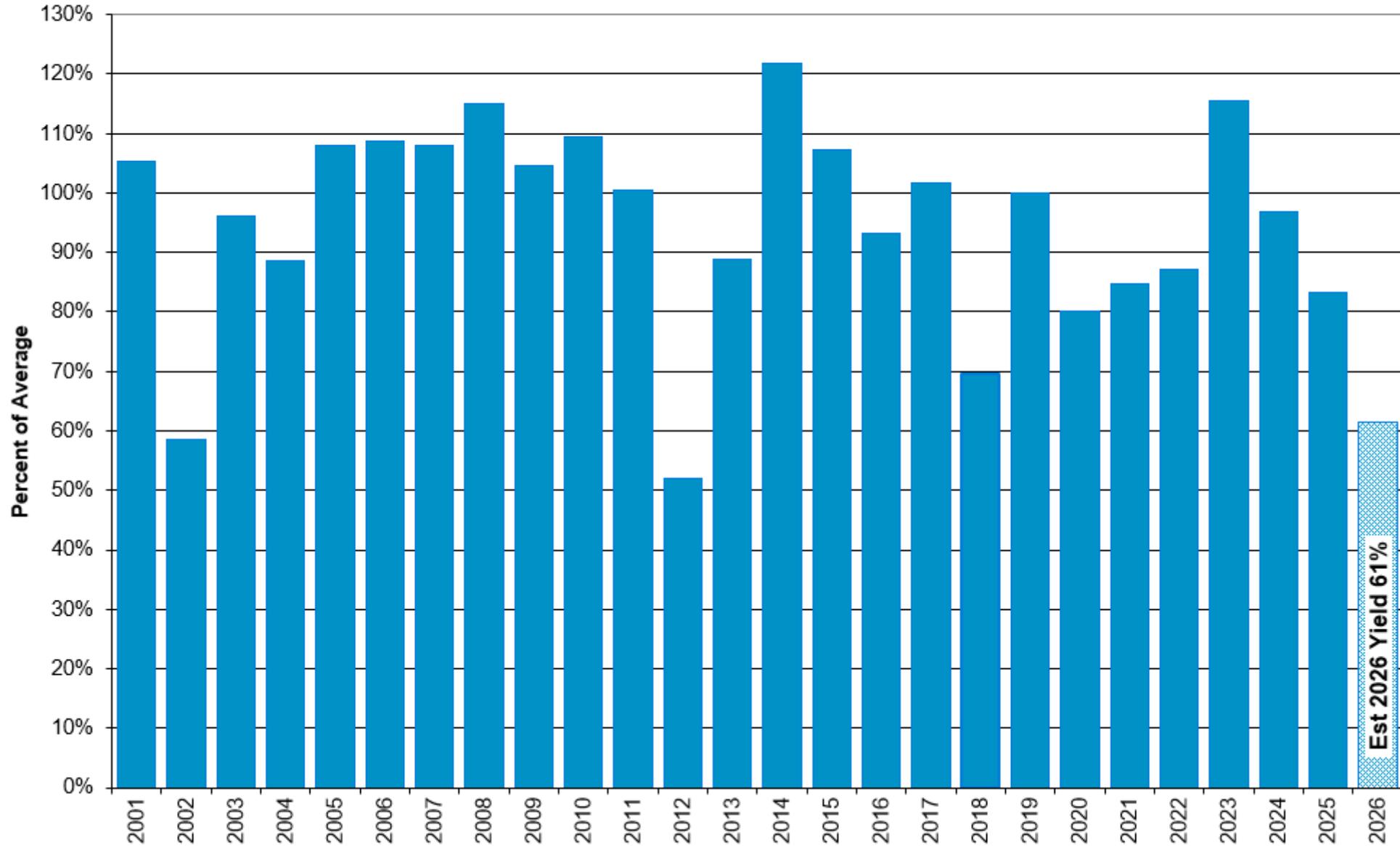
**Snowpack in the Arkansas River Basin is 45% of normal as of March 2, 2026**

**SNOW WATER EQUIVALENT IN ARKANSAS**



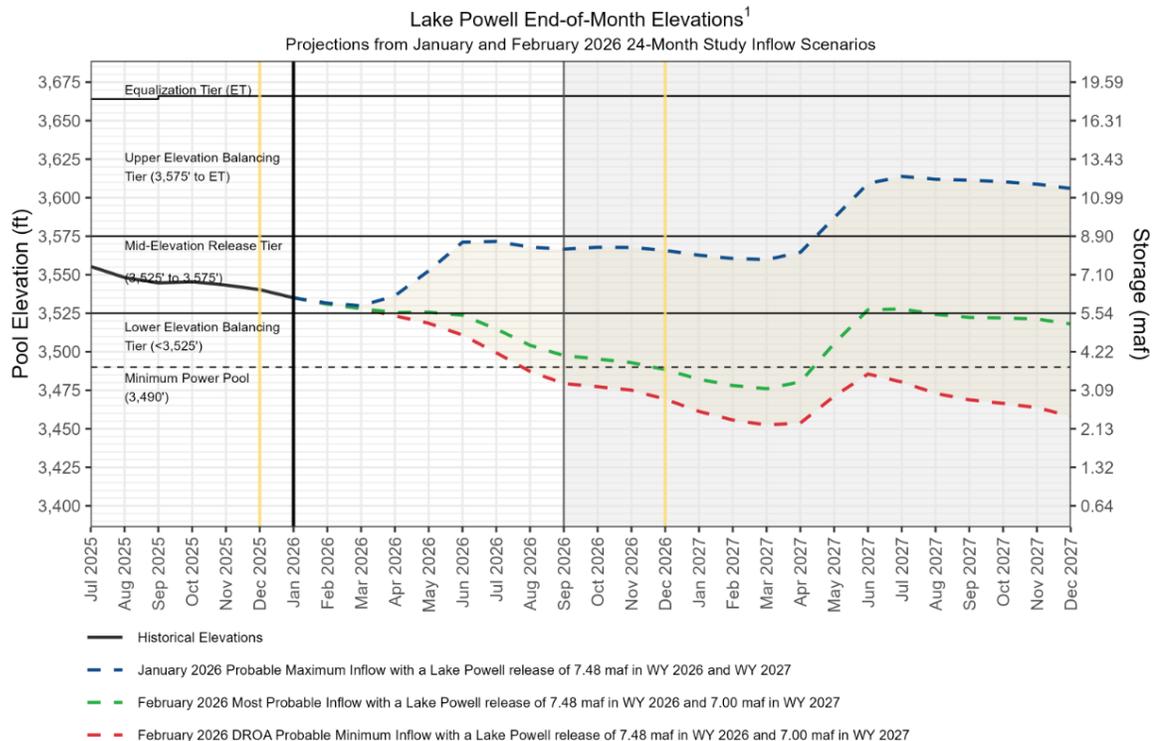
# Colorado Springs Water Yields 2001 - 2026

## Percent of Average Yield



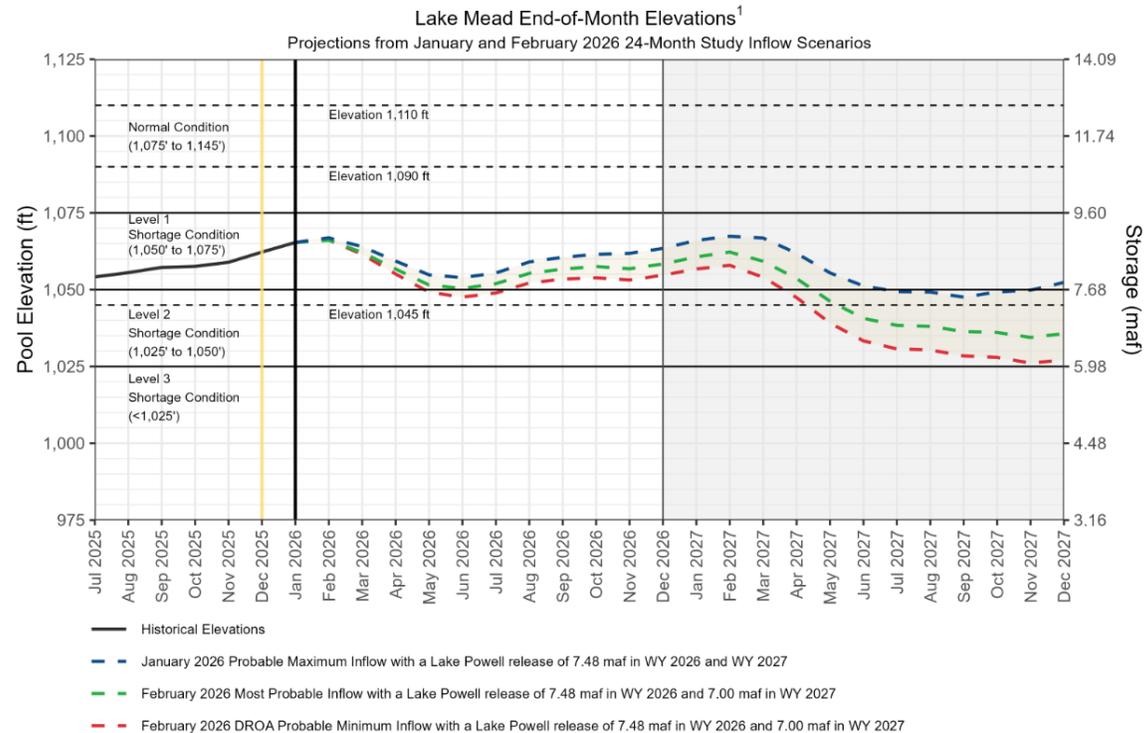
# Colorado River System Projections

## Lake Powell & Lake Mead 24-Month Projections



The Drought Response Operations Agreement (DROA) is available online at <https://www.usbr.gov/dcp/finaldocs.html>.

<sup>1</sup>For modeling purposes, simulated years beyond 2026 assume a continuation of the 2007 Interim Guidelines including the 2024 Supplement to the 2007 Interim Guidelines (no additional SEIS conservation is assumed to occur after 2026), the 2019 Colorado River Basin Drought Contingency Plans, and Minute 323 including the Binational Water Scarcity Contingency Plan. With the exception of certain provisions related to ICS recovery and Upper Basin Demand management, operations under these agreements are in effect through 2026.



The Drought Response Operations Agreement (DROA) is available online at <https://www.usbr.gov/dcp/finaldocs.html>.

<sup>1</sup>For modeling purposes, simulated years beyond 2026 assume a continuation of the 2007 Interim Guidelines including the 2024 Supplement to the 2007 Interim Guidelines (no additional SEIS conservation is assumed to occur after 2026), the 2019 Colorado River Basin Drought Contingency Plans, and Minute 323 including the Binational Water Scarcity Contingency Plan. With the exception of certain provisions related to ICS recovery and Upper Basin Demand management, operations under these agreements are in effect through 2026.



# 2026 Demands

## February

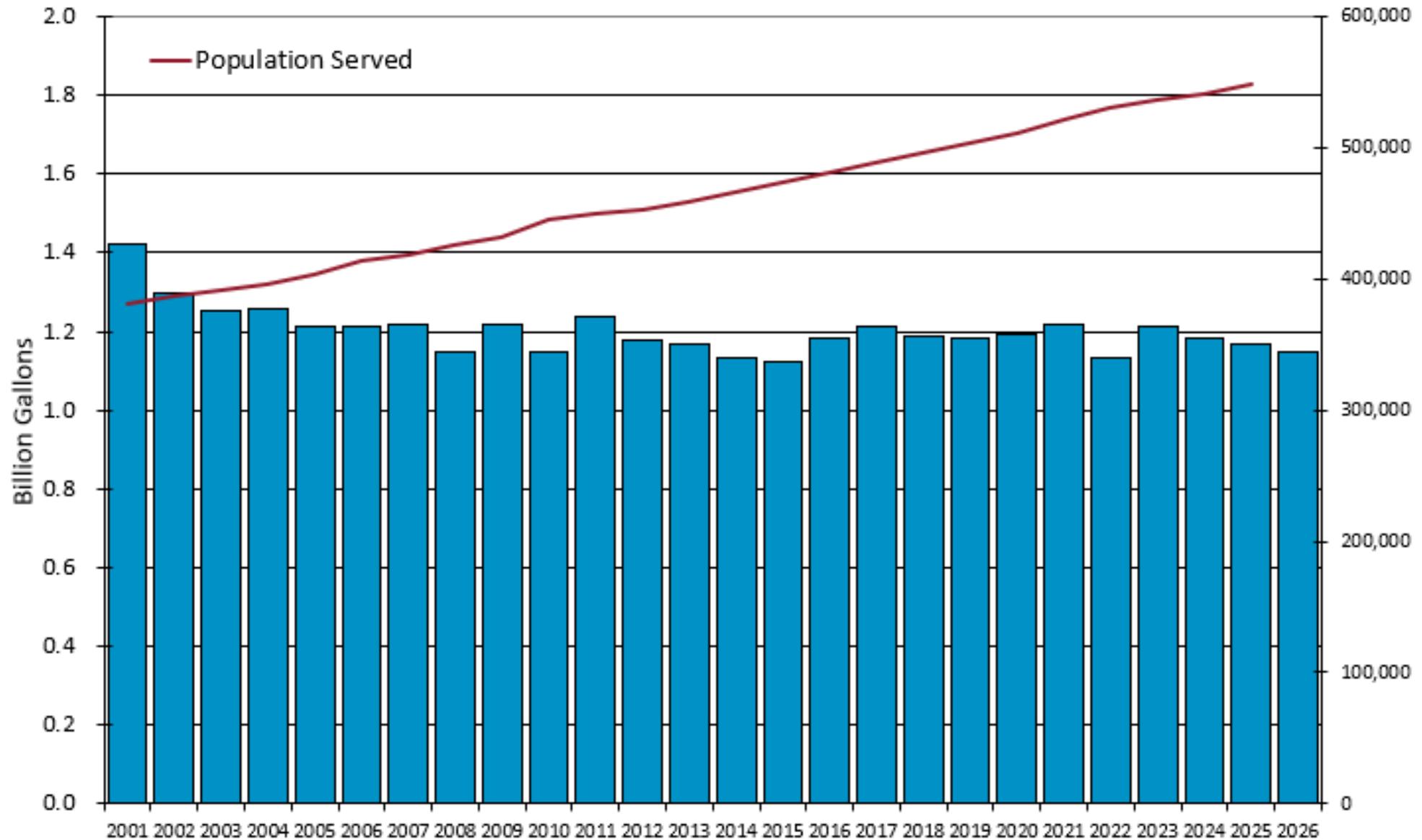
- Averaged 41.0 MGD
- 1.6% less than February 2025

## 2026 Year to Date through February 28

- Averaging 40.4 MGD, 2.5 BG total
  - 3.8% lower compared to the same time in 2025
  - 0.1 Billion Gallons less than 2025



# Monthly Water Use for February



# Reservoir Levels

February 28, 2026

- Pikes Peak 47 %
  - 91-20 Avg. 66 %
- Rampart 74 %
  - 91-20 Avg. 81 %
- Local Total 64 %
  - 91-20 Avg. 75 %
- System Total 77 %
  - 91-20 Avg. 72 %



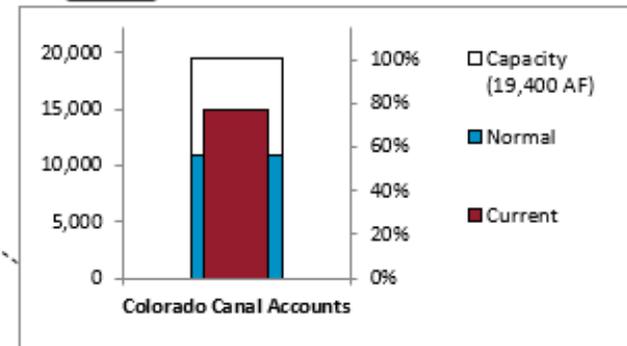
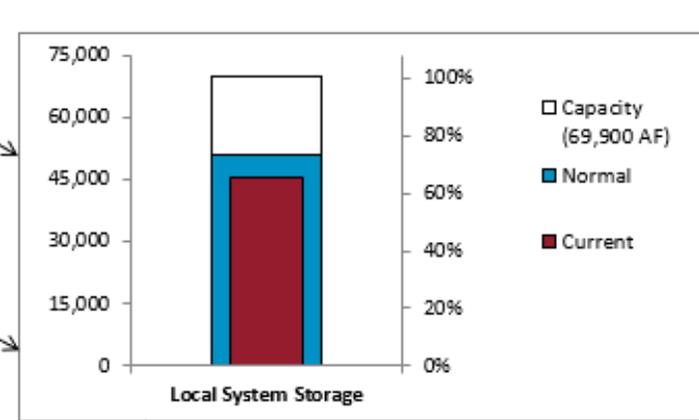
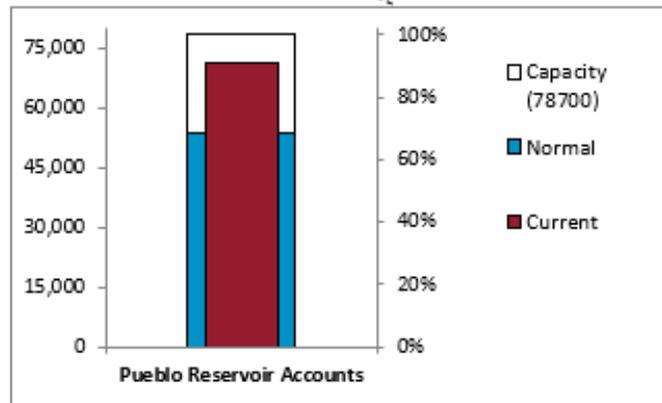
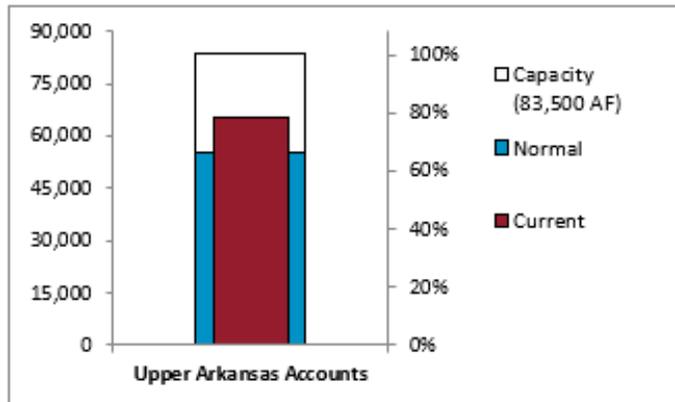
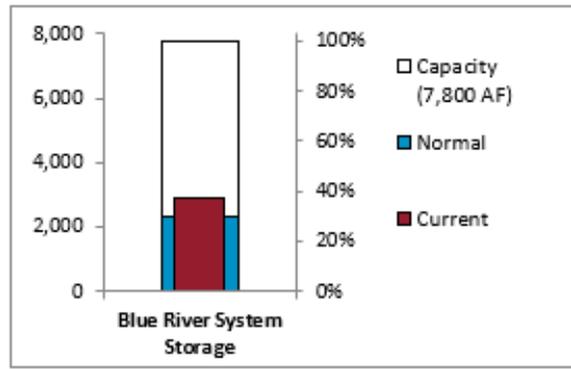
Upper Blue Reservoir

### Colorado Springs' System Wide Storage:

February 28, 2026 200,700 af  
77.0 %

2001-2022 avg 173,400 af  
66.5 %

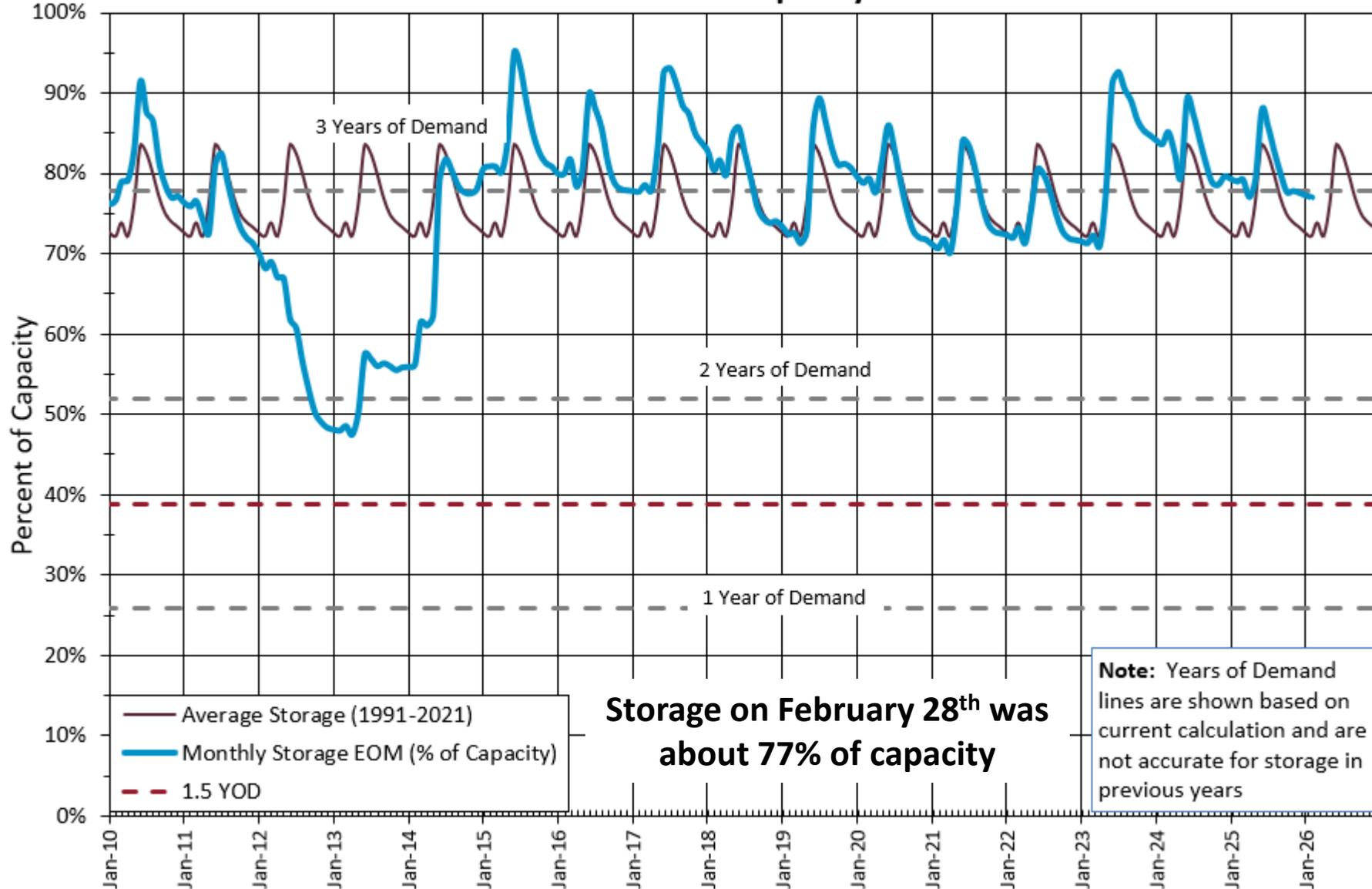
Average YTD Demand 40.4 MGD



MAX. 20 MGD

MAX. 68 MGD

# Monthly Storage Percent of Capacity



# Water Outlook

## Situation Outlook Summary

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

## Three-month outlook predictions

- Central and southern Colorado have a slightly elevated likelihood of experiencing above normal temperatures
- Precipitation across northern Colorado is expected to be near normal, while the southern half of the state faces increasing chances of below normal precipitation

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

# Operational Notes

## Storage Conditions

- Mason Reservoir capacity remains restricted for maintenance.

## Colorado River Update

- Seven basin states did not reach agreement on new operating rules for Lakes Powell and Mead by the Feb. 14 deadline
- The Bureau of Reclamation continues to evaluate the five EIS alternatives in an effort to develop new operational guidelines
- Springs Utilities continues submitting input through the Front Range Water Council
- We maintain that any solution must reflect hydrologic reality: less water in means less water out



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# Board Memo Agenda Item

## Staff Report

<b>Date:</b> (Date of Utilities Board Meeting)	March 18, 2026		
<b>To:</b>	Utilities Board		
<b>From:</b>	Travas Deal, Chief Executive Officer		
<b>Subject:</b>	Drought Response Resolution		
<b>NARRATIVE:</b>			
<b>Desired Action:</b> Choose only one	<input checked="" type="checkbox"/> Approval <input type="checkbox"/> Discussion <input type="checkbox"/> Information		
<b>Executive Summary:</b>	Colorado Springs Utilities requests to formally declare a <i>Water Shortage Preparation</i> stage to mitigate risks to our water supplies and increase customer awareness of the state of our water supply. This stage is recommended by the Chief Executive Officer per the Water Shortage Ordinance 12.4.1305 (C).		
<b>Benefits:</b>	<ul style="list-style-type: none"> <li>• Increase and offer continued education related to our water supplies and the resilience of our water system amidst current drought conditions impacting the major river basins in Colorado.</li> <li>• Heighten understanding of the importance of efficient water use both indoors and outdoors and the tools and resources available to do so.</li> <li>• Ensure our customers and regional stakeholders understand the severity of the drought situation and how Colorado Springs Utilities is carefully managing and optimizing our water supplies.</li> </ul>		
<b>Board Policy:</b> If this impacts one of the board policies, indicate that here.	In times of drought and water shortage, Colorado Springs Utilities uses our Drought Response Plan and the Water Shortage Ordinance to guide and define our actions.		
<b>Cost / Budget:</b> Include the projected cost or budget here.	Leverage budgeted dollars in communication, outreach and water conservation to support. Anticipate additional pumping costs of \$1 million in 2026 to best manage supplies.		
<b>Affected Parties:</b> This could include community groups, specific City Council Districts, other utilities, nonprofit organizations, certain neighborhoods, Colorado Springs Utilities employees, etc.	Our community and regional stakeholders and partners.		
<b>Alternatives:</b>	Do nothing while drought conditions anticipated to remain the same over the next several months.		
<b>Submitter:</b>	Abigail Ortega	<b>Email Address:</b>	ajortega@csu.org
<b>Division:</b>	System Planning and Projects	<b>Phone Number:</b>	719-668-8748
<b>Department:</b>	Infrastructure and Resource Planning	<b>Date Submitted:</b>	March 9, 2026
<b>SPG Staff Use Only:</b>	Consent Calendar <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		Item Number 07

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

RESOLUTION NO. 26-\_\_\_

A RESOLUTION OF COLORADO SPRINGS UTILITIES BOARD  
INITIATING A WATER SHORTAGE PREPARATION STAGE

WHEREAS, the Colorado Spring Utilities Board (“Utilities Board”) recognizes that the U.S. Drought Monitor, produced through a collaboration of the National Oceanic and Atmospheric Administration, or NOAA, the U.S. Department of Agriculture, the National Drought Mitigation Center at University of Nebraska-Lincoln, and the National Aeronautics and Space Administration, indicates that eighty percent (80%) of the State of Colorado is within a formal drought designation and the areas containing Colorado Springs Utilities’ mountain watersheds are with areas designated as severe to extreme drought; and

WHEREAS, Utilities Board recognizes that the snowpack/water yield forecast is very low at 61% of average and that NOAA forecasts warmer and drier conditions continuing in its long-term weather forecast; and

WHEREAS, Utilities Board acknowledges that, despite the drought conditions, Colorado Springs Utilities (“Utilities”) has sufficient water supplies to ensure it can meet the level of service criteria for water supply; and

WHEREAS, Utilities Board acknowledges that the conservation efforts of Utilities and Utilities’ customers have been vital in ensuring that Utilities has adequate water reserves to weather the current drought conditions; and

WHEREAS, in light of the current drought conditions and as an effort to mitigate future drought impacts on Utilities’ water supply, Utilities recommends that Utilities Board initiate a Water Shortage Preparation Phase, which would include (i) increasing communication and education related to drought and water use efficiency to customers and regional stakeholders; (ii) encouraging Utilities to use operational tools and infrastructure to ensure water availability and system reliability; and (iii) encouraging Utilities to continue long-term planning and preparation for drought and Colorado River-related risks

WHEREAS, the Utilities Board desires to encourage continued conservation efforts through initiating the Water Shortage Preparation phase.

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

Section 1. In recognition of the current conditions and to mitigate risks to Utilities’ water supplies and customers, the Colorado Springs Utilities Board of Directors hereby initiates the Water Preparation Phase as described above.

Section 2. This Resolution has been approved by at least five (5) members of the Utilities Board and shall take effect immediately.

DATED at Colorado Springs, Colorado, this 18th day of March, 2026.

\_\_\_\_\_  
Dave Donelson, Chair

ATTEST:

\_\_\_\_\_  
Travas Deal, Secretary

# Board Memo Agenda Item

## Staff Report

<b>Date:</b> (Date of Utilities Board Meeting)	March 18, 2026
<b>To:</b>	Utilities Board
<b>From:</b>	Travas Deal, Chief Executive Officer
<b>Subject:</b>	Authorization of the use of a Possession and Use Agreement and/or Eminent Domain to Acquire a Permanent Easement on Property Owned by the Lockwood Limited Liability Company Needed for the Kelker to South Plant Transmission Project

### NARRATIVE:

<b>Desired Action:</b> Choose only one	<input checked="" type="checkbox"/> Approval <input type="checkbox"/> Discussion <input type="checkbox"/> Information
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<b>Executive Summary:</b>	<p>Staff is requesting that the Utilities Board recommend a resolution to City Council that will allow Utilities to use a possession and use agreement and/or eminent domain to obtain a permanent easement (“Easement”) on the real property located at 3690 Astrozon Boulevard, owned by The Lockwood Limited Liability Company (“Owner”) and identified by the El Paso County Tax Schedule Number 6434112004 (the “Property”) for the Kelker to South Plant Transmission Project. The Kelker to South Plant Transmission Project is for a new overhead single circuit 115kV transmission line from Kelker Substation to South Plant Substation.</p> <p>Colorado Springs Utilities and their acquisition consultant have been in good faith negotiations with the Owner of the Property. If the Easement cannot be obtained voluntarily, Utilities is seeking authorization to enter into a Possession and Use Agreement with the Owner of the Property and/or commence condemnation proceedings to acquire the Easement. Pursuant to Section 4.3(i) and (k) of <i>The City of Colorado Springs Procedure Manual for the Acquisition and Disposition of Real Property Interest, Revised 2021</i>, City Council may authorize the use of a possession and use agreement and/or eminent domain for the acquisition of property interests.</p>
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<b>Benefits:</b>	Utilities is modernizing the electric grid for sustainability and system resiliency and reliability.
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<b>Board Policy:</b> If this impacts one of the board policies, indicate that here.	N/A
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<b>Cost / Budget:</b> Include the projected cost or budget here.	The total acquisition amount is \$54,350.
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<b>Affected Parties:</b> This could include community groups, specific City Council Districts, other utilities, nonprofit organizations, certain neighborhoods, Colorado Springs Utilities employees, etc.	Staff has been working with several private property owners, including the Colorado Department of Transportation, Union Pacific and BNSF Railway Co., and City departments to acquire the property rights needed for the project.
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<b>Alternatives:</b>	N/A
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<b>Submitter:</b>	Jessica Davis	<b>Email Address:</b>	jedavis@csu.org
<b>Division:</b>	EWO Operations Division	<b>Phone Number:</b>	719-668-7581
<b>Department:</b>	Utility Construction and Maintenance	<b>Date Submitted:</b>	March 4, 2026

<b>SPG Staff Use Only:</b>	Consent Calendar <input type="checkbox"/> Yes of 1920
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		Item Number 08
ITEMS SUBMITTED AFTER THE DEADLINE WILL BE POSTPONED UNTIL THE NEXT UTILITIES BOARD MEETING.		



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**A Resolution Authorizing the Acquisition of and the Use of a Possession and Use Agreement and Eminent Domain to Acquire an Easement on Real Property Owned by the Lockwood Limited Liability Company to be Used for the Kelker to South Plant Transmission Project**

Jessica Davis

Land Resource Manager

March 18, 2026

# Kelker-South Plant Transmission Project

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

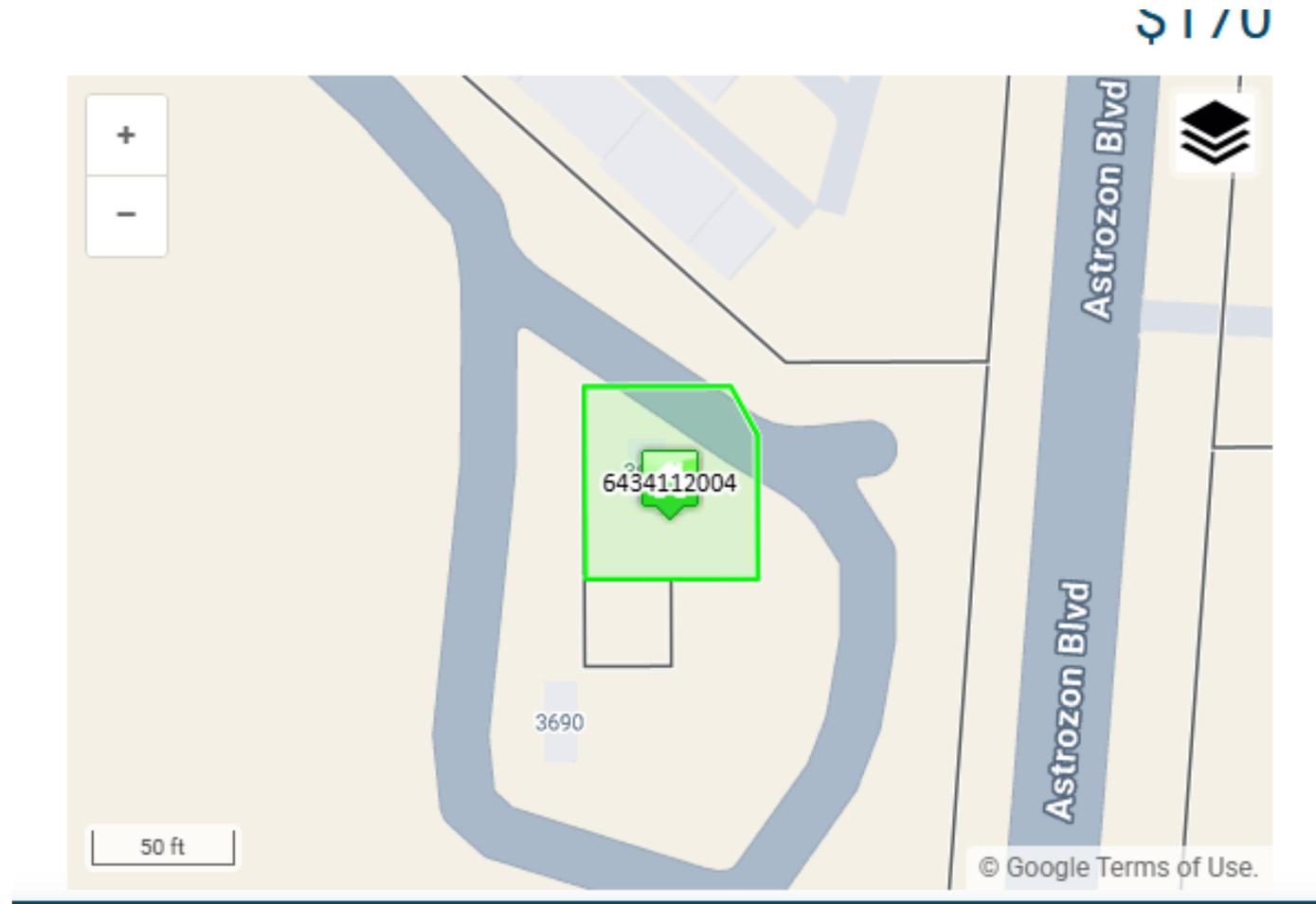


# Vicinity Map for Easement



# Property Information

- The Lockwood Limited Liability Company
- APN: 6434112004
- 3690 Astrozon Blvd
- Easement 1,992 square feet
- Appraisal value: \$54,350



# Summary of Negotiations

- Followed the Real Estate Manual process for acquisitions
- Been in good faith negotiations since early 2023
- Concerns over tenant on property and value of leased property
  - Telecom tower
- Settlement offer of \$146,600 provided December 9, 2025 was declined
- Property Owner will not sign a Possession and Use Agreement for the property. Pending submission of Property Owner's appraisal
- Securing possession of easement through Immediate Possession Hearing will allow Utilities to move forward with construction while we negotiate the value of the property with the Owner

# Action Requested

- Request for Utilities Board to recommend approval of the resolution and add the item to April 14, 2026 formal City Council agenda for a vote.



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A RESOLUTION AUTHORIZING THE USE OF A POSSESSION AND USE AGREEMENT AND EMINENT DOMAIN TO ACQUIRE A PERMANENT EASEMENT ON REAL PROPERTY OWNED BY LOCKWOOD LIMITED LIABILITY COMPANY AND KNOWN AS EL PASO COUNTY TAX SCHEDULE NUMBER 6434112004 NEEDED FOR THE KELKER TO SOUTH PLANT TRANSMISSION PROJECT

WHEREAS, the City of Colorado Springs (“City”) on behalf of its enterprise Colorado Springs Utilities (“Utilities”) is empowered to acquire property interests within or without its territorial limits through institution of eminent domain proceedings, for all interests necessary for the City pursuant to the provisions of Article XX, Section 1 of the Colorado Constitution and the City Charter; and

WHEREAS, a permanent easement on the property located at 3690 Astrozon Boulevard, Colorado Springs, Colorado, also known as El Paso County Tax Schedule Number 6434112004 (the “Property”) and owned by Lockwood Limited Liability Company (the “Property Owner”) has been identified as necessary for the Kelker to South Plant Transmission Project (“Project”); and

WHEREAS, the permanent easement to be acquired for this Project is more particularly described and depicted on the attached exhibits (the “Easement”); and

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

WHEREAS, the City has commenced good faith negotiations with the Property Owner; and

WHEREAS, if the City and the Property Owner cannot reach agreement on the purchase and sale of the Easement, City Council may authorize the use of a Possession and Use Agreement with the Property Owner and/or condemnation proceedings to acquire the Easement pursuant to section 4.3 of *The City of Colorado Springs Procedure Manual for the Acquisition and Disposition of Real Property Interest, Revised 2021*.

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

Section 1. That City Council hereby finds the acquisition of the Easement as described in the attached legal descriptions to be necessary for the construction of the Project.

Section 2. That City Council hereby finds the acquisition of the Easement serves the public purpose of providing grid reliability, resiliency and redundancy for the City's electric system.

Section 3. That Utilities and the City's Real Estate Services Manager are hereby authorized to enter into a possession and use agreement with the Property Owner regarding the acquisition of the Easement.

Section 4. That the City Attorney is hereby authorized to take all action necessary to acquire the Easement, and to seek immediate relief by a voluntary possession and use agreement, eminent domain, or other appropriate proceedings.

Section 5. This Resolution shall be in full force and effect immediately upon its adoption.

DATED at Colorado Springs, Colorado, this \_\_\_\_\_ day of \_\_\_\_\_,  
2026.

ATTEST:

\_\_\_\_\_  
Lynette Crow-Iverson, Council President

\_\_\_\_\_  
Sarah B. Johnson, City Clerk