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

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

**AGENDA**
**Wednesday, March 19, 2025**
**1:00 p.m. – 5:00 p.m.**
**Join the meeting now**
Meeting ID: 279 229 539 996
Passcode: uqYw3U
**Dial-in by phone**
+1 719-733-3651,,928071558#

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| **1:00 p.m.** | **1.** | **Call to Order** | Chair Donelson |
| **1:05 p.m.** | **2.** | **Invocation and Pledge of Allegiance** | Chair Donelson |
| **1:10 p.m.** | **3.** | **Consent Agenda** | Chair Donelson |

These items will be acted upon as a whole unless a specific item is called for discussion by a Board Member or a citizen wishing to address the Utilities Board. (Any items called up for separate consideration shall be acted upon following Compliance Reports.)

- **Approval of Feb. 19, 2025, Utilities Board meeting minutes**
- **Re-Appointment of Andrew Colosimo to the Southeastern Water Conservancy District Board of Directors**
- **Appointment of Abigail Ortega to the Southeastern Water Conservancy District Board of Directors**
- **Appointment of Tristan Gearhart to the Fountain Valley Authority Board of Directors**
- **Approval of Changes to the Excellence in Governance Policy Manual Policy I-7 Water Supply Management/ Regional Water and Wastewater Policy**
- **Approval, in accordance with the City's Real Estate Manual, of an Acquisition of a Utility Easement, with a total purchase price in excess of $100,000, as part of the Pikes Peak Regional Transit Authority (PPRTA) Marksheffel Road – North Carefree to Dublin Project**
- **Approval of Changes to the Electric Cost Adjustment/ Gas Cost Adjustment (ECA/GCA) rates**

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| **1:15 p.m.** | **4.** | **Customer Comments** | Chair Donelson |

- During the customer comment period, comments are accepted for any topic not on the agenda.
- Comments for specific agenda items will be taken following the presentation of the item and the Board's discussion.
- Comments will be limited to three minutes per speaker, per item.

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

- 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.

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| **1:20 p.m.** | **5.** | **Recognition**<br>• Resolution of Appreciation for Vice Chair Yolanda Avila<br>• Resolution of Appreciation for Board Member Randy Helms<br>• Resolution of Appreciation for Board Member Mike O'Malley<br>• Resolution of Appreciation for Board Member Michelle Talarico<br>• Recognition video for outgoing Board Members | Chair Donelson |
| **1:50 p.m.** | **6.** | **Compliance Reports:**<br>• **ER:1-3 Utilities Board Expected Results Year End Performance –Scorecard**<br>• **I-4 Risk Management**<br>• **I-8 Asset Protection**<br><br>**E-2 CEO/Board Partnership Responsibilities**<br>• Water Outlook | Travas Deal, Chief Executive Officer |
| **2:10 p.m.** | **7.** | **Items Called Off Consent Agenda** | Chair Donelson |
| **2:15 p.m.** | **8.** | **Fleet Update**<br>Informational presentation on the status of our fleet management program. | Richard Norton, Supply Chain General Manager |
| **2:35 p.m.** | **9.** | **Resolution to Temporarily Suspend and Amend the Board Bylaws and Excellence in Governance Policy Manual Policies Regarding Standing Committees**<br>Vote to approve a resolution suspending and amending portions of the Utilities Board Bylaws and Excellence in Governance Policy Manual Rules Regarding Standing Committees | Renee Congdon, Utilities Division Chief, City Attorney's Office |
| **2:45 p.m.** | **10.** | **Board Member Updates** | Board of Directors |
| **2:55 p.m.** | **11.** | **Summary of Board Actions** | Gail Pecoraro, Utilities Board Administrator |
| **3:00 p.m.** | **12.** | **Executive Session – 2024 CEO Performance Review Close Out**<br>In accordance with City Charter art. III, § 3-60(d) and its incorporated Colorado Open Meetings Law, C.R.S. § 24-6-402(4)(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 2024 year-end performance review of the Chief Executive Officer.<br><br>The City Attorney's Office, on behalf of the Chair of the Utilities Board, shall poll the Utilities Board members, and, upon consent of two-thirds | Renee Congdon, Utilities Division Chief, City Attorney's Office |

of the members present, may conduct a Closed Executive Session. In the event any Utilities Board member is participating electronically or telephonically in the Closed Executive Session, each Utilities Board member participating electronically or telephonically in the Closed Executive Session shall affirmatively state for the record that no other member of the public not authorized to participate in the electronic Closed Executive Session is present or able to hear the matters discussed as part of the Closed Executive Session. If consent to the Closed Executive Session is not given, the item may be discussed in Open Session or withdrawn from consideration.

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| **4:30 p.m.** | **13.** | **Executive Officer Salary**<br>Vote to approve a change in salary for the CEO. Board Policy UBA: 1-4 states that pursuant to City Code § 12.1.104, the Utilities Board has the following administrative authorities: Hire, set the salary, evaluate, and terminate the Chief Executive Officer. | Tristan Gearhart, Chief Financial Officer |
| **5:00 p.m.** | **14.** | **Adjournment** | Chair Donelson |

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

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

**MINUTES**
**Colorado Springs Utilities Board Meeting**
**Wednesday, February 19, 2025**

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

**Utilities Board members excused:**
David Leinweber and Mike O'Malley

**Staff members present via Microsoft Teams or Blue River Conference Room:**
Travas Deal, Renee Adams, Lisa Barbato, Mike Francolino, Tristan Gearhart, Somer Mese, Peter Alonge, Jay Anderson, Joe Awad, Jim Bagby, Kerry Baugh, Pattie Benger, Steve Berry, Nathan Bloomfield, Carley Bogus, Charles Cassidy, Andy Colosimo, Kandy Drake, Matt Dudden, Travis Eckland, Kelley Edwards, Tyler Endres, Marcela Espinoza, Heather Evans, Ian Gavin, Jason Green, Shaun Guilfoil, Mark Hall, Martha Hannigan, Jeff Hanson, Diana Harmon, Adam Hegstrom, Qaz Ingram, Jennifer Jordan, Ray Keesey, Rebecca Kerrigan, Amy Lewis, David Longrie, Michelle Luukkonen, Noemi Martinez, Nicole Means, Michael Myers, Danielle Nieves, Joshua Norton, Chris Olney, Gail Pecoraro, Jason Reynolds, Jason Rigler, Kathryn Rozwod, Mark Sanders, Juan Santos, Bethany Schoemer, Kim Schwartz, Scott Shirola, Kevin Shrewsbury, Leslie Smith, Tricia Timmons-Malsam, Amy Trinidad, Jennifer Valdois, Chrissy VanBuskirk, Scott Vermillion, Natalie Watts, Al Wells, Michelle Wills-Hill, Kyle Wilson, Justin Zeisler and Jane Zook

**City of Colorado Springs staff members present via Microsoft Teams or Blue River Conference Room:**
Sally Barber, Chris Bidlack, Renee Congdon, Jamie Fabos, Michael Montgomery, Alex Ryden and Juan Santos

**Citizens present via Microsoft Teams or Blue River Conference Room:**
Larry Barrett, Al Badeau, Gary Burghart, Kate Danner, Heidi Hood, Lindsey Samelson, Scott Smith, David Watson, Timothy Kirkwood and Jeffrey Wilkinson

1. **Call to Order**
   Chair Donelson called the Utilities Board meeting to order at 1:01 p.m., and Ms. Gail Pecoraro, Utilities Board Administrator, called the roll.

2. **Invocation and Pledge of Allegiance**
   Deacon Jeff Hanson, Energy Infrastructure and Planning Engineer, delivered the invocation, and Board Chair Donelson led the Pledge of Allegiance.

**3. Consent Agenda**

- Approval of Jan. 22, 2025, Utilities Board meeting minutes
- Reappointment of Kim Gortz to the Homestake Steering Committee
- Reappointment of Kim Gortz to the Board of Directors of the Aurora – Colorado Springs Joint Water Authority Board
- Intergovernmental Agreement (IGA) for Construction Cost Sharing for the Northern Monument Creek Interceptor

Board Member Henjum said that Kim Gortz has done a wonderful job and is a great representative of Springs Utilities.

The Consent Agenda was unanimously approved.

The IGA for Construction Cost Sharing for the Northern Monument Creek Interceptor was approved to move to the Feb. 25, 2025, City Council consent agenda.

**4. Customer Comments**

There were no customer comments.

**5. Recognition**

- **President's Volunteer Service Award**
  Ms. Renee Adams, Chief Human Resources Officer, introduced Ms. Kandy Drake, Community Relations Specialist, who said that the President's Volunteer Service Award is an initiative of AmeriCorps and administered by Points of Lights. It recognizes the vital role of volunteers in enhancing America's strength and national identify. In 2024, 57 employees volunteered 13,665 hours of their time. These are hours outside of the Community Focus Fund and paid volunteer projects.

- **Resolution of Appreciation for Charles Cassidy, General Manager of Operations**
  Ms. Somer Mese, Chief Operations Officer, recognized Mr. Charles Cassidy, General Manager of Operations, for his seven years of service to the organization. He will be retiring on April 11, 2025.

  Mr. Travas Deal, Chief Executive Officer, thanked Mr. Cassidy for his dedication and many efforts during his time with Springs Utilities. He wished him the best in his retirement.

  Mr. Cassidy thanked Mr. Deal and the organization for the past seven years and the many opportunities he has been afforded.

  Board Member Henjum thanked Mr. Cassidy for his many positive efforts and all of his work leading the emergency response effort during the Windstorm of December 2021.

Ms. Mese read a resolution recognizing Mr. Cassidy for his service to the customers of Colorado Springs Utilities.

The resolution was unanimously approved.

6. **Compliance Reports**
   - I-4 Risk Management
   - I-5 Economic Development
   - I-13 Community Investment
   - E-2 CEO / Board Partnership Responsibilities
     - Water Outlook
     - Electric Cost Adjustment / Gas Cost Adjustment Monitoring

   These reports were provided in the meeting packet and discussed at the Feb. 18, 2025 Working Committee meeting. There were no questions or additional discussion.

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

8. **Utilities Policy Advisory Committee (UPAC) Assignment Update**
   Mr. Larry Barrett, past UPAC Chair and Ms. Kate Danner, current UPAC Chair, shared that the purpose of the 2024 UPAC assignment was to examine the nuclear power options for Colorado Springs Utilities. UPAC used 12 questions to examine their assignment.

   **What should Springs Utilities be doing to prepare for nuclear power generation in the future?**
   Multiple organizations were brought in for guest presentations. These included internal subject matter experts, the Colorado Energy Office, American Public Power Association, Grant County Washing Public Utility District, Utah Associated Municipal Power Systems, TerraPower, and Bechtel.

   **What is the state of technology (Small Modular Reactors (SMRs), etc.)?**
   There are currently 94 operating conventional nuclear power plants in 28 states. Commercial small modular reactors (SMRs) are operating internationally but there are no current domestic operations. The technology landscape is developing rapidly, with more than 80 designs being developed in 19 countries. The first fusion nuclear power plant was just announced in Virginia.

   **What is the cost range for different options? Should cost be seen as prohibitive?**
   The levelized cost of energy per megawatt hour combines capital costs, operating costs and capacity factors. Lazard Financial estimates costs for utility scale wind and storage from $45 to $133; Utility scale solar and storage from $60 to $210; residential rooftop solar from $122 to $284, gas peaking from $110 to $228; and nuclear from $142 to $222. Wind and solar require two to four times the installed capacity potentially increasing the levelized cost show above by the equivalent amount. Initial capital cost estimates of new 600 mw nuclear

plant range from $5.2 billion to $12.9 billion. Cost projections have more than doubled in the last three years.

Board Member Henjum asked how the ranges of cost were determined. Ms. Danner said that the vogtle units in Georgia were specifically looked at. Cost estimates were not based on SMR technology but on conventional technology.

Board Chair Donelson asked what the timeframe was for the estimates. Mr. Barrett said the timeframe was factored in.

**What are the environmental pros and cons, including waste disposal and emissions?**
Environmental pros and cons include zero emissions of greenhouse cases, helps in meeting net zero carbon goals – but not currently recognized as clean energy by the State of Colorado, SMRs offer higher reliability and resilience with good load following fluctuations when renewables are insufficient, and smaller footprints (10% of conventional nuclear plants or about 40 acres).

**Are the water constraints in Colorado a prohibitive factor?**
Cooling water is not anticipated to be a constraint currently, because non-potable water can be utilized for cooling. Cooling water requirements for nuclear and coal plants are similar. Alternate cooling technologies are available that could reduce water usage, but it would require balancing water usage versus cost.

Board Member Henjum asked if the water used can be re-used. Ms. Danner said that it would be evaporated at the end of the process. The amount of water varies by design. Board Member Henjum asked if this is a high water use resource. Mr. Barrett said that it would use approximately the same amount of water that a coal plant would use. Mr. Deal said that it is a closed loop system that is becoming more water efficient.

**What is the regulatory environment in Colorado and nationally?**
The Department of Energy seeks SMR deployment by early 2030s. In Colorado, nuclear it not included in the definition of renewables. The state legislature is currently considering defining nuclear as a clean energy resource. Colorado goals for greenhouse gas emissions reductions in electric sector from a 2005 baseline is 80% by 2030 and 100% by 2050.

**Are there federal or other funding or research opportunities that Springs Utilities should investigate?**
There are federal funding mechanisms available. This is an evolving landscape. The Department of Energy has grants available of $900 million for SMR first mover teams of utility, reactor vendor, constructor, and customers. The Inflation Reduction Act provides incentives for SMRs. An example of funding is that TerraPower is building a $4 billion nuclear plant with $2 billion from the Department of Energy and another $1 billion from the Gates Foundation.

Board Member Henjum asked if the current administration has targeted this in their budget cuts. Board Member Donelson said the new Department of Energy Chief is very interested in the SMRs. Mr. Deal said that bipartisan legislation is currently being discussed in the state regarding nuclear energy.

**How long does permitting take?**
Permitting is currently estimated to take 10 years from project kick off to operating permit. The ADVANCE Act of 2024 for advanced nuclear reactor policies was enacted. This requires NRC in 36 months to recommend faster licensing processes but could be 50% to 85% faster.

Board Member Henjum asked if the ADVANCE Act is giving 36 months to recommend faster licensing processes. Mr. Barrett said that is his understanding.

**What is being done in the southwest and Rocky Mountain region – where similar water limitations and climate and altitude are found (i.e., projects in Wyoming)?**
NuScale SMR plant would have been located in Idaho and obtained design certification in 3.6 years. TerraPower SMR plant will be located in Wyoming, and the construction process is planned from 2024 to 2030. Retiring fossil fuel plants should free up water resources.

**What are the opportunities for partnerships and collaboration?**
Partnership opportunities include Xcel, Black Hills Energy, Tri State Generation and Transmission Association, and Nebraska Public Power District (who already has a nuclear plant). Potential customer partnerships include military bases, data centers, distribution centers, education campuses, industrial plants, and AI. Springs Utilities may provide sites and purchase power agreements (PacifiCorp, Grant County Public Utility District, Utah Associated Municipal Power Systems, Nebraska Public Power District).

**What is recommended for the frequency of UPAC re-examining this topic, including for the Energy Integrated Resource Plan (EIRP)?**
It is recommended that UPAC re-examine this topic in-depth in the next 1 to 2 years and then in a regular cadence of 3 to 5 years in connection with the Energy Integrated Resource Plan (EIRP). Consideration should be given to changing technology, economics, and impacts of safety, water use, licensing and related topics. Changes in net zero carbon goals and compliance may also influence the frequency of review.

**What should Springs Utilities be doing to prepare for nuclear power generation in the future?**
Springs Utilities should create a roadmap and research plan to develop a basic knowledge of nuclear power options, evaluate most promising nuclear options in the context of the next EIRP, complete an in-depth review in the next 1-2 years and then a regular cadence of 3-5 years connected to the EIRP. The utility should pursue a nuclear site permit at a Colorado Springs Utilities controlled site, develop relationships with potential partners, and keep customers informed of plans and progress, including being more proactive in educating the community on SMRs.

Board Chair Donelson asked Mr. Barrett if he anticipates the public's perception of nuclear energy to change positively in time. Mr. Barret said that he has spoken to colleagues, and those he has spoken to have been in favor of it. Ms. Danner said the technology has changed and is much safer. This should result in increased popularity.

Board Member Helms thanked members of UPAC for their work on this assignment. He feels that this is the future of cleaner energy.

Board Member Henjum appreciates the work of the committee and said that it strengthens the work of the Utilities Board. This work helps address the energy needs of the community. She would request that there be a Working Committee discussion on a future UPAC assignment.

Board Member Risley thanked UPAC for their thorough work on this assignment. He said that he would like to see actionable items, rather than just talking about it for the next few years. Mr. Deal said that the organization is looking at posting a position for a nuclear engineer and opening an RFP for a nuclear consultant based on the Board's vote today on the UPAC recommendations.

Vice Chair Avila said she is impressed with UPAC coming together to utilize each member's expertise for the work and detailed report.

The UPAC recommendation was approved unanimously on a vote of 7-0 with Board Members Leinweber and O'Malley excused.

Ms. Jamie Fabos, City of Colorado Springs Chief of Staff, offered the City's support for the great work done by UPAC.

**9. Utilities Board Bylaws Update**

Ms. Natalie Watts, Strategic Planning and Governance Manager, said that at the June 18, 2024, Utilities Board meeting, changes were approved to the Utilities Board Bylaws to incorporate language describing the UPAC liaison. The Utilities Board has requested greater clarity on the expectations of the liaison. The intent is for the liaison to provide updates to the full Utilities Board to ensure Utilities Board expectations are met. The proposed change specifies that the UPAC liaison is expected to attend the regularly scheduled UPAC meetings. At the regular Utilities Board meeting, the UPAC liaison is expected to provide updates from the UPAC.

The Utilities Board Bylaws Update was approved unanimously on a vote of 7-0 after a motion by Board Member Helms and a second by Board Member Henjum. Board Members Leinweber were O'Malley excused.

**10. Board Member Updates**

Board Member Helms said that State House bill 1040 has deemed nuclear energy is clean energy. Fiber installation is just under 20,000 residences currently. He congratulated the organization's team, and said that installations are going along quite well.

Board Member Risley asked how the initiative to repeal Karman line would affect future infrastructure. Mr. Deal said that this situation is being monitored. As other conversations occur, this could impact what other capital projects look like and could potentially impact growth. Board Member Risley asked about the cost recovery piece. Mr. Deal said that bonding recovery is being stretched.

Ms. Fabos expressed the City's gratitude and said that the City is very blessed to have the four-service utility that we have.

Board Chair Donelson said that the UPAC assignment will turn out to be a very important assignment and will have an impact over the next several years.

**11. Summary of Board Actions**

- Approval of Jan. 22, 2025, Utilities Board meeting minutes
- Approval of Reappointment of Kim Gortz to the Homestake Steering Committee
- Approval of Reappointment of Kim Gortz to the Board of Directors of the Aurora – Colorado Springs Joint Water Authority Board
- Approval of Intergovernmental Agreement for Construction Cost Sharing for the Northern Monument Creek Interceptor. This item will move forward to the Feb. 25, 2025 City Council Consent Agenda.
- Approval of the Utilities Policy Advisory Committee's recommendation on the Nuclear Generation Assignment
- Approval to accept changes to the Utilities Board Bylaws Updates regarding the UPAC liaison

**12. Adjournment**

The meeting adjourned at 2:27 p.m.

# Board Memo Agenda Item
## Staff Report

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| **Date:**<br>(Date of Utilities Board Meeting) | March 19, 2025 |
| **To:** | Utilities Board |
| **From:** | Travas Deal, Chief Executive Officer |
| **Subject:** | A Resolution Re-Appointing Member of the Southeastern Colorado Water Conservancy District Board of Directors |
| **NARRATIVE:** | |
| **Desired Action:**<br>Choose only one | ☒ Approval<br>☐ Discussion<br>☐ Information |
| **Executive Summary:** | The Southeastern Colorado Water Conservancy District is a 15-member board representing geographic areas of the District and appointment by the Presiding Judge of the Tenth Judicial District. The District is the legal agency responsible for the repayment of the reimbursable costs of the Fryingpan-Arkansas Project. The District makes supplemental water from the Fryingpan-Arkansas Project available for use by approximately 280,600 acres of irrigated land under various private and mutual ditch companies, and for use by the municipal and domestic water suppliers who directly serve the District's approximately 600,000 constituents, including water to Colorado Springs via the Fountain Valley Authority.<br><br>Andrew J. Colosimo is applying for re-appointment to represent El Paso County on the Board of Directors. The attached resolution would re-appoint Andrew J. Colosimo, Public Affairs General Manager, to fill another four-year term. |
| **Benefits:** | Representation for Colorado Springs Utilities on the Southeastern Colorado Water Conservancy District Board |
| **Board Policy:**<br>If this impacts one of the board policies, indicate that here. | UBA-4: Appoint directors and representatives to water authorities, partnerships, joint ventures, and similar entities to which Utilities participates. |
| **Cost / Budget:**<br>Include the projected cost or budget here. | N/A |
| **Affected Parties:**<br>This could include community groups, specific City Council Districts, other utilities, nonprofit organizations, certain neighborhoods, Colorado Springs Utilities employees, etc. | Colorado Springs Utilities, Southeastern Colorado Water Conservancy Board of Directors |
| **Alternatives:** | N/A |

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| **Submitter:** | Andrew Colosimo | Email Address: | acolosimo@csu.org |
| **Division:** | Administrative and Human Resources | Phone Number: | 719-668-8005 |
| **Department:** | Public Affairs | Date Submitted: | March 3, 2025 |

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

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

RESOLUTION NO. 25 - 08

A RESOLUTION OF THE COLORADO SPRINGS UTILITIES BOARD OF DIRECTORS IN SUPPORT OF THE CANDIDATE FOR RE-APPOINTMENT TO THE SOUTHEASTERN COLORADO WATER CONSERVANCY DISTRICT BOARD OF DIRECTORS

WHEREAS, the Southeastern Colorado Water Conservancy District ("District") was created under Colorado State Statutes on April 29, 1958, by the District Court of Pueblo, Colorado, for the purpose of developing and administering the Fryingpan-Arkansas Project ("Project"); and

WHEREAS, the District extends along the Arkansas River from Buena Vista to Lamar, and along Fountain Creek from Colorado Springs to Pueblo, Colorado; and

WHEREAS, the District is responsible for repayment of the reimbursable costs of the Project; and

WHEREAS, the District makes supplemental water from the Project available for use by various private and mutual ditch companies, to irrigate approximately 280,600 acres of land, and for use by the many municipal and domestic water suppliers who serve the District's approximately 600,000 constituents; and

WHEREAS, Colorado Springs Utilities, through the Fountain Valley Authority, is a major purchaser of water and major contributor in terms of taxable income to the District; and

WHEREAS, the District is governed by a 15-member board of directors representing the nine counties within the District, with each director appointment by Water Court for the District to service for four-year terms and is subject to re-appointment; and

WHEREAS, in March 2025, one of the El Paso County director board memberships will become available for re-appointment; and

WHEREAS, Section 37-45-114 of the Colorado Revised Statutes provides that each applicant shall have resided within the District for a period of at least one year, shall be the owner of real property within the District, and shall be knowledgeable in water matters; and

WHEREAS, Andrew J. Colosimo is seeking re-appointment as director for the District, representing El Paso County; and

WHEREAS, Andrew J. Colosimo has extensive experience in water, energy, and natural resource matters in Colorado and the West. He has more than 30 years of professional experience focusing on public policy matters at the local, state and federal levels of government coupled with service of more than sixteen years serving on the boards of directors for the Colorado Water Congress and the National Water Resources Association. He is recognized and respected by state and federal lawmakers for his understanding of water policy and has testified before the U.S. House of Representatives, the Colorado General Assembly and was appointed by Colorado Governor Bill Owens to the Colorado River Advisory Council. Mr. Colosimo works closely with leadership at the District on their water resource challenges and initiatives including securing funding for Bureau of Reclamation projects, water storage and conveyance proposals, Colorado River operational matters and endangered species protection programs that impact water users throughout the Upper and Lower Colorado River Basin. Mr. Colosimo has demonstrated knowledge of water resource challenges and initiatives of the District and its member entities. Mr. Colosimo has served on the Allocation Committee and the Resource and Engineering Subcommittee.

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

The Colorado Springs Utilities Board of Directors supports the re-appointment of Andrew J. Colosimo as director for the Southeastern Colorado Water Conservancy District from El Paso County.

The Chair is authorized to send letters of support on behalf of the candidate.

The Chair is hereby authorized to execute this Resolution on behalf of Colorado Springs Utilities and the Secretary is authorized to attest the Chair’s signature.

DATED at Colorado Springs, Colorado, this 19$^{th}$ day of March 2025.

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Dave Donelson, Utilities Board Chair

ATTEST:

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Travas Deal, Secretary

# Board Memo Agenda Item
## Staff Report

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|---|---|
| **Date:**<br>(Date of Utilities Board Meeting) | March 19, 2025 |
| **To:** | Utilities Board |
| **From:** | Travas Deal, Chief Executive Officer |
| **Subject:** | A Resolution Appointing Member of the Southeastern Colorado Water Conservancy District Board of Directors |
| **NARRATIVE:** | |
| **Desired Action:**<br>Choose only one | ☒ Approval<br>☐ Discussion<br>☐ Information |
| **Executive Summary:** | The Southeastern Colorado Water Conservancy District is a 15-member board representing geographic areas of the District and appointment by the Presiding Judge of the Tenth Judicial District. The District is the legal agency responsible for the repayment of the reimbursable costs of the Fryingpan-Arkansas Project. The District makes supplemental water from the Fryingpan-Arkansas Project available for use by approximately 280,600 acres of irrigated land under various private and mutual ditch companies, and for use by the municipal and domestic water suppliers who directly serve the District's approximately 600,000 constituents, including water to Colorado Springs via the Fountain Valley Authority.<br><br>Abigail Ortega is applying for appointment to fill a vacancy, recently filled by Mark Pifher, to represent El Paso County on the Board of Directors. The attached resolution would recommend Abigail Ortega, General Manager, to fill the remainder of the four-year term. |
| **Benefits:** | Representation for Colorado Springs Utilities on the Southeastern Colorado Water Conservancy District Board |
| **Board Policy:**<br>If this impacts one of the board policies, indicate that here. | UBA-4: Appoint directors and representatives to water authorities, partnerships, joint ventures, and similar entities to which Utilities participates. |
| **Cost / Budget:**<br>Include the projected cost or budget here. | N/A |
| **Affected Parties:**<br>This could include community groups, specific City Council Districts, other utilities, nonprofit organizations, certain neighborhoods, Colorado Springs Utilities employees, etc. | Colorado Springs Utilities, Southeastern Colorado Water Conservancy Board of Directors |
| **Alternatives:** | N/A |

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

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

RESOLUTION NO. 25-10

A RESOLUTION OF THE COLORADO SPRINGS
UTILITIES BOARD OF DIRECTORS IN SUPPORT OF THE
CANDIDATE FOR APPOINTMENT TO THE
SOUTHEASTERN COLORADO WATER CONSERVANCY
DISTRICT BOARD OF DIRECTORS

WHEREAS, the Southeastern Colorado Water Conservancy District ("District") was created under Colorado State Statutes on April 29, 1958, by the District Court of Pueblo, Colorado, for the purpose of developing and administering the Fryingpan-Arkansas Project ("Project"); and

WHEREAS, the District extends along the Arkansas River from Buena Vista to Lamar, and along Fountain Creek from Colorado Springs to Pueblo, Colorado; and

WHEREAS, the District is responsible for repayment of the reimbursable costs of the Project; and

WHEREAS, the District makes supplemental water from the Project available for use by various private and mutual ditch companies, to irrigate approximately 280,600 acres of land, and for use by the many municipal and domestic water suppliers who serve the District's approximately 600,000 constituents; and

WHEREAS, Colorado Springs Utilities, through the Fountain Valley Authority, is a major purchaser of water and major contributor in terms of taxable income to the District; and

WHEREAS, the District is governed by a 15-member board of directors representing the nine counties within the District, with each director appointment by Water Court for the District to service for four-year terms and is subject to re-appointment; and

WHEREAS, Mark Pifher recently served as director for the District, representing El Paso County, serving a term effective March 2024 and expiring March 2028; and

WHEREAS, Mark Pifher decided to pursue other opportunities resulting in a vacancy of director for the District, representing El Paso County; and

WHEREAS, Section 37-45-114 of the Colorado Revised Statutes provides that each applicant shall have resided within the District for a period of at least one year, shall be the owner of real property within the District, and shall be knowledgeable in water matters; and

WHEREAS, Abigail Ortega is seeking appointment to fill the remainer of the vacated term as director for the District, representing El Paso County; and

WHEREAS, Abigail Ortega has extensive experience in water, energy, and natural resource matters in Colorado and the West. She has more than 25 years of professional experience focusing on water rights administration, water resource operational planning throughout Colorado and especially in the Arkansas River Basin. Ms. Ortega has held top leadership positions with the Fountain Valley Authority and worked extensively with other water entities throughout the Arkansas River Basin, including Municipalities, Mutual Ditch Companies, Water Conservancy Districts, Division Engineer's Office, the Bureau of Reclamation, and the agricultural communities. Ms. Ortega has had extensive interactions with state-wide entities, primarily in the Arkansas River Basin, and participated in contract negotiations with the Bureau of Reclamation. Ms. Ortega has experience working with agricultural, municipal, local, and state water users on a wide range of issues and challenges. Ms. Ortega has demonstrated extensive knowledge of water resource challenges and initiatives of the Southeastern Colorado Conservancy District and its member entities.

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

The Colorado Springs Utilities Board of Directors supports the appointment of Abigail Ortega as director for the Southeastern Colorado Water Conservancy District from El Paso County.

The Chair is authorized to send letters of support on behalf of the candidate.

The Chair is hereby authorized to execute this Resolution on behalf of Colorado Springs Utilities and the Secretary is authorized to attest the Chair's signature.

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

________________________________
Dave Donelson, Utilities Board Chair

ATTEST:

________________________________
Travas Deal, Secretary

# Board Memo Agenda Item
## Staff Report

| | |
|---|---|
| **Date:**<br>(Date of Utilities Board Meeting) | March 19, 2025 |
| **To:** | Utilities Board |
| **From:** | Travas Deal, Chief Executive Officer |
| **Subject:** | A Resolution Appointing Member of the Fountain Valley Authority Board of Directors |
| **NARRATIVE:** | |
| **Desired Action:**<br>Choose only one | ☒ Approval<br>☐ Discussion<br>☐ Information |
| **Executive Summary:** | The Fountain Valley Authority is a water authority established as a separate legal and governmental entity, and a political subdivision under the laws of Colorado, and consists of the following entities: The City of Colorado Springs, The City of Fountain, Widefield Water and Sanitation District, Security Water District, and Stratmoor Hills Water District. The articles of incorporation of the Fountain Valley Authority provide that the City of Colorado Springs shall appoint four members of the Board of Directors to the Authority for a term of three years.<br><br>A Colorado Springs Board seat of the Fountain Valley Authority, currently held by Natalie Lovell, was vacated on March 3, 2025. It is necessary for the Utilities Board to appoint Board Members to fill the seat for the remainder of the term ending Dec. 31, 2026. The attached resolution would appoint Tristan Gearhart, Chief Financial Officer, as Director of the Fountain Valley Authority to fill the remainder of the three-year term. |
| **Benefits:** | Representation for Colorado Springs Utilities on the Fountain Valley Authority Board of Directors |
| **Board Policy:**<br>If this impacts one of the board policies, indicate that here. | UBA-4: Appoint directors and representatives to water authorities, partnerships, joint ventures, and similar entities in which Utilities participates. |
| **Cost / Budget:**<br>Include the projected cost or budget here. | N/A |
| **Affected Parties:**<br>This could include community groups, specific City Council Districts, other utilities, nonprofit organizations, certain neighborhoods, Colorado Springs Utilities employees, etc. | Colorado Springs Utilities, Fountain Valley Authority Board of Directors |
| **Alternatives:** | N/A |

| | | | |
|---|---|---|---|
| **Submitter:** | Tristan Gearhart | Email Address: | tgearhart@csu.org |
| **Division:** | Planning and Finance Division | Phone Number: | 719-668-7162 |
| **Department:** | Planning and Finance Department | Date Submitted: | March 4, 2025 |

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

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

RESOLUTION NO. 25-09

A RESOLUTION APPOINTING TRISTAN GEARHART TO THE FOUNTAIN VALLEY AUTHORITY BOARD OF DIRECTORS TO FILL A VACATED TERM EFFECTIVE MARCH 19, 2025 AND EXPIRING DECEMBER 31, 2026

WHEREAS, Natalie Lovell was recently a member of the Fountain Valley Authority Board of Directors, serving a vacated term effective November 16, 2022 and expiring December 31, 2026.

WHEREAS, Natalie Lovell decided to pursue other opportunities March 3, 2025.

WHEREAS, Tristan Gearhart has been selected to fill the remainder of the vacated term effective March 19, 2025 and expiring December 31, 2026.

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

Tristan Gearhart is appointed to fill the remainder of the vacated term as a member of the Fountain Valley Authority Board of Directors effective March 19, 2025 and expiring December 31, 2026.

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

________________________________
Dave Donelson, Utilities Board Chair

ATTEST:

________________________________
Travas Deal, Secretary

# Board Memo Agenda Item
## Staff Report

| | |
|---|---|
| **Date:**<br>(Date of Utilities Board Meeting) | March 19, 2025 |
| **To:** | Utilities Board |
| **From:** | Travas Deal, Chief Executive Officer |
| **Subject:** | I-7 Water Supply Management Board Instructions to the CEO Revisions |
| **NARRATIVE:** | |
| **Desired Action:**<br>Choose only one | ☒ Approval<br>☐ Discussion<br>☐ Information |
| **Executive Summary:** | The proposed changes to I-7: Water Supply Management/Regional and Wastewater Service (I-7) streamlines the language of the Board instruction by removing redundant language stating the Integrated Regional Water Resource Plan polices, language that triggers a water storage review, and language intended to guide regional water and wastewater service agreements before all were codified in Colorado Springs' City Code.<br><br>In addition, new language has been proposed that would allow regional water and wastewater agreements for the use of infrastructure to not exceed a term of 99 years if City Council determined such an agreement would meet specific criteria identified in the proposed language. |
| **Benefits:** | Consistency with City Code and allow for longer term water and wastewater infrastructure regional agreements. |
| **Board Policy:**<br>If this impacts one of the board policies, indicate that here. | I-7, Water Supply Management |
| **Cost / Budget:**<br>Include the projected cost or budget here. | N/A |
| **Affected Parties:**<br>This could include community groups, specific City Council Districts, other utilities, nonprofit organizations, certain neighborhoods, Colorado Springs Utilities employees, etc. | N/A |
| **Alternatives:** | N/A |

| | | | |
|---|---|---|---|
| **Submitter:** | Jenny Bishop | Email Address: | jbishop@csu.org |
| **Division:** | SPP | Phone Number: | 719-668-8575 |
| **Department:** | Water Resources Management | Date Submitted: | March 3, 2025 |
| **SPG Staff Use Only:** | Consent Calendar ☐ Yes ☒ No | Item Number 3 | |

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

| INSTRUCTIONS | | | |
|---|---|---|---|
| Category: | **Utilities Board Instructions to the Chief Executive Officer** | Reporting Timeframe: | **August 1, 2022–July 31, 2023** |
| Policy Title (Number): | **Water Supply Management (I-7)** | Reviewing Committee: | **Working Committee** |
| Monitoring Type: | **Internal** | | |
| Monitoring Frequency: | **Annual** | | |

**The Chief Executive Officer shall direct that new and existing water resources and systems are aggressively developed, protected and optimized to maintain and enhance water system sustainability in a manner that responsibly balances costs and risks to reliability meet the needs of current and future customers. Accordingly, the CEO shall:**

1. Defend Springs Utilities' water rights against claims and filings by others if these would in any way injure, hinder or decrease Colorado Springs' current or future yield or use.
2. Conduct periodic evaluations of Springs Utilities' existing decreed water rights and take legal and administrative actions necessary to optimize the water system.
3. Provide a reliable water supply to existing and future customers, including requests for regional service contracts and annexations, by planning for, developing and managing water resources and infrastructure in accordance with City Code section 12. 4.305 and the ~~following criteria:~~Integrated Water Resource Plan as updated from time to time.
   ~~A. At all times maintain a minimum of one year of customer demand in water system storage.~~
   ~~B. Meet or exceed 90 percent (90%) reliability for maintaining a minimum of one year and six months of customer demand in water system storage.~~
   ~~C. Conduct an evaluation of the need for water shortage response measures when water system storage is forecast to fall below one year and six months of customer demand on or after April 1 of any year.~~
4. Utilize Springs Utilities' dedicated water acquisition account to fund expenditures that enable timely acquisitions and participation in supply projects that increase raw water system yield.
5. Plan for and implement water use efficiency and demand management measures to support and enhance water system reliability.
6. Use Denver Basin groundwater in Springs Utilities' exclusive water service territory only for emergency supplemental supply, limited non-potable uses, aquifer storage and recovery, or periodic exercising of groundwater infrastructure for operation and maintenance purposes. In all cases development of the Dawson Aquifer is prohibited.

**Commented [JB1]:** All three provisions are found in the Integrated Water Resources Plan and the Utilities Board receives a yearly update on all Integrated Resource Plans. In addition, 3.C. is also codified in City Code 12.4.1305.B.1.

~~7. Not develop or allow development of controlled ground water in the Dawson Aquifer in Springs Utilities' exclusive water service territory.~~

~~8.~~7. Not reserve Springs Utilities' water supplies, infrastructure or capacity for any person, organization, property or development regardless of whether that entity is inside or outside the city limits or Springs Utilities' exclusive water service territory, except that the Utilities Board may evaluate and approve such a reservation to ensure that Springs Utilities can meet the reasonably anticipated water and wastewater demands of the Pikes Peak Region's military installations on a case by case basis.

~~9. Only provide water and wastewater-related services including, but not limited to, water leases, storage, conveyance or treatment (collectively referred to as "water-related services"), outside Springs Utilities' exclusive water service territory pursuant to regional service contracts that comply with City Code, the guidelines set forth in the Regional Water and Wastewater Service Management Plan (Plan) and other applicable Utilities Board approved policies or directives. Regional services contracts are also subject to the following requirements:~~

~~10.~~8. All regional service contracts must be approved by the Utilities Board and City Council. Springs Utilities may deny any service request, modify the type of service to be provided, request mitigation to offset water system impacts and risks or impose terms and conditions on the provision of service necessary to offset impacts and risks.

   ~~A. Regional service contracts shall provide a net benefit to Springs Utilities and the City of Colorado Springs' ratepayers, appropriately balancing costs and risks, and recognizing historic and planned investments.~~

   ~~B. For each contract requested, Springs Utilities will perform an evaluation of impacts to water system reliability, level of service and water resources for new water and wastewater regional service per the Plan based on a ten year planning horizon.~~

   ~~C. Regional service contracts for water-related services shall include a premium on rates that will benefit the City of Colorado Springs' ratepayers.~~

   ~~A. In accordance with the City Charter and City Code, regional service contracts shall not exceed a 25-year term limit.~~

9. Consistent with Board Instruction I-5 (Economic Development), City Council may determine that water and wastewater services provided in accordance with a Special Contract is for an economic development purpose and may be provided for a term of up to, and not to exceed, 99-years if Council determines that the provision of such service satisfies the following criteria:

   A. Includes only the use of Utilities' infrastructure and not the delivery of Colorado Springs' water;

   B. Optimizes existing and planned Springs Utilities' water and wastewater infrastructure;

   C. Grows the customer base by providing wholesale service to qualifying entities;

   D. Assures a positive rate impact to citizens; and

**Commented [JB2]:** Streamline management of Denver Basin groundwater in one paragraph.

**Commented [JB3]:** Regional water and wastewater service directions are now included in City Code in 12.4.304 and 12.5.304.

**Commented [JB4]:** See 12.4.304.B.1. (and parallel language in 12.5.304.B.1.) "Persons inside City limits have made significant investments in the City's water system. Persons outside the City limits who desire water service from the City should be required to pay an amount that reflects their pro rata demand on existing and planned infrastructure and resources as well as pay additional fees for such service in recognition for investments made to the water system by persons inside City limits."

**Commented [JB5]:** 12.4.304.C.1. includes Requirements for Special Contract Water Service: "The City's water system, as currently existing or planned, must be sufficient to meet the present and projected water supply needs for the foreseeable future of all users of the water system located within and outside the corporate limits of the City including those who are to be service under the special contract as provided in section 12.4.305 of this Code."

**Commented [JB6]:** City Code 12.4.304.B.1. calls out additional fees being applicable to regional services.

**Commented [JB7]:** See proposed language in 9. below.

E. Fosters partnerships with water and wastewater providers in the region to promote the efficient use and reuse of water and safe and effective wastewater treatment.

Notwithstanding the foregoing, such Special Contracts may provide Colorado Springs' water in the event of an emergency and still satisfy the criteria above.

# Board Memo Agenda Item
## Staff Report

| | |
|---|---|
| **Date:**<br>(Date of Utilities Board Meeting) | March 19, 2025 |
| **To:** | Utilities Board |
| **From:** | Travas Deal, Chief Executive Officer |
| **Subject:** | Approval, in accordance with the City's Real Estate Manual, of an Acquisition of a Utility Easement, with a total purchase price in excess of $100,000, as part of the Pikes Peak Regional Transit Authority (PPRTA) Marksheffel Road – North Carefree to Dublin Project |
| **NARRATIVE:** | |
| **Desired Action:**<br>Choose only one | ☒ Approval<br>☐ Discussion<br>☐ Information |
| **Executive Summary:** | The City of Colorado Springs' Public Works department is currently working on widening Marksheffel Road – North Carefree to Dublin Project. Working with Public Works, Utilities identified future easement needs along this corridor for our finished water system. The properties to be acquired include permanent easements for the benefit of Colorado Springs Utilities. The costs of acquiring those easements will be reimbursed to Pikes Peak Rural Transportation Authority pursuant to an existing agreement.<br><br>A utility easement is needed on the property identified by TSN: 5321001008, owned by SSS Education Corp, which will cost a total of $143,310.00. Pursuant to the City's Real Estate Manual this acquisition will require the approval of both the Utilities Board and City Council. We are requesting Utilities Board approval of this item. It will be voted on by City Council at its formal meeting on March 25, 2025. |
| **Benefits:** | Acquiring an easement needed for a future finish water easement. |
| **Board Policy:**<br>If this impacts one of the board policies, indicate that here. | N/A |
| **Cost / Budget:**<br>Include the projected cost or budget here. | Total cost of the utility easement is $143,310.00. |
| **Affected Parties:**<br>This could include community groups, specific City Council Districts, other utilities, nonprofit organizations, certain neighborhoods, Colorado Springs Utilities employees, etc. | Colorado Springs Utilities, City of Colorado Springs Real Estate Services Office, Public Works |
| **Alternatives:** | Do not approve and retain ownership of the property. |

| | | | |
|---|---|---|---|
| **Submitter:** | Jessica Davis | Email Address: | jedavis@csu.org |
| **Division:** | SPP | Phone Number: | 719-668-7581 |
| **Department:** | Land Resource Management | Date Submitted: | February 27, 2025 |

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

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

Colorado Springs Utilities
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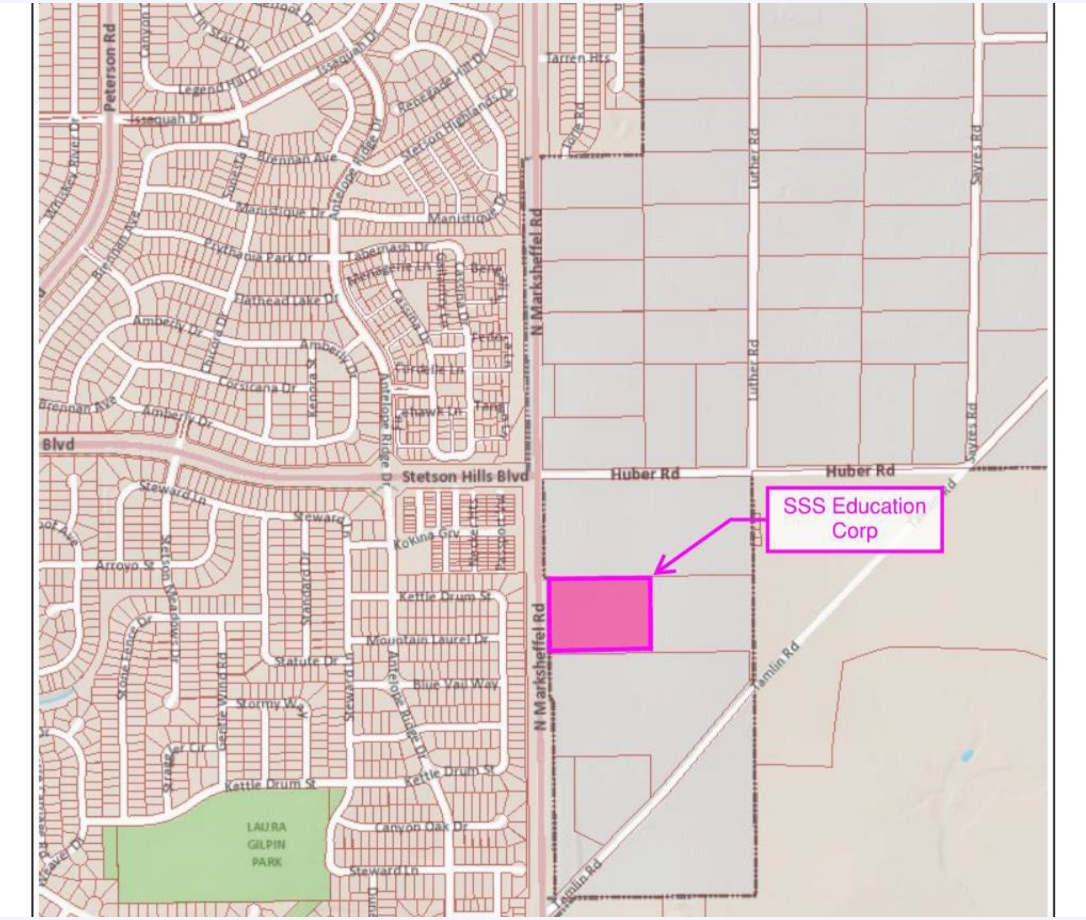
# Acquisition of a Utility Easement as part of the Pikes Peak Regional Transit Authority (PPRTA) Marksheffel Road – North Carefree to Dublin Project

Jessica Davis
Land Resource Manager
March 19, 2025

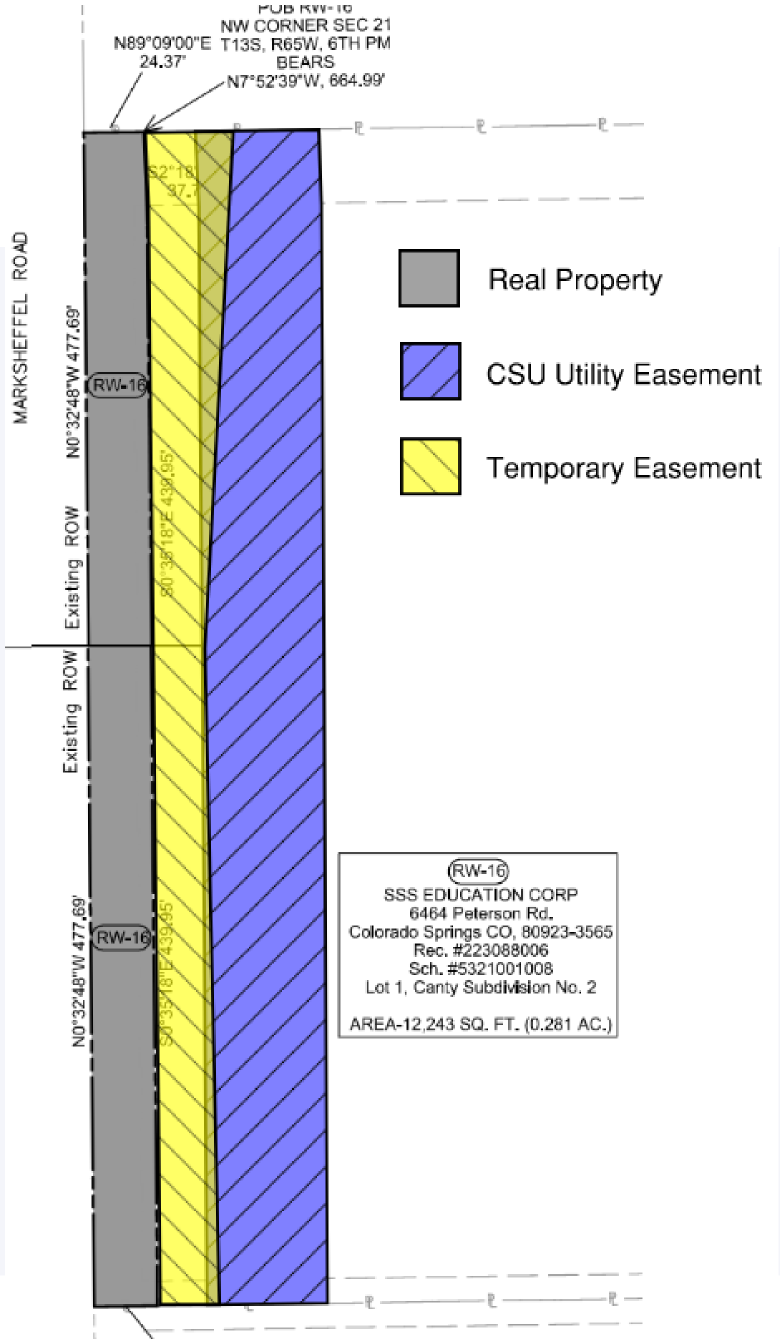
# Background

- Public Works' Project - Marksheffel Road - North Carefree to Dublin
- Utilities identified easements needed for future water project in this corridor.
- PW/Utilities work together to only acquire property once from owners



# Acquisition

- Property
  - TSN: 5321001008
  - Owner: SSS Education Corp
- Public Works to purchase:
  - Real Property – 12,243 sf
  - CSU Utility Easement – 23,885 sf
  - Temporary Easement – 11,945 sf
- Total Acquisition Cost: $250,900.00
  - Utilities Easement Price: $143,310.00
    - Independent appraiser
- City Council will hear resolution for all property, temporary easements, and easements needed for this property
- RES manual requires Utilities Board approval for acquisitions of Utilities-controlled property over $100k.



# Next Steps

- Utilities Board Consent Agenda for March 19th
- Forward a Resolution to City Council for Approval- March 25th

Colorado Springs Utilities

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# Board Memo Agenda Item
## Staff Report

| | |
|---|---|
| **Date:** (Date of Utilities Board Meeting) | March 19, 2025 |
| **To:** | Utilities Board |
| **From:** | Travas Deal, Chief Executive Officer |
| **Subject:** | Electric Cost Adjustment (ECA) and Gas Cost Adjustment (GCA) Update |

**NARRATIVE:**

| | |
|---|---|
| **Desired Action:** Choose only one | ☒ Approval<br>☐ Discussion<br>☐ Information |
| **Executive Summary:** | Colorado Springs Utilities request direction from Utilities Board on proposing a fuel related rate adjustment at the City Council meeting on March 25, 2025, with a proposed effective date of April 1, 2025. Approval of this item by Utilities Board does not constitute approval to change or establish rates.<br><br>Consistent with the Cost Adjustment Guidelines (G-6), Utilities staff provides regular updates to Utilities Board and anticipates proposing quarterly changes to rates. On September 24, 2024, City Council approved the current ECA rates effective October 1, 2024. On September 24, 2024, City Council approved the current GCA rates effective October 1, 2024. In response to market fluctuations, Utilities is proposing an increase to the GCA.<br><br>Details of proposed fuel related rate adjustments were provided to Utilities Board Working Committee on March 17, 2025. |
| **Benefits:** | Proposal of timely cost adjustments to pass through cost associated with fluctuations in market prices. |
| **Board Policy:** If this impacts one of the board policies, indicate that here. | Electric and Gas Cost Adjustments (G-6) |
| **Cost / Budget:** Include the projected cost or budget here. | Timely adjustment of fuel related rates supports Utilities' annual budget. |
| **Affected Parties:** This could include community groups, specific City Council Districts, other utilities, nonprofit organizations, certain neighborhoods, Colorado Springs Utilities employees, etc. | Utilities' Natural Gas Customers |
| **Alternatives:** | Utilities Board to provide alternative direction |

| | | | |
|---|---|---|---|
| **Submitter:** | Scott Shirola | Email Address: | sshirola@csu.org |
| **Division:** | Planning and Finance | Phone Number: | (719) 668-8661 |
| **Department:** | Pricing and Rates | Date Submitted: | March 14, 2025 |

| | | |
|---|---|---|
| **SPG Staff Use Only:** | Consent Calendar ☒ Yes ☐ No | Item Number Click or tap here to enter text. |

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

Colorado Springs Utilities
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# Electric Cost Adjustment
# Gas Cost Adjustment

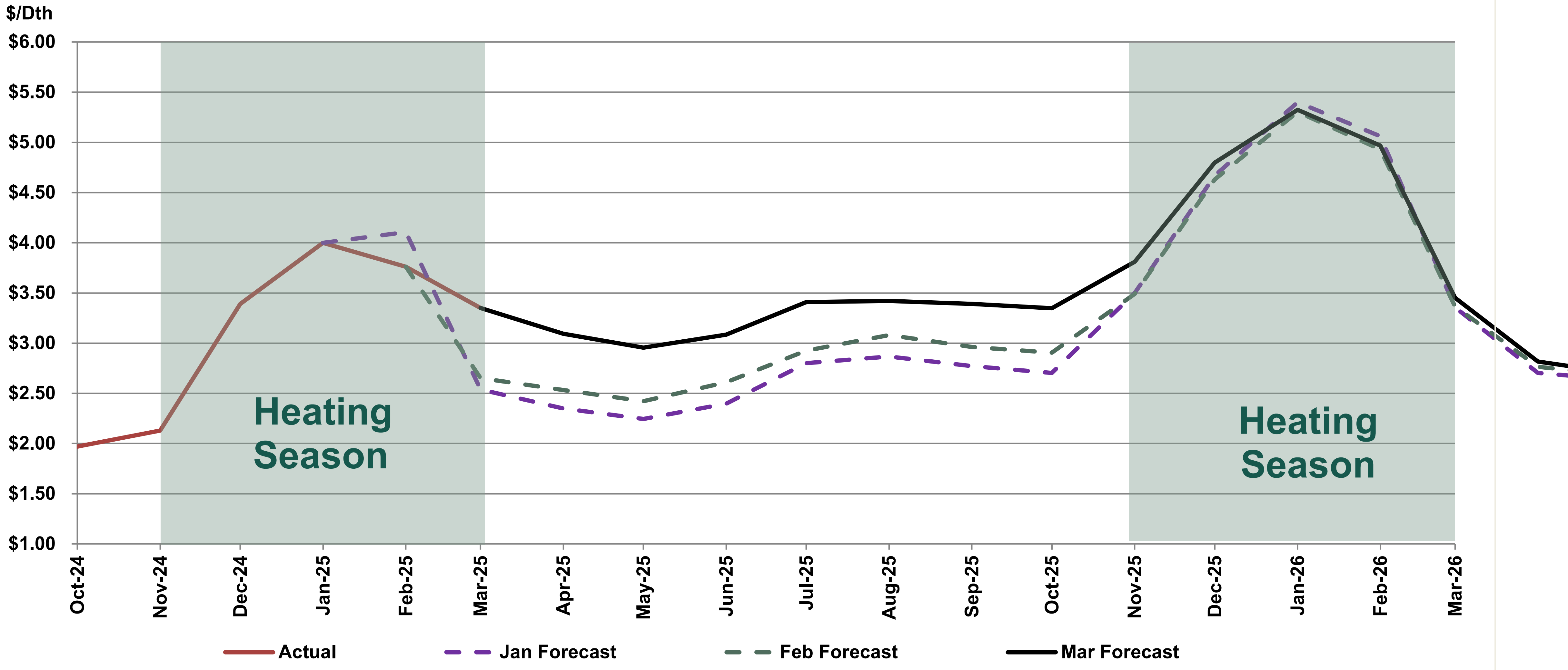
Scott Shirola, Pricing and Rates Manager

March 19, 2025

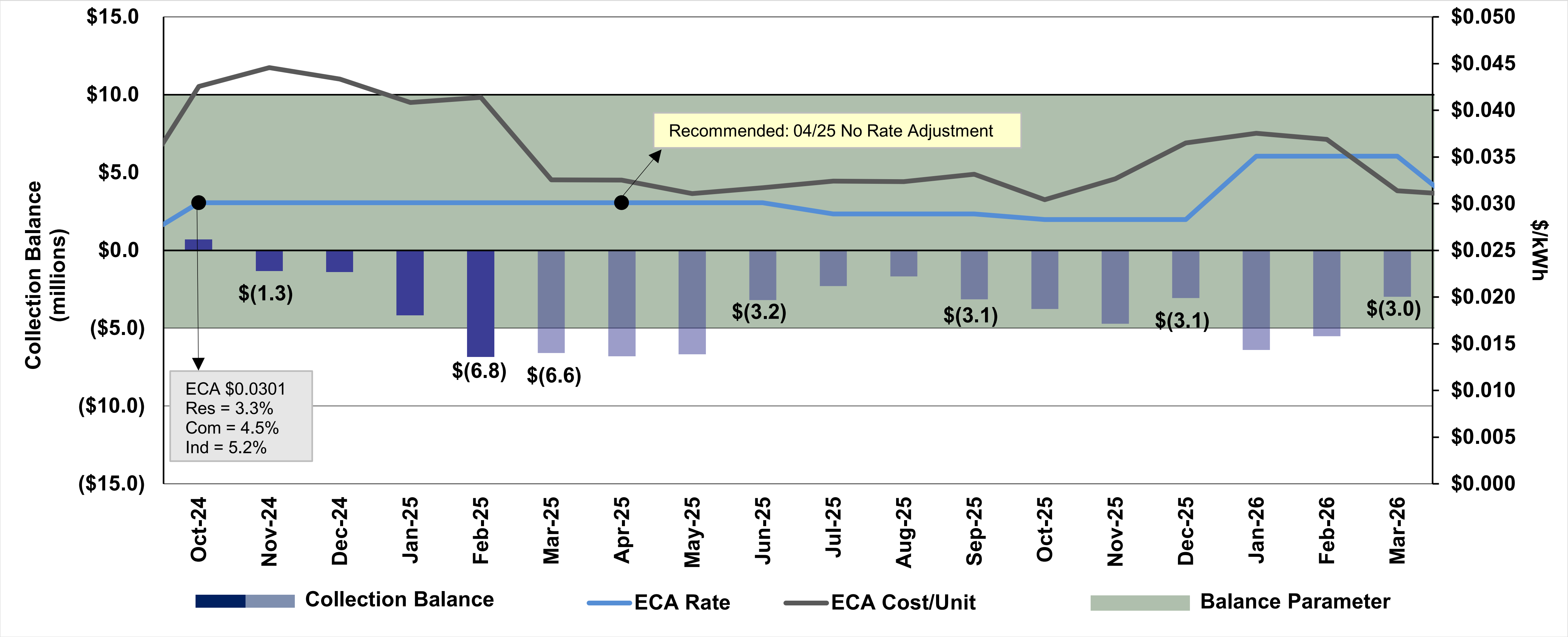
# Electric and Gas Cost Adjustment Summary

- Background
  - Current ECA rate: $0.0301 per kWh
    - Approved on September 24, 2024, effective October 1, 2024
  - Current GCA rate: $0.1725 per Ccf
    - Approved on September 24, 2024, effective October 1, 2024
- Recommendation
  - Maintain current ECA rate - No required action
  - Propose GCA rate of $0.2804 per Ccf
    - Request rate change at March 25, 2025, City Council Regular Meeting
    - Proposed effective date: April 1, 2025

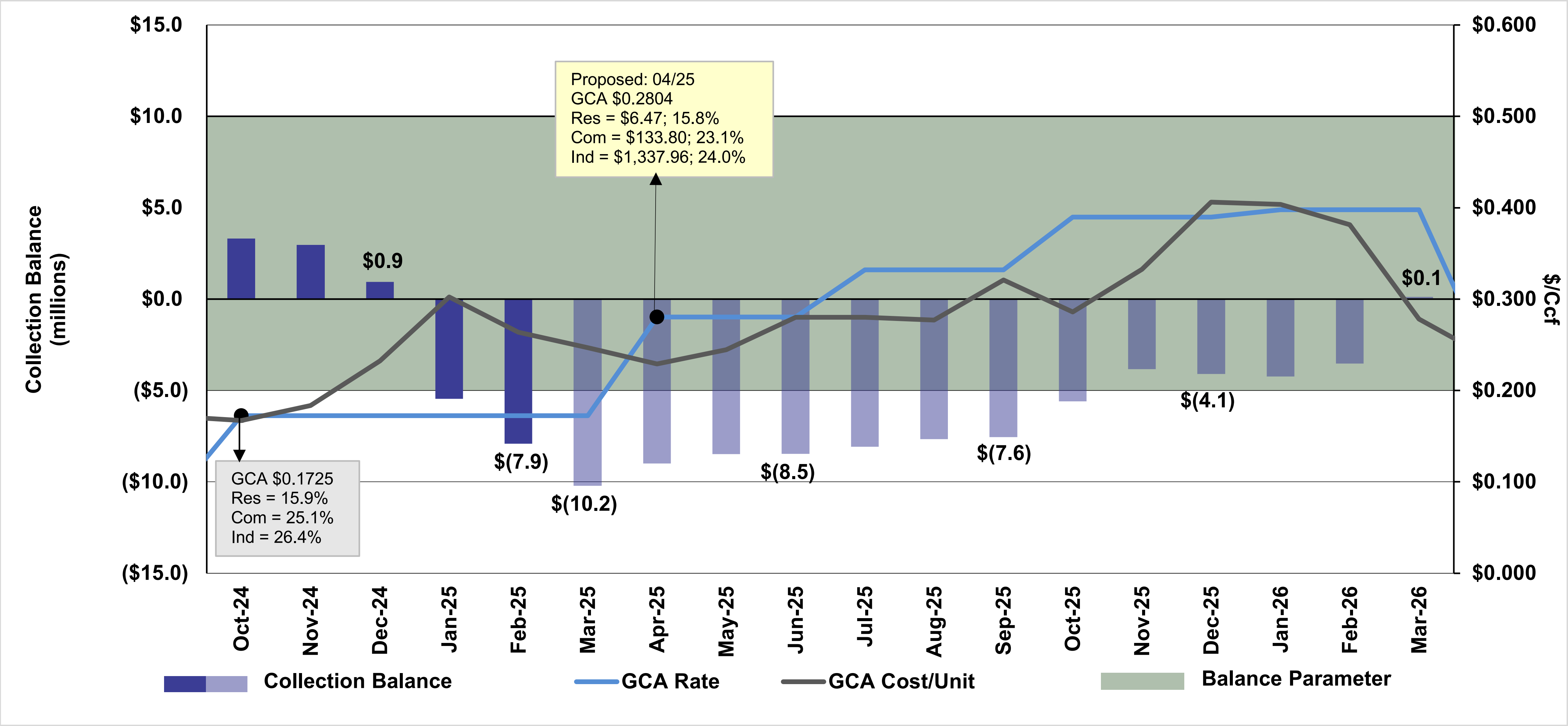
# Natural Gas Prices as of March 1, 2025



# ECA Projections March 2025



# GCA Projections March 2025



# Sample Total Service Bill

(Proposed Effective January 1, 2025)

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## Sample Residential Monthly Bill

**SAMPLE BILL CALCULATIONS ASSUME:**
- 30 Day Billing Period
- 700 kWh Electric
- 60 Ccf Natural Gas
- 1,100 cf Water inside city limits
- 700 cf Wastewater inside city limits

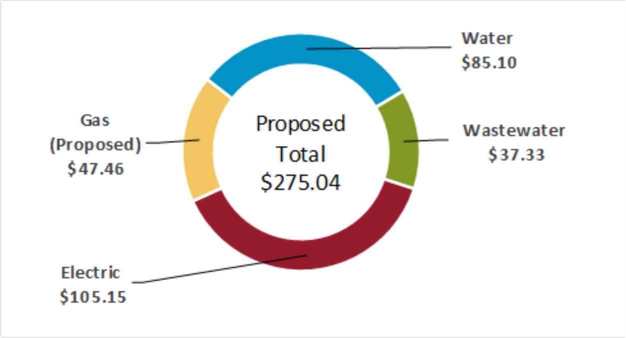
### Proposed Residential Changes (Sample Bill)

| | |
|---|---|
| Current Average Sample Bill | $268.57 |
| Proposed Four-Service Increase | $ 6.47 |
| Proposed Total Avg. Sample Bill | $275.04 |

*Actual bill impacts will vary based on individual customer usage.

### Sample Total Residential Monthly Bill

| | |
|---|---|
| Electric | $105.15 |
| Gas (Proposed) | $ 47.46 |
| Water | $ 85.10 |
| Wastewater | $ 37.33 |
| Total (Proposed) | $275.04 |




## Front Range Bill Comparison – As of January 1, 2025

| Residential | Electric | Gas | Water | Wastewater | Total |
|---|---|---|---|---|---|
| Front Range Average | $ 121.07 | $ 57.69 | $ 72.83 | $ 41.26 | $ 292.86 |
| Colorado Springs | $ 106.16 | $ 47.46 | $ 85.09 | $ 37.33 | $ 276.04 |
| **Percent Above (- Below)** | **-12.32%** | **-17.74%** | **16.84%** | **-9.53%** | **-5.74%** |

***Notes***:

*Residential bill based on 30 day billing period, 700 kWh (electric), 60 CCF (gas), 1,100 cf (water), and 700 cf (wastewater).*

*Front Range communities include Aurora, Denver, Fort Collins, Fountain, Monument, and Pueblo.*

*Rate computations are estimated using assumed billing determinants, tariff rates publicly available on websites effective January 1, 2025 and Colorado Springs Utilities proposed rates effective April 1, 2025.*

# Sample Total Monthly Bill - Proposed Effective 4/1/25

| Line No. | Rate Class | Current Effective | Proposed 4/1/25 | Proposed Increase/ (Decrease) | % Change |
|---|---|---|---|---|---|
| (a) | (b) | (c) | (d) | (e) (d) - (c) | (f) (e) / (c) |
| 1 | **Residential** | | | | |
| 2 | Electric | $ 105.15 | $ 105.15 | $ - | 0.0% |
| 3 | Gas | 40.99 | 47.46 | 6.47 | 15.8% |
| 4 | Water | 85.10 | 85.10 | - | 0.0% |
| 5 | Wastewater | 37.33 | 37.33 | - | 0.0% |
| 6 | **Total** | **$ 268.57** | **$ 275.04** | **$ 6.47** | **2.4%** |
| 7 | **Commercial** | | | | |
| 8 | Electric | $ 686.10 | $ 686.10 | $ - | 0.0% |
| 9 | Gas | 578.15 | 711.95 | 133.80 | 23.1% |
| 10 | Water | 260.39 | 260.39 | - | 0.0% |
| 11 | Wastewater | 138.02 | 138.02 | - | 0.0% |
| 12 | **Total** | **$ 1,662.66** | **$ 1,796.46** | **$ 133.80** | **8.0%** |
| 13 | **Industrial** | | | | |
| 14 | Electric | $ 38,742.86 | $ 38,742.86 | $ - | 0.0% |
| 15 | Gas | 5,568.90 | 6,906.86 | 1,337.96 | 24.0% |
| 16 | Water | 3,416.44 | 3,416.44 | - | 0.0% |
| 17 | Wastewater | 1,778.32 | 1,778.32 | - | 0.0% |
| 18 | **Total** | **$ 49,506.52** | **$ 50,844.48** | **$ 1,337.96** | **2.7%** |

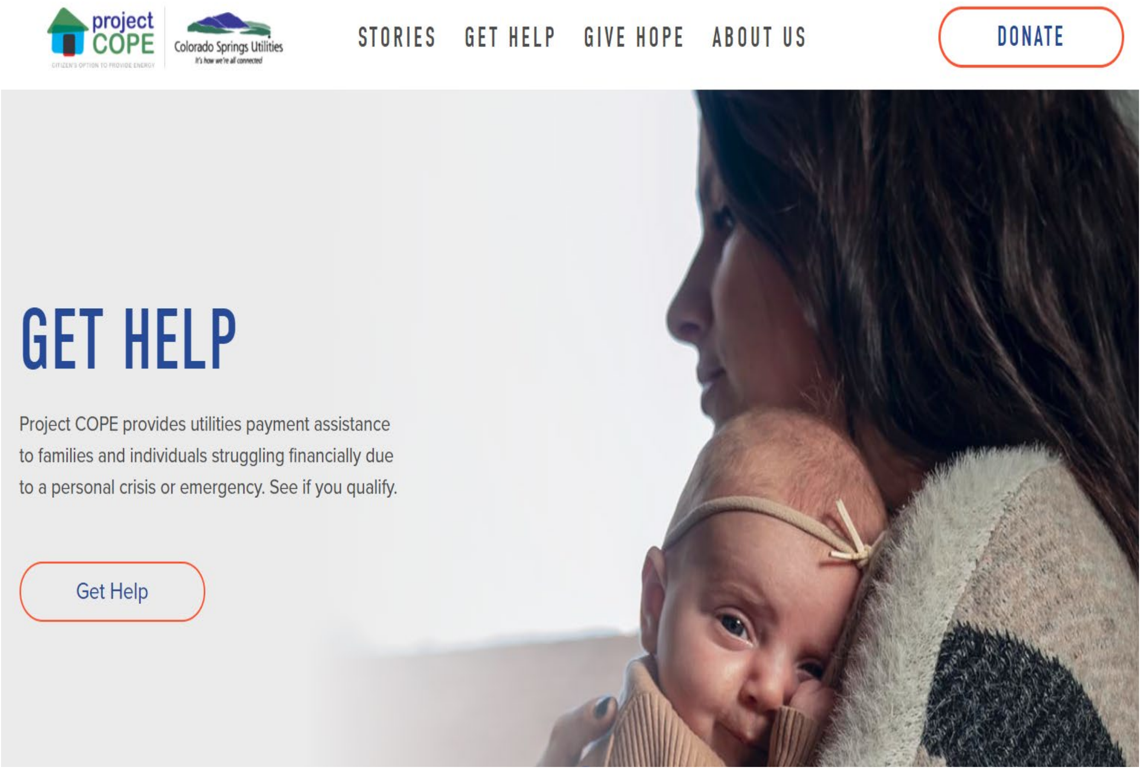
Sample Total Monthly Bill calculations for current and proposed rates assume:

- Residential - 30 days, 700 kWh (Electric), 60 Ccf (Natural Gas), 1,100 cf (Water Inside City Limits), and 700 cf (Wastewater Inside City Limits)
- Commercial - 30 days, 6,000 kWh (Electric), 1,240 Ccf (Natural Gas), 3,000 cf (Water Inside City Limits), and 3,000 cf (Wastewater Inside City Limits)
- Industrial - 30 days, 400,000 kWh and 1,000 kW (Electric), 12,400 Ccf (Natural Gas), 50,000 cf (Water Inside City Limits), and 50,000 cf (Wastewater Inside City Limits)

Note: Specific individual customer impact can be calculated by utilizing Utilities' Bill Calculator found at www.csu.org/bcalc/

# Helping Customers Today

- Bill assistance
  - Low-Income Energy Assistance Program (LEAP) Nov – Apr
  - Project COPE




- Payment options
  - Payment plans
  - Pick my payment date

- Contact information
  - 2-1-1 for customer assistance
  - 719-448-4800 for billing questions

# Long-term Assistance

- Free efficiency home upgrades
  - Home Efficiency Assistance Program (HEAP)
- Efficiency tips & education
  - Online at csu.org
  - Conservation and Environmental Center
- Rebates
  - Water heater
  - Furnace
  - Smart thermostat
  - Insulation

# Next Steps

- March 25, 2025 City Council Regular Meeting
  - Propose change to the GCA rate
  - If approved by City Council, GCA rate of $0.2804 per Ccf effective April 1, 2025


Colorado Springs Utilities
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# Board Memo Agenda Item
## Staff Report

| | |
|---|---|
| **Date:**<br>(Date of Utilities Board Meeting) | March 19, 2025 |
| **To:** | Utilities Board |
| **From:** | Travas Deal, Chief Executive Officer |
| **Subject:** | Resolution of Appreciation for Board Vice Chair Yolanda Avila |
| **NARRATIVE:** | |
| **Desired Action:**<br>Choose only one | ☒ Approval<br>☐ Discussion<br>☐ Information |
| **Executive Summary:** | This resolution is to express appreciation and recognize the contributions of Utilities Board Member Yolanda Avila during her term of service at Colorado Springs Utilities. |
| **Benefits:** | N/A |
| **Board Policy:**<br>If this impacts one of the board policies, indicate that here. | N/A |
| **Cost / Budget:**<br>Include the projected cost or budget here. | N/A |
| **Affected Parties:**<br>This could include community groups, specific City Council Districts, other utilities, nonprofit organizations, certain neighborhoods, Colorado Springs Utilities employees, etc. | N/A |
| **Alternatives:** | N/A |

| | | | |
|---|---|---|---|
| **Submitter:** | Natalie Watts | Email Address: | nwatts@csu.org |
| **Division:** | AHRD | Phone Number: | 719-668-3827 |
| **Department:** | Public Affairs | Date Submitted: | February 26, 2025 |

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

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

Resolution Number 25-04

**A RESOLUTION OF THE COLORADO SPRINGS UTILITIES BOARD EXPRESSING APPRECIATION TO YOLANDA AVILA FOR HER SERVICE TO THE COLORADO SPRINGS UTILITIES BOARD**

**WHEREAS**, Ms. Yolanda Avila has been a valuable member of the Utilities Board for eight years; and

**WHEREAS**, Ms. Avila served on the Program Management Review Committee and Personnel Committee

**WHEREAS**, Ms. Avila served as the Chair of the Personnel Committee for five years and served as the Utilities Board Vice Chair for two years; and

**WHEREAS,** Ms. Avila led the effort to bring needed changes to the Chief Executive Officer performance plan to best measure and evaluate the success of the enterprise, consistently educated herself on Colorado Springs Utilities projects, plans and initiatives over the years, participated in dozens of tours and attended additional meetings to review data and provide valuable recommendations; and

**WHEREAS,** Ms. Avila demonstrated her passion and care for Colorado Springs Utilities employees by actively engaging with the Delta diversity team, including attending Summer Celebration, and routinely sought out ideas to improve the enterprise for employees; and

**WHEREAS,** Ms. Avila showed her commitment to the safety and health of employees by using her position as Chair of the Personnel Committee to talk about occupational safety and health issues; and

**WHEREAS,** Ms. Avila always provided careful consideration to ensure all actions taken by the Utilities Board represented Colorado Springs Utilities' value of people; and

**WHEREAS,** Ms. Avila has demonstrated a true commitment to the customers of Colorado Springs Utilities by her leadership and participation in the selection of two Chief Executive Officers; and

**WHEREAS,** Ms. Avila exhibited energy, excellent leadership and dedication in carrying out her responsibilities as a Utilities Board Member, having a positive impact on the future of our community.

**NOW, THEREFORE, BE IT RESOLVED BY THE COLORADO SPRINGS UTILITIES BOARD:**
That the Utilities Board extends its appreciation to Yolanda Avila for her outstanding service.

Dated at Colorado Springs, Colorado this 19th Day of March 2025.

By:

________________________________

Dave Donelson, Utilities Board Chair

ATTEST___________________________

Travas Deal, Chief Executive Officer

# Board Memo Agenda Item
## Staff Report

| | |
|---|---|
| **Date:** (Date of Utilities Board Meeting) | March 19, 2025 |
| **To:** | Utilities Board |
| **From:** | Travas Deal, Chief Executive Officer |
| **Subject:** | Resolution of Appreciation for Board Member Randy Helms |
| **NARRATIVE:** | |
| **Desired Action:** Choose only one | ☒ Approval<br>☐ Discussion<br>☐ Information |
| **Executive Summary:** | This resolution is to express appreciation and recognize the contributions of Utilities Board Member Randy Helms during his term of service at Colorado Springs Utilities. |
| **Benefits:** | N/A |
| **Board Policy:** If this impacts one of the board policies, indicate that here. | N/A |
| **Cost / Budget:** Include the projected cost or budget here. | N/A |
| **Affected Parties:** This could include community groups, specific City Council Districts, other utilities, nonprofit organizations, certain neighborhoods, Colorado Springs Utilities employees, etc. | N/A |
| **Alternatives:** | N/A |

| | | | |
|---|---|---|---|
| **Submitter:** | Natalie Watts | Email Address: | nwatts@csu.org |
| **Division:** | AHRD | Phone Number: | 719-668-3827 |
| **Department:** | Public Affairs | Date Submitted: | February 26, 2025 |
| **SPG Staff Use Only:** | Consent Calendar ☐ Yes ☒ No | Item Number 05 | |

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

Resolution Number 25-05

**A RESOLUTION OF THE COLORADO SPRINGS UTILITIES BOARD EXPRESSING APPRECIATION TO RANDY HELMS FOR HIS SERVICE TO THE COLORADO SPRINGS UTILITIES BOARD**

**WHEREAS**, Mr. Randy Helms has been a valuable member of the Utilities Board for four years; and

**WHEREAS**, Mr. Helms served on the Personnel Committee and Program Management Review Committee, using his background from his decorated service in the United States Air Force and civil service career to provide valuable insights to Colorado Springs Utilities; and

**WHEREAS,** Mr. Helms has led with integrity and provided excellent stewardship, dedicating countless hours as a valuable member of the Utilities Board encouraging and challenging Colorado Springs Utilities to explore new energy generation sources and innovative solutions; and

**WHEREAS,** Mr. Helms has invested time in understanding Colorado Springs Utilities' projects, plans and initiatives over the years, participated in tours and attended additional meetings to review data and provide valuable recommendations; and

**WHEREAS,** Mr. Helms has demonstrated a true commitment to the customers of Colorado Springs Utilities by his leadership and participation in the selection of our current Chief Executive Officer; and

**WHEREAS,** Mr. Helms has provided strategic direction and oversight for Colorado Springs Utilities, ensuring that the utility complies with all local, state and federal regulations; and

**WHEREAS,** Mr. Helms has demonstrated pride, passion and dedication in carrying out his responsibilities as a Utilities Board Member, having a positive impact on the future of our community.

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

That the Utilities Board extends its appreciation to Randy Helms for his outstanding service.

Dated at Colorado Springs, Colorado this 19th Day of March 2025.

By:

________________________________

Dave Donelson, Utilities Board Chair

ATTEST:

________________________________

Travas Deal, Chief Executive Officer

# Board Memo Agenda Item
## Staff Report

| | |
|---|---|
| **Date:**<br>(Date of Utilities Board Meeting) | March 19, 2025 |
| **To:** | Utilities Board |
| **From:** | Travas Deal, Chief Executive Officer |
| **Subject:** | Resolution of Appreciation for Board Member Mike O'Malley |
| **NARRATIVE:** | |
| **Desired Action:**<br>Choose only one | ☒ Approval<br>☐ Discussion<br>☐ Information |
| **Executive Summary:** | This resolution is to express appreciation and recognize the contributions of Utilities Board Member Mike O'Malley during his term of service at Colorado Springs Utilities. |
| **Benefits:** | N/A |
| **Board Policy:**<br>If this impacts one of the board policies, indicate that here. | N/A |
| **Cost / Budget:**<br>Include the projected cost or budget here. | N/A |
| **Affected Parties:**<br>This could include community groups, specific City Council Districts, other utilities, nonprofit organizations, certain neighborhoods, Colorado Springs Utilities employees, etc. | N/A |
| **Alternatives:** | N/A |

| | | | |
|---|---|---|---|
| **Submitter:** | Natalie Watts | Email Address: | nwatts@csu.org |
| **Division:** | AHRD | Phone Number: | 719-668-3827 |
| **Department:** | Public Affairs | Date Submitted: | February 26, 2025 |
| **SPG Staff Use Only:** | Consent Calendar ☐ Yes ☒ No | Item Number 05 | |

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

Resolution Number 25-06

**A RESOLUTION OF THE COLORADO SPRINGS UTILITIES BOARD EXPRESSING APPRECIATION TO MIKE O'MALLEY FOR HIS SERVICE TO THE COLORADO SPRINGS UTILITIES BOARD**

**WHEREAS**, Mr. Mike O'Malley has been a valuable member of the Utilities Board for more than four years; and

**WHEREAS**, Mr. O'Malley served on the Strategic Planning Committee and served as Vice Chairman of the Utilities Board; and

**WHEREAS,** Mr. O'Malley has dedicated countless hours as a valuable member of the Utilities Board by taking tours of various facilities, attending extra meetings and participating in professional development events such as Water Congress and the Energy Tour; and

**WHEREAS,** Mr. O'Malley has invested time in understanding Colorado Springs Utilities' projects, plans and initiatives over the years to provide guidance to Colorado Springs Utilities; and

**WHEREAS,** Mr. O'Malley has demonstrated a commitment to the customers of Colorado Springs Utilities by his leadership and participation in the selection of our current Chief Executive Officer; and

**WHEREAS,** Mr. O'Malley showed his unwavering support for local families by championing Project COPE; and

**WHEREAS,** Mr. O'Malley advocated for natural gas redundancy and was a champion for cyber security; and

**WHEREAS,** Mr. O'Malley has acted in the best financial interest for the customers of Colorado Springs Utilities, making decisions that are financially responsible and transparent; and

**WHEREAS,** Mr. O'Malley has exhibited authentic leadership in carrying out his responsibilities as a Utilities Board Member, having a positive impact on the future of our community.

**NOW, THEREFORE, BE IT RESOLVED BY THE COLORADO SPRINGS UTILITIES BOARD:**
That the Utilities Board extends its appreciation to Mike O'Malley for his outstanding service.

Dated at Colorado Springs, Colorado this 19th Day of March 2025.

By:

________________________________

Dave Donelson, Utilities Board Chair

ATTEST:

________________________________

Travas Deal, Chief Executive Officer

# Board Memo Agenda Item
## Staff Report

| | |
|---|---|
| **Date:**<br>(Date of Utilities Board Meeting) | March 19, 2025 |
| **To:** | Utilities Board |
| **From:** | Travas Deal, Chief Executive Officer |
| **Subject:** | Resolution of Appreciation for Board Member Michelle Talarico |
| **NARRATIVE:** | |
| **Desired Action:**<br>Choose only one | ☒ Approval<br>☐ Discussion<br>☐ Information |
| **Executive Summary:** | This resolution is to express appreciation and recognize the contributions of Utilities Board Member Michelle Talarico during her term of service at Colorado Springs Utilities. |
| **Benefits:** | N/A |
| **Board Policy:**<br>If this impacts one of the board policies, indicate that here. | N/A |
| **Cost / Budget:**<br>Include the projected cost or budget here. | N/A |
| **Affected Parties:**<br>This could include community groups, specific City Council Districts, other utilities, nonprofit organizations, certain neighborhoods, Colorado Springs Utilities employees, etc. | N/A |
| **Alternatives:** | N/A |

| | | | |
|---|---|---|---|
| **Submitter:** | Natalie Watts | Email Address: | nwatts@csu.org |
| **Division:** | AHRD | Phone Number: | 719-668-3827 |
| **Department:** | Public Affairs | Date Submitted: | February 26, 2025 |
| **SPG Staff Use Only:** | Consent Calendar ☐ Yes ☒ No | Item Number 05 | |

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

Resolution Number 25-07

**A RESOLUTION OF THE COLORADO SPRINGS UTILITIES BOARD EXPRESSING APPRECIATION TO MICHELLE TALARICO FOR HER SERVICE TO THE COLORADO SPRINGS UTILITIES BOARD**

**WHEREAS**, Ms. Michelle Talarico has been a valuable member of the Utilities Board since 2023; and

**WHEREAS**, Ms. Talarico Chaired the Program Management Review Committee and served on the Strategic Planning Committee and Personnel Committee using her vast business experience to provide valuable recommendations to Colorado Springs Utilities; and

**WHEREAS,** Ms. Talarico dedicated countless hours educating herself on Colorado Springs Utilities projects, plans and initiatives, participated in numerous tours and attended additional meetings to review data and provide valuable recommendations; and

**WHEREAS,** Ms. Talarico demonstrated her passion and care for Colorado Springs Utilities employees and customers by providing careful consideration to ensure all actions taken by the Utilities Board were consistent with Colorado Springs Utilities' values; and

**WHEREAS,** Ms. Talarico showed her commitment to the customers of Colorado Springs Utilities by her willingness to go the extra mile to ensure their issues were resolved in a timely manner, going out of her way to meet with customers and follow-up with staff; and

**WHEREAS,** Ms. Talarico is a true champion of the community, making informed decisions that benefit residential and business customers alike, always trying to understand their needs and concerns; and

**WHEREAS,** Ms. Talarico exhibited kindness, empathy, and excellent leadership in carrying out her responsibilities as a Utilities Board Member, having a positive impact on the future of our community for generations to come.

**NOW, THEREFORE, BE IT RESOLVED BY THE COLORADO SPRINGS UTILITIES BOARD:**
That the Utilities Board extends its appreciation to Michelle Talarico for her outstanding service.

Dated at Colorado Springs, Colorado this 19th Day of March 2025.

By:

________________________________

Dave Donelson, Utilities Board Chair

ATTEST__________________________

Travas Deal, Chief Executive Officer

Colorado Springs Utilities

*It's how we're all connected*

| | |
|---|---|
| **Date:** | March 19, 2025 |
| **To:** | Utilities Board |
| **From:** | Travas Deal, Chief Executive Officer |
| **Subject:** | **Excellence in Governance - Utilities Board Expected Results (ER: 1-3) Year-end 2024** |
| **Desired Action:** | Monitoring |
| **Compliance:** | Performance Measures: 3.76 = Exceeds Expectations<br>Competencies: 4.44 = Exceeds Expectations<br>Overall Score: 4.10 = Exceeds Expectations |

| EXPECTATIONS | | | |
|---|---|---|---|
| Category: | **Utilities Board/Chief Executive Officer Partnership Expectations** | Reporting Timeframe: | **As of December 31, 2024** |
| Policy Title (Number): | **Utilities Board Expected Results Balanced Scorecard (ER: 1-3)** | | |
| Monitoring Type: | **Internal** | | |
| Monitoring Frequency: | **Semi-annually** | | |

**The Utilities Board monitors achievement of organizational results through Utilities Board Expected Results. Measures and targets are approved in 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 rates, reliability and relationships. The performance measures result is 3.76 on a scale of 1 to 5.
- 50% based on the Utilities Board assessment of CEO leadership competencies. The CEO leadership competencies result is 4.44 on a scale of 1 to 5.
- The overall Board Expected Results score is 4.10 on a scale of 1 to 5.

The overall rating is based on the scale below.

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

The Overall Board Expected Results rating is derived from CEO leadership competencies assessment results and performance measure results outlined below.

# FS1a Residential Electric Service - Front Range Comparison

5

Performance Measure Status: Far Exceeds Expectations

MEASURE DESCRIPTION

**Strategic Objective Supported:** Financial Accountability

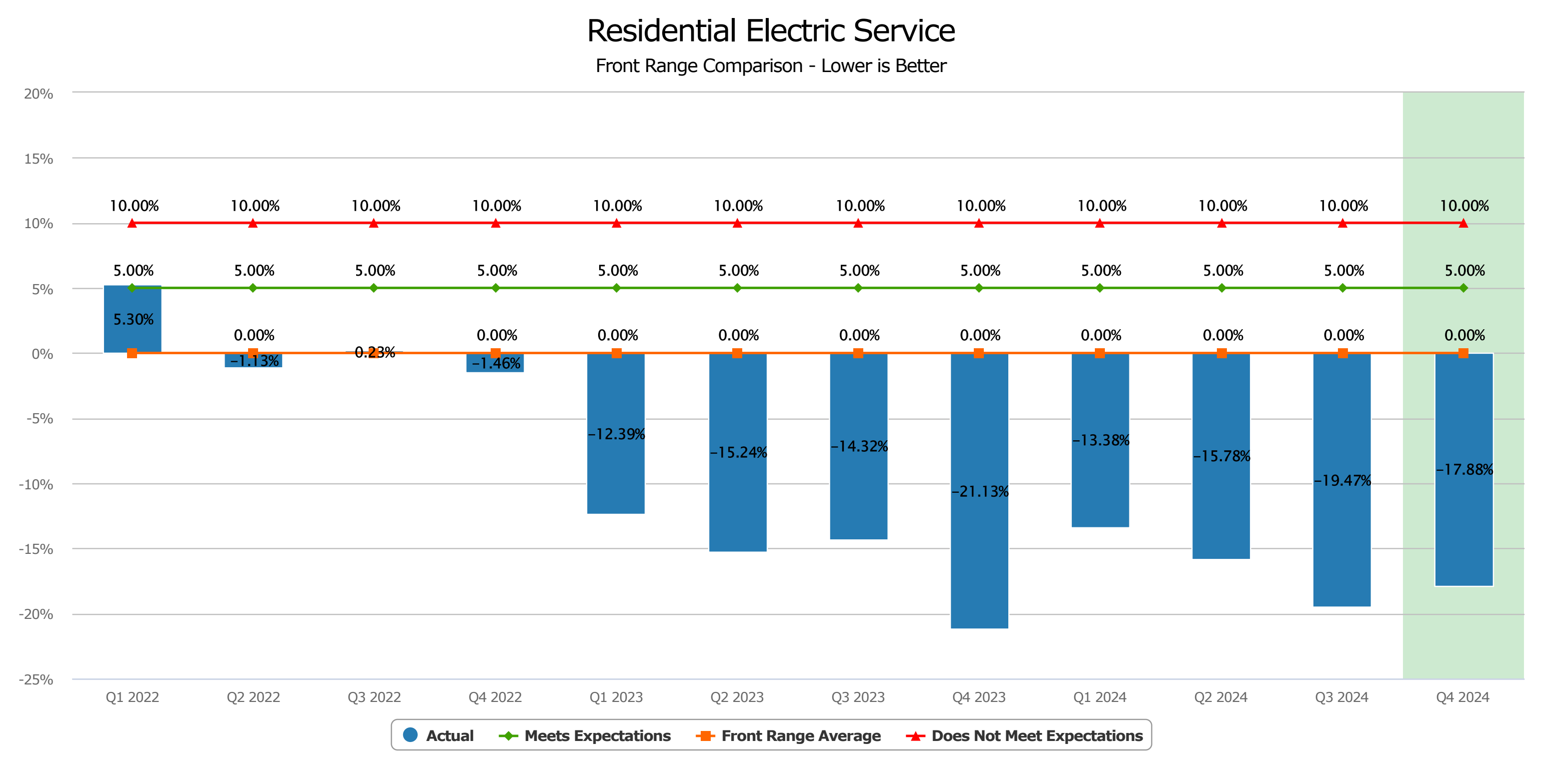
**Reported as:** Average natural gas bill

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

MEASURE PERFORMANCE

The year-end 2024 result is 17.88% lower than front range average.

TREND CHART




PERFORMANCE ANALYSIS

Rate computations have been estimated using tariffs rates publicly available on websites as of October 1, 2024 and assumed billing determinations.

# FS1b Residential Natural Gas Service - Front Range Comparison

Performance Measure Status: Far Exceeds Expectations

MEASURE DESCRIPTION

**Strategic Objective Supported:** Financial Accountability

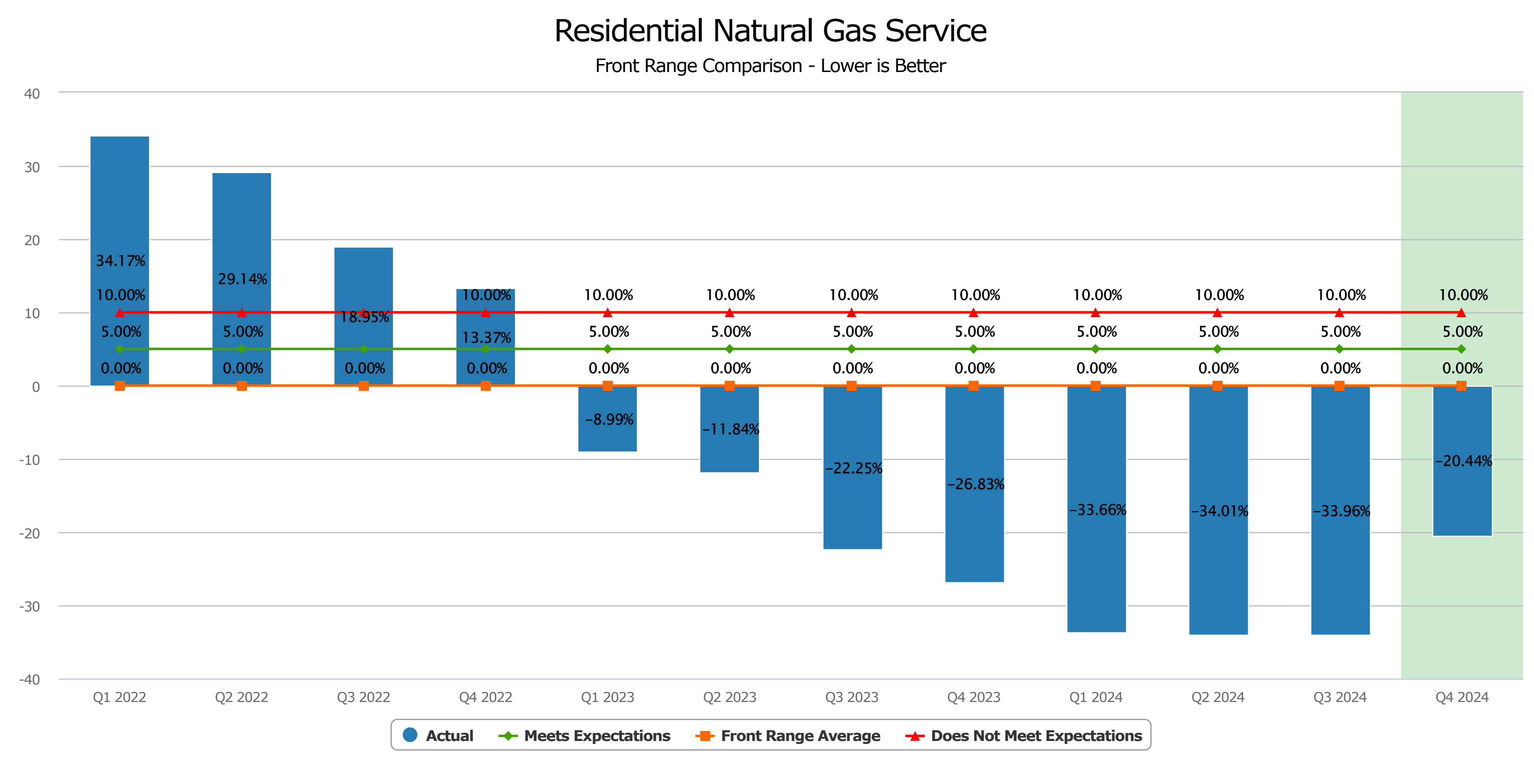
**Reported as:** Average bill

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

MEASURE PERFORMANCE

The year–end 2024 result is 20.44% below Front Range average.

TREND CHART




PERFORMANCE ANALYSIS

The most recent rate computations have been estimated using tariff rates publicly available on websites as of October 1, 2024 and assumed billing determinations.

3

# FS1c Residential Water Service - Front Range Comparison

Performance Measure Status: Meets Expectations

MEASURE DESCRIPTION

**Strategic Objective Supported:** Financial Accountability

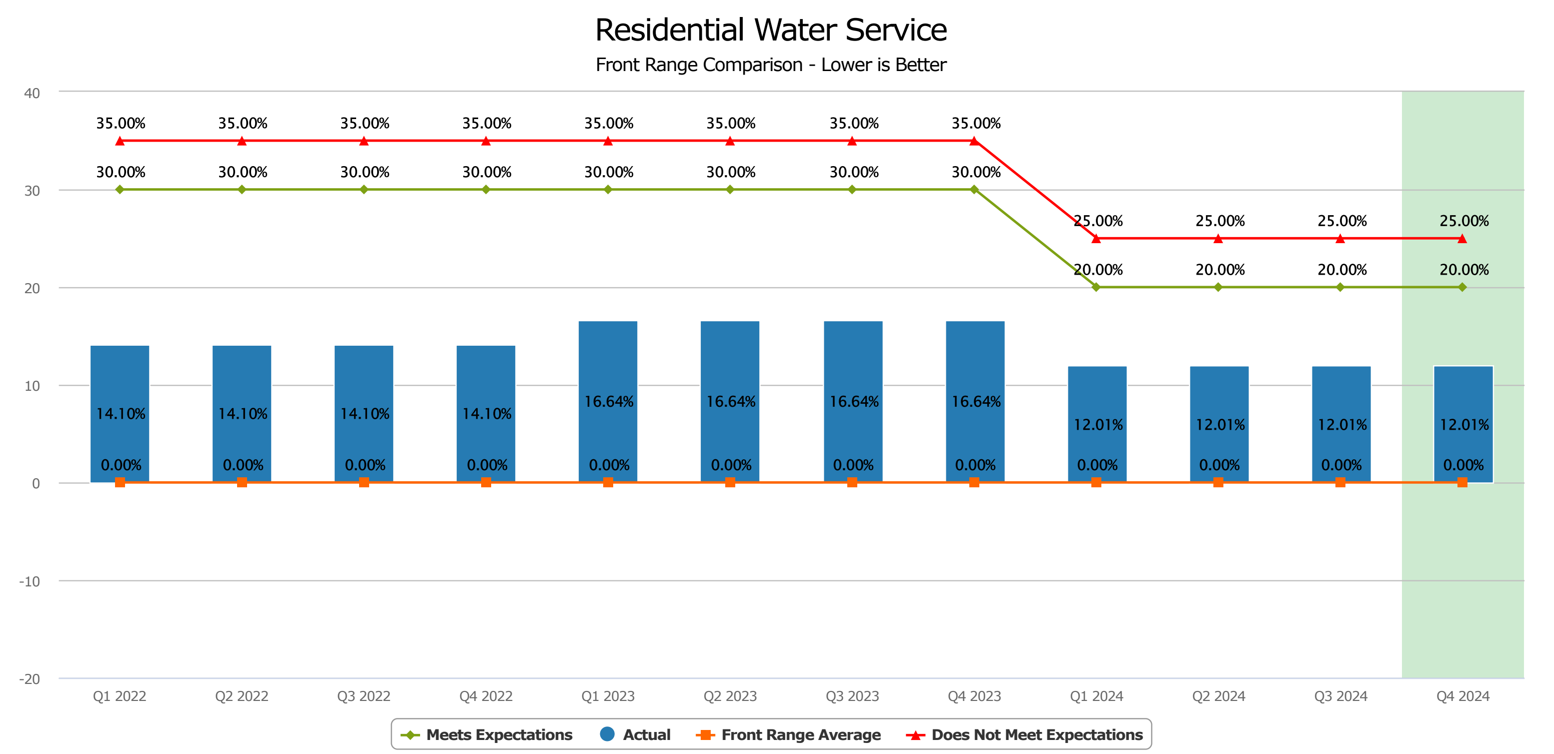
**Reported as:** Average bill

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

MEASURE PERFORMANCE

The year–end 2024 result is 12.01% above Front Range average.

TREND CHART




PERFORMANCE ANALYSIS

The most recent rate computations have been estimated using tariff rates publicly available on websites as of October 1, 2024 and assumed billing determinations.

# FS1d Residential Wastewater Service - Front Range Comparison

Performance Measure Status: Far Exceeds Expectations

## MEASURE DESCRIPTION

**Strategic Objective Supported:** Financial Accountability

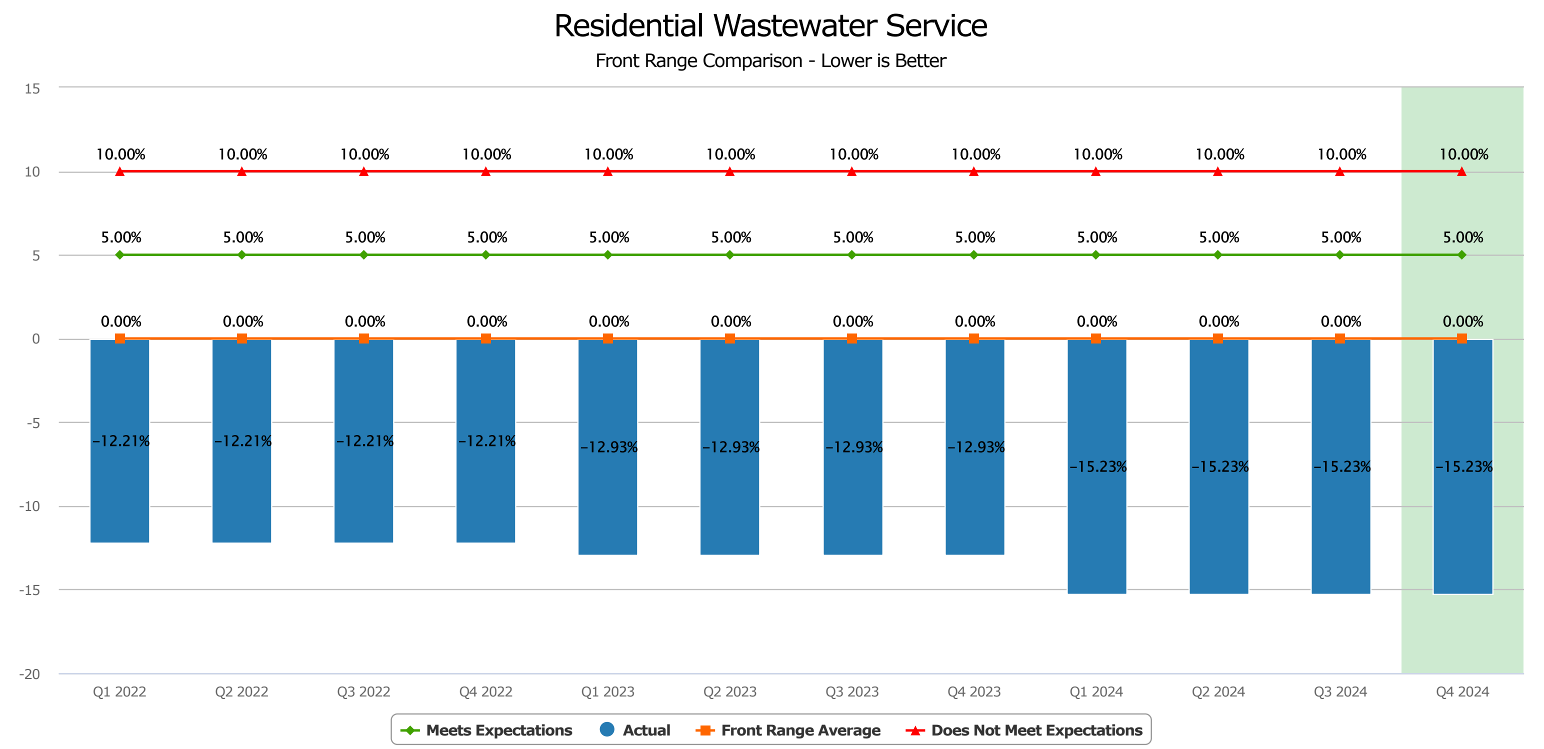
**Reported as:** Average bill

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

## MEASURE PERFORMANCE

The year–end 2024 result is 15.23% below Front Range average.

## TREND CHART




## PERFORMANCE ANALYSIS

The most recent rate computations have been estimated using tariff rates publicly available on websites as of October 1, 2024 and assumed billing determinations.

# 5 FS1e Small Commercial 4 Service Bill - Front Range Comparison

Performance Measure Status: Far Exceeds Expectations

## MEASURE DESCRIPTION

**Strategic Objective Supported:** Financial Accountability

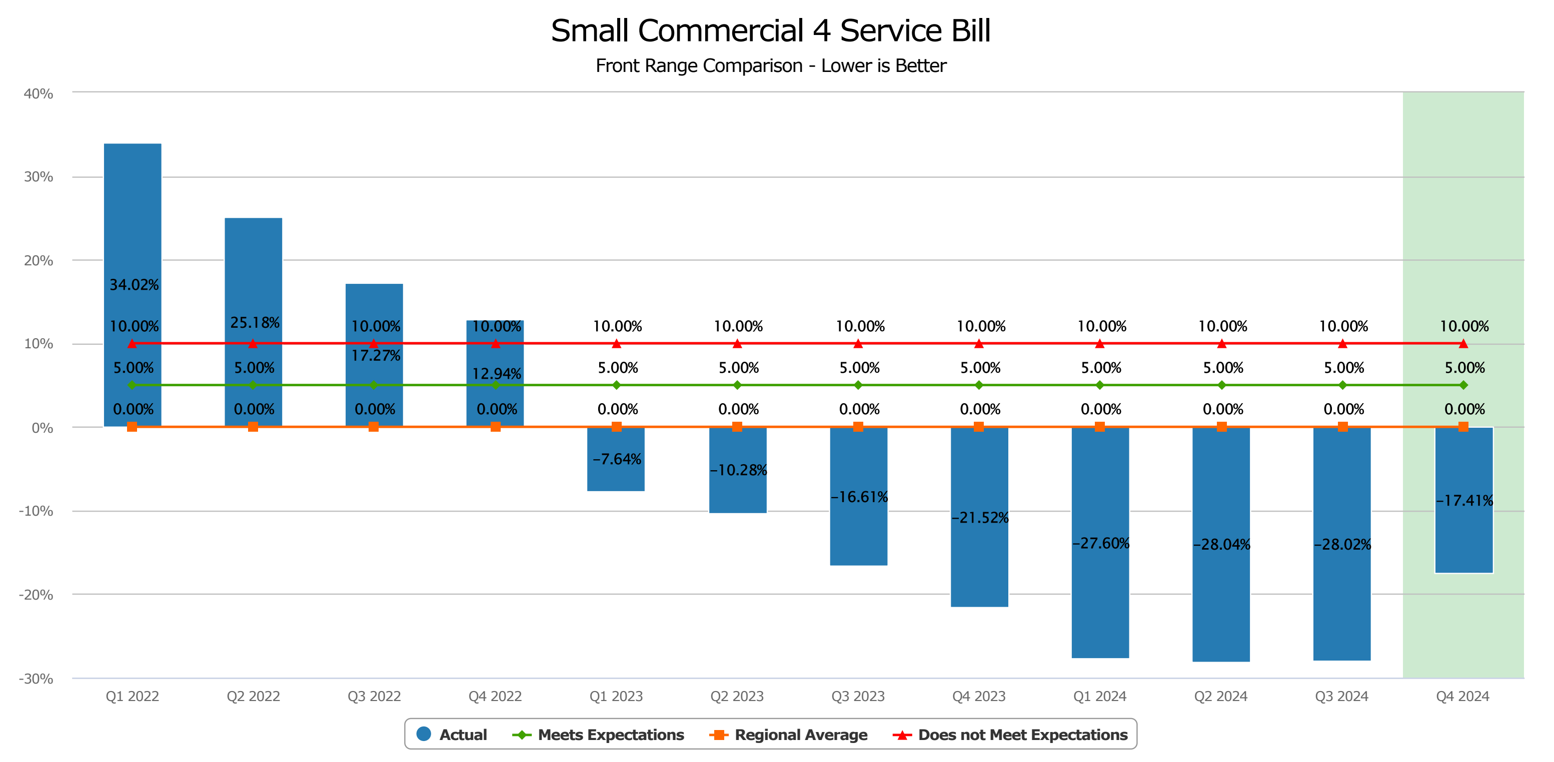
**Reported as:** Average combined bill

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

## MEASURE PERFORMANCE

The year-end 2024 result is 17.41% below Front Range average.

## TREND CHART




## PERFORMANCE ANALYSIS

The most recent rate computations have been estimated using tariff rates publicly available on websites as of October 1, 2024 and assumed billing determinations.

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

Performance Measure Status: Far Exceeds Expectations

MEASURE DESCRIPTION

**Strategic Objective Supported:** Financial Accountability

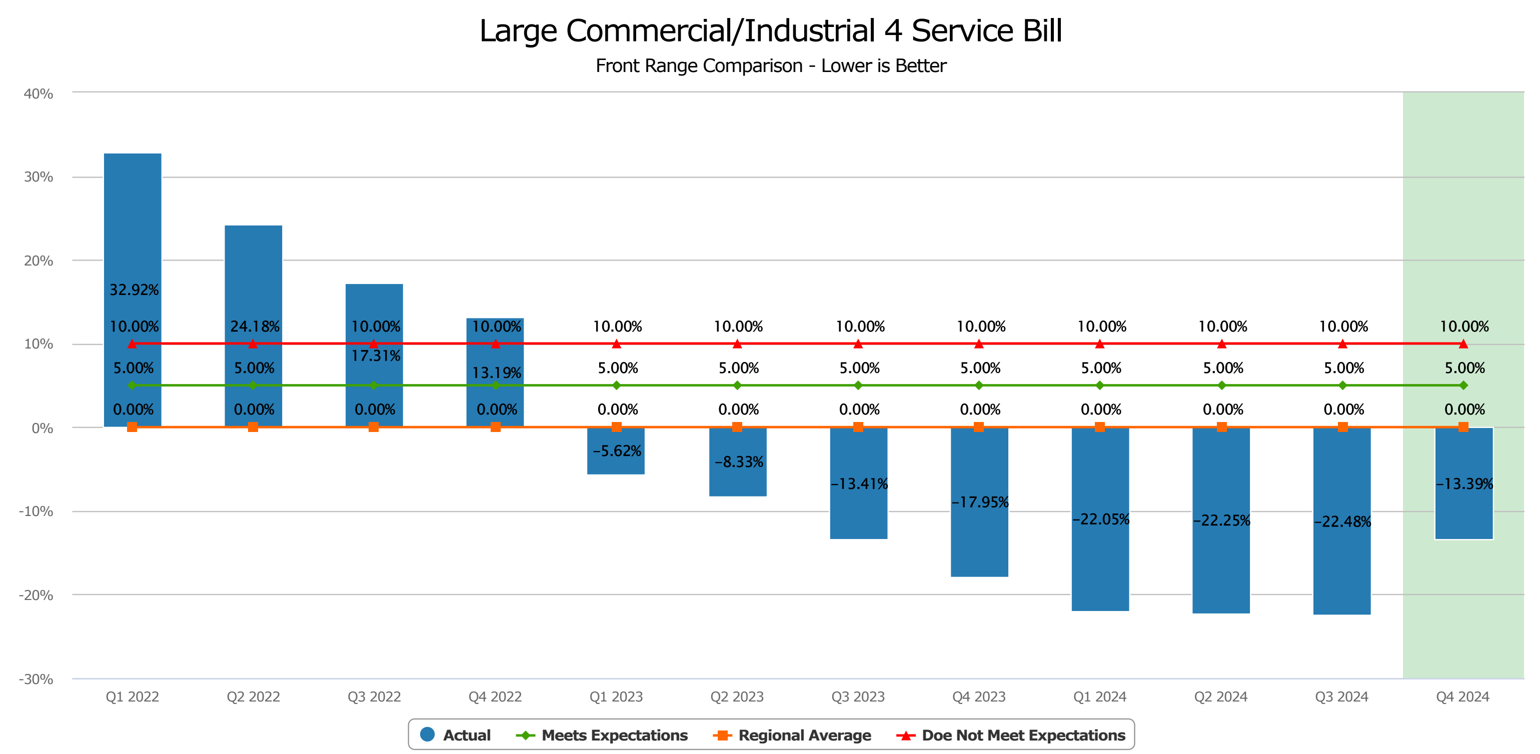
**Reported as:** Average combined bill

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

MEASURE PERFORMANCE

The year–end 2024 result is 13.39% below Front Range average.

TREND CHART




PERFORMANCE ANALYSIS

The most recent rate computations have been estimated using tariff rates publicly available on websites as of October 1, 2024 and assumed billing determinations.

## FS1g Industrial Electric-Intensive Customer Bill - Front Range Comparison

5

Performance Measure Status: Far Exceeds Expectations

### MEASURE DESCRIPTION

**Strategic Objective Supported:** Financial Accountability

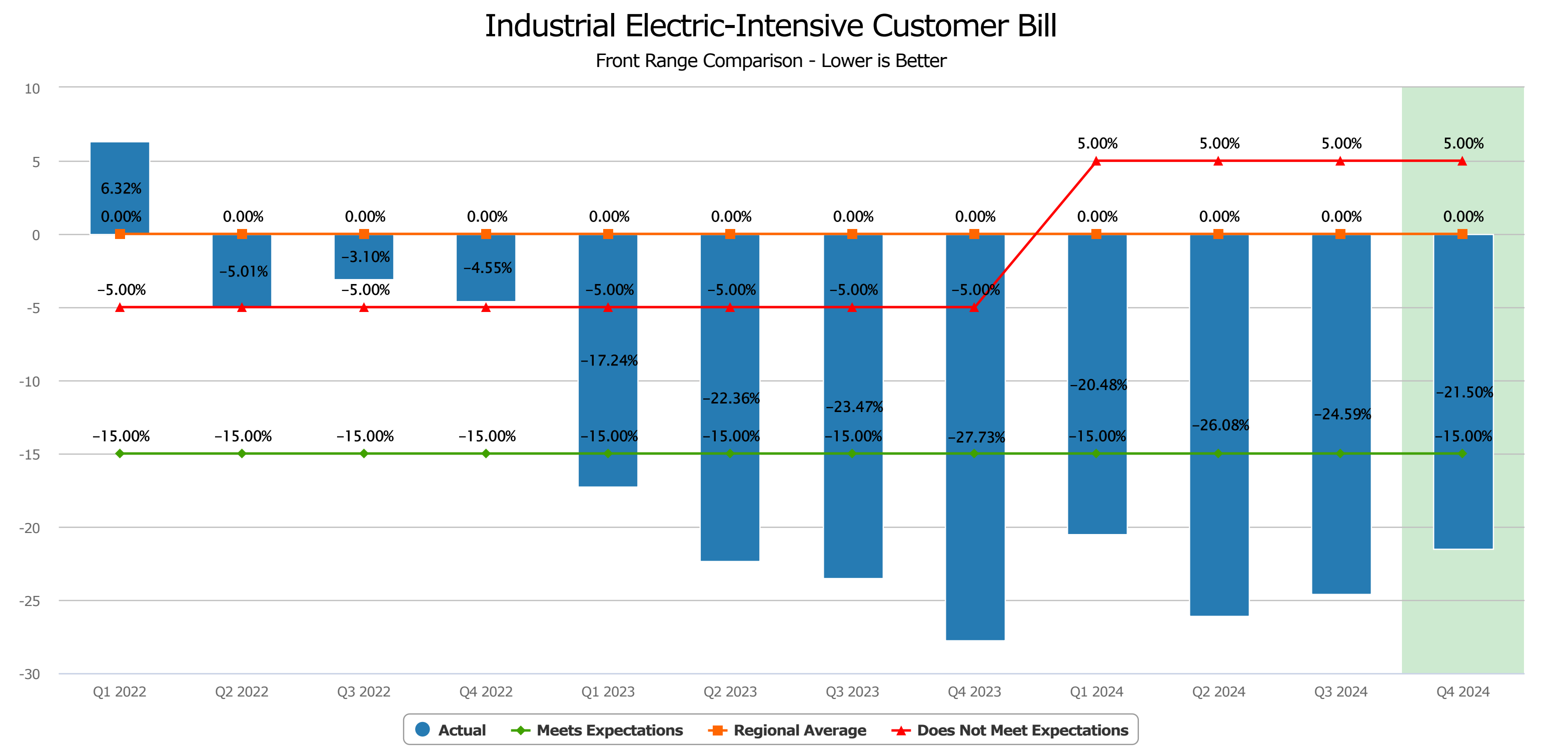
**Reported as:** Average electric bill

**Target Range:** 0.0 to 10.0% lower than Colorado Front Range average

### MEASURE PERFORMANCE

The year-end 2024 result is 21.50% lower than Front Range average.

### TREND CHART




### PERFORMANCE ANALYSIS

Rate computations have been estimated using tariffs rates publicly available on websites as of October 1, 2024 and assumed billing determinations.

# 3 FS1h Industrial Electric Customer Bill-Nationwide Comparison

Performance Measure Status: Meets Expectations

MEASURE DESCRIPTION

**Strategic Objective Supported:** Financial Accountability

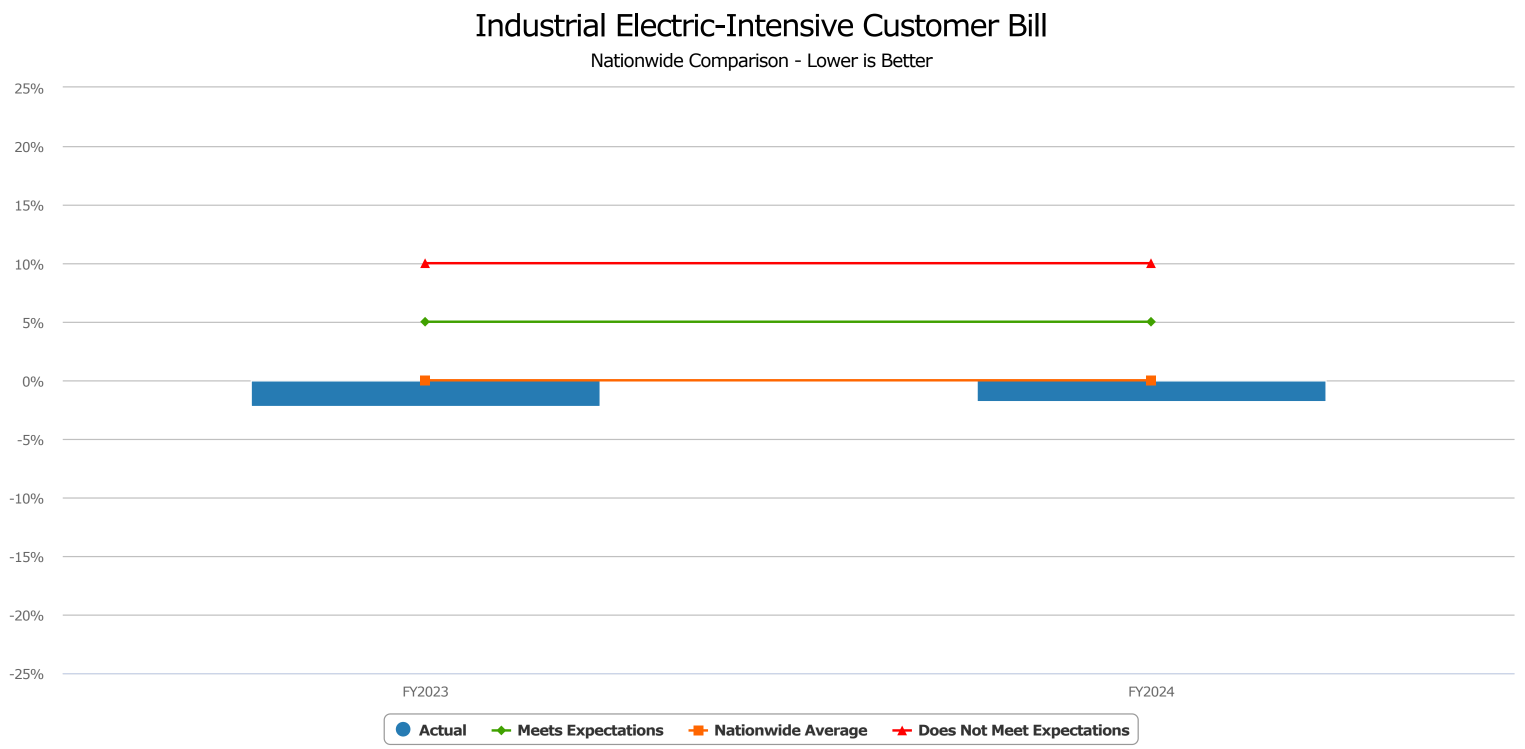
**Reported as:** Average electric bill

**Target Range:** +/– 5.0% of national average

MEASURE PERFORMANCE

The year–end 2024 result was 1.73% below the National average.

TREND CHART




PERFORMANCE ANALYSIS

- Electric totals are taken from U.S. Energy Information Administration (EIA)
- The survey period was 09/2023 – 08/2024

# FS1i Days Cash on Hand - Current Year

2

Performance Measure Status: Partially Meets Expectations

MEASURE DESCRIPTION

**Strategic Objective Supported:** Financial Accountability

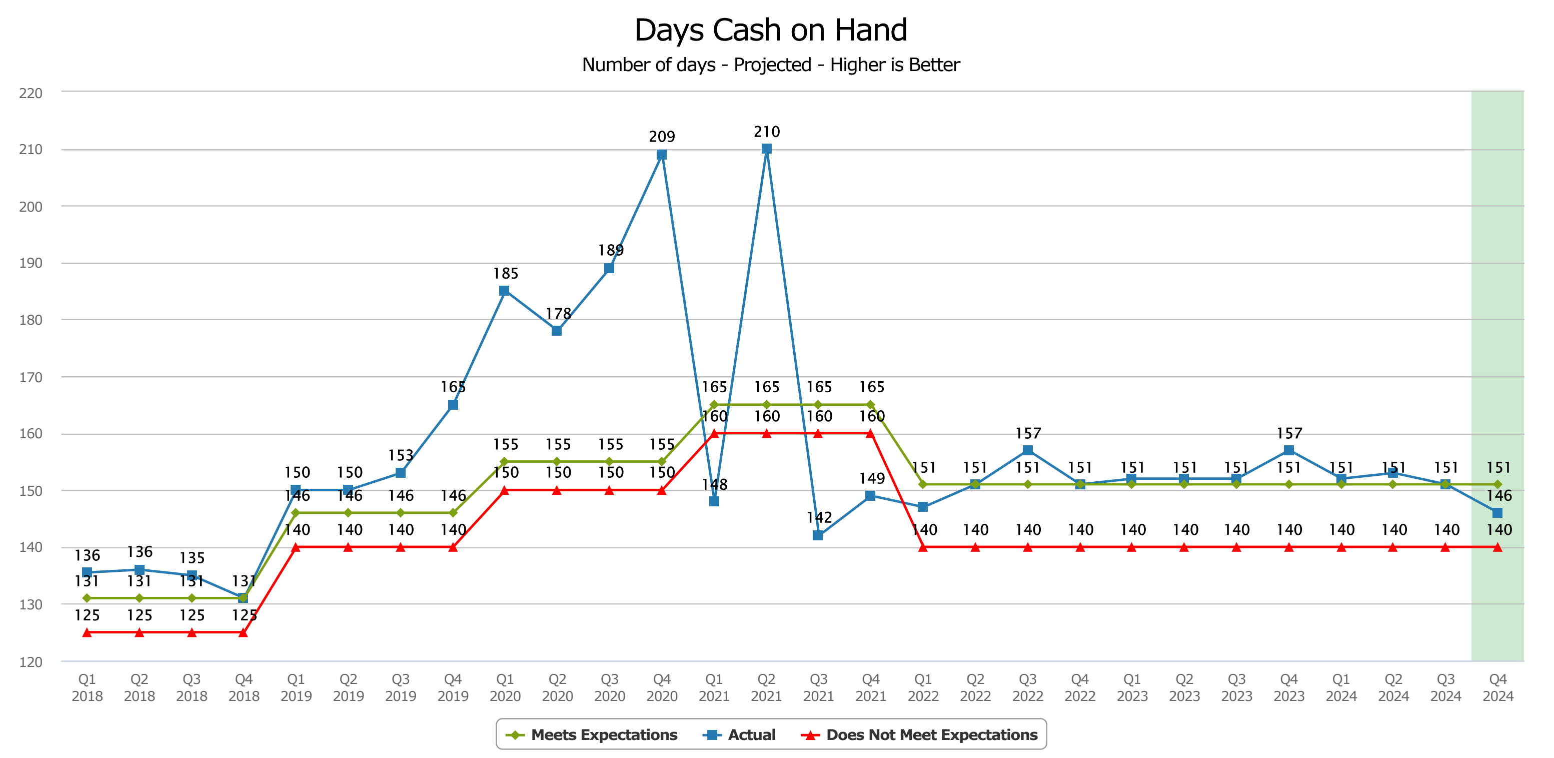
**Reported as:** year–end projection of actual result plus forecast

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

MEASURE PERFORMANCE

The year–end 2024 result is 146 days.

TREND CHART




PERFORMANCE ANALYSIS

- Days Cash on Hand is 146 days, which is below the target range of 151–160 days.
- A $13.7 million under collection in fuel rate balances impacted this metric by 7 days.
- This would put us comfortably above the 151 Days Cash on Hand threshold if we hadn't chosen to under collect in 2024.

3

## FS1j Days Cash on Hand - 3 Year Average

Performance Measure Status: Meets Expectations

MEASURE DESCRIPTION

**Strategic Objective Supported:** Financial Accountability

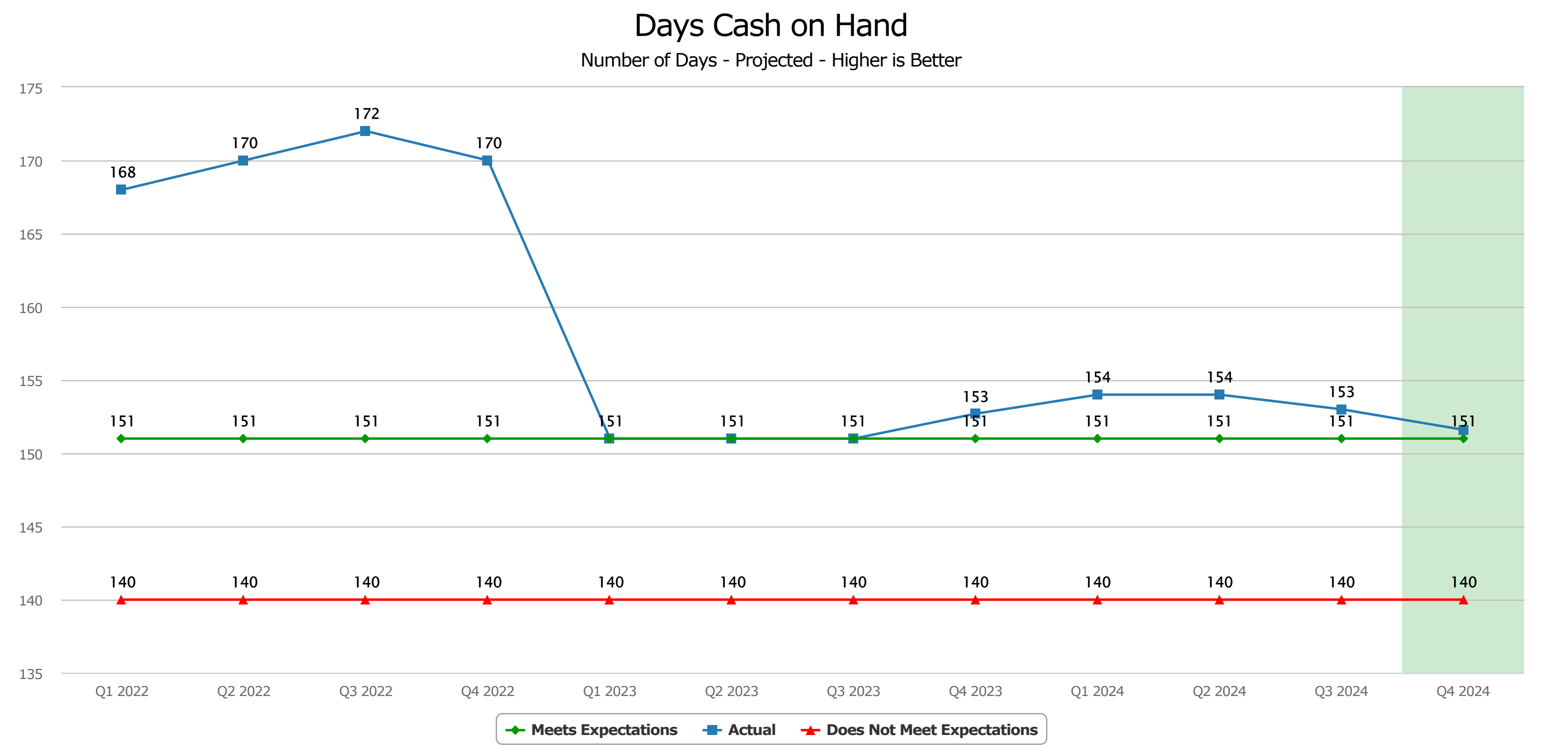
**Reported as:** Current year projection and the previous two years of history

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

MEASURE PERFORMANCE

The year-end 2024 3 year average result is 152 days.

TREND CHART




PERFORMANCE ANALYSIS

- Days Cash on Hand (DCH) 3 year average was within targeted range of 151-160 days.
- DCH was 153 in 2022, 157 in 2023 and 146 in 2024.
- Total Score: (153 + 157 + 146) / 3 = 152 = Meets Expectations

# 1 FS1k Adjusted Debt Service Coverage - Current Year

Performance Measure Status: Does Not Meet Expectations

MEASURE DESCRIPTION

**Strategic Objective Supported:** Financial Accountability

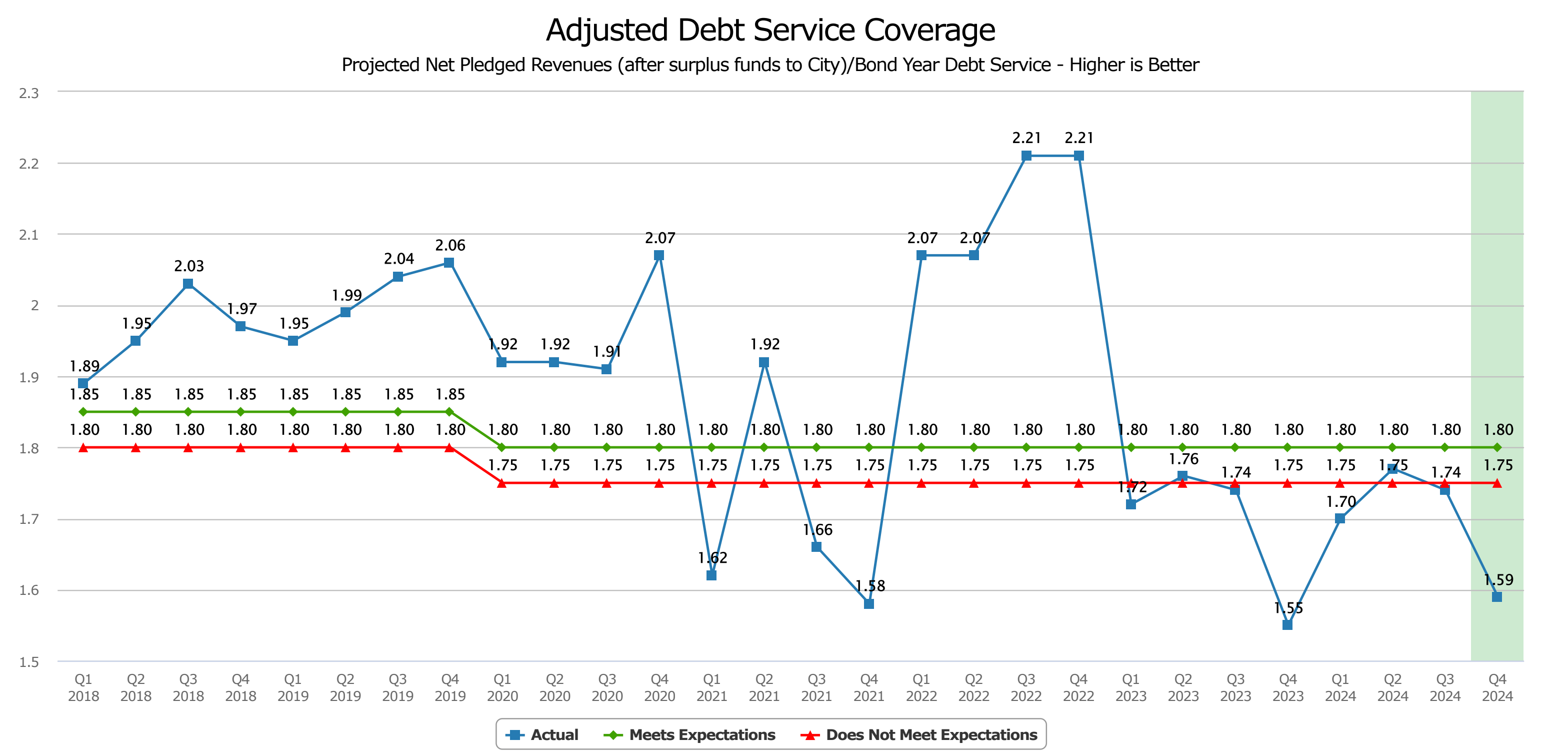
**Reported as:** Year-end projection of actual results plus forecast

**Target Range:** 1.80 – 1.90

MEASURE PERFORMANCE

The year-end 2024 result is 1.59 times.

TREND CHART




PERFORMANCE ANALYSIS

- In 2024 Adjusted Debt Service Coverage (ADSC) was 1.59, due to the following:
  - 2024 Annual Operating Financial Plan (AOFP)/ Budget set ADSC at 1.77 (-0.03 impact to Ratio); Budget was set 3 points below meets expectation due to approved revenue/rate levels and necessary spend (Capital and O&M)
  - Operating Revenue below AOFP by $20.9 million (-0.10 impact to Ratio); This 2% variance in Operating Revenue primarily driven by the managed under collection for the fuel rate balances of $13.7 million in 2024
  - Operating Expenses over AOFP by $5.5 million (-0.03 Impact to Ratio); This 0.7% overspend was driven by $27.5 million in Non-Fuel O&M overages that were partially offset by $22.6 million in Fuel O&M underspend
  - Developer Fees collected below AOFP by $10.4 million (-0.05 impact to Ratio); Budgeted $43.1 million in developer fees in 2024 and received $32.7 million; due to local economic conditions within new residential development in 2024

2

# FS1l Adjusted Debt Service Coverage - 3 Year Average

Performance Measure Status: Partially Meets Expectations

MEASURE DESCRIPTION

**Strategic Objective Supported:** Financial Accountability

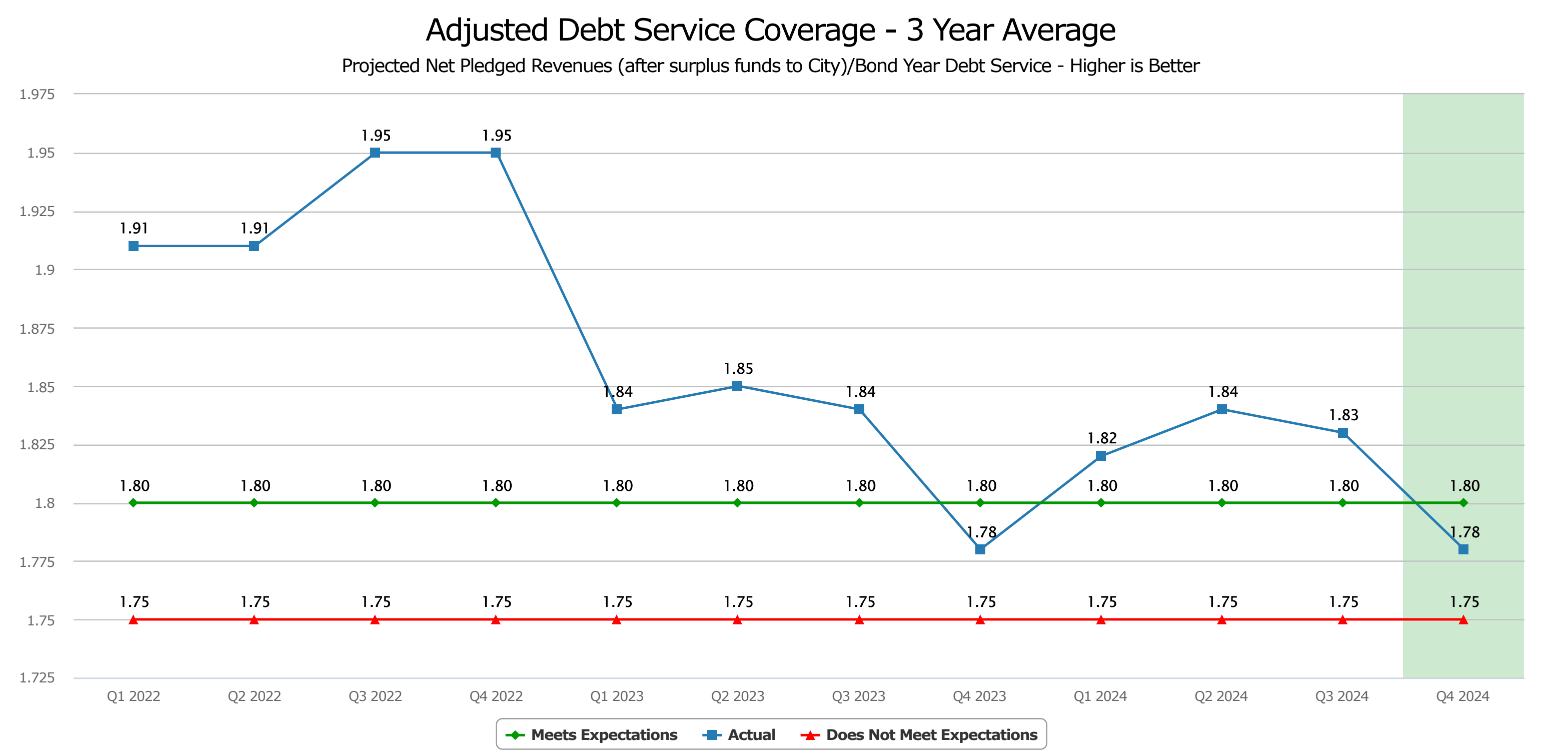
**Reported as:** Year–end projection of actual results plus forecast

**Target Range:** 1.80 – 1.90

MEASURE PERFORMANCE

The year–end 2024 3 year average result is 1.78 times.

TREND CHART




PERFORMANCE ANALYSIS

- In 2022 Adjusted Debt Service Coverage (ADSC) was 2.21.
- In 2023 ADSC was 1.55, due primarily to ECA/GCA over collection in 2022 which was refunded in 2023 as well as reduced water revenue do to above average precipitation.
- In 2024 ADSC was 1.59, for the reasons described in the performance analysis for Adjusted Debt Service Coverage – Current Year.
- Total Score: (2.21 + 1.55 + 1.59) / 3 = 1.78 = Partially Meets Expectations.

3

# FS1m Debt Ratio - Current Year

Performance Measure Status: Meets Expectations

## MEASURE DESCRIPTION

**Strategic Objective Supported:** Financial Accountability

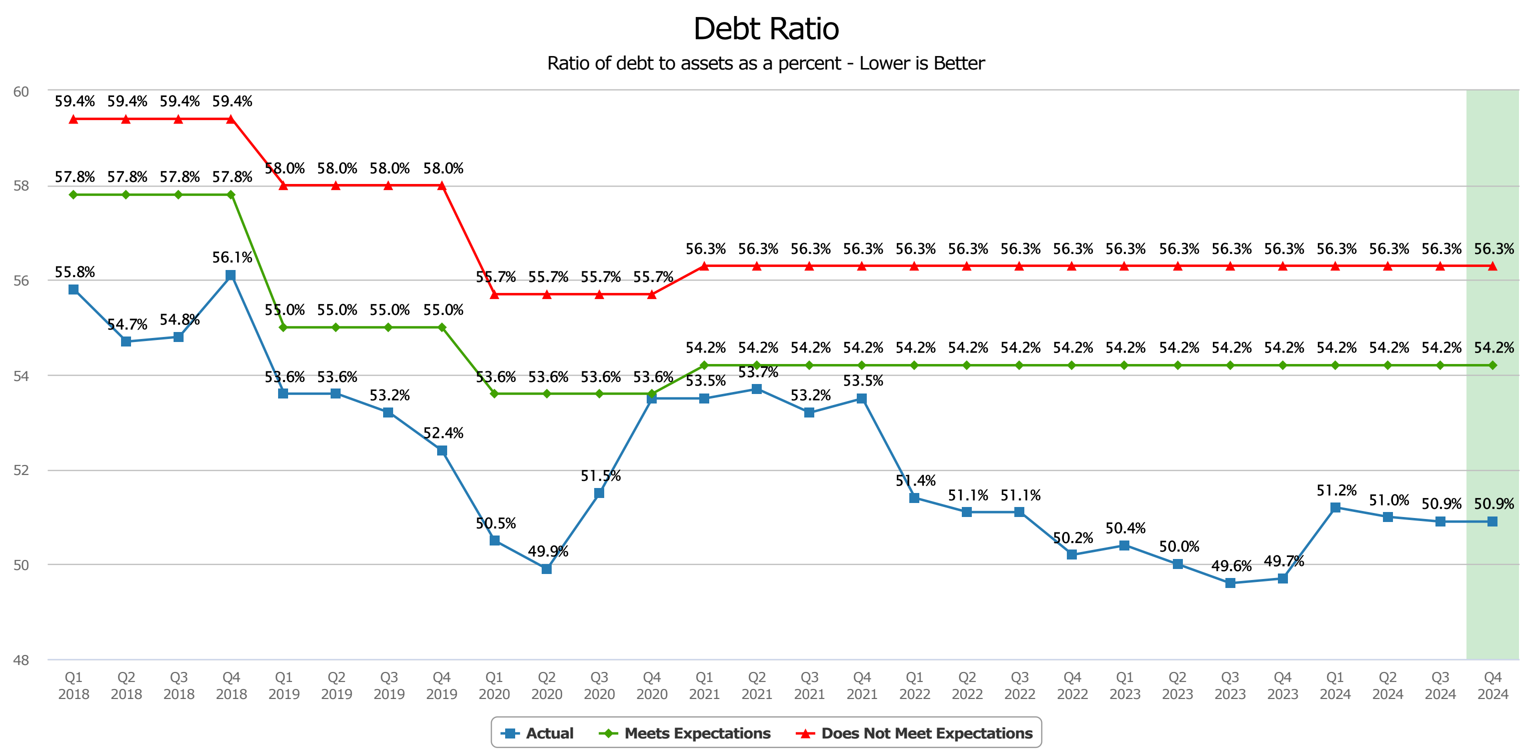
**Reported as:** year-to-date actual result

**Target Range:** 54.2 – 50.2%

## MEASURE PERFORMANCE

The year-end 2024 result is 50.9%.

## TREND CHART




## PERFORMANCE ANALYSIS

- The year-end 2024 50.9% debt ratio result meets expectations.

3

# FS1n Debt Ratio - 3 Year Average

Performance Measure Status: Meets Expectations

MEASURE DESCRIPTION

**Strategic Objective Supported:** Financial Accountability

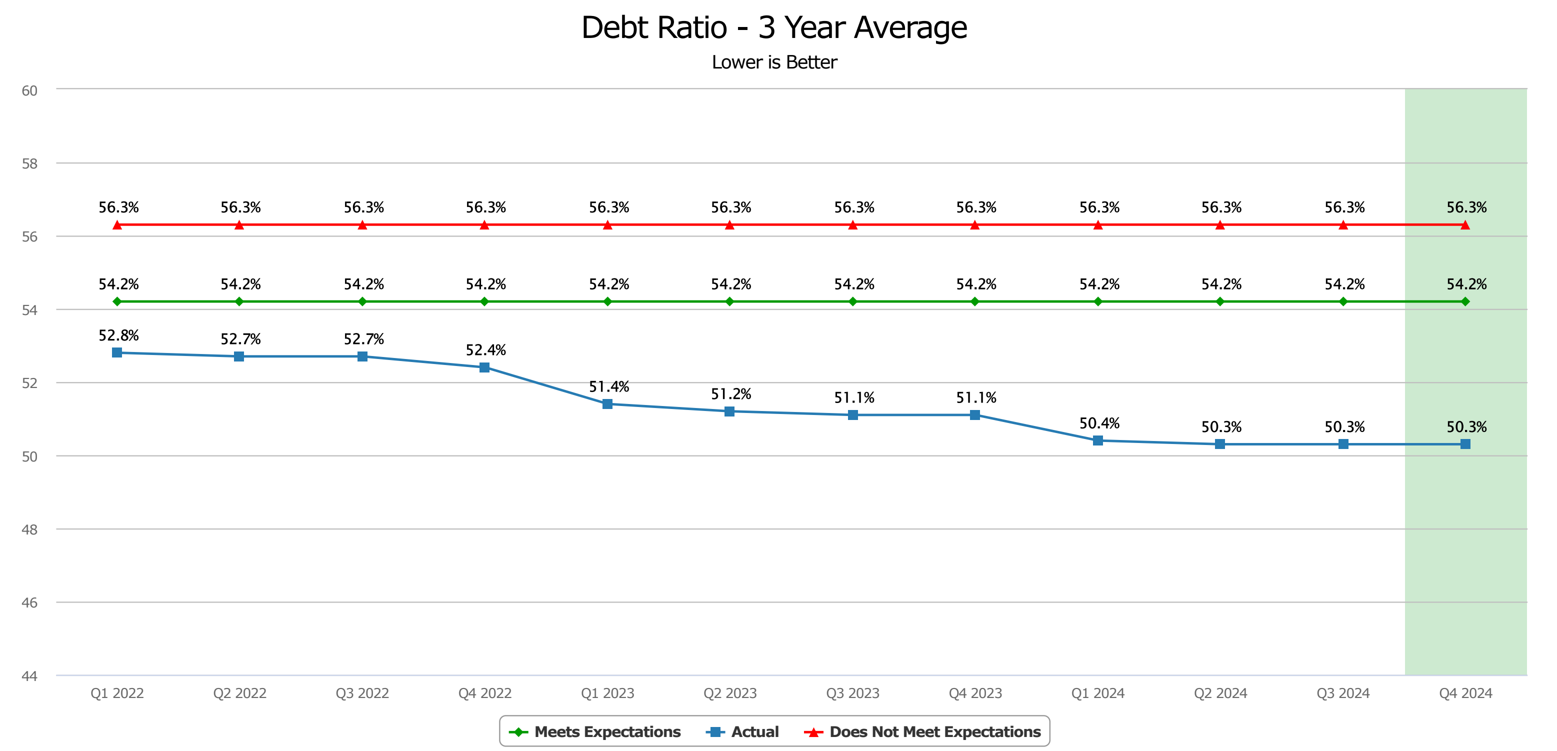
**Reported as:** Current year to date and the previous 2 years of history

**Target Range:** 54.2 – 50.2%

MEASURE PERFORMANCE

The year-end 2024 3 year average result is 50.3%.

TREND CHART




PERFORMANCE ANALYSIS

- The year-end 2024 3 year average debt ratio of 50.3% meets expectations.
- The year-end debt ratio results was 50.2% for 2022, 49.7% for 2023 and 50.9% for 2024.
- Total Score: (50.2% + 49.7% + 50.9%) / 3 = 50.3% = Meets Expectations

4

# FS1o Bond Rating

Performance Measure Status: Exceeds Expectations

MEASURE DESCRIPTION

**Strategic Objective Supported:** Financial Accountability

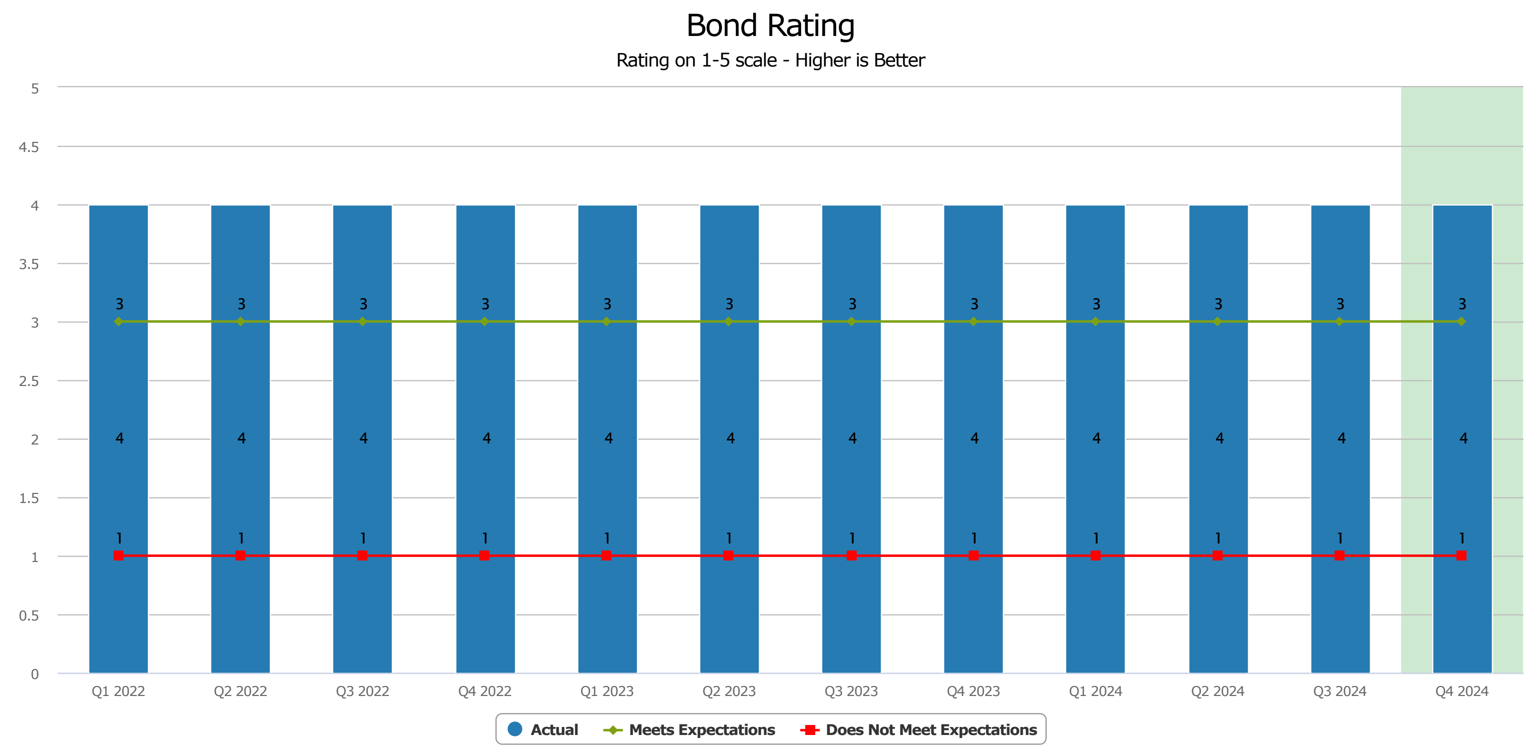
**Reported as:** Standard & Poor's, Moody's Investors Service, and Fitch Ratings

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

MEASURE PERFORMANCE

The year-end 2024 result is Standard & Poor's (AA+), Moody's (Aa2), and Fitch Ratings (AA), respectively.

TREND CHART




PERFORMANCE ANALYSIS

- The long-term credit rating remains unchanged from the previous quarter 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.

# C1a Electric System Average Interruption Duration Index (SAIDI)

Performance Measure Status: Exceeds Expectations

MEASURE DESCRIPTION

**Strategic Objective Supported:** Deliver Quality Utilities

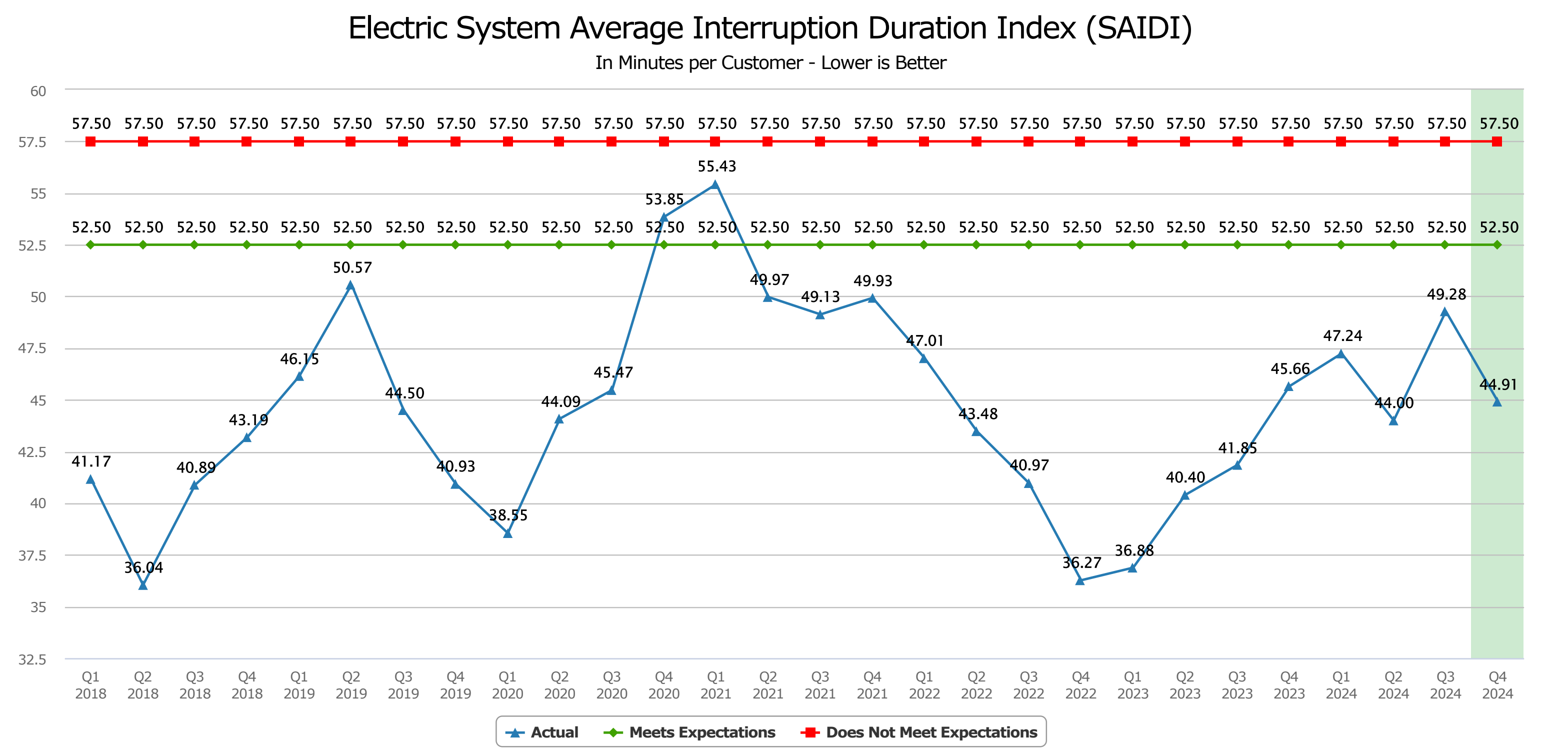
**Reported as:** 12 month rolling average

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

MEASURE PERFORMANCE

The year-end 2024 result is 44.91 minutes.

TREND CHART




PERFORMANCE ANALYSIS

- There were 190 sustained outages in the fourth quarter of 2024.
- There were 1,031 sustained outages from January 2024 through December 2024.
- There was one Major Event Day (MED) during this period on May 6, 2024 due to a wind storm.
- According to the 2024 Institute of Electrical and Electronics Engineers (IEEE) Reliability Benchmark Survey (2023 data), Colorado Springs Utilities ranked fifth out of 73 survey participants for Electric SAIDI performance.

# C1b Failures per 100 Miles of Natural Gas Pipe

Performance Measure Status: Exceeds Expectations

4

## MEASURE DESCRIPTION

**Strategic Objective Supported:** Deliver Quality Utilities

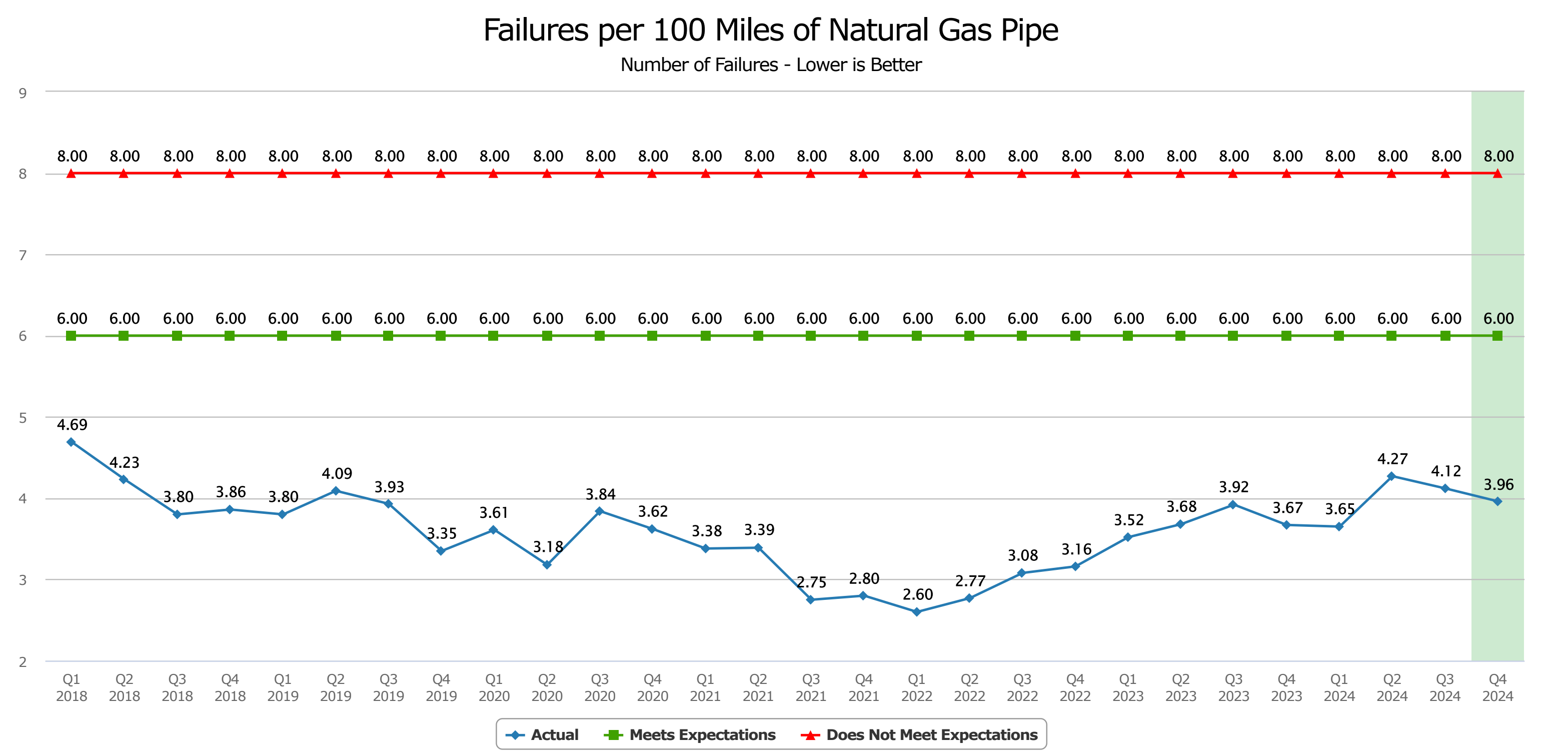
**Reported as:** 12 month rolling average

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

## MEASURE PERFORMANCE

The year–end 2024 result is 3.96 failures per 100 miles of pipe.

## TREND CHART




## PERFORMANCE ANALYSIS

- There were 227 failures on the 5,735 miles of gas pipe from January 2024 through December 2024.
- 227/57.35= 3.96 = Exceeds Expectations

4

# C1c Failures per 100 Miles of Water Pipe

Performance Measure Status: Exceeds Expectations

## MEASURE DESCRIPTION

**Strategic Objective Supported:** Deliver Quality Utilities

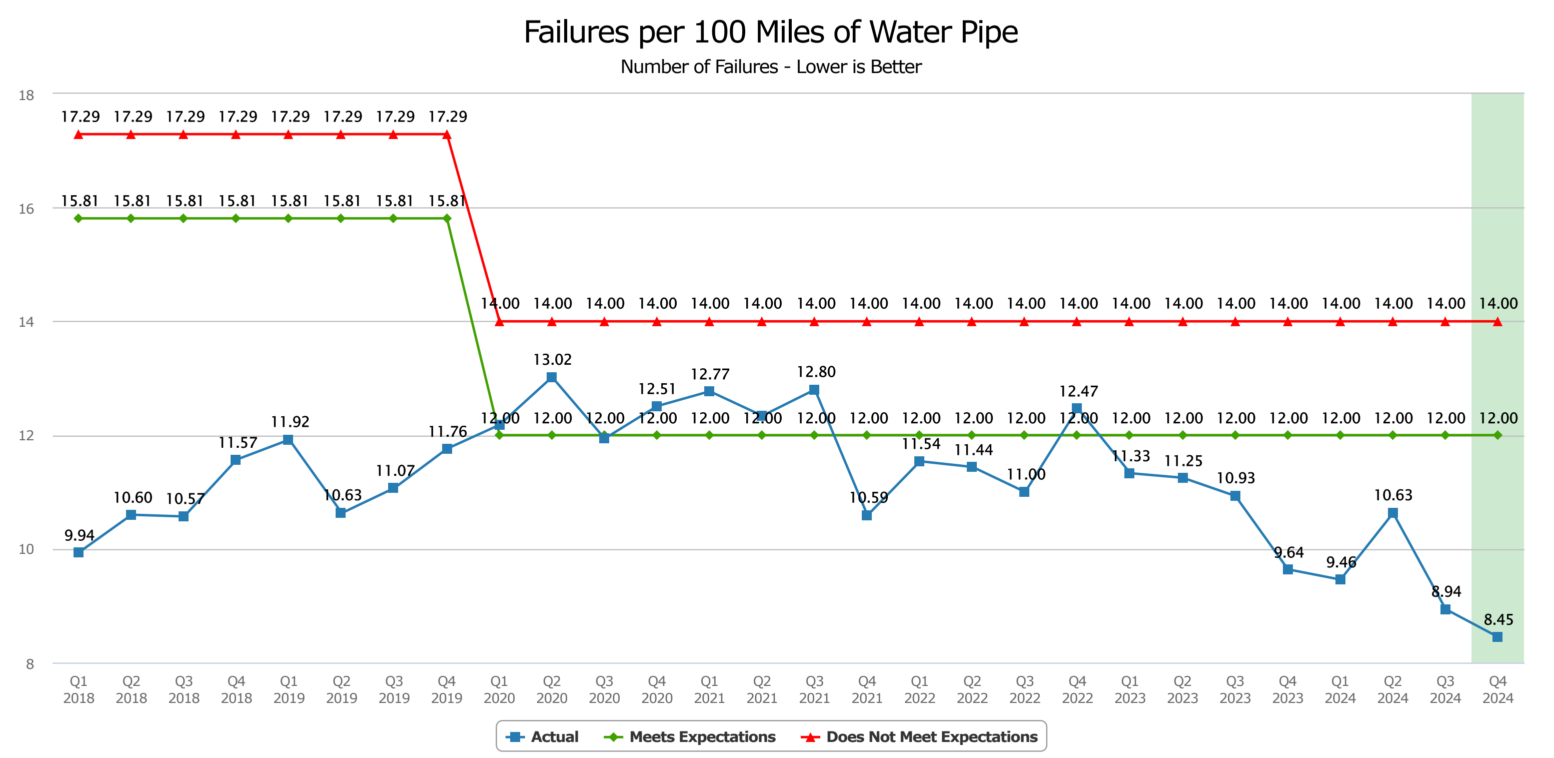
**Reported as:** 12 month rolling average

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

## MEASURE PERFORMANCE

The year-end 2024 result is 8.45 failures per 100 miles of pipe.

## TREND CHART




## PERFORMANCE ANALYSIS

- There were a total of 69 failures on 2,297 miles of pipe in Q4 2024. 54 of the failures were main breaks, 11 were main leaks, and 4 were valve leaks.
- There were a total of 194 failures on 2,297 miles of pipe in all of 2024. 124 of the failures were main breaks, 54 were main leaks, 1 was a hydrant leak and 15 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.

# C1d Failures per 100 Miles of Wastewater Pipe

Performance Measure Status: Meets Expectations

MEASURE DESCRIPTION

**Strategic Objective Supported:** Deliver Quality Utilities

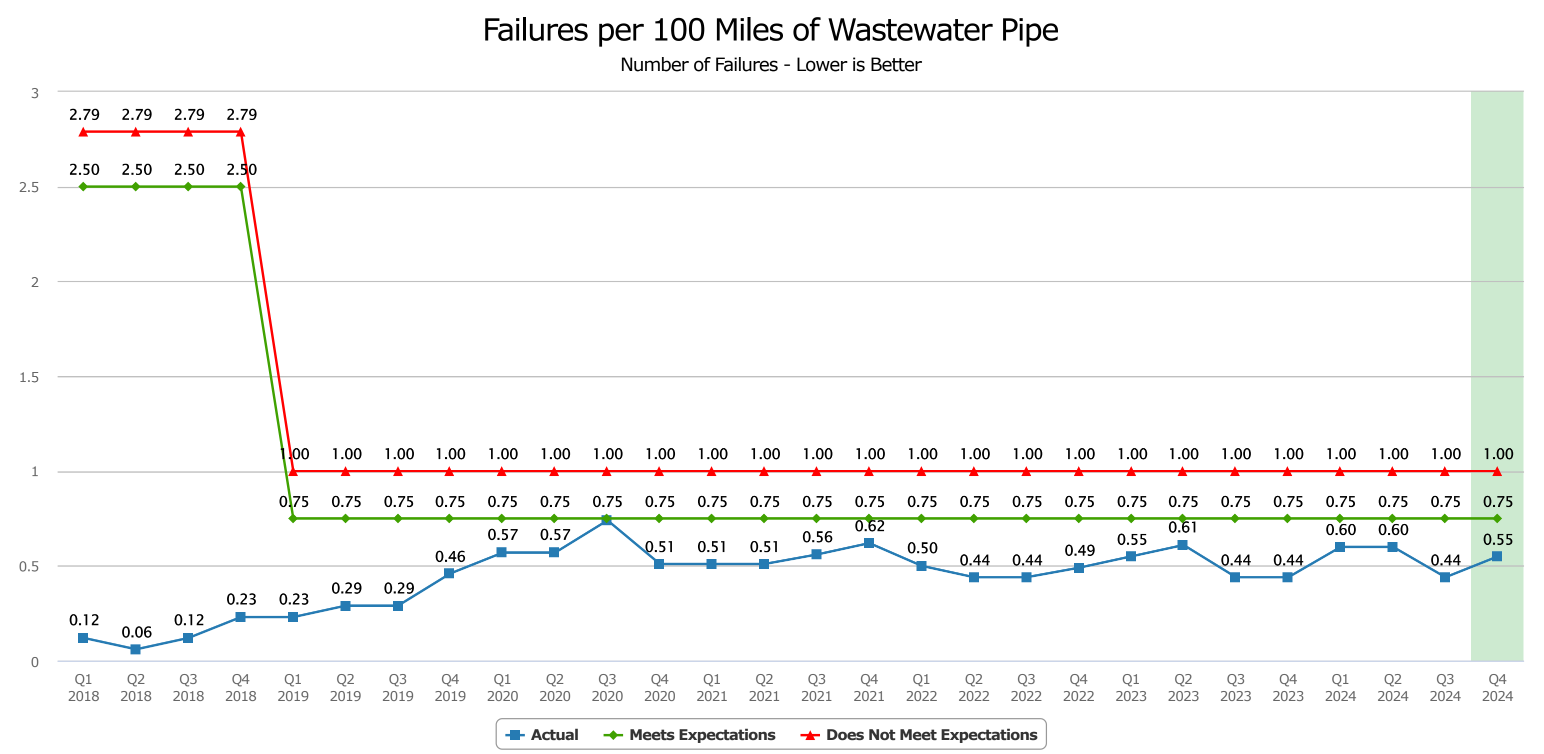
**Reported as:** 12 month rolling average

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

MEASURE PERFORMANCE

The year-end 2024 result is 0.55 failures per 100 miles of pipe.

TREND CHART




PERFORMANCE ANALYSIS

- The fourth quarter 12-month rolling average result of 0.55.
- In the fourth quarter, there were 3 failure events. These events were caused by system performance issues due to faulty design (one event), and roots (two events).
- There have been a total of 10 failure events in 2024.
- Three of these events resulted in a reportable Sanitary Sewer Overflow (SSO), i.e., the discharge reached a water of the State.
- By comparison, the 2023 Q4 result was 0.44. In 2023, there were a total of eight failure events.

3

# C2a Customer Satisfaction - Residential

Performance Measure Status: Meets Expectations

MEASURE DESCRIPTION

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

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

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

MEASURE PERFORMANCE

This measure will be reported semi-annually. Results are posted after Q2 and Q4 of 2024.

At year-end 2024, Colorado Springs Utilities scored a 2.51 out of a possible 5 points for the overall index. This is a rating of meets expectations.

TREND CHART

Performance Analysis:

- The J.D. Power and Associates Residential Customer Satisfaction result for year-end 2024 increased in rank to 78th in overall customer satisfaction among the 151 qualifying, participating utilities nationally. This is an industry rank of 52% compared to 54% for the same period in 2023 resulting in an index score of 1.0 on five-point scale and 20% of the overall index.
- The J.D. Power and Associates Overall Customer Satisfaction Index score decreased 1 point, from 712 (on a 1,000-point scale) to 711 for an index score of 1.5 on a five-point scale and 20% of the overall index.
- The Escalent Cogent Study Customer Effort Index results for year-end 2024 increased 24 points from 688 (on a 1,000-point scale) to 712 for an index score of 3.0 on a five-point scale and 40% of the overall index.
- The in-house survey index is 8.69 (on a 1 to 10 scale) for transactional surveys captured January through December on transactions completed in Service Center phone interactions and Field Service appointments for an index score of 4.2 on a five-point scale and 20% of the overall index.

Customer Trends:

- Overall satisfaction was essentially flat in 2024, however our industry performance improved by 2 percentage points as other utilities experienced more significant declines.
- Residential customers' financial situations did not improve significantly in 2024, and they continue to struggle with prices and cost of living expenses.
- Strong message recall in topics around "ways to lower energy consumption" and our "efforts to keep rates low" support the Price satisfaction measure performance for a three year high.
- Effectiveness of communications reached its highest point since 2021. Customers scored us significantly higher for "creating messages that get attention". However, communications about outages remains low.
- Assisted phone customer care had some challenges mid-year with hold times as a new hire class completed training. Customers reported "difficulty resolving their service issue" and lower CSR related scores were reported in the industry study. Post transactional survey scores remain high through the end of the year indicating the knowledge curve is improving.
- In 2024 improvements to the IVR translate to higher scores for "ease of use" and "navigation".

Action Plans:

- Communication is our best tool for managing the impact of rate changes. An increase in 2024 recall around "ways to conserve energy" and "long term planning/improvements" both of which support rate trust. Maintain communication on topics like rate changes are implemented.
- An outage communication management strategic initiative is planned for 2025. Communicating to customers during service disruptions is a key driver to build trust and support customer satisfaction.
- We completed several projects that support digital self-service in 2024. A new and improved website (CSU.org) went live mid-year 2024 and quarterly improvements to the IVR began in 2024 and will continue in 2025. Successes include higher IVR containment, improved customer satisfaction and customer effort scores. Projects are in progress to design and develop tools to support Energy Wise rate changes planned for the fall of 2025.

# 2 C2b Customer Satisfaction - Business

Performance Measure Status: Partially Meets Expectations

MEASURE DESCRIPTION

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

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

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

MEASURE PERFORMANCE

This measure will be reported semi-annually. Results are posted after Q2 and Q4 of 2024.

At year-end 2024, Colorado Springs Utilities scored a 1.53 out of a possible 5 points for the overall index. This is a partially meets expectations

TREND CHART

Performance Analysis:

- The Escalent Cogent Business Customer Satisfaction result for year-end 2024 decreased in rank to 69th in overall customer satisfaction among the 78 qualifying, participating utilities nationally. This is an industry rank of 88% compared to 43% for 2023 resulting in an index score of 1.0 on five-point scale and 20% of the overall index.
- The Escalent Cogent Engaged Customer Relationship Index score decreased 25 points, from 777 (on a 1,000-point scale) to 752 for an index score of 1.0 on a five-point scale and 20% of the overall index.
- The Escalent Cogent Study Customer Effort Index result for year-end 2024 decreased by 27 points from 786 (on a 1,000-point scale) to 759 for an index score of 1.0 on a five-point scale and 40% of the overall index.
- The in-house survey index is 8.2 (on a 1 to 10 scale) for transactional surveys captured January through December on transactions completed in Service Center phone interactions for an index score of 3.7 on a five-point scale and 20% of the overall index.

Customer Trends:

- 2024 business results are below 2023 scores; however, they are higher than 2022 which suggests a stabilization in the scores. Trends are consistent across all Engaged Customer Relationship (ECR) factors and industry business scores improved in 2024 which resulted in Colorado Springs Utilities lower industry rank.
- Declining scores were led by small business customers who indicate lower satisfaction. This segment represents a higher frequency of customers and lower revenue. Frustrations were identified with outage communication, lack of products that fit their needs, and higher rate sensitivity.
- One large and impactful sector, Property Management, has specific and unique needs around payment, and particularly their own portal for managing accounts. This group scores us near lowest for satisfaction.
- Business customers reported more outages in 2024 than previous years. These were reported more frequently by smaller customers and drew more attention to opportunities in outage communication.
- Business communication scores continue to decline led by lower communication intensity. Large businesses are significantly more satisfied with communication while small and midsize businesses have different needs that are unmet.

Action Plans:

- Customer Services is launching an initiative in 2025 for third party and property management customers. This initiative includes:
  - Development of a Small Business Team
  - Tool and application evaluations
  - Define success metrics
  - Establish a presence in the small business community
- At the end of 2024 a Small Business Efficiency program was rolled out which provides financial assistance to small businesses for infrastructure improvements.
- IVR improvements are coming at a quarterly cadence and early 2025's efforts will be focused on electric outage IVR functions.
- Continue development and promotion of programs for small and medium sized customers to help manage energy consumption.
- A small business communication strategy is in development to support the Energy Wise rate launch in October of 2025.

# 4 C3a Environmental Index

Performance Measure Status: Exceeds Expectations

MEASURE DESCRIPTION

**Strategic Objective Supported:** Support Our Community

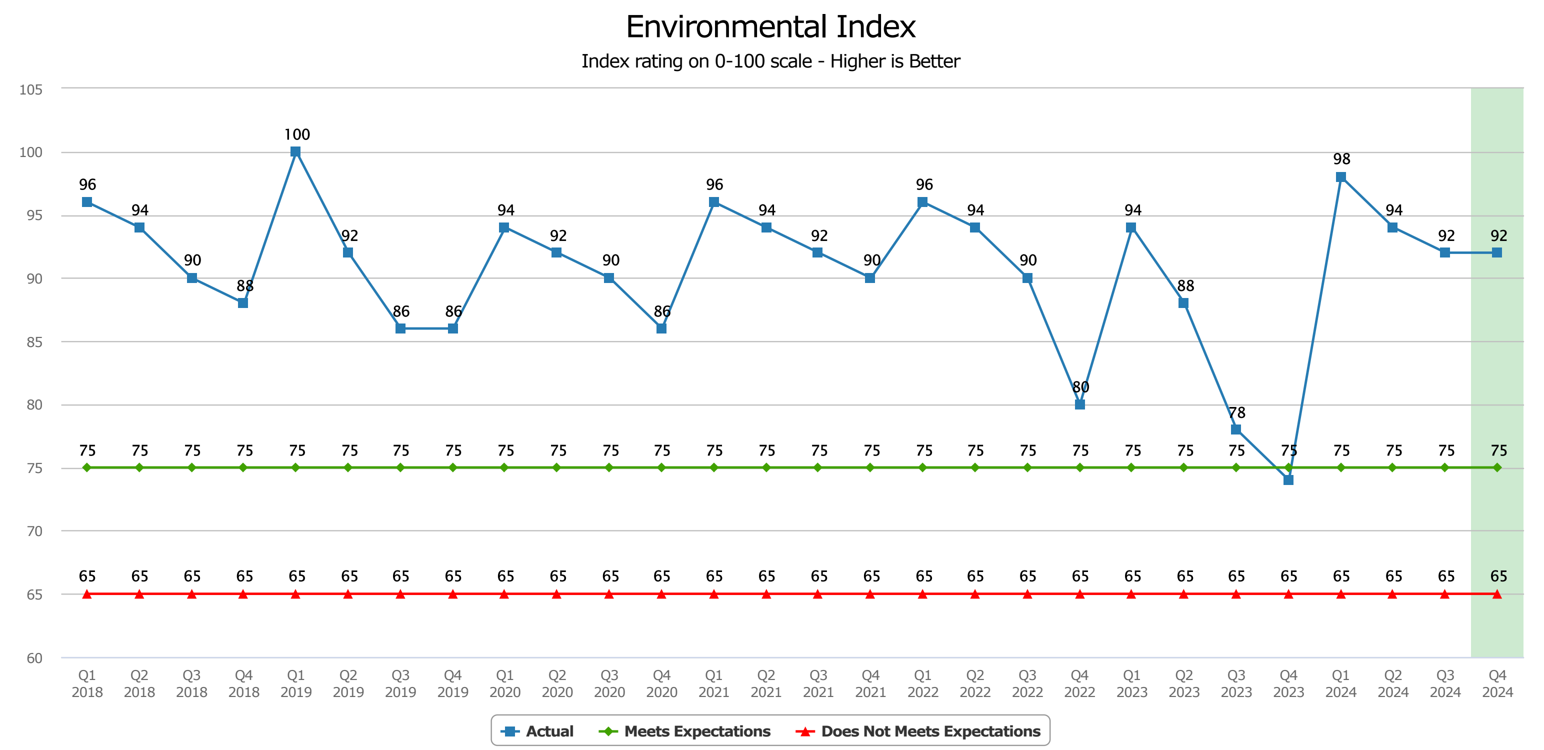
**Reported as:** year-to-date score

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

MEASURE PERFORMANCE

The year-end 2024 result is 92. There were no deductions to the index in Q4.

TREND CHART



PERFORMANCE ANALYSIS

- There were two regulatory inspections in Q4. One was conducted by the CDPHE Water Quality Control Division – Stormwater Unit at the Monument Creek Stabilization Project site. The other was a pre-demolition meeting conducted by the CDPHE Air Pollution Control Division at the Central Bluffs Substation site for demolition activities.
- There were no deductions in the Minor Violations category in Q4.
- There is an additional deduction for Q2 to report in the Minor Violations category due to a treated reclaimed water release as a result of a line break.
- There were no deductions in the Major Violations category.
- There were forty-four (44) six minute periods of CAM plan excursion, which occurred on 6 calendar days (11/15, 11/26, 11/29, 12/10, 12/13 & 12/14), all related to faulty bags in the baghouse compartments. These will count as one event since they were caused by the same issue, which was resolved once the issue was rectified. This results in one deviation.
- There was an additional air emission exceedance for Q3 for a Title V permit deviation at Clear Spring Ranch Solids Handling Disposal Facility for uncombusted gas release.
- In 2024, there were a total of five non-upset excess air emission exceedances.
- In the fourth quarter, there were 3 wastewater failure events. These events were caused by system performance issues due to faulty design (one event), and roots (two events). There have been a total of 10 failure events in 2024. Three of these events resulted in a reportable Sanitary Sewer Overflow (SSO), i.e., the discharge reached a water of the State.

# 5 F1a Safety: Occupational Injuries and Illnesses Rate

Performance Measure Status: Far Exceeds Expectations

MEASURE DESCRIPTION

**Strategic Objective Supported:** Enable Employee Empowerment

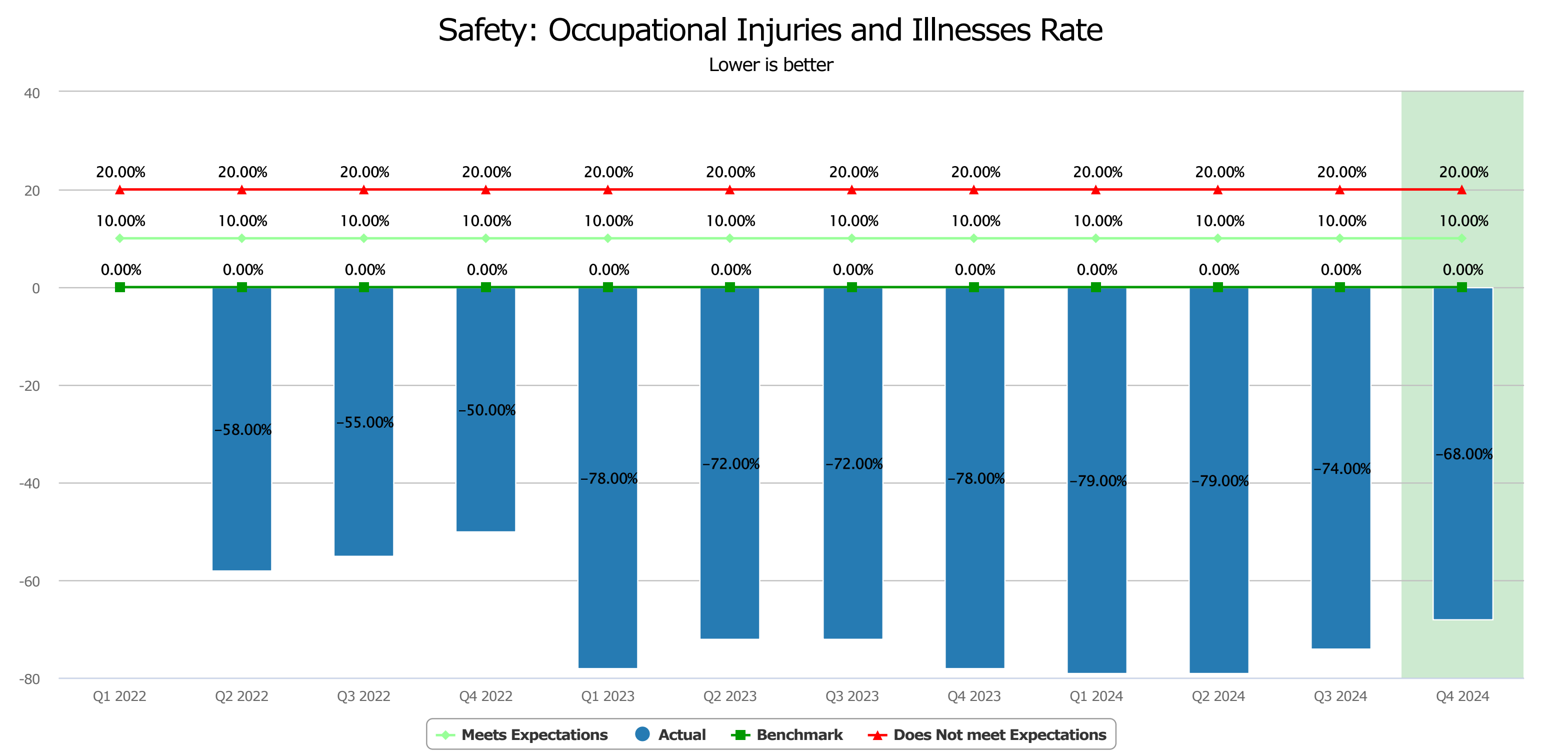
**Reported as:** Percentage above or below benchmark

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

MEASURE PERFORMANCE

The year-end 2024 result is 68% below benchmark.

TREND CHART




PERFORMANCE ANALYSIS

- This measure is based on the number of injuries or illnesses with days away from work beyond the date of injury or onset of illness.
- The measure is benchmarked to the North American Industry Classification System (NAICS) Code 22 for utility incidents. The NAICS is the standard used by the Bureau of Labor Statistics to classify data on Occupational Injuries and Illnesses by industries.
- The score for this measure is based on Springs Utilities 6-month Lost Time Incident Rate compared to the previous years' NAICS rate.
- There were 14 Lost Time incidents and 160 Lost Days through Q4 2024.

# 4 F1b Workforce Index

Performance Measure Status: Exceeds Expectations

MEASURE DESCRIPTION

**Strategic Objective Supported:** Enable Employee Empowerment

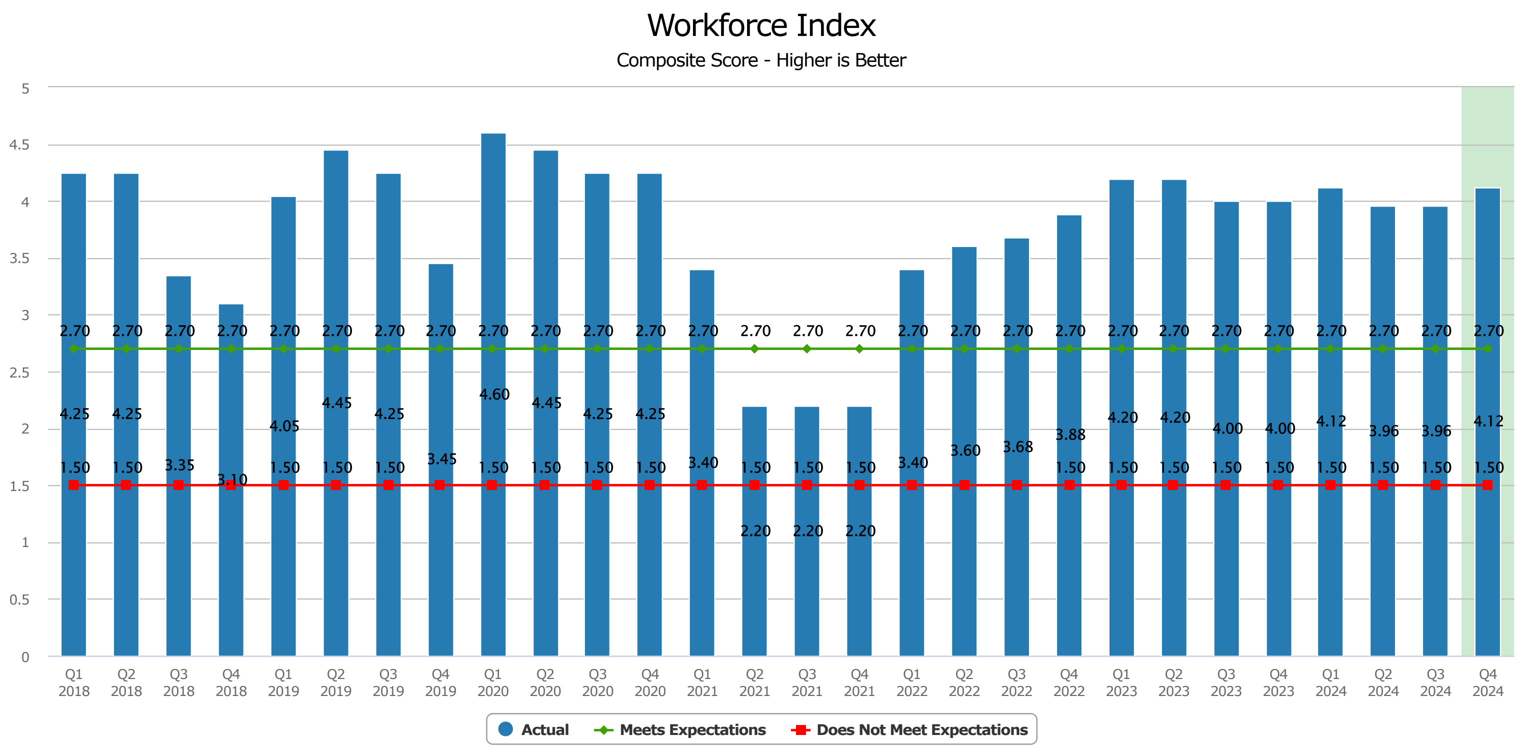
**Reported as:** Year–to–date

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

MEASURE PERFORMANCE

The year–end 2024 result is 4.12.

TREND CHART




PERFORMANCE ANALYSIS

The overall Workforce Index is comprised of three components:

1. Quality of Hire for New Hires 20%
2. Total Turnover 40%
3. Compliance with Mandatory and Required Training 40%

- Quality of hire for new hires received a score of 3.0, which meets expectations.
- Total turnover received a score of 5.0, which far exceeds expectations.
- Compliance with mandatory and required training received a score of 3.8, which exceeds expectations.

Total Score: (3.0 x .2) + (5.0 x .4) + (3.8 x .4) = 4.12 = Exceeds Expectations

# 2024 Enterprise Balanced Scorecard End of Year Results

Natalie Watts

Strategic Planning and Governance

# 2024 Year End Balanced Scorecard Results

- Measures the organization's performance from Jan. 1, 2024-Dec. 31, 2024.
- The year-end overall score is **3.76** on a 1-5 scale.
- This translates to a rating of "**exceeds expectations**."
- There are a total of 24 measures on the enterprise scorecard.

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

# 7 Measures Rated Far Exceeds Expectations

- Rates
  - Residential Front Range Comparison
    - Electric Service
    - Natural Gas Service
    - Wastewater Service
  - Small Commercial 4 Service Bill - Front Range Comparison
  - Large Commercial/Industrial 4-Service Bill - Front Range Comparison
  - Industrial Electric-intensive Customer Bill - Front Range Comparison
- Relationships
  - Safety: Occupational Injuries and Illnesses Rate

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

# 6 Measures Rated Exceeds Expectations

- Rates
  - Bond Rating
- Reliability
  - Electric - SAIDI - Interruptions in minutes per year
  - Natural Gas – Failures per 100 miles of pipe
  - Water – Failures per 100 miles of mainline
- Relationships
  - Environmental Index
  - Workforce Index

| 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 |

# 7 Measures Rated Meets Expectations

- Rates
  - Residential Water Service Bill – Front Range Comparison
  - Industrial Electric – Nationwide Comparison
  - Days Cash on Hand - 3 Year Average
  - Debt Ratio – Current Year
  - Debt Ratio – 3-Year Average
- Reliability
  - Wastewater – Failures Per 100 Miles of Mainline
- Relationships
  - Customer Satisfaction – Residential

| 1<br>Does Not Meet Expectations | 2<br>Partially Meets Expectations | 3<br>Meets Expectations | 4<br>Exceeds Expectations | 5<br>Far Exceeds Expectations |
|---|---|---|---|---|
| <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
  - Adjusted Debt Service Coverage – 3-Year Average
- Relationships
  - Customer Satisfaction – Business

| 1<br>Does Not Meet Expectations | 2<br>Partially Meets Expectations | 3<br>Meets Expectations | 4<br>Exceeds Expectations | 5<br>Far Exceeds Expectations |
|---|---|---|---|---|
| 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 - Current Year

| 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 |

# Next Steps

- Leadership is working with their teams to improve the four measures that either partially met expectations or did not meet expectations.
- The 2025 mid-year scorecard results will be presented to the Utilities Board toward the end of the third quarter.


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

## 2024 Colorado Springs Utilities CEO Performance Plan

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

| Overall Weight | 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 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Enterprise Balanced Scorecard 50% of Results | Rates 40% | Financial Accountability | 1. 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 | -17.88% | — | 5 | 0.15 |
| | | | 2. 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 | -20.44% | — | 5 | 0.15 |
| | | | 3. 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 | 12.01% | — | 3 | 0.09 |
| | | | 4. 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 | -15.23% | — | 5 | 0.15 |
| | | | 5. 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 | -17.41% | — | 5 | 0.15 |
| | | | 6. 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 | -13.39% | — | 5 | 0.15 |
| | | | 7. Indust Electric-intensive Cust Bill - Front Range Comparison | | 1.0 | >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 | -21.50% | — | 5 | 0.05 |
| | | | 8. Industrial Electric - Nationwide Comparison | | 1.0 | >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 | -1.73% | — | 3 | 0.03 |
| | | | 9. Days Cash on Hand - Current Year | | 2.5 | <140 days | 140 - 150 days | 151 - 160 days | 161 - 180 days | >180 days | 146 | ▼ | 2 | 0.05 |
| | | | 10. Days Cash on Hand - 3 Year Average | | 2.5 | <140 days | 140 - 150 days | 151 - 160 days | 161 - 180 days | >180 days | 152 | — | 3 | 0.08 |
| | | | 11. 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 | 1.59 | — | 1 | 0.03 |
| | | | 12. 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 | 1.78 | ▼ | 2 | 0.05 |
| | | | 13. Debt Ratio - Current Year | | 2.5 | >56.3% | 56.3 - 54.3% | 54.2 - 50.2% | 50.1 - 48.1% | <48.1% | 50.9% | — | 3 | 0.08 |
| | | | 14. Debt Ratio - 3 Year Average | | 2.5 | >56.3% | 56.3 - 54.3% | 54.2 - 50.2% | 50.1 - 48.1% | <48.1% | 50.3% | — | 3 | 0.08 |
| | | | 15. Bond Rating | | 5.0 | 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) | 4 | — | 4 | 0.20 |
| | Reliability 40% | Deliver Quality Utilities | 16. Electric - SAIDI - Interruptions in minutes per year | Somer Mese | 10.0 | > 57.50 minutes | 57.50 – 52.51 minutes | 52.50 – 47.51 minutes | 47.50 – 42.50 minutes | < 42.50 minutes | 44.91 | ▲ | 4 | 0.40 |
| | | | 17. Natural Gas - Failures per 100 miles of pipe | | 10.0 | > 8.00 failures | 8.00 - 6.01 failures | 6.00 - 4.00 failures | 3.99 - 2.00 failures | < 2.00 failures | 3.96 | ▲ | 4 | 0.40 |
| | | | 18. 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 | 8.45 | — | 4 | 0.40 |
| | | | 19. 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 | 0.55 | ▼ | 3 | 0.30 |
| | Relationships 20% | Focus on the Customer | 20. Customer Satisfaction - Residential | Mike Francolino | 3.0 | < 1.50 | 1.50 - 2.49 | 2.50 - 3.49 | 3.50 - 4.49 | > 4.49 | 2.51 | — | 3 | 0.09 |
| | | | 21. Customer Satisfaction - Business | | 3.0 | < 1.50 | 1.50 - 2.49 | 2.50 - 3.49 | 3.50 - 4.49 | > 4.49 | 1.53 | ▼ | 2 | 0.06 |
| | | Support our Community | 22. Environmental Stewardship | Lisa Barbato | 3.0 | < 65.00 | 65.00 – 74.99 | 75.00 – 85.99 | 86.00 – 94.99 | > 94.99 | 92.00 | ▼ | 4 | 0.12 |
| | | Enable Employee Empowerment | 23. 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 | -68.00% | — | 5 | 0.40 |
| | | | 24. Skilled Workforce | | 3.0 | < 1.50 | 1.50 - 2.69 | 2.70 - 3.49 | 3.50 - 4.60 | > 4.60 | 4.12 | — | 4 | 0.12 |
| | | | | | | | | | | | Performance Measure Total: | | | 3.76 |

| | | | | Ratings assigned by the Utilities Board | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | Performance Measure | Responsible Officer | Weight | 1 Does not Meet Expectations | 2 Partially Meets Expectations | 3 Meets Expectations | 4 Exceeds Expectations | 5 Far Exceeds Expectations | CEO Competencies Average Rating |
| CEO Leadership Competencies Evaluation 50% of Results | Balances Stakeholders | Chief Executive Officer | 10.0 | <2.00 | 2.00 - 2.99 | 3.00 - 3.74 | 3.75 - 4.49 | >4.49 | 4.44 |
| | Builds Effective Teams | | 10.0 | <2.00 | 2.00 - 2.99 | 3.00 - 3.74 | 3.75 - 4.49 | >4.49 | 4.56 |
| | Drives Engagement | | 10.0 | <2.00 | 2.00 - 2.99 | 3.00 - 3.74 | 3.75 - 4.49 | >4.49 | 4.44 |
| | Drives Results | | 10.0 | <2.00 | 2.00 - 2.99 | 3.00 - 3.74 | 3.75 - 4.49 | >4.49 | 4.33 |
| | Strategic Mindset | | 10.0 | <2.00 | 2.00 - 2.99 | 3.00 - 3.74 | 3.75 - 4.49 | >4.49 | 4.44 |

As of 12/31/2024

**Competencies Total:** 4.44

**Overall Score:** 4.10

| 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

Sally Barber
Acting City Auditor, CPA, CIA, CFE

# 25-05 Colorado Springs Utilities Board Instruction 4, Risk Management

March 2025

***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 2024.

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 21, 2024, and February 19, 2025, reports.

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

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

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

**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: | **Utilities Board Instructions to the Chief Executive Officer** | Reporting Timeframe: | **July 1, 2024-December 31, 2024** |
| Policy Title (Number): | **Asset Protection (I-8)** | Reviewing Committee: | **Finance** |
| Monitoring Type: | **Internal; City Auditor** | Monitoring Frequency: | **Semi-Annual; Annual** |

**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:

| | Frequency of Update | Last Updated | Planning Horizon | Responsible Division |
|---|---|---|---|---|
| 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 | 2024 | Ongoing | Will be updated in 2025 |
| Cyber Security (Risk Management) Framework | Every 3 years | 2023 | Ongoing | No updates needed |
| Security Operations: | | | | Operations |
| Physical Security Program | 5 years | 2021 | 10 years | |
| Physical Security for Rampart Dam and Reservoir and Tesla Hydro Plant | 1 year | 2023 | Ongoing | |
| Emergency Management: | | | | Operations |
| Emergency Operations Plan | 3 years | 2024 | Ongoing | |
| Dam Emergency Action Plans | 1 year | 2023 | Ongoing | |
| Water Resource Recovery Facility Flood Emergency Evacuation Plans | 1 year | 2024 | 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 2024, 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. In 2024, we also conducted a brand and reputation survey that provided valuable information about the impact of our communications, marketing and customer service efforts.

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**Date:** March 19, 2025

**To:** Utilities Board

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

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

**Desired Action:** Monitoring

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

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

**March 2025 Water Outlook using data as of February 28, 2025**
Locally, temperatures were below average, and precipitation was below average in February. Demands were less than last year at this time.

**2025 Demands:** February use averaged 40.2 million gallons per day (MGD), which was about 1.2% less than last February. Temperatures in February were below the 30-year average at 32.5 degrees Fahrenheit, which was 1.0 degree below normal. Total precipitation for February was 0.28 inches, which is below normal. Year-to-date precipitation is 0.92 inches, which is 151% of normal.

**Current Reservoir Levels:** Local storage is currently at about 42,818 acre-feet (65% of capacity). The 1991-2020 average is 75% of capacity. Rampart Reservoir is at 71% of capacity, and Pikes Peak storage is at 54% of capacity. System wide, total storage is about 205,400 acre-feet (79% of capacity). Last year at this time, total system wide storage was 84% of capacity. It was about 71% at this same time in 2023, about 72% of capacity in 2022, about 71% of capacity in 2021, about 79% of capacity in 2020, about 73% of capacity in 2019, about 80% of capacity in 2018, about 78% of capacity in 2017, and about 80% of capacity in 2016. The 1991-2020 average system wide storage for the end of February is 73% of capacity.

**Water Supply Outlook:** The U.S. Drought Monitor indicates varying drought conditions across the country, with two-thirds of the U.S. experiencing some level of abnormally dry or drought conditions. In Colorado, 55% of the state is currently free from drought conditions, down from 61% at the end of January. However, abnormally dry or moderate drought conditions persist in the northern, western, and southeastern regions of the state. Severe and extreme drought pockets are confined to North-Central and South-Central Colorado.

The Seasonal Drought Outlook predicts that drought development is likely throughout Colorado where drought conditions are not already present, between now and May 31, 2025. Persistent drought conditions continue in North-Central and Southwest Colorado. The three-month climate outlook predicts slightly higher chances for below-normal precipitation across Colorado, with further increasing chances in Southwest Colorado. Additionally, the three-month outlook predicts slightly higher chances for above-normal temperatures in South and West Colorado.

**Operational Notes:** South Catamount Reservoir capacity remains restricted for planned dam maintenance. South Suburban Reservoir is drained for outlet work repairs. Total system storage is at 78.9% of capacity and holds about 3 years of demand, which is above average for the end of February. Local storage contains about 225 days of demand.

Colorado Springs Utilities

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# Water Outlook

Nick Harris, P.E.

Water Resource Engineer, Water Resource Planning

March 1, 2025

# Local Weather Conditions as of February 28, 2025

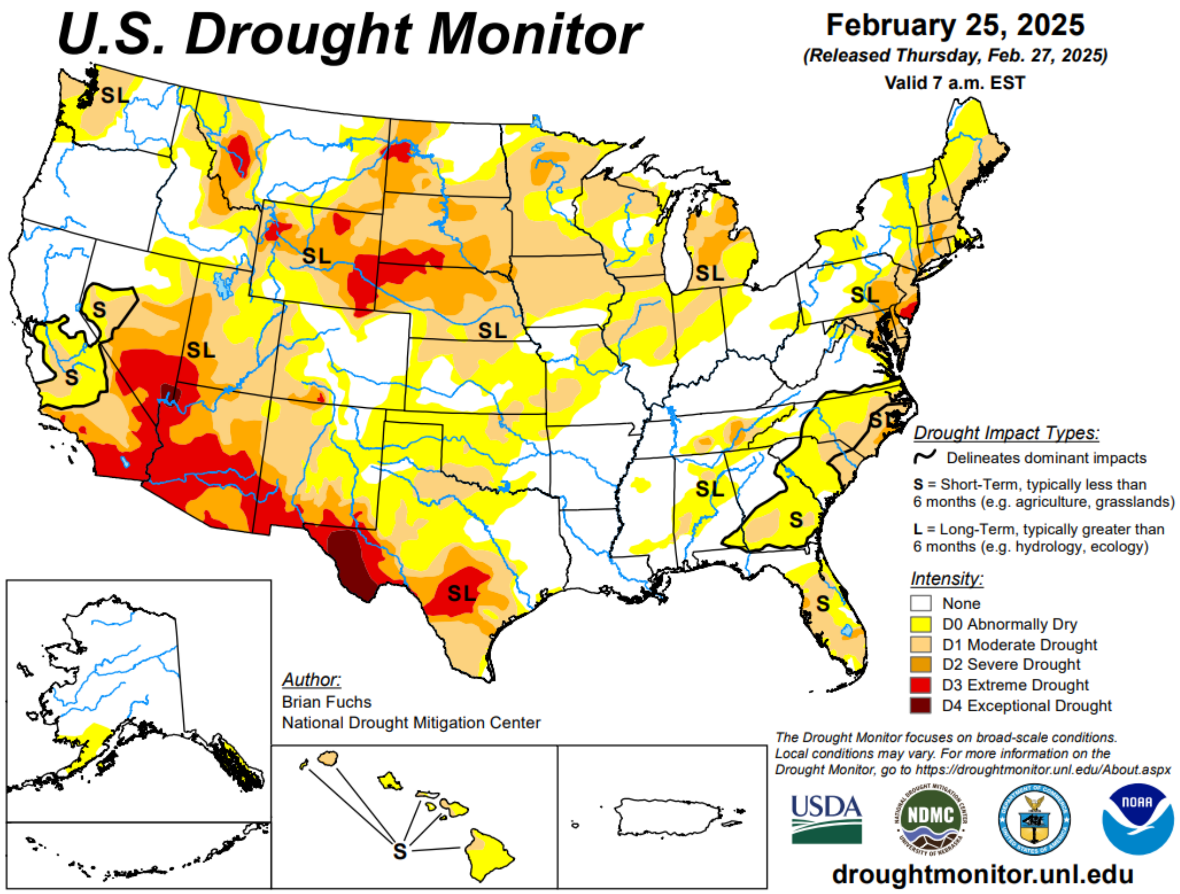
Precipitation (Inches of Moisture)

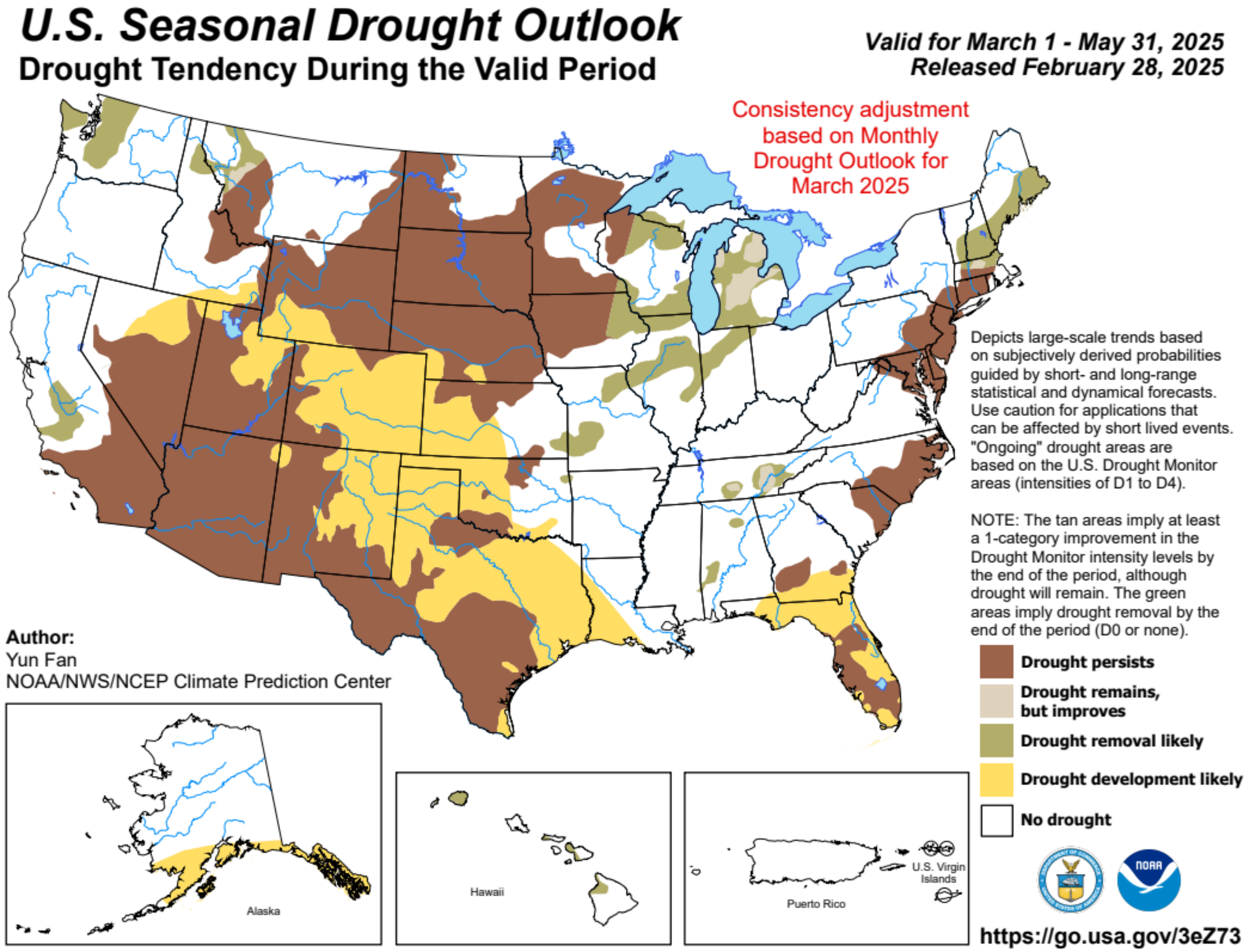
- February 2025 – 0.28 in. (88% of normal)
- 2025 YTD Total – 0.92 in. (151% of normal)

Average Temperature (Degrees F)

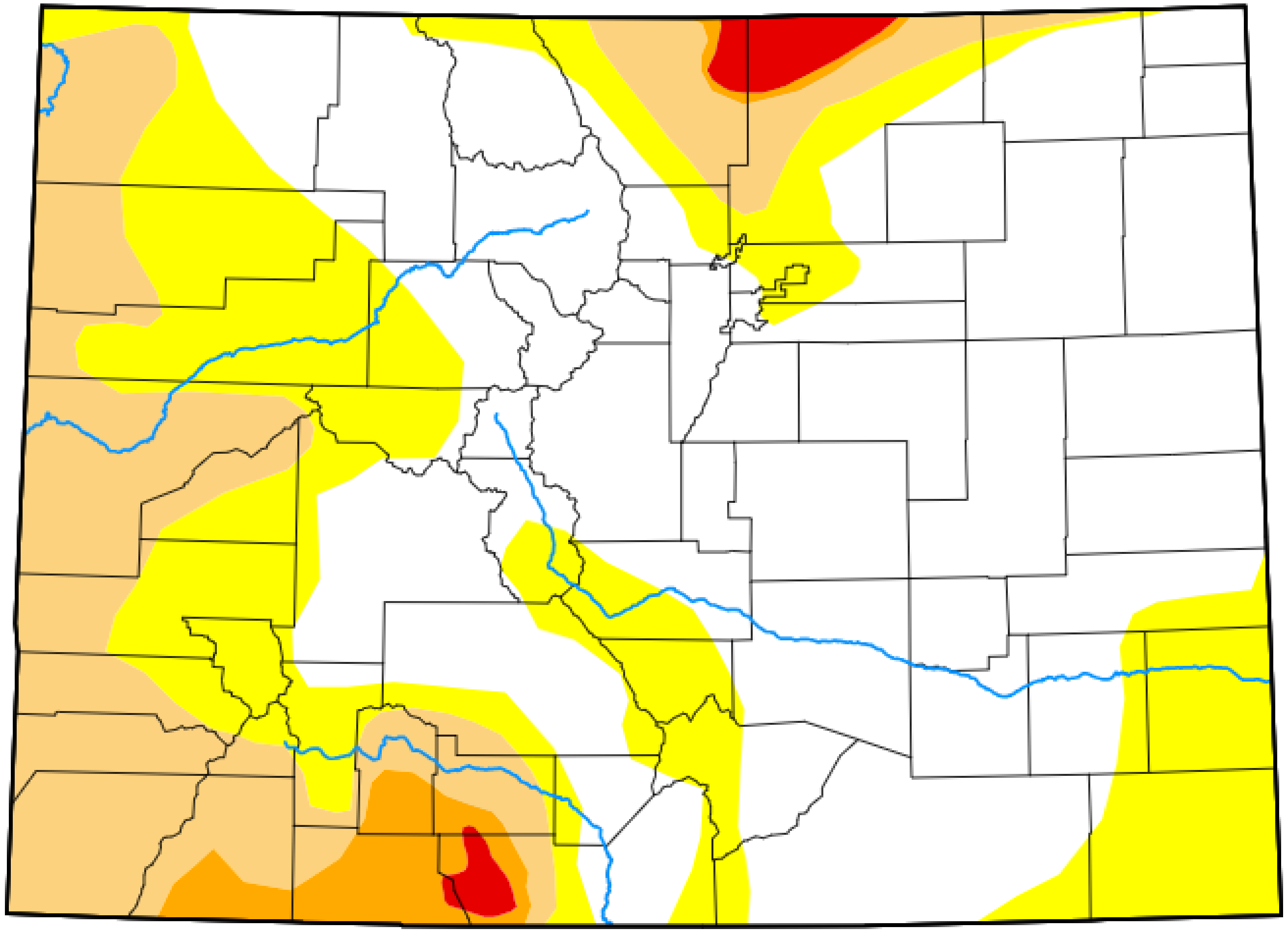
- February 2025 – 32.5 Deg. (1.0 deg. below normal)
- 2025 YTD Average – 28.3 Deg. (4.4 deg. below normal)

# DROUGHT MONITOR



# Colorado



**Map released: Thurs. February 27, 2025**

Data valid: February 25, 2025 at 7 a.m. EST

## Intensity

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

## Authors

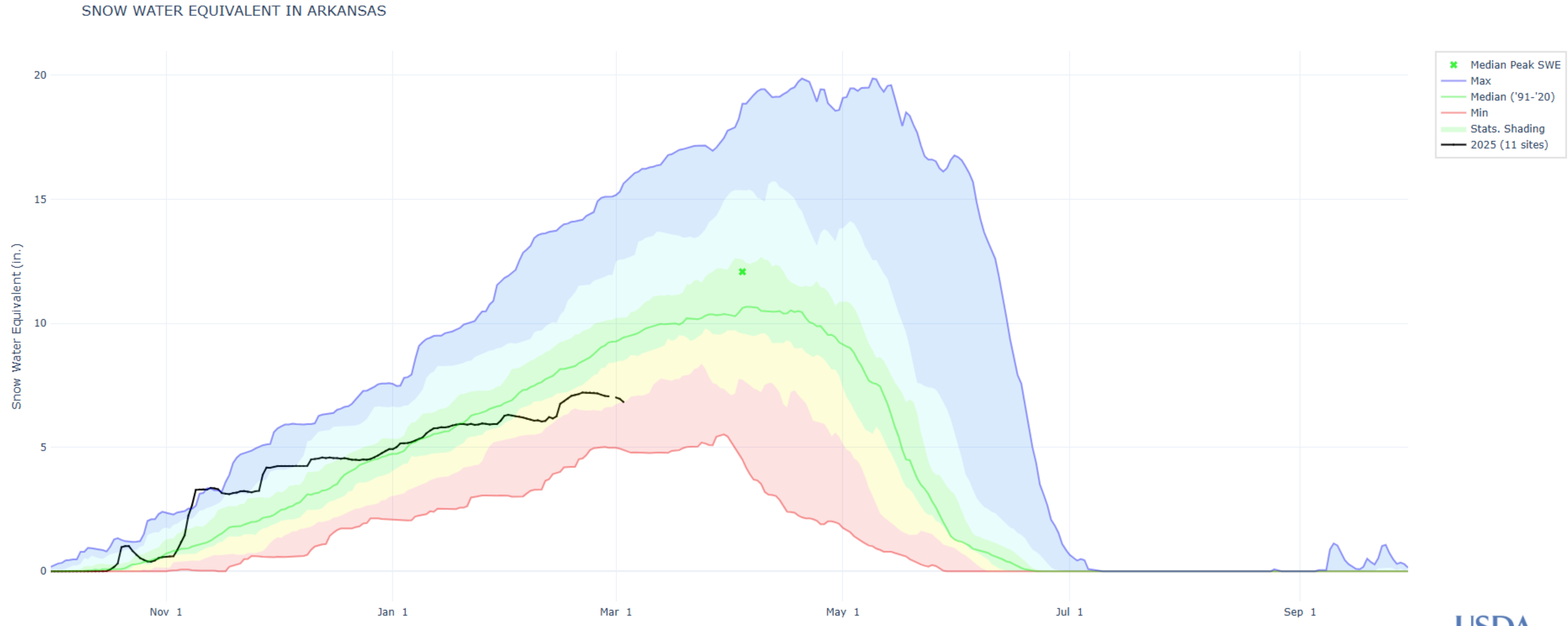
United States and Puerto Rico Author(s):

Brian Fuchs, National Drought Mitigation Center

Pacific Islands and Virgin Islands Author(s):

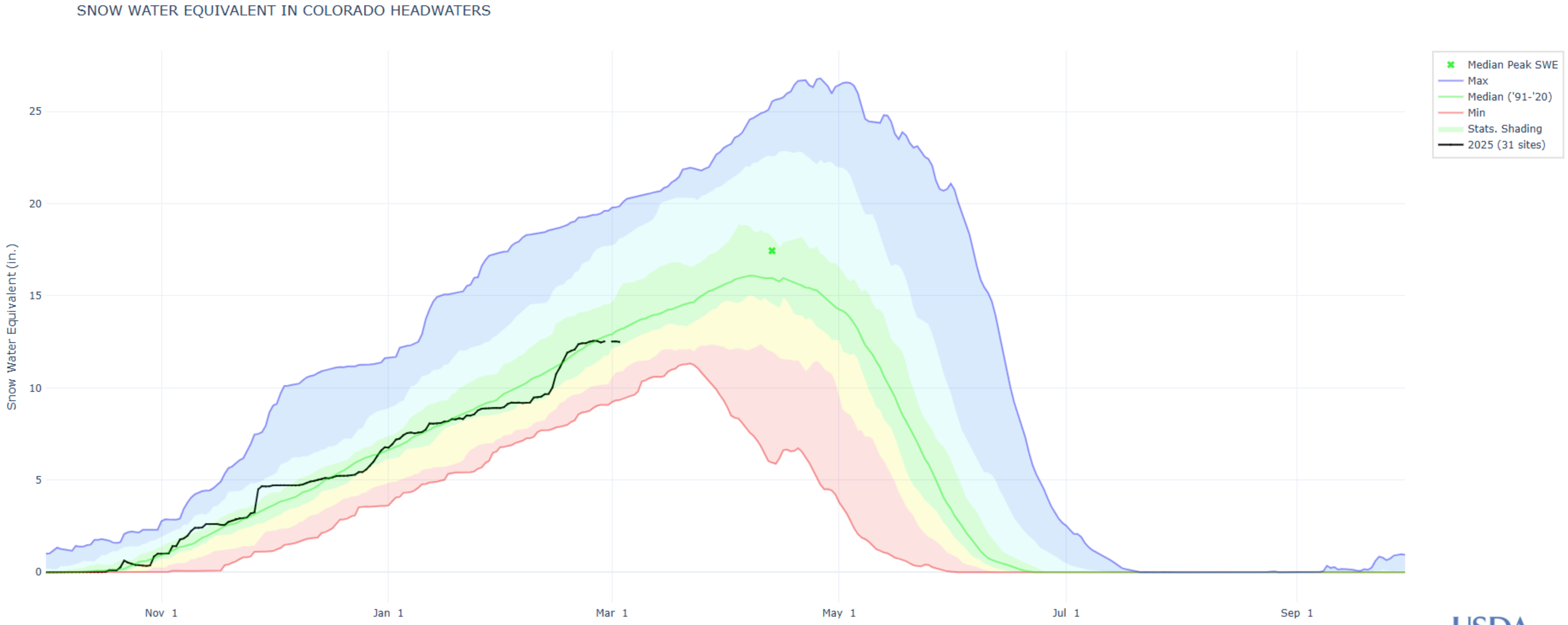
Rocky Bilotta, NOAA/NCEI

# Snowpack in the Arkansas River Basin is 76% of normal as of February 28, 2025



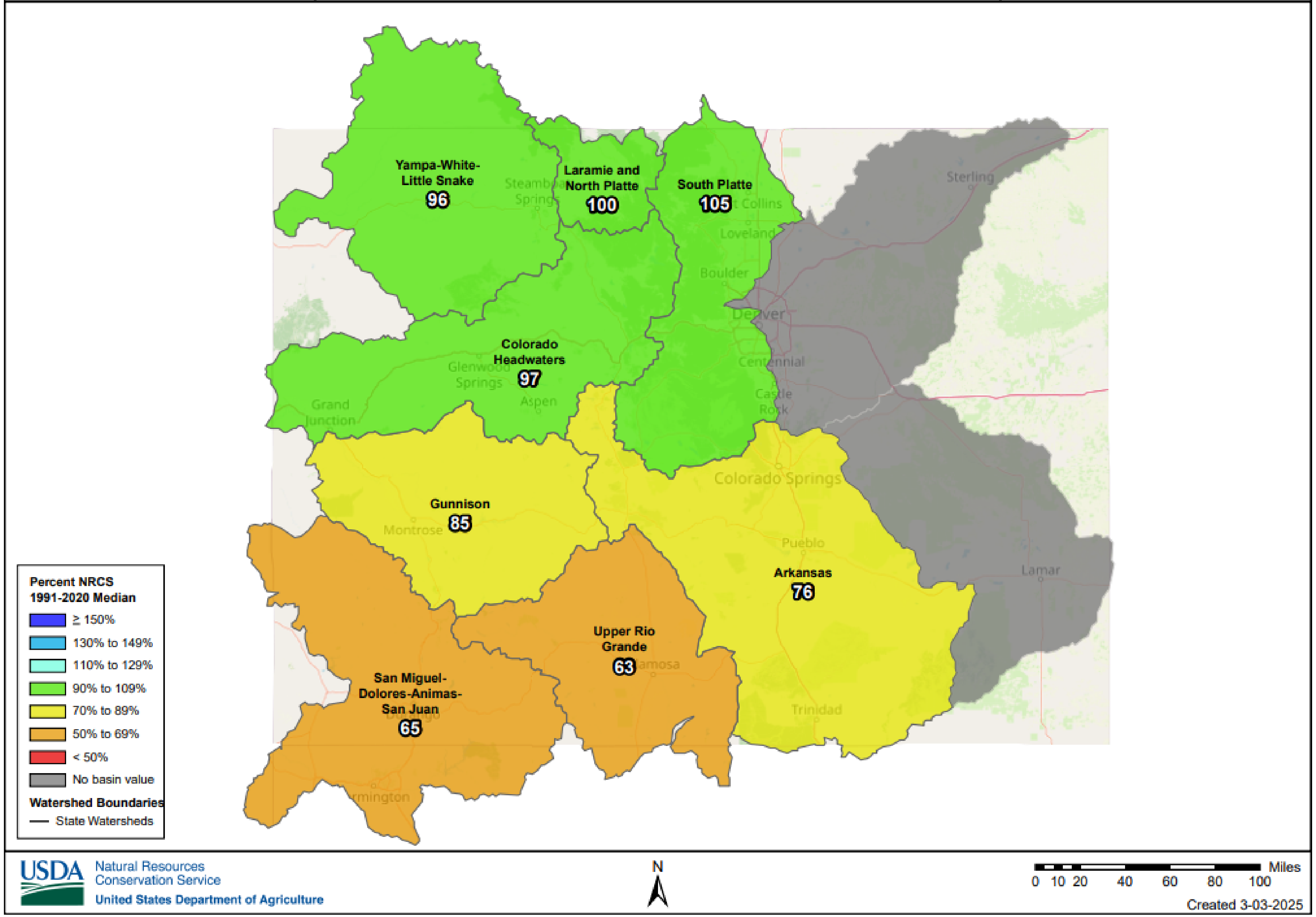

Source: NRCS/USDA

# Snowpack in the Colorado River Headwaters Basin is 97% of normal as of February 28, 2025



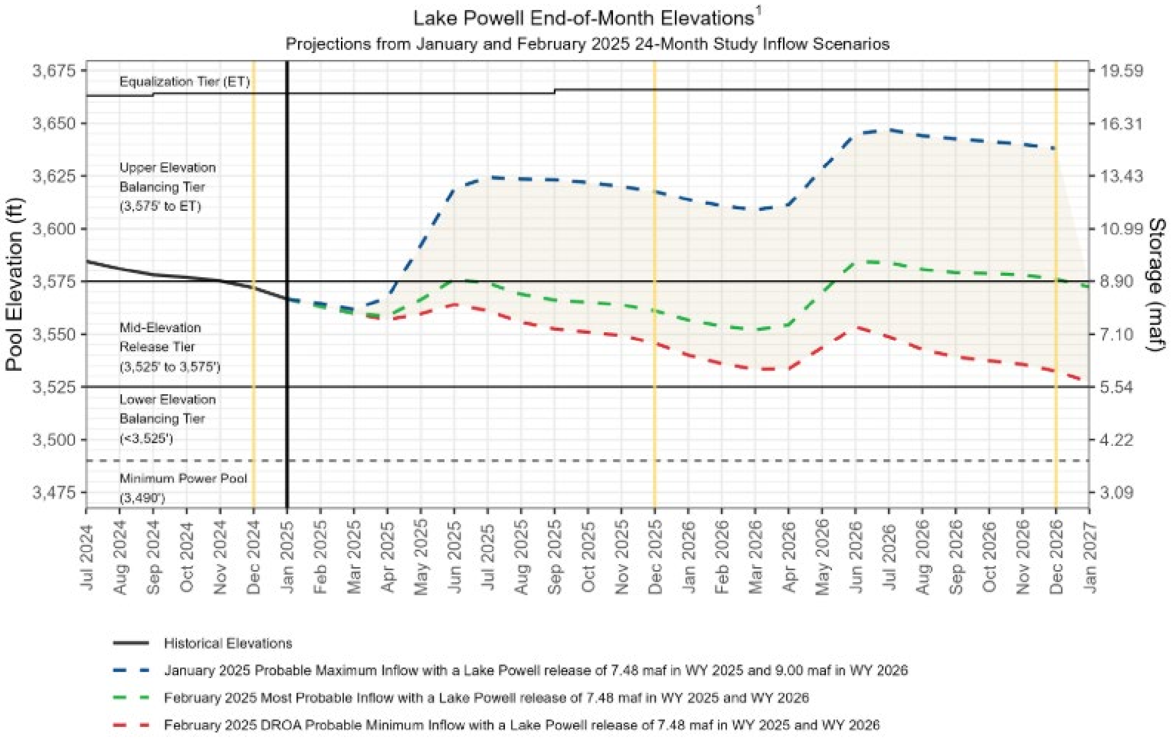

Source: NRCS/USDA

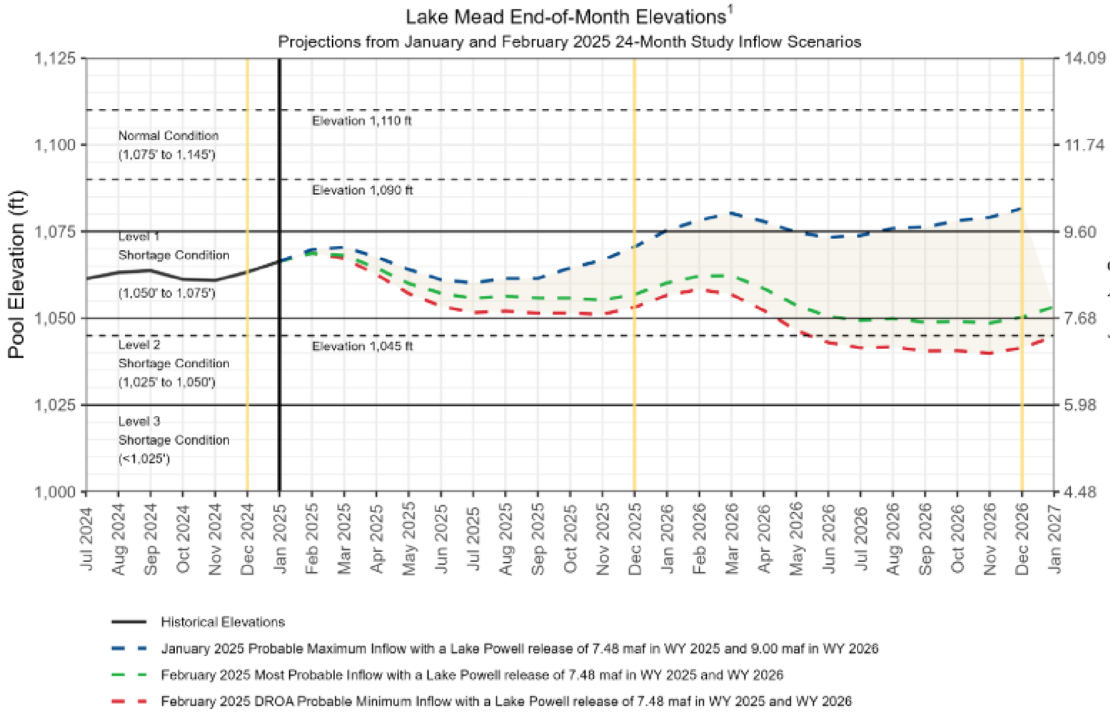
| Snow Water Equivalent | Percent NRCS 1991-2020 Median | February 28, 2025, end of day |
|---|---|---|



# Colorado River System Projections

## Lake Powell & Lake Mead



# 2025 Demands

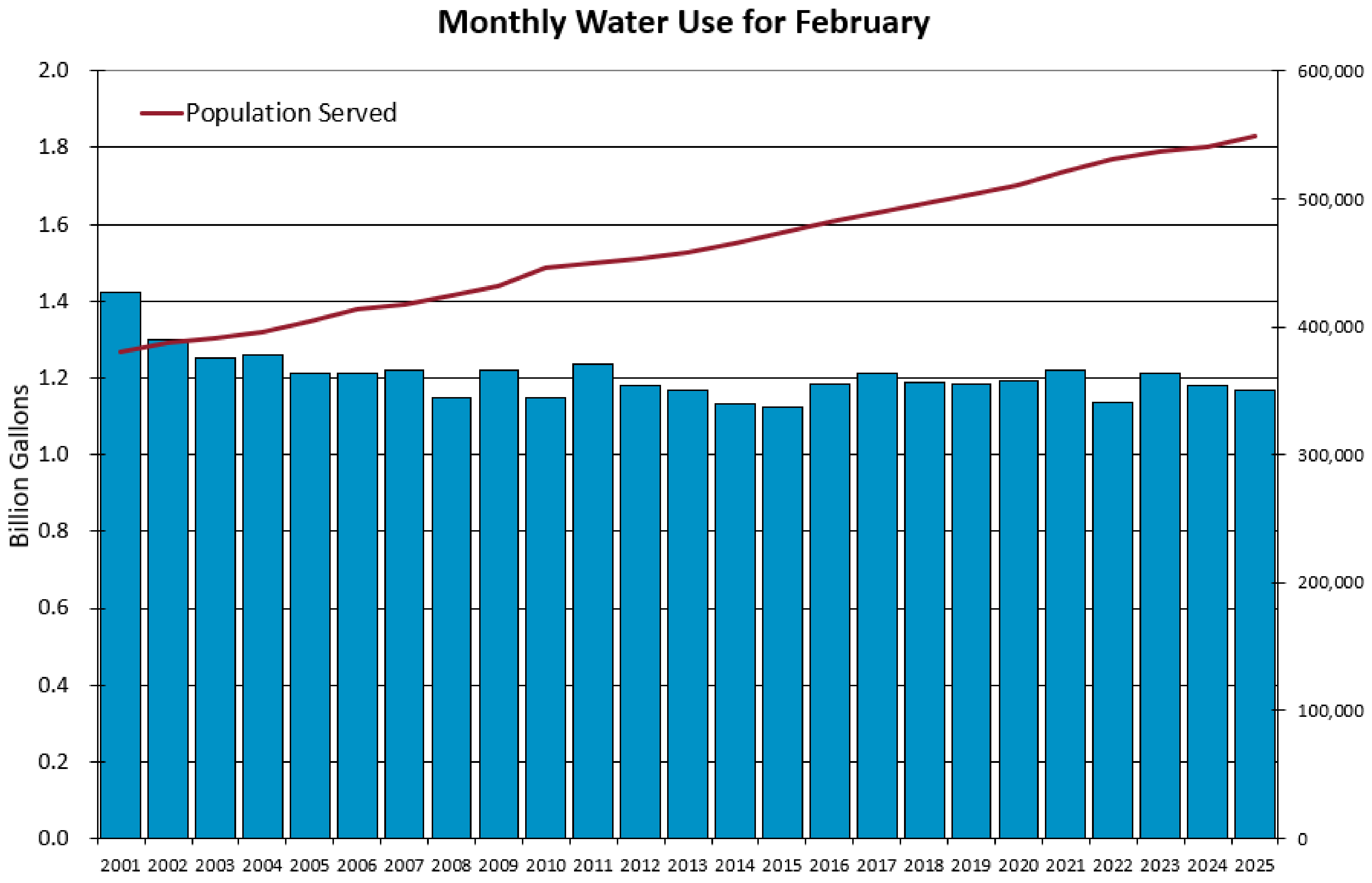
February

- Averaged 40.2 MGD
- 1.2% less than February 2024

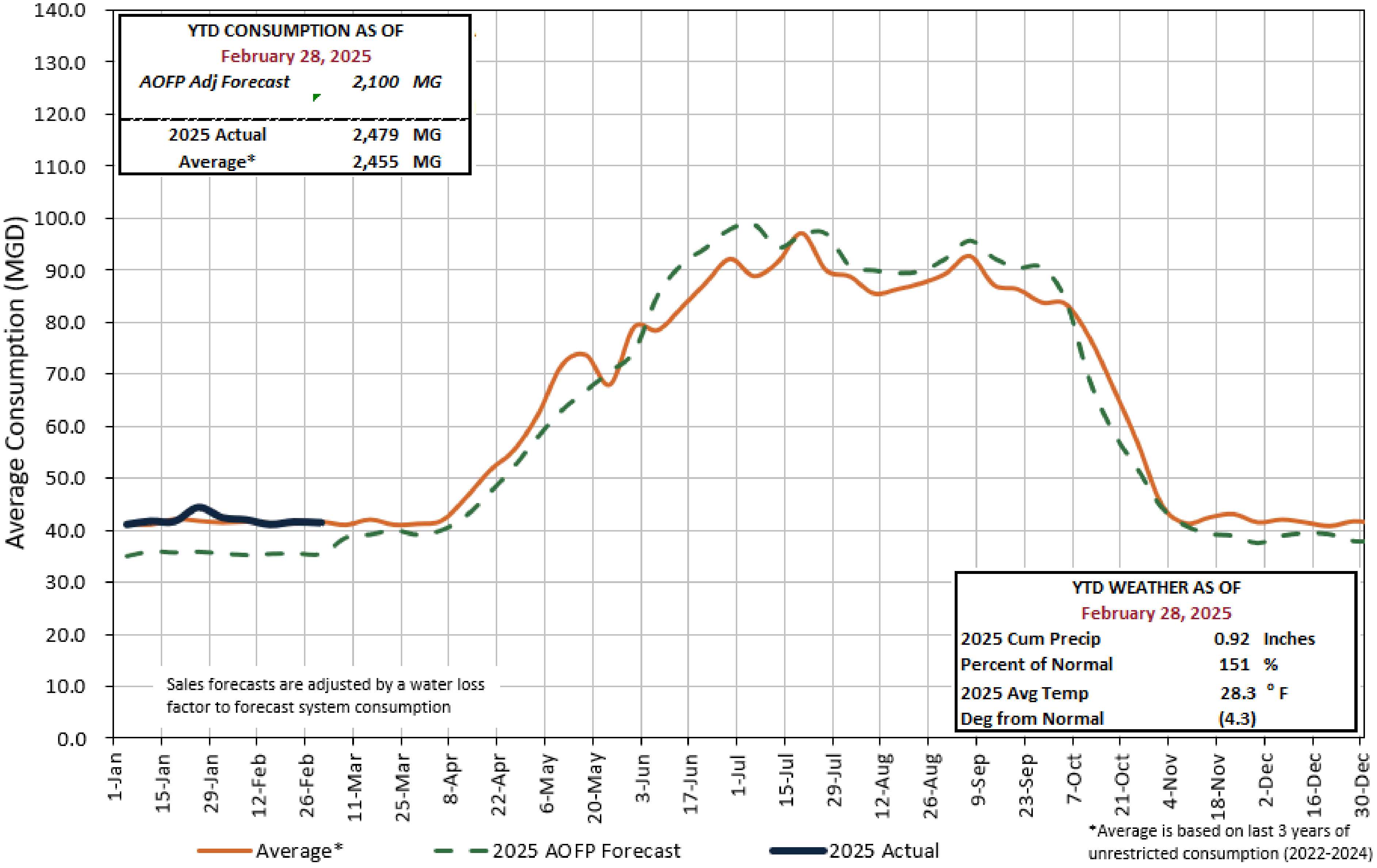
2025 Year to Date through February 28

- Averaging 41.3 MGD, 2.5 BG total
  - 0.6% more than February 2024
  - 0.02 Billion Gallons less than 2024


Colorado Springs Utilities


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

# 2025 Actual Consumption (Weekly Data)



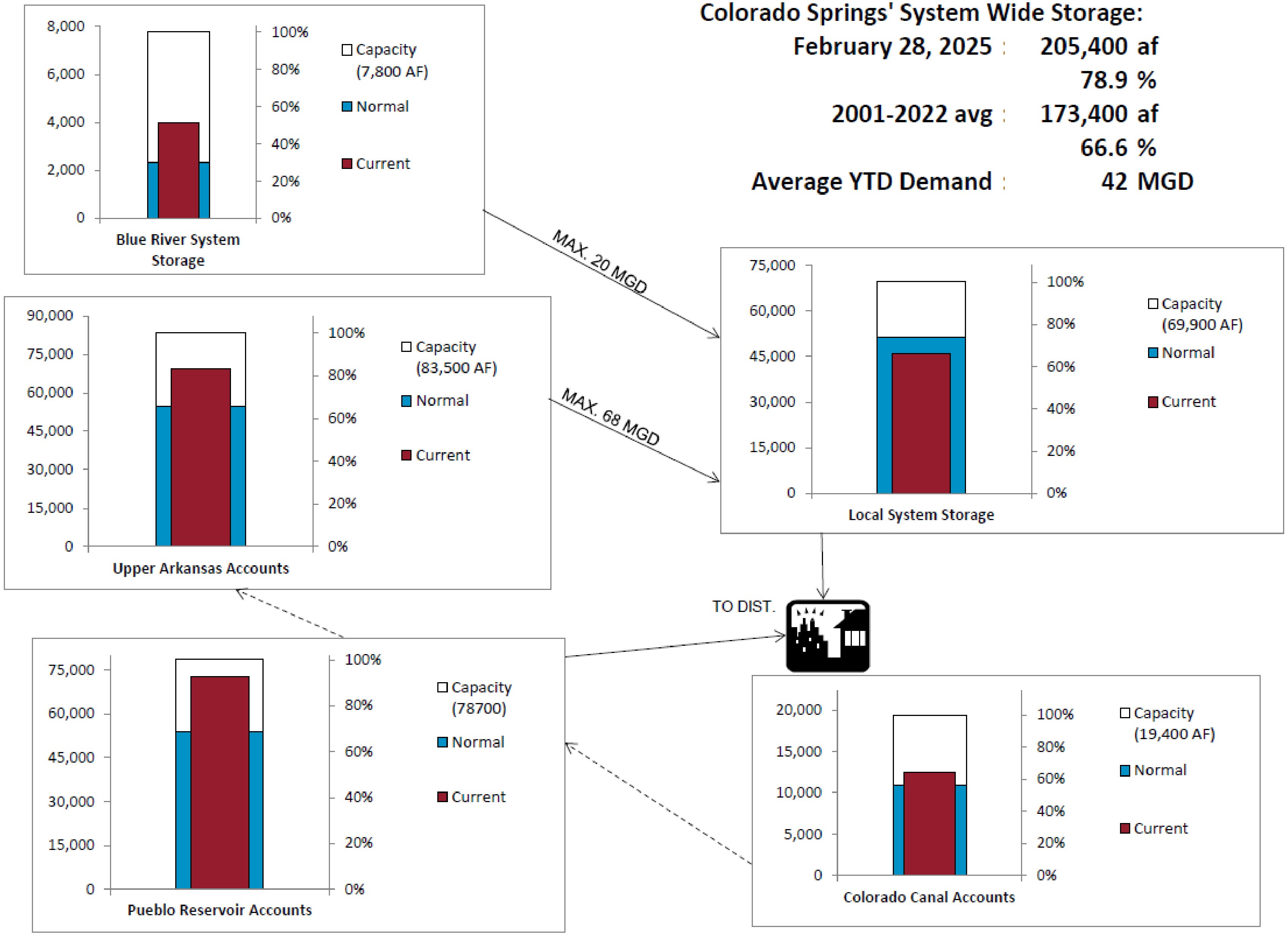
# Reservoir Levels

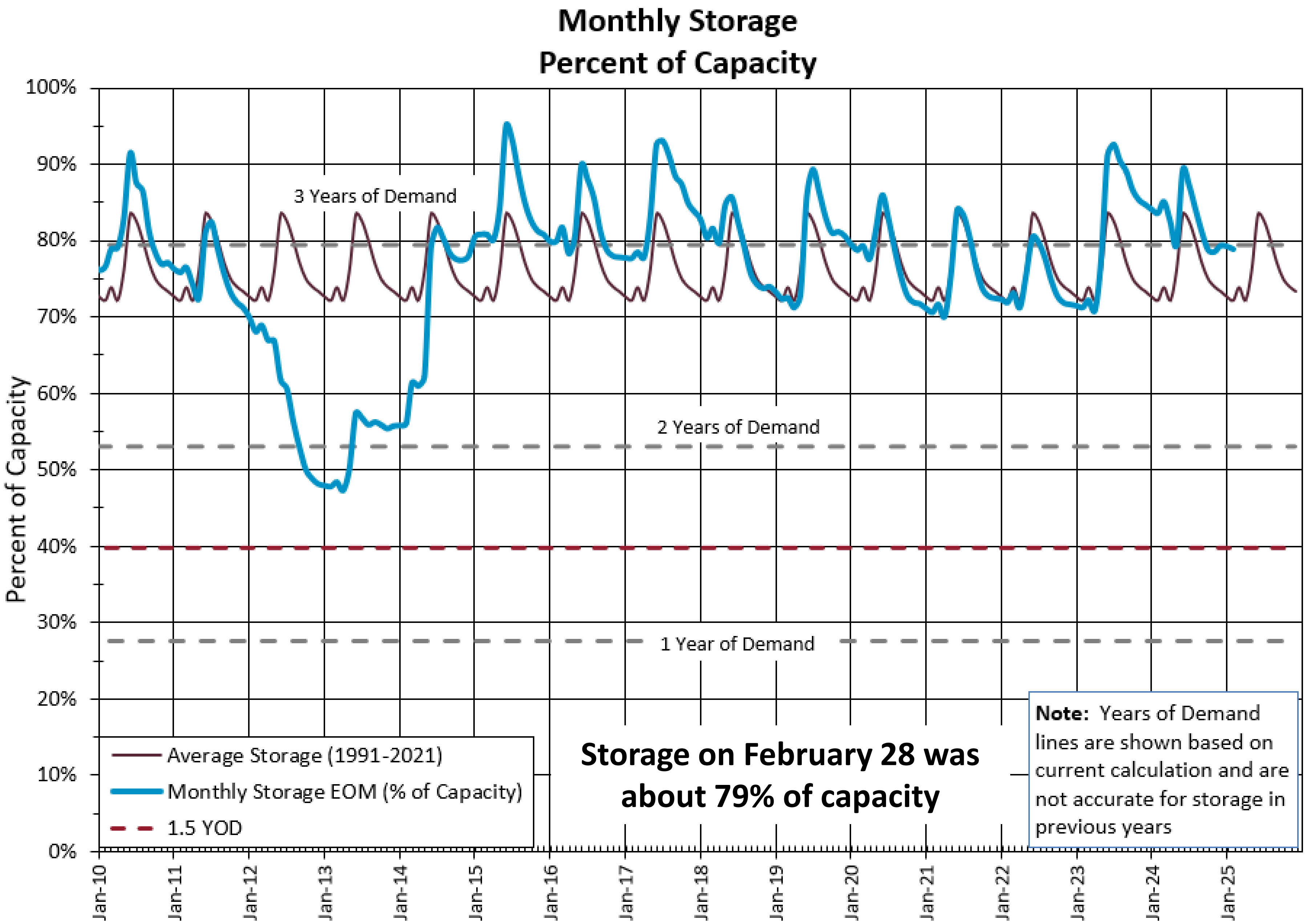
**February 28, 2025**

- Pikes Peak 54 %
  - 91-20 Avg. 66 %
- Rampart 71 %
  - 91-20 Avg. 81 %
- Local Total 65 %
  - 91-20 Avg. 75 %
- System Total 79 %
  - 91-20 Avg. 72 %

**Colorado Springs' System Wide Storage:**

| | |
|---|---|
| **February 28, 2025 :** | **205,400 af** |
| | **78.9 %** |
| **2001-2022 avg :** | **173,400 af** |
| | **66.6 %** |
| **Average YTD Demand :** | **42 MGD** |




Monthly Storage
Percent of Capacity
100%
90%
80%
70%
60%
50%
40%
30%
20%
10%
0%
Percent of Capacity
3 Years of Demand
2 Years of Demand
1 Year of Demand
Average Storage (1991-2021)
Monthly Storage EOM (% of Capacity)
1.5 YOD
Storage on February 28 was about 79% of capacity
Note: Years of Demand lines are shown based on current calculation and are not accurate for storage in previous years
Jan-10
Jan-11
Jan-12
Jan-13
Jan-14
Jan-15
Jan-16
Jan-17
Jan-18
Jan-19
Jan-20
Jan-21
Jan-22
Jan-23
Jan-24
Jan-25

# Water Outlook

- Situation Outlook Summary
  - System-wide storage is at 78.9% of capacity, about 6.9% above our long-term average
  - About 3.0 years of demand in storage, based on the past 3 years of demand
  - Have 225 days of demand in local storage
- Three-month outlook predicts
  - Slightly higher chances for above normal temperatures across South and West Colorado
  - Slightly higher chances for below normal precipitation across Colorado with further increasing chances across Southwest Colorado
- We continue to monitor precipitation, demand and storage to maximize available water supply

# Operational Notes

## Storage Conditions

- South Catamount Reservoir capacity remains restricted for planned dam maintenance
- South Suburban Reservoir is drained for outlet work repairs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# Board Memo Agenda Item
## Staff Report

| | |
|---|---|
| **Date:**<br>(Date of Utilities Board Meeting) | March 19, 2025 |
| **To:** | Utilities Board |
| **From:** | Travas Deal, Chief Executive Officer |
| **Subject:** | Fleet Update |
| **NARRATIVE:** | |
| **Desired Action:**<br>Choose only one | ☐ Approval<br>☐ Discussion<br>☒ Information |
| **Executive Summary:** | The purpose of this agenda item is to provide the Board an update on how the Colorado Springs Utilities fleet maintenance program performed over its first year. The update will focus on key performance indicators and financial impact. |
| **Benefits:** | N/A |
| **Board Policy:**<br>If this impacts one of the board policies, indicate that here. | N/A |
| **Cost / Budget:**<br>Include the projected cost or budget here. | N/A |
| **Affected Parties:**<br>This could include community groups, specific City Council Districts, other utilities, nonprofit organizations, certain neighborhoods, Colorado Springs Utilities employees, etc. | N/A |
| **Alternatives:** | N/A |

| | | | |
|---|---|---|---|
| **Submitter:** | Rich Norton | Email Address: | rnorton@csu.org |
| **Division:** | Customer and Enterprise Services | Phone Number: | 719-668-2830 |
| **Department:** | Supply Chain | Date Submitted: | 03-06-2025 |
| **SPG Staff Use Only:** | Consent Calendar ☐ Yes ☒ No | Item Number 8 | |

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

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# Fleet Program Year In Review 2024

Utilities Board Meeting

March 19, 2025

Rich Norton – General Manager of Supply Chain

# Executive Summary

- Fleet maintenance was outsourced for 10 years (Oct 2013 – Dec 2023)
- Overall performance from the 3rd Party was not meeting expectations
- Request for Proposal (RFP) was issued on January 26, 2022 to assess the marketplace
- Analysis of RFP responses and an internal analysis to in-source fleet operations
  - Internal analysis reflected that we could significantly improve the quality of the work, turnaround times, fleet availability, customer experience and reduce overall cost
- The new fleet maintenance program went live on January 1, 2024

# Key Performance Indicators

| KPI (Operational Impact) | Target | Actual |
|---|---|---|
| No Shows | 7% | 175 or 7.5% |
| Cancelled PMs | 7% | 229 or 9.8% |
| Missed PMs | 0 | 7 |
| Fleet Availability | 93% | 95.3% |
| On Time Completion % | 98% | 99.2% |
| Re-Work % | 2% | 0.2% |
| Customer Survey Score (Out of 5) | 4.0 | 4.56 |

| KPI (Fleet Internal) | Target | Actual |
|---|---|---|
| Safety (Recordable Accidents) | 0 | 6 |
| # of Work Orders | NA | 7,896 |
| # of Work Orders Completed | NA | 7,875 |

*Limited KPI's from outsourced provider, therefore we did not have well defined KPIs for comparisons.*

# Financial Summary

| | Outsourcing (B) | Insourcing | Cost Savings |
|---|---|---|---|
| Fleet Maintenance Cost | $ 8,887,842 | $ 8,303,955 | **$ 583,887** |
| Fleet Maintenance Cost (Adjusting for Note A) | $ 8,887,842 | $ 7,921,955 | **$ 965,887** |

**Notes:**

(A) 3rd Party negligence totaled $382K (Part Costs Only). This cost could have been avoided if the 3rd Party met performance criteria

(B) The Outsourcing baseline cost was calculated from Bidder's response to the RFP in 2023 + the labor cost of the Utilitie's Fleet Coordinators

# Questions

Colorado Springs Utilities

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# Board Memo Agenda Item
## Staff Report

| | |
|---|---|
| **Date:** (Date of Utilities Board Meeting) | March 19, 2025 |
| **To:** | Utilities Board |
| **From:** | Travas Deal, Chief Executive Officer |
| **Subject:** | Resolution to suspend Bylaws for pilot project regarding committees |
| **NARRATIVE:** | |
| **Desired Action:** Choose only one | ☒ Approval<br>☐ Discussion<br>☐ Information |
| **Executive Summary:** | The Colorado Springs Utilities Board Bylaws and Excellence in Governance Policy Manual include provisions regarding Board Committees (Bylaws Rule 3 and The Excellence in Governance Manual P-5). At the request of the CEO, the Board has expressed interest in running a pilot program in which the four standing committees (Finance, Strategic Planning, Personnel, and Program Management Review) are replaced with a single committee composed of all Board members. To the extent the Bylaws or the Excellence in Governance Manual require four standing committees, the Board should suspend those policies for the duration of the pilot program to avoid acting in a way that is inconsistent with the Board's governing documents. The pilot program will be reconsidered by the Board in August 2025, at which time the current Bylaws and Excellence in Governance Policy Manual will be either reinstated or revised. |
| **Benefits:** | Good governance |
| **Board Policy:** If this impacts one of the board policies, indicate that here. | Board Bylaw Rule 3 and Excellence in Governance Manual P-5 |
| **Cost / Budget:** Include the projected cost or budget here. | N/A |
| **Affected Parties:** This could include community groups, specific City Council Districts, other utilities, nonprofit organizations, certain neighborhoods, Colorado Springs Utilities employees, etc. | Utilities Board and Utilities CEO and staff |
| **Alternatives:** | N/A |

| | | | |
|---|---|---|---|
| **Submitter:** | Renee Congdon | Email Address: | Renee.congdon@coloradosprings.gov |
| **Division:** | Utilities Division | Phone Number: | 719-385-5909 |
| **Department:** | City Attorney's Office | Date Submitted: | March 11, 2025 |
| **SPG Staff Use Only:** | Consent Calendar ☐ Yes ☒ No | Item Number 9 | |

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

RESOLUTION NO. 25- 11

A RESOLUTION TEMPORARILY SUSPENDING AND AMENDING THE PORTIONS OF THE UTILITIES BOARD BYLAWS AND EXCELLENCE IN GOVERNANCE POLICY MANUAL RULES REGARDING STANDING COMMITTEES

WHEREAS, portions of the Colorado Springs Utilities Board ("Board") Bylaws, Rule 3(a), specifically provides that the Board has four standing committees (Finance Committee, Strategic Planning Committee, Personnel Committee, and Program Management Review Committee); and

WHEREAS, the Board's Excellence in Governance Manual, Policy P-5(5) also specifically provides that the Board has four standing committees (Finance Committee, Strategic Planning Committee, Personnel Committee, and Program Management Review Committee); and

WHEREAS, the Board desires to run a pilot program for a limited period of time in which it has one standing committee, in lieu of the four standing committees, that meets monthly, and in which all nine Board members are members of the standing committee; and

WHEREAS, the Board desires to review the efficacy of the pilot program at or around its August 2025 meeting; and

WHEREAS, the Board desires to be in compliance with its Bylaws and Excellence in Governance Policy Manual; and

WHEREAS, the Board desires to suspend the portions of its Bylaws and Excellence in Governance Policy Manual regarding standing committees, specifically portions of Board Bylaws Rule 3(a) and the Excellence in Governance Policy Manual Policy P-5(5), for the duration of the pilot program; and

WHEREAS, the Board desires to clarify expectations of the singular standing committee during the pendency of the pilot program.

.

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

Section 1. The Colorado Springs Utilities Board of Directors hereby temporarily suspends the portions of Rule 3(a) of the Board Bylaws and Policy P-5(5) of the Board's Excellence in Governance Manual regarding standing committees until the completion of the pilot program.

Section 2. The Board hereby temporarily amends the Bylaws and Excellence in Governance Policy Manual until the completion of the pilot program to allow for one standing committee, which shall meet monthly and be comprised of all nine members of the Board. For purposes of the pilot program, three members of the standing committee shall constitute a quorum.

Section 3. All other rules regarding committees in the Board Bylaws and Excellence in Governance Policy Manual are hereby affirmed.

Section 4. This Resolution shall take effect as of the date and time of its approval.

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

__________________________________
Dave Donelson, Utilities Board Chair

ATTEST:

__________________________________
Travas Deal, Secretary

# Board Memo Agenda Item
## Staff Report

| | |
|---|---|
| **Date:**<br>(Date of Utilities Board Meeting) | March 19, 2025 |
| **To:** | Utilities Board |
| **From:** | Travas Deal, Chief Executive Officer |
| **Subject:** | Chief Executive Officer Salary |
| **NARRATIVE:** | |
| **Desired Action:**<br>Choose only one | ☒ Approval<br>☐ Discussion<br>☐ Information |
| **Executive Summary:** | On Feb. 24, 2023, the Utilities Board appointed Mr. Travas Deal as Chief Executive Officer (CEO) of Colorado Springs Utilities at a salary of $480,000. On March 20, 2024, as part of the annual performance evaluation and salary review the Utilities Board approved a pay change, increasing CEO base salary to $521,640.<br><br>The Utilities Board conducts the 2024 year-end CEO performance evaluation on March 19, 2025. Board Policy E-1.2 Evaluating Chief Executive Officer Performance states that following the performance evaluation in March, the Utilities Board may approve any compensation and benefits adjustments for the Chief Executive Officer.<br><br>Human Resources recommends setting CEO base salary at $652,000, the average salary for CEOs according to the 2024 Large Public Power Council (LPPC) Executive Salary Survey. |
| **Benefits:** | Performance evaluations and review of executive compensation is a standard practice and allows Springs Utilities to keep pace with the industry and maintain market competitiveness to effectively attract and retain talent. |
| **Board Policy:**<br>If this impacts one of the board policies, indicate that here. | Board Policy UBA – 1.4 states that pursuant to City Code § 12.1.104, the Utilities Board has the following administrative authorities.<br>• UBA-1: Hire, set the salary, evaluate, and terminate the Chief Executive Officer |
| **Cost / Budget:**<br>Include the projected cost or budget here. | To be determined |
| **Affected Parties:**<br>This could include community groups, specific City Council Districts, other utilities, nonprofit organizations, certain neighborhoods, Colorado Springs Utilities employees, etc. | Utilities Board Members, employees and customers of Colorado Springs Utilities |
| **Alternatives:** | Set CEO base salary at the median rate of $610,000, based on the 2024 LPPC Executive Salary Survey |

| | | | |
|---|---|---|---|
| **Submitter:** | Renee Adams | Email Address: | radams@csu.org |
| **Division:** | Administrative and Human Resources | Phone Number: | 719.668.7325 |
| **Department:** | | Date Submitted: | March 4, 2025 |
| **SPG Staff Use Only:** | Consent Calendar ☒ Yes ☐ No | Item Number 13 | |

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

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# Chief Executive Officer Compensation

Utilities Board Meeting

March 19, 2025

# Agenda

1. Board Policy
2. Historical Information
3. Compression
4. Market Data
5. CEO Salary Options
6. Board Approval

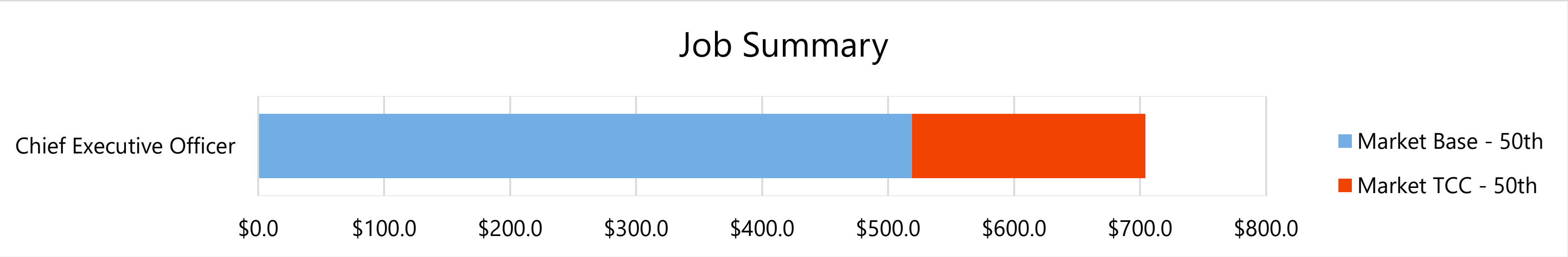
# Board Policy

- Board Policy UBA: 1-4 states that pursuant to City Code § 12.1.104, the Utilities Board has the following administrative authorities: Hire, **set the salary**, evaluate, and terminate the Chief Executive Officer.

# CEO Historical Base Pay 2016 - 2024

# 2018 Milliman Findings

- The charts below illustrate the mix of each pay element and the CEO's competitive positioning relative to custom and published data combined.
  - Base salary is 14% below the market median (50th percentile)
  - Total Cash Compensation (TCC) is 36% below the market median

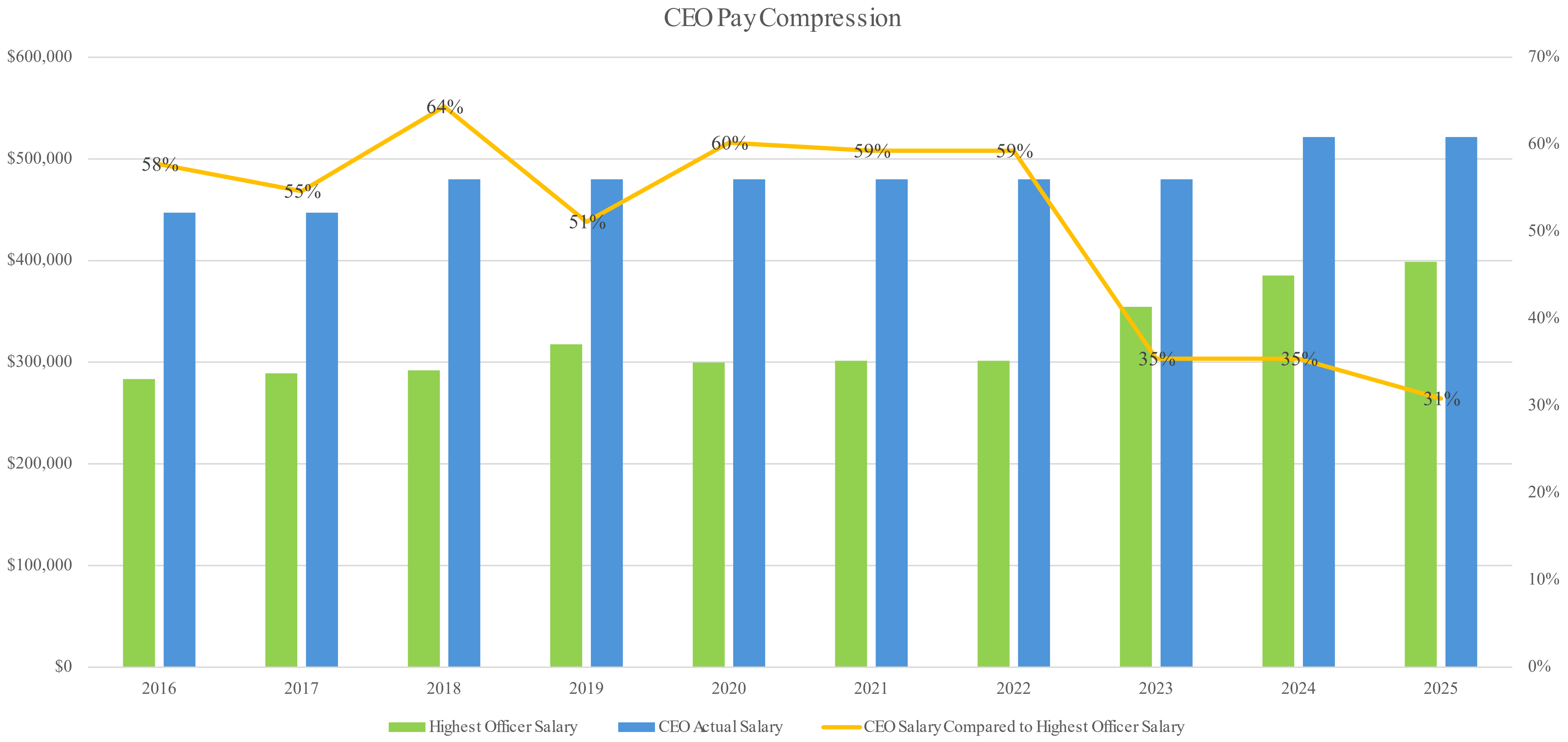



| Job Title | Market Base - 50th | Utilities Base | Market TCC - 50th | Utilities TCC |
|---|---|---|---|---|
| Chief Executive Officer | $519.4 | $447.2 | $704.1 | $447.2 |

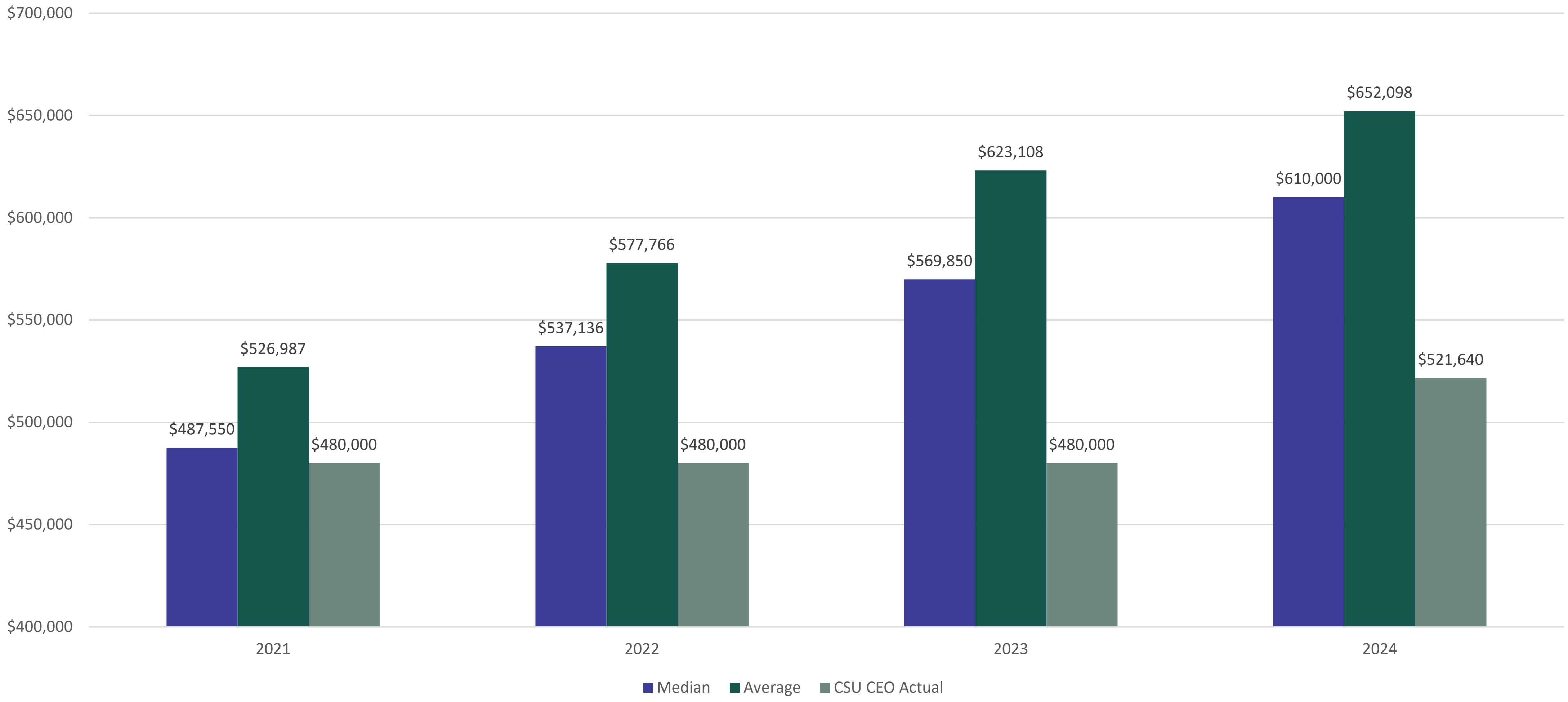
# 2022 Gallagher Recommendations

- OPTION 1: Similar to the philosophies for staff and executive positions, target the 60th percentile and move the pay of the CEO to be competitive at that level, and the resulting salary would be **$608,961**.
- OPTION 2: Following the same CSU salary structure movement for all staff positions in 2019 (2.3%), 2020 (2.2%), 2021 (2.1%), and 2022 (2.4%), the resulting salary for the CEO would be **$524,987**.
- OPTION 3: Move the current pay by the merit budget that was provided to all employees 2019 (2.5%), 2020 (2.2%), 2021 (0.0%), and 2022 (4.5%), resulting in a salary of **$525,453**.
- OPTION 4: Use the market 50th percentile of market actual pay (**$493,537**) as the new market target, adjust pay based on various factors.

# Compression



# CSU CEO Comparison to LPPC 2021-2024




Source LPPC Executive Salary Survey

# Other Utility Provider CEO Data

- CORE Electric Cooperative
  - Headquarters in Sedalia, Colorado
  - Approx. 250 employees
  - Electric transmission and distribution to approx. 200,000 customers
  - 2023 annual revenue: $354 million
  - **2023 CEO base pay: $753,000**
- Tri-State Generation and Transmission
  - Headquarters in Westminster, Colorado
  - Approx. 1,200 employees
  - Electric generation and transmission provider to approx. 40 Wholesale customers
  - 2023 annual revenue: $1.47 billion
  - **2023 CEO base pay: $1,555,645**

Source: Publicly available 990 tax filings and 10K SEC filings

# CEO Salary Options

1. Increase CEO pay to the 2024 LPPC survey *average* - **$652,098**.

2. Increase CEO pay to 2024 LPPC survey *median* - **$610,000**.

3. Increase CEO pay to the 2024 LPPC survey median of **$610,000 and** provide incentive pay **up to 25%** (of 2024 year-end salary) to bring CEO total cash compensation (TCC) up to the market median.

# Board Approval

- Motion
- Discussion
- Vote