

AGENDA

April 20, 2026

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9:00 a.m.	<p>Call to Order</p> <p>Pursuant to the Colorado Open Meetings Law and the City Charter, since three or more members of the Utilities Board may be attending this public meeting, it is noticed and open to the public. Pursuant to the Utilities Board Bylaws, this Committee of the Utilities Board will not accept public comments at this meeting.</p>	Board Chair Donelson
9:05 a.m.	<p>Acceptance of Minutes</p> <ul style="list-style-type: none"> • March 16, 2026, Working Committee Minutes 	Committee
9:10 a.m.	Safety Moment: Distracted Driving	Renee Adams, Chief Human Resources Officer
9:15 a.m.	<p>Compliance Reports:</p> <ul style="list-style-type: none"> • E-2 CEO/Board Partnership Responsibilities – CEO Responsibilities <ol style="list-style-type: none"> 1. Electric Cost Adjustment/Gas Cost Adjustment Update 	Scott Shirola, Pricing and Rates Manager
9:25 a.m.	Excellence in Governance Policy Manual Revisions: I-8 and I-13	Tristan Gearhart, Chief Planning and Financial Officer
9:35 a.m.	Reimbursement Resolution for 2026	Adam Hegstrom, Manager of Treasury and Finance
9:50 a.m.	Report Out on Net Metering Focus Groups	Leslie Smith, Supervisor of Customer Insights and Programs
10:35 a.m.	Electric Integrated Resource Plan (EIRP) Progress Update	David Longrie, Manager of Energy Resource Planning and Innovation
		Troy Bass, Supervisor of Energy Resource
11:20 a.m.	Kelker to South Plant Transmission Line Update	Sarah LaBarre, Manager of Electric and Gas Design

Minutes
March 16, 2026

Rosemont Conference Room or Microsoft Teams

Call to Order

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Board Chair Dave Donelson called the meeting to order at 9:03 a.m.

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

Excused – Board Member Brian Risley

Acceptance of the Feb. 17, 2026, Working Committee Minutes

Board Member Rainey made a motion to approve the February meeting minutes, and Board Member Leinweber seconded the motion. The motion passed unanimously.

Safety Moment: Housekeeping Safety

Mr. Nick Peters, Chief System Planning and Projects Officer, presented the safety moment detailing various housekeeping safety tips for the office.

Compliance Reports

I-4 Risk Management – Office of the City Auditor’s Report

Mr. Tristan Gearhart, Chief Planning and Financial Officer, presented the I-4 Risk Management – Office of the City Auditor’s report. Mr. Gearhart reminded Board Members that they had been briefed on the I-4 at the February Working Committee Meeting. Mr. Gearhart reported that the Auditor’s Office returned a clean report with no findings. Shawn Alessio, City Audit Manager, stated that he was pleased with the outcome of the report.

I-8 Asset Protection

Mr. Gearhart presented the I-8 Asset Protection report. This report included the various enterprise assets being protected, acquisition and disposition of assets, and public image and reputation.

Board Member Rainey noted that the report states that within the Cyber Security section of the I-8, the Vulnerability Management Program and Risk Management Framework are updated every three years, yet are offset. One report status had no updates, while the other is ongoing. Mr. Rainey asked why the two are not in sync. Mr. Gearhart responded that there were no updates in 2025, and since the three-year cycle is not over yet, those items are not ready for review. Staff monitor these items during the cycles and then provide updates at the end of the cycles or where needed within the cycles. Mr. Travas Deal, Chief Executive Officer, offered to go through these plans with Board

Member Rainey if he would like a deeper look. Mr. Gearhart added that Colorado Springs Utilities carries cyber insurance, which has becoming increasingly difficult to get, and extremely expensive to maintain. Due to Spring Utilities' cybersecurity policies, the price of this insurance has had exceptionally low increases, such as 5% to 10%, whereas other companies see increases of 75% to 100%.

I-12 Environmental Stewardship

Ms. Lauren Swenson, Manager of Environmental Services, presented the I-12 Environmental Stewardship report. Ms. Swenson provided an overview of the 10 compliance expectations, and what is done by Springs Utilities to meet or exceed these expectations.

Board Member Henjum noted that visual appeal is one of the expectations and asked how this is achieved. Ms. Renee Adams, Chief Human Resources Officer, responded that staff recently hosted an event called "Pitch Jam" where staff members could present new, cost-saving, and engaging ideas or programs for implementation. One pitch that was selected through this process was to replace landscaping with native grasses at service centers to save water. The project will pay for itself over time, save resources, and enhance the visual appeal of the service centers.

Board Member Henjum asked for a description of an aviation protection pole. Mr. Deal explained what these can look like, mostly including netting to protect wildlife and the pole itself. Board Member Henjum asked a broader question about resource efficiency as there is a rise in the use of Artificial Intelligence (AI), and if there is a larger conversation happening nationwide about energy management when it comes to data centers and AI. Mr. Deal stated that he had attended a meeting recently where site assessments and the trajectory of data centers were discussed and said that the AI piece of resource protection has less of an impact than the need for storage within data centers. Once these data centers contain the information that they need, then companies like Google can curtail the power usage during various times of the day, creating less impact as far as AI is used. As usage is tracked and understood, then load models can be created to manage the energy.

Board Chair Donelson noted the cultural and historic resource protection. He asked if there have been any significant findings on the projects listed. Ms. Swenson responded yes, and that they were marked to avoid any impact to the resource. Chair Donelson asked if there was anything found that was newsworthy, however Ms. Swenson did not have specific details of what was found.

Electric Cost Adjustment/Gas Cost Adjustment Filing

Mr. Scott Shirola, Pricing and Rates Manager, reported on the Electric Cost Adjustment (ECA) and Gas Cost Adjustment (GCA) filing. Mr. Shirola explained that due to low projected costs for the ECA and GCA, Colorado Springs Utilities is recommending a rate decrease for the ECA and GCA and a slight increase for the Green Power rate. Mr. Shirola shared sample monthly bills and provided the average cost of savings for residential, commercial, and industrial customers.

Mr. Shirola added that, even with conflicts in the Middle East, domestic gas has not seen an increase yet. Mr. Deal stated that one benefit to the ability to liquify and ship natural gas, is that it is easier to transport it. However, this may lead to there being a market for purchasing which may affect utility companies in the future. New storage facilities are being constructed to house natural gas within the United States, which is also why we are not seeing an impact from the Middle East, too. Mr. Deal estimates with new storage, these impacts may not be felt for a few years. Board Member Leinweber asked when the Tall Grass facility will come online. Mr. Deal answered that it will be in 2028.

Chair Donelson asked if the prevention of allowing additional Liquefied Natural Gas from capacity from being created was a federal regulation or more a market-based decision. Mr. Gearhart responded that he believed it was market based. However, he added that the industry is very heavily regulated.

Vice Chair Williams asked what the refund for the \$17 million overcollection in the ECA would look like for customers. Mr. Gearhart answered that the overcollection is essentially in the ECA rate. Staff have looked at what, over the next 24 months, will need to be the rate to bring that overcollection down. This new rate should bring it down by over \$10 million by March of 2027. Vice Chair Williams responded that this might be a terminology issue, since this was not called a refund in the past, rather just a rate adjustment. She asked for confirmation that this process is not different than what has been done for rate decreases in the past. Mr. Gearhart confirmed yes, we can drive down the overcollection using this rate and should not see any increase in the overcollection until potentially March 2027. Vice Chair Williams thanked Mr. Gearhart for this explanation; however, she said she would not want to vote yes on this item using the term refund, making it clear that there will be a minimizing of the overcollection for rate payers. Mr. Gearhart reiterated that the term refund will not be used. He also said that this overcollection will provide more security and a stable rate for customers as Colorado Springs Utilities enters the Southwest Power Pool (SPP) Regional Transmission Organization (RTO).

Board Member Henjum asked how the timeline for this rate decrease aligns with the proposed Distribution Integrity Management Program (DIMP) bill rider. Mr. Shirola explained that these rate decreases will go into effect on April 1, 2026, saving around \$9.72 each month for an average residential user. The DIMP bill rider that has been filed with City Council has a sample bill increase of \$8.54. The DIMP would go into effect July 1, 2026, if approved by City Council. The DIMP charge will only affect the gas service line item on the bill. Board Member Henjum asked if there is a better way to communicate this to ratepayers clearly, so they are not just seeing increases and decreases each month. Ms. Adams responded that she has a 10-page communication plan, with samples by dates. The first sample will go out after the Board meeting on Wednesday.

2026 Legislative Session Updates

Mr. Daniel Hodges, General Manager of Government Affairs, provided the 2026 Legislative Session updates. The current session is 58 days in, however Mr. Hodges noted that the pace is slightly off compared to previous years. There will be an economic forecast for March, as well as the rest of the year, coming out on March 19. Mr. Hodges added that the State's budget year begins in July, with a significant deficit predicted in available funds versus dedicated spending.

There are a few large policy items moving forward, including the Public Utilities Commission (PUC) sunset bill. At the State level, major programmatic functions go through a program review process, which the PUC will go through. However, nothing in this bill has an impact on Colorado Springs Utilities' operations. Our staff will be watching this closely, though. The other major legislative item is the first of two competing data centers. There is likely to be no action, just testimony. Mr. Hodges thanked staff and the Board for putting forth a sound policy for Springs Utilities' when it comes to data centers, as it has been a shield against unfounded accusations about our needs for energy and

water. Finally, Mr. Hodges said staff have been keeping an eye on whether the Governor has a major policy recommendation on the post-2030 landscape for greenhouse gas emissions regulations. The versions that have been presented do not provide a pathway to produce good emissions reductions with any certainty, so staff will continue to collaborate with the Governor's office on how a thoughtful policy might work and how we may be able to participate.

Chair Donelson asked if revenues have been declining, or if expenditures have just been increasing faster. Mr. Hodges said he believed the economic forecast coming out Thursday would answer that. Chair Donelson then asked if either of the two large data center bills have bilateral sponsorship. Mr. Hodges responded that neither does, and explained the direction of the two bills.

Board Member Henjum asked for clarification on whether the PUC sunset bill would sunset aspects of the regulation or the PUC itself. Mr. Hodges confirmed that if the bill passed, it would sunset the PUC.

Board Member Leinweber commented that Denver often has air quality issues and asked if there is a way to inform the public that Colorado Springs is not in the same air pattern as Denver, nor contributing to their air quality. Mr. Hodges responded that a lot of the issues with Denver's air quality can even come from out of state, which is currently a major policy discussion. Colorado Springs is not in the Regional Air Quality Control Commission, which helps us, but agreed that there is a statewide perception.

2026 Plan of Finance Overview

Mr. Adam Hegstrom, Manager of Treasury and Finance, presented the 2026 Plan of Finance overview. Mr. Hegstrom said that any action items throughout the year would come back to the Board, including a reimbursement resolution that the Board will see next month.

Board Member Henjum asked Mr. Hegstrom to speak to the 80% to 20% split of debt-funded capital versus revenue-funded capital. Mr. Hegstrom explained that if Springs Utilities were to spend \$10 on capital, \$8 of that would be from bond proceeds and \$2 from cash. This is higher than our overall balance sheet, of which historically the aggregate is around 50/50.

With the five-year rate case, the projections built into the plan put Springs Utilities on an upward trajectory of releveling toward 60%. At this time, the organization would try to make a shift once we get out of the heavy capital five-year plan. Board Member Henjum agreed with this, however, she stated that she did not recall the 80% figure. Mr. Gearhart commented that prior to the five-year plan, the debt ratio was below 50%, and the debt ratio will peak at 58%. The reason it will increase to this level is due to the large capital projects being funded. In the next cycle, the number should drive back down toward 50%.

Board Member Henjum asked staff to speak on the bond market and how the five-year rate case was beneficial from that perspective. Mr. Hegstrom said their concern was less about what is done at any one point in the year, as their responsibility is to all bond holders over the lifetime of bonds. Mr. Gearhart said that due to our overall plan, the organization is strong a strong investment for those looking to invest.

Chair Donelson asked how long the reimbursement resolution would be active. Mr. Hegstrom responded that it would be a range for what it covers, but likely a few months between adoption

and the issuance date.

Board Member Leinweber commented that earlier the Board had learned about the large overcollection of gas and electric fees. As it pertains to the debt ratio, he asked if there are adjustments that could be made to lower it or if there is a case that can be made to move away from bond use, and if the overcollection of fees could be put toward capital to reduce the debt. Mr. Deal said no, as it is typically rare to over collect.

North Slope Recreation Area Plan

Ms. Lisa Walters, Water Resource Planner III, presented the North Slope Recreation Area Plan. This presentation included current policies, the study overview, the process so far, community engagement and recreation area recommendations. In her presentation, Ms. Walters explained the various trail realignments, new trails, and trails that would be closed, as well as the reasoning behind each change. Ms. Walters explained the partnership between the different land managers in the area, and which jurisdiction would be responsible for the trail work being done on their property. The final aspect of the presentation was the commercial guided recreation pilot plan, which would go to City Council for approval.

Board Member Leinweber noted that the draft plan does not mention adaptive management, however the presentation did. He asked if it would be possible to incorporate this into the actual plan. Additionally, Board Member Leinweber said the Outdoors Pikes Peak Initiative (OPPI) should be mentioned in the regional alignment. Next Board Member Leinweber asked why the fishing access does not include a trail that runs along the shoreline, as not having this can lead to social trails. Kim Gortz, Manager of Water Supply Resources, explained that some of the trails leading down to the shoreline can be very steep, so safety needs to be maintained. In regard to adding adaptive management into the plan, there is guidance in the management plan that allows for changes.

Chair Donelson asked which entities have made decisions on the proposed trails. Ms. Walters said staff have been collaborating with the neighboring partners, including the Forest Service and Colorado Springs Parks, Recreation and Cultural Services staff. Chair Donelson asked where the funds for this project will come from. Ms. Walters stated that about \$315,000 is coming from the OPPI, and that Pikes Peak – America's Mountain and a portion of the watershed funding will pay for the rest. Staff estimate that most of the money could be spent within two or three years, though they could ask for an extension or delay if necessary. Ms. Walters believed the contract deadline to spend money is three years.

Chair Donelson asked how long the National Environmental Policy Act (NEPA) process would take. Ms. Walters said she hoped that at least trail alignments could be submitted and then environmental and cultural surveys could take place. Chair Donelson said he was not sure he wanted to approve this plan with it being made so adaptive that any Board could make changes. He stated that he wanted it to be clear what was being voted in.

Renee Congdon, Utilities Division Chief – Office of the City Attorney, clarified that the Board would only be voting on allowing a 1-year pilot to allow commercial recreation. The plan itself is

completely within the administration's purview, but commercial recreation must be approved in accordance with City Code.

Drought Response Resolution

Ms. Abigail Ortega, General Manager of Infrastructure and Resource Planning, and Julia Gallucci, Water Conservation Supervisor, provided the Drought Response Resolution. Ms. Ortega and Ms. Gallucci explained the course of action to formally initiate a Water Storage Preparation Stage. Though Colorado Springs Utilities is doing well with water storage, this resolution would acknowledge the drought conditions that are happening nationwide. The resolution explains the steps that Colorado Springs Utilities will take to communicate to the public, ensure water availability, and continue long-term planning and preparation for drought and Colorado River-related risks.

Chair Donelson stated that he appreciated this resolution, though he suggested moving the section about the conservation efforts of Colorado Springs Utilities and its customers being vital in ensuring water resources to the top of the resolution, so the customers can be acknowledged for their due diligence in water conservation. Ms. Congdon said this would be fine.

Net Metering Survey Results

Ms. Leslie Smith, Supervisor of Customer Insights and Programs, presented the Net Metering Survey results. This presentation provided an overview of the sampling considerations, community outreach, key insights, differences in responses from solar and non-solar customers, and next steps. Ms. Smith explained the different survey techniques and data collection methods. Ms. Smith made it clear that this presentation was solely to provide survey response information and that no formal decision on net metering had been made. Ms. Smith informed the Board that the full survey result presentation will be available later today.

Board Member Henjum asked if the households that took the survey twice had been removed from the non-solar or solar surveys. Ms. Smith responded no, which is why there was a quantitative survey. Ms. Smith explained the margin of error for both the solar and non-solar customer surveys. Next, Board Member Henjum asked if the survey captured the depth of solar customers and where they might be in their contracts or their financial risks. Ms. Smith answered that some of this data was captured.

Chair Donelson asked how we knew people who had solar completed the non-solar survey. Ms. Smith said we were able to trace the IP address to see who had taken it twice. The first question in the survey asked if the customer had solar. Chair Donelson asked how we can determine who took the correct survey. Ms. Smith said the quantitative data helps provide this information. Ms. Smith then explained the difference between the qualitative and quantitative survey methods and responses.

Board Member Henjum asked how staff are bridging the trust gap between the survey itself and the focus groups. Ms. Smith explained that this is one opportunity for input from our customers, and it identified where we need to fill gaps and do better. In April there will be focus groups where some of these concepts will be dug into and explained better, so that the message can be understood clearly. After that, there will be a progression of public interactions planned to continue moving the narrative forward toward a proposed rate design. Ms. Smith reiterated that this has not been decided – this is input that will help inform the final design.

Board Member Henjum asked if the perception that the survey questions were leading could be addressed. Ms. Smith said she felt there was a fear of what the responses would be used for, which could have led to the sentiment Board Member Henjum described her constituents to be having. Ms. Smith stated that the presentation would provide examples of the questions so Board Member Henjum could get a feel for what was asked in the survey.

Board Member David Leinweber asked if developers are putting in solar. Mr. Deal responded that we are seeing solar with residential.

Board Member Henjum asked if we believed our customers understood how Colorado Springs Utilities uses solar. Ms. Smith responded yes, there were direct questions about this. There was broad support for Springs Utilities to have solar generation for the overall system, but a smaller level of support for rooftop solar. Board Member Henjum asked how many people in our customer base would like to consider solar based on this survey, which said 17%. Ms. Smith responded that number is quantitative, so it can represent 17% of our customer base.

Board Member Henjum asked if there is a general position from Colorado Springs Utilities as it relates to other utilities where there has been a predisposition to support solar, and that Colorado Springs Utilities has not had that general position. Chair Donelson responded that he felt that was a policy question for the Board, not so much for staff. Ms. Smith said she felt in the responses, that she would say we were in a different place of maturity.

Board Member Henjum asked how the 10 people in each focus group would be chosen. Ms. Smith explained the various demographics of both the non-solar and solar users. Board Member Henjum asked if these will be recorded. Ms. Smith said these would be recorded and then analyzed and transcribed for the next presentation. Board Member Henjum asked if there is anything staff can do in the coming months to address the trust issues between this work and the final decision.

Ms. Smith said her responsibility is the research, however there is going to be numerous public meetings and communications between now and then. Ms. Adams said a link to the net-metering site will go out this afternoon, with a section about trust and a commitment to receiving feedback. Additionally, this recording will be on the webpage so this presentation can be viewed along with the full slide deck, which had about 30 more slides than today's presentation. There will also be a net-metering newsletter for customers to sign up for.

Board Member Henjum asked Mr. Gearhart to speak about the work being done now to incorporate into the rate case. Mr. Gearhart said we have been taking as much feedback as possible, with a larger sample and a closer look into the overall solar customer base.

Adjournment

Chair Donelson adjourned the meeting at 12:40 p.m.



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The Dangers of Distracted Driving

Renee Adams
Chief Human Resources Officer
April 20, 2026

Distracted Driving



- Distracted driving is any activity that diverts a driver's attention away from the task of driving.
- Common causes include cell phone use, eating, grooming, chatting with passengers, or focusing on anything unrelated to the road.

Distracted Driving

Using a Cell Phone

- In Colorado, it is illegal for any motorist to hold a cell phone or electronic device while driving.

Texting

- One of the most dangerous of all distracted driving activities.
- Taking your eyes off the road for 2 seconds doubles your risk of being in a crash.



Distracted Driving

Eating and Drinking

- A recent study shows that eating while driving increases the odds of a crash by 80%.
- 65% of near-miss crashes are caused by distracted drivers handling food and drinks.
- Coffee is the most popular item found in the vehicle when it comes to distracted driving incidents.



Distracted Driving

Practice Safe Driving

- Use your cell phone for emergencies only.
- Limit the number of passengers and the level of activity inside the vehicle.
- Avoid eating while driving.
- Save multitasking for outside of the car.
- Remember: Driving requires your undivided attention.



Tips to Help

- Put devices away
- Know where you're going
- Pull over to a safe location if needed
- Ask passengers to help with navigation
- Be a focused, helpful passenger
- Don't be a distraction to the driver
- Turn on "Do Not Disturb"



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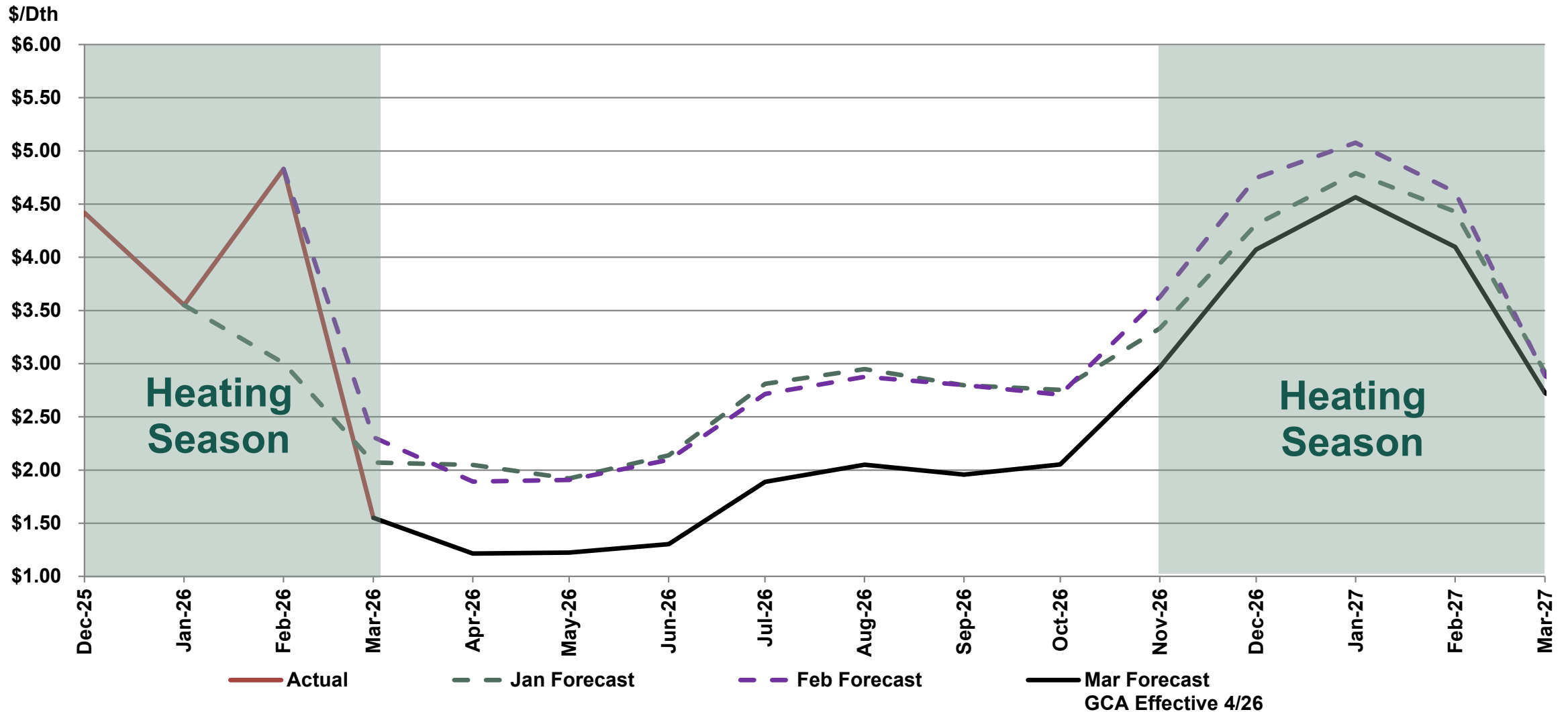
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Electric Cost Adjustment Gas Cost Adjustment

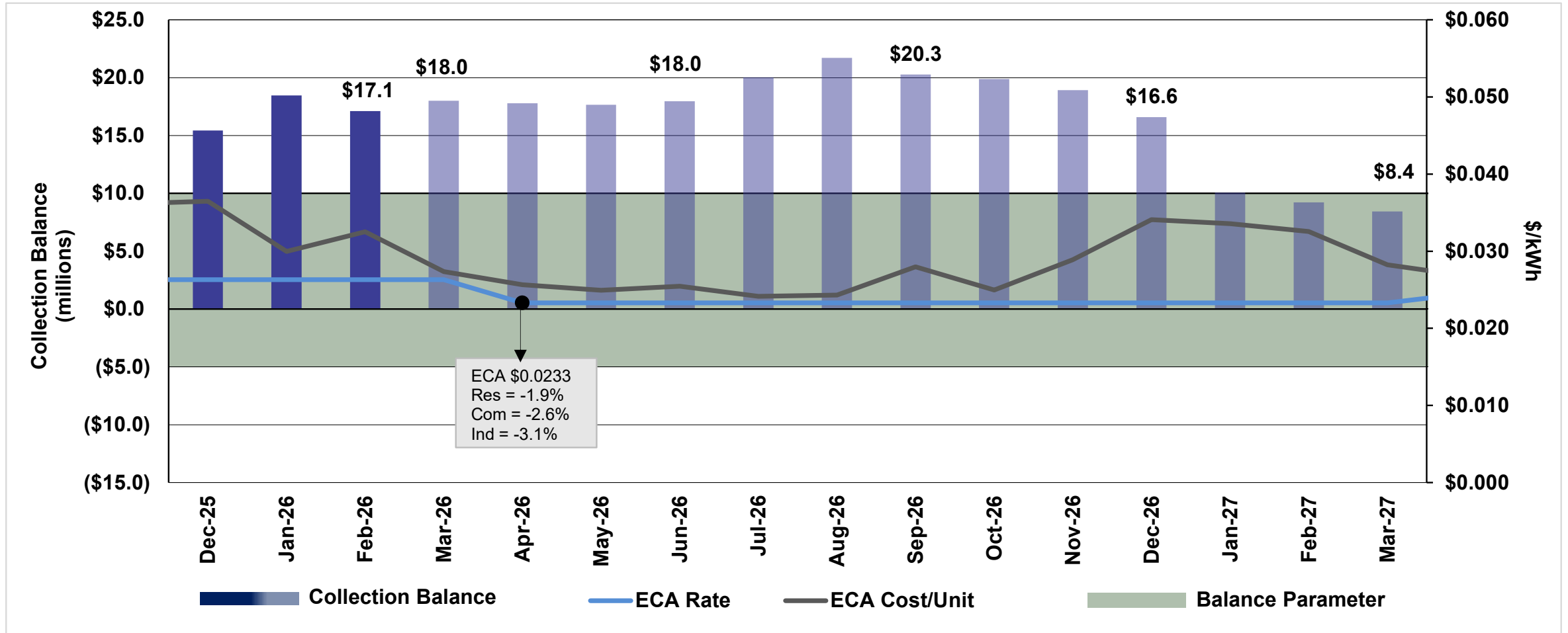
Scott Shirola, Pricing and Rates Manager

April 20, 2026

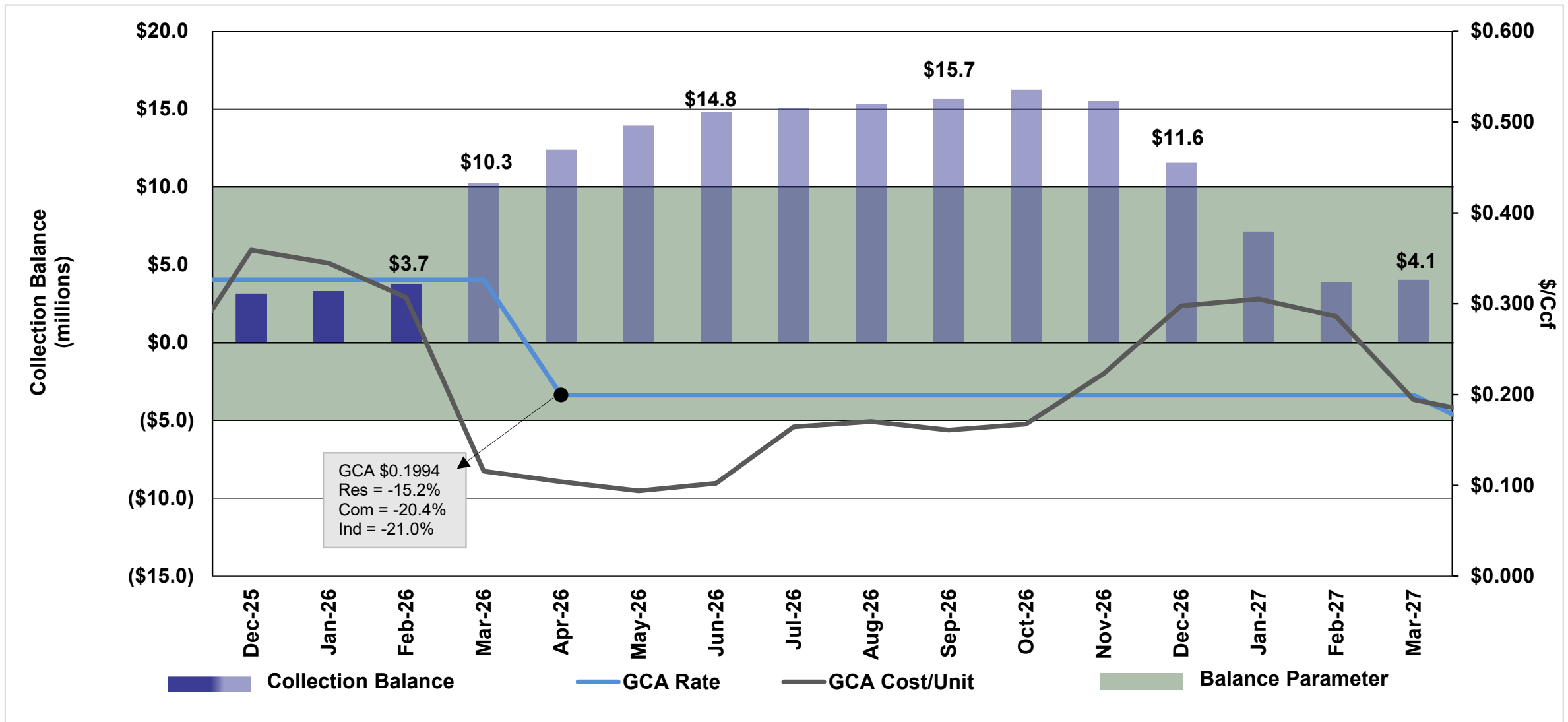
Natural Gas Prices as of March 1, 2026



ECA Projections March 2026



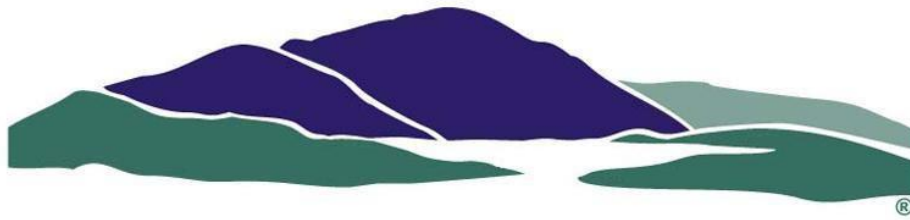
GCA Projections March 2026





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EXCELLENCE IN GOVERNANCE POLICY MANUAL

Revised: May 20, 2026~~February 18, 2026~~

Table of Contents

Excellence in Governance	
Executive Summary.....	pg. 6
Colorado Springs Utilities Mission and Values.....	pg. 6
Utilities Board Strategic Focus.....	pg. 7
Colorado Springs Utilities Governance.....	pg. 8
Utilities Board Duties, Responsibilities and Administrative Authorities	
Utilities Board Duties	
D-1 Fiduciary Duties.....	pg. 9
D-2 Statutory and Regulatory Duties.....	pg. 9
Utilities Board Responsibilities	
R-1 Direction.....	pg. 10
R-2 Outcomes.....	pg. 10
R-3 Oversight.....	pg. 10
R-4 Accountability.....	pg. 10
Utilities Board Administrative Authorities – City Code	
UBA-1 Hire, Set the Salary, Evaluate, and Terminate the Chief Executive Officer.....	pg. 11
UBA-2 Appoint Utilities Policy Advisory Committee Members and Customer Advisory Group Members.....	pg. 11
UBA-3 Approve the Sale, Conveyance or Lease of Colorado Springs Utilities Property and Water Rights that are not a Substantial Part of a Utilities System.....	pg. 11
UBA-4 Appoint Directors and Representatives to Water Authorities, Partnerships, Joint Ventures, and Similar Entities in which Utilities Participates.....	pg. 11
City Council Authorities	
City Council Legislative Authorities Regarding Colorado Springs Utilities – City Code/City Charter	
CCA-1 Pass Ordinances.....	pg. 12
CCA-2 Issue Revenue Bonds.....	pg. 12
CCA-3 Institute Eminent Domain Proceedings.....	pg. 12
CCA-4 Appropriate Funds and Adopt Annual Budgets.....	pg. 12
CCA-5 Approve Intergovernmental Agreements.....	pg. 12
CCA-6 Adopt or Change Rates and Tariffs for Regulated Products and Services.....	pg. 12
CCA-7 Create Advisory Boards in Accordance with City Charter.....	pg. 12

City Council Authorities (continued)

City Council Legislative Authorities Regarding Colorado Springs Utilities – City Code/City Charter

CCA-8 Approve the Sale, Conveyance or Lease of a Substantial Part of Utilities Systems and Water Rights with an Affirmative Vote of a Supermajority of Sixty Percent (60%) of the Electors of the City Voting Upon that Question in Accordance with the City Charter	12
CCA-9 Take any action expressly required of the Council in its legislative capacity by the Colorado Constitution, the City Charter or other controlling law	pg. 12

Utilities Board Commitments and Practices

Utilities Board Commitments to Excellence in Governance

C-1 Utilities Board Ethics and Norms.....	pg. 13
C-2 Utilities Board Evaluation.....	pg. 13
C-3 Limits of Individual Authority.....	pg. 13
C-4 Utilities Board Development.....	pg. 13
C-5 Utilities Board Decisions.....	pg. 13
C-6 Utilities Board Policies.....	pg. 13

Utilities Board Practices for Excellence in Governance

P-1 Utilities Board Meetings.....	pg. 14
P-2 Chief Executive Officer Excellence.....	pg. 14
P-3 Unified Utilities Board Direction to the Chief Executive Officer.....	pg. 14
P-4 Role of the Chair.....	pg. 14
P-5 Committees.....	pg. 15

Expectations

Utilities Board/Chief Executive Officer Partnership Expectations

E-1 Utilities Board/Chief Executive Officer Strategic Collaboration.....	pg. 16
E-2 Chief Executive Officer Responsibilities.....	pg. 16
E-3 Chief Executive Officer Authorities, Powers and Duties - City Code.....	pg. 17

Instructions

Utilities Board Instructions to the Chief Executive Officer

I-1 Pricing of Services.....	pg. 19
I-2 Financial Condition and Activities.....	pg. 20
I-3 Financial Planning and Budgeting.....	pg. 21

Instructions (continued)

Utilities Board Instructions to the Chief Executive Officer

I-4 Risk Management.....	pg. 22
I-5 Economic Development.....	pg. 23
I-6 Infrastructure.....	pg. 24
I-7 Water Supply Management.....	pgs. 25-26
I-8 Asset Protection.....	pg. 27
I-9 Treatment of Customers and Customer Information.....	pg. 28
I-10 Treatment of Staff.....	pg. 29
I-11 Compensation and Benefits.....	pg. 30
I-12 Environmental Stewardship.....	pg. 31
I-13 Community Investment.....	pg. 32

Guidelines

Utilities Board Guidelines for the Chief Executive Officer

G-1 Utilities Board Annual Evaluation.....	pg. 33
G-2 Committee Purpose, Structure and Operation.....	pgs. 34-36
G-3 Compliance Report Frequency and Method.....	pg. 37
G-4 Evaluation of the Chief Executive Officer's Performance.....	pg. 38
G-5 Rate Design.....	pg. 39
G-6 Electric Cost and Gas Cost Adjustments.....	pg. 40
G-7 Local Vendor.....	pg. 41
G-8 Water Reserve.....	pg. 42
G-9 At-Will Senior Management Severance.....	pg. 43
G-10 Affordable Housing.....	pg. 44
G-11 Community Support.....	pg. 45
G-12 Water Acquisition Account.....	pg. 46
G-13 Determination to Construct Water and/or Wastewater Extensions.....	pg. 47
G-14 Wastewater Backup Assistance Program.....	pg. 49

Results

Utilities Board Expected Results

ER-1 Rates.....	pg. 50
ER-2 Reliability.....	pg. 50
ER-3 Relationships.....	pg. 50

Appendix

Related Governance Information

City Charter related to Colorado Springs Utilities Governance.....	pg. 53
Appendix (continued)	
Related Governance Information	
City Code related to Colorado Springs Utilities Governance.....	pg. 53
City Code of Ethics.....	pg. 53
Utilities Board Bylaws.....	pg. 53
Utilities Policy Advisory Committee Bylaws.....	pg. 53

**COLORADO SPRINGS UTILITIES BOARD
EXCELLENCE IN GOVERNANCE POLICY MANUAL**

EXECUTIVE SUMMARY EXCELLENCE IN GOVERNANCE

The Colorado Springs Utilities (“Springs Utilities”) Board of Directors (“Utilities Board”) must excel in the primary obligations of governance for the community-owned enterprise to fulfill its mission and customer-focused performance expectations. The Excellence in Governance Policy Manual provides formal, written policies that describe governance requirements and establishes a clear distinction between the City Council’s, the Utilities Board’s and the Chief Executive Officer’s responsibilities and authorities. The Excellence in Governance policies are outlined in City Code Section 12.1.105.

COLORADO SPRINGS UTILITIES MISSION

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

COLORADO SPRINGS UTILITIES VISION

Ready for today, prepared for a sustainable future.

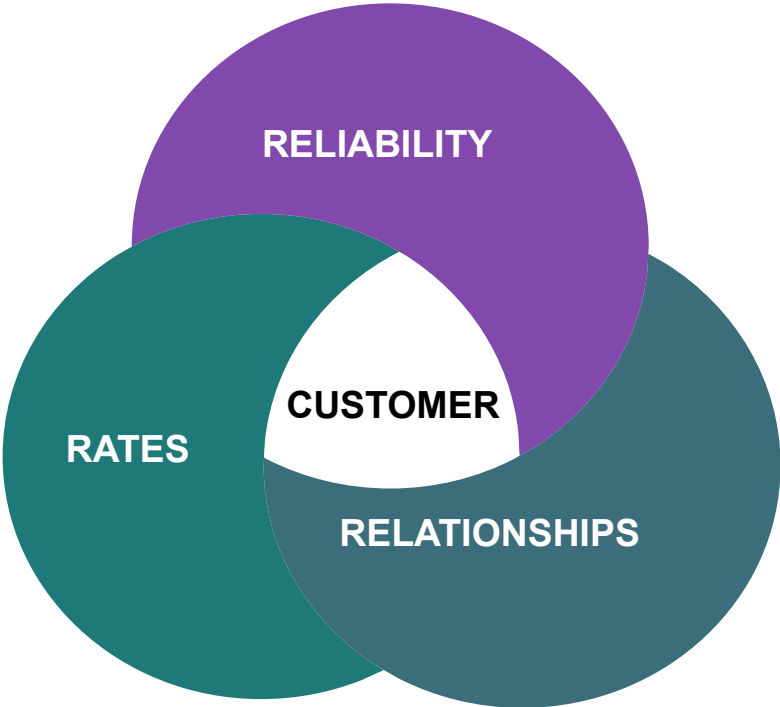
UTILITIES BOARD STRATEGIC FOCUS

The Utilities Board is primarily and ultimately accountable to ensure the benefits of local ownership and control to the citizens of Colorado Springs. The Utilities Board also has a responsibility to its current and future customers by balancing rates, reliability and relationships, with the primary focus on rates.

ORDER OF PRECEDENCE

In the event of a conflict between the terms of this Excellence in Governance Policy Manual and other applicable governance controls, the following order of precedence establishes the hierarchy of control: (1) applicable law, including by not limited to the Colorado Springs Charter and City Code, (2) Springs Utilities’ Tariffs and Utilities Rules

and Regulations, (3) Utilities Board By-Laws, and (4) the Excellence in Governance Policy Manual.



UTILITIES BOARD DUTIES, RESPONSIBILITIES, AND ADMINISTRATIVE AUTHORITIES

Category:	Utilities Board Duties	Date of Adoption:	May 16, 2018
Policy Number:	D: 1-2	Revision Date:	
		Revision Number:	

The Utilities Board must fulfill fiduciary duties by acting in the best interest of the organization and owners and comply with statutory and regulatory duties.

D-1 Fiduciary: The Utilities Board governs Springs Utilities in accord with sound business principles, in a manner that supports long-term sustainability of the enterprise and maximizes value to the citizens.

D-2 Statutory and Regulatory: The Utilities Board conducts all business in full compliance with applicable legal, statutory, and regulatory requirements.

UTILITIES BOARD DUTIES, RESPONSIBILITIES AND ADMINISTRATIVE AUTHORITIES

Category:	Utilities Board Responsibilities	Date of Adoption:	May 16, 2018
Policy Number:	R: 1-4	Revision Date:	
		Revision Number:	

The Utilities Board is responsible for Springs Utilities' future vision, long-term organizational sustainability and assuring the highest level of performance by providing:

R-1 Direction: The Utilities Board develops the Strategic Plan and vision for the enterprise jointly with the Chief Executive Officer.

R-2 Outcomes: The Utilities Board establishes and communicates strategic Board Expected Results that citizens and customers value.

R-3 Oversight: The Utilities Board monitors compliance with Instructions to the Chief Executive Officer, achievement of Board Expected Results and the Chief Executive Officer's performance to provide responsible oversight.

R-4 Accountability: The Utilities Board is ultimately accountable to the citizens; ensuring the benefits of local ownership and control.

UTILITIES BOARD DUTIES, RESPONSIBILITIES AND ADMINISTRATIVE AUTHORITIES

Category:	Utilities Board Administrative Authorities – City Code	Date of Adoption:	May 16, 2018
Policy Number:	UBA: 1-4	Revision Date:	
		Revision Number:	

Pursuant to City Code 12.1.104, the Utilities Board has the following administrative authorities.

UBA-1: Hire, set the salary, evaluate and terminate the Chief Executive Officer.

UBA-2: Appoint Utilities Policy Advisory Committee members and customer advisory group members.

UBA-3: Approve the sale, conveyance or lease of Springs Utilities property and water rights that are not a substantial part of a Utilities system.

UBA-4: Appoint directors and representatives to water authorities, partnerships, joint ventures and similar entities in which Springs Utilities participates.

CITY COUNCIL AUTHORITIES

Category:	City Council Legislative Authorities Regarding Colorado Springs Utilities - City Code	Date of Adoption:	May 16, 2018
Policy Number:	CCA: 1-9	Revision Date:	February 21, 2024
		Revision Number:	1

In addition to other powers provided in the City Code and the City Charter, the City Code section 12.1.104 reserves the following legislative authorities regarding Springs Utilities to City Council.

CCA-1: Pass Ordinances.

CCA-2: Issue Revenue Bonds.

CCA-3: Institute Eminent Domain Proceedings.

CCA-4: Appropriate Funds and Adopt Annual Budgets.

CCA-5: Approve Intergovernmental Agreements.

CCA-6: Adopt or Change Rates and Tariffs for Regulated Products and Services.

CCA-7: Create Advisory Boards in Accordance with the City Charter.

CCA-8: Approve the Sale, Conveyance or Lease of a Substantial Part of Utilities Systems and Water Rights with an affirmative vote of a supermajority of sixty percent (60%) of the electors of the City voting upon that question in accordance with the City Charter.

CCA-9: Take any action expressly required of the Council in its legislative capacity by the Colorado Constitution, the City Charter or other controlling law.

UTILITIES BOARD COMMITMENTS AND PRACTICES

Category:	Utilities Board Commitments to Excellence in Governance	Date of Adoption:	May 16, 2018
Policy Number:	C: 1-6	Revision Date:	February 21, 2024
		Revision Number:	1

Utilities Board actions that promote excellence in governance.

C-1 Utilities Board Ethics and Norms

1. Utilities Board Members comply with the City Code of Ethics.
2. Utilities Board Members should fully engage in Utilities Board activities including preparing for Utilities Board deliberations, supporting Utilities Board policy decisions, clarifying misinformation and communicating honestly and directly.

C-2 Utilities Board Evaluation

1. The Utilities Board will complete a self-evaluation to initiate improvement opportunities.

C-3 Limits of Individual Authority

1. Utilities Board Members do not have individual authority over Springs Utilities, the Chief Executive Officer or Springs Utilities staff.
2. Utilities Board Members only act or speak on behalf of the Utilities Board when authorized by the Utilities Board.

C-4 Utilities Board Development

1. Utilities Board Members are encouraged to participate in a structured orientation and ongoing industry and governance education.

C-5 Utilities Board Decisions

1. The Utilities Board uses the expertise and diversity of viewpoints of Utilities Board Members, Utilities Policy Advisory Committee and customer advisory group recommendations, staff recommendations, external expert opinions and public input to make effective decisions.

C-6 Utilities Board Policies

1. The Utilities Board develops, reviews and approves written governance policies and guidelines that reflect their strategic vision, direction and focus.

UTILITIES BOARD COMMITMENTS AND PRACTICES

Category:	Utilities Board Practices for Excellence in Governance	Date of Adoption:	May 16, 2018
Policy Number:	P: 1-5	Revision Date:	August 20, 2025
Guidelines	Committee Purpose, Structure and Operation (G-2)	Revision Number:	2

Utilities Board practices that promote excellence in governance.

P-1 Utilities Board Meetings

1. Utilities Board meetings are open to the public, conducted in an orderly, efficient and productive manner and adhere to the Colorado Open Meetings Law, the Utilities Board Bylaws and Parliamentary Law and Practice for Nonprofit Organizations and Utilities Board Bylaws.

2. Utilities Board meetings follow agendas that are developed using an approved Utilities Board Annual Agenda Planning Calendar, include public comment and focus discussions on Utilities Board responsibilities.

P-2 Chief Executive Officer Excellence

1. The Utilities Board establishes leadership excellence by hiring an effective Chief Executive Officer.

2. The Utilities Board supports the Chief Executive Officer and provides strategic counsel and leadership development opportunities.

3. The Chief Executive Officer is under the authority of and accountable to the Utilities Board; all other staff are under the authority of and accountable to the Chief Executive Officer.

P-3 Unified Utilities Board Direction to the Chief Executive Officer

1. Only the full Utilities Board, operating during open publicly-noticed meetings, has the authority to direct the Chief Executive Officer.

2. Only the Utilities Board acting as a majority through formal motions can set strategic direction, make administrative and policy decisions, establish Board Expectations, evaluate the Chief Executive Officer’s performance or assign resource-intensive tasks.

P-4 Role of the Chair

1. The Utilities Board Chair is responsible for upholding Utilities Board Commitments and Practices.

2. The Utilities Board Chair sets the meeting agendas, runs meetings and appoints

Utilities Board Committee Chairs and Committee Members. The Utilities Board Chair represents and speaks for the Utilities Board unless the Utilities Board or Board Chair specifically delegate this authority to another Utilities Board Member.

3. The Utilities Board Chair recognizes multiple positions of Utilities Board Members on issues which have not yet been decided or voted upon.

P-5 Committees

1. Utilities Board Committees and Subcommittees are established and disbanded by Utilities Board vote, do not make decisions, do not have authority over operations or staff and may not act or speak for the Utilities Board.
2. Utilities Board Committees review, analyze and provide recommendations and policy alternatives for consideration by the entire Utilities Board. A dissenting recommendation may be provided.
3. Utilities Board Subcommittees review, analyze and provide recommendations and policy alternatives to Utilities Board Committees. A dissenting recommendation may be provided.
4. Utilities Board Committees and Subcommittees follow Board-Approved Work Plans and Committee Purpose, Structure and Operation Guidelines, if applicable.
5. Colorado Springs Utilities Board has established one standing Committee of the Board, the Working Committee, which is comprised of all current Board members. The Board may establish other Committees on an ad hoc basis and only by a vote of the Utilities Board. The Board will establish the purpose and authority of each Committee. Committees are authorized to provide information and recommendations to the Utilities Board, but do not have approval authority over operations or activities.
6. Ad hoc Utilities Board Committees are comprised of Utilities Board Members appointed by the Chair.
7. Utilities Board Subcommittees may include citizens and customers appointed by the Utilities Board.
8. The Utilities Board Utilities Policy Advisory Committee is established and disbanded by Utilities Board vote and is comprised of citizens and customers appointed by the Utilities Board.
9. Utilities Board ad-hoc customer advisory groups are established and disbanded by Utilities Board vote and are comprised of Utilities Board Members appointed by the Chair and citizens and customers appointed by the Utilities Board. Unless otherwise stated, an ad-hoc customer advisory group ceases to exist upon completion of its task.

EXPECTATIONS

Category:	Utilities Board/Chief Executive Officer Partnership Expectations	Date of Adoption:	May 16, 2018
Policy Number:	E: 1-3	Revision Date:	February 21, 2024
		Revision Number:	1

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.

E-1 Utilities Board/Chief Executive Officer Strategic Collaboration

1. The Utilities Board and Chief Executive Officer work jointly to set the vision and strategic direction for the enterprise.
2. The Utilities Board and Chief Executive Officer work jointly to establish approved Board Expected Results and Leadership Competencies for the Utilities Board’s annual evaluation of the Chief Executive Officer’s performance.

E-2 Chief Executive Officer Responsibilities

1. The Chief Executive Officer shall direct that all business practices, activities and decisions are in accord with sound business principles and the City Code of Ethics.
2. The Chief Executive Officer assists the Utilities Board in obtaining sufficient knowledge to meet their joint responsibilities through continuous education and development opportunities.
3. The Chief Executive Officer supports the Utilities Board responsibility of organizational oversight by providing policy compliance reports in Utilities Board meeting materials following a schedule and procedure approved annually by the Utilities Board.
4. The Chief Executive Officer provides sufficient resources for the Utilities Board including assigned staff support for: Utilities Board Committees and Subcommittees, Utilities Policy Advisory Committee (UPAC), research requests, customer inquiry responses, customer advisory groups, stakeholder engagement and consultant management.
5. The Chief Executive Officer informs the Utilities Board about Economic Development incentives that have been offered and about material changes that affect operations or policy compliance or Board Expected Results through communication that is timely, accurate and clear.
6. The Chief Executive Officer presents staff and Utilities Board Committee recommendations on an equally informative basis and if applicable, includes alternatives with pros and cons for Utilities Board decision making.

7. The Chief Executive Officer communicates Utilities Board direction and decisions to citizens and customers.
8. The Chief Executive Officer protects the Utilities Board from a sudden loss of the Chief Executive Officer's services by having at least two Officer emergency successors familiar with current issues and business procedures; by traveling with only one of the designated emergency successors and by allowing no more than three Officers to travel together.
9. The Chief Executive Officer complies with Utilities Board Policies, Instructions and Guidelines to the Chief Executive Officer.
10. The Chief Executive Officer advises the Utilities Board if in his/her opinion, the Utilities Board is not in compliance with its Commitments, Practices and Partnership Expectations for Excellence in Governance policies, particularly in the case of Utilities Board behavior which is detrimental to the work relationship between the Utilities Board and the Chief Executive Officer.

E-3 Chief Executive Officer Authorities, Powers and Duties – City Code

1. The Utilities Board, in its discretion, is empowered to adopt written governance policies and guidelines for the Chief Executive Officer.
2. The Utilities Board and the Chief Executive Officer work in partnership to achieve excellence in governance to attain long-term organizational sustainability. They work jointly to set the strategic direction and vision for the enterprise.
3. The Utilities Board establishes a clear distinction between its duties, responsibilities and authorities and the Chief Executive Officer's responsibilities and authorities through formal, written governance policies.
4. The Utilities Board respects and supports the exclusive authority of the Chief Executive Officer to lead the enterprise.
5. To the maximum extent legally possible and guided by the Utilities Board governance policies, the Chief Executive Officer is authorized to make decisions, take actions, establish processes and procedures, implement plans, and work on behalf of the enterprise with customers, elected officials, government agencies, stakeholders and the public to meet the Utilities Board's strategic focus and Board Expected Results. In addition to any other powers or duties conferred by the City Charter, City Code, other statutes, the Board policies, ordinances, rules or regulations, the Chief Executive Officer has the authority to:
 - A. Execute all business contracts entered into by Springs Utilities and all other contracts and agreements.

- B. Delegate signature authority to staff reporting to the Chief Executive Officer by Utilities Enterprise Policy and may provide for further delegation of this signatory authority as appropriate.
- C. Adopt and promulgate written Utilities Enterprise Policies and service standards and specifications consistent with the provisions of the City Charter or City Code concerning matters that are applicable to all operations and finances of Springs Utilities, including all operational units.
- D. Delegate authority to direct reports to the Chief Executive Officer by written Utilities Enterprise Policies, to adopt service standards and specifications for each respective division.
- E. Make and enforce rules and regulations as may be necessary for the regulation, collection, rebating and refunding of user charges for utility services.
- F. Identify and certify that an imminent hazard condition exists and abate the hazard.
- G. Interrupt or curtail utility services or to provide for the interruption or curtailment of utility services whenever emergency circumstances, including, without limitation, supply limitations or restrictions, treatment restrictions or limitations, transmission or distribution system restrictions or failures or operational problems, require immediate interruption or curtailment of utility services for operational or safety reasons.
- H. Issue revocable permits or licenses for the use of public property primarily used by Springs Utilities, including watershed areas, for any purpose not inconsistent with the City Code, regulations established by the Chief Executive Officer or other laws and ordinances regulating the use and occupancy of public property.
- I. Establish regulations governing the issuance or denial of revocable permits and licenses and setting insurance requirements, fees and terms and conditions necessary to protect the public health, safety and welfare and the safety and welfare of Springs Utilities operations, equipment and facilities.

INSTRUCTIONS

Category:	Utilities Board Instructions to the Chief Executive Officer	Date of Adoption:	May 16, 2018
Policy Title (Number):	Pricing of Services (I-1)	Revision Date:	
Monitoring Type:	Internal	Revision Number:	
Monitoring Frequency:	Annual		
Guidelines:	Rate Design (G-5) Electric and Gas Cost Adjustments (G-6)		

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

1. Establish pricing practices that result in revenues that are sufficient to provide safe, reliable utility services to Springs Utilities citizens and customers.
2. Establish pricing practices that maintain financial viability of each separate regulated service.

INSTRUCTIONS

Category:	Utilities Board Instructions to the Chief Executive Officer	Date of Adoption:	May 16, 2018
Policy Title (Number):	Financial Condition and Activities (I-2)	Revision Date:	February 18, 2026
Monitoring Type:	Internal; City Auditor	Revision Number:	4
Monitoring Frequency:	Quarterly, Annual		
Guidelines:	Local Vendor (G-7)		

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

1. Operate within total appropriations for the fiscal year and inform the Utilities Board of:
 - A. Significant financial variances.
 - B. Expenditures that exceed the Federal Energy Regulatory Commission capital and operating and maintenance budget classifications in electric, natural gas, water, wastewater and common.
2. Budget transfers and canceled major capital projects over \$1,000,000 in the approved budget or new major capital projects not funded in the approved budget that are over \$1,000,000.
3. Invest funds in accordance with Bond Ordinance requirements and Springs Utilities Investment Plan.
4. Ensure controls are in place for receiving, processing or disbursing funds and allow only bonded or insured personnel access to material amounts of funds.
5. Ensure receivables are resolved within a reasonable grace period.
6. Settle payroll and debts in a timely manner.
7. Ensure tax payments or other government ordered payments are timely and materially accurate.
8. Operate within the applicable sections of the Colorado State Procurement Code and Springs Utilities procurement policies and procedures assuring legal and fiscal compliance with competitive acquisition practices, conflict of interest, favoritism and procurement from local vendors.
9. Inform the Utilities Board of significant financial impacts on the Municipal Government.

INSTRUCTIONS

Category:	Utilities Board Instructions to the Chief Executive Officer	Date of Adoption: May 16, 2018
Policy Title (Number):	Financial Planning and Budgeting (I-3)	Revision Date: June 18, 2024
Monitoring Type:	Internal	Revision Number: 2
Monitoring Frequency:	Annual	
Guidelines:	Water Reserve Account (G-8) Water Acquisition Account (G-12) Determinations to Construct Water and/or Wastewater Extensions (G-13)	

The Chief Executive Officer shall direct that financial planning and budgeting is multi-year and includes planning assumptions, capital and operations expenses and projections of revenues and cash flow. Accordingly, the CEO shall:

1. Maintain financial stability by meeting Utilities Board approved financial metrics that support an AA long-term credit rating.
2. Financially position the enterprise to meet long-range infrastructure funding requirements while moderating customers' average base bill adjustments.
3. Use planning assumptions that accurately forecast revenues and expenses.
4. Direct that a water reserve account is established and maintained to manage water sales volatility.
5. Direct that a water acquisition account is established and maintained to fund expenditures that enable timely acquisitions and participation in supply projects that increase raw water system yield.
6. Use financial methods that share the cost of utility infrastructure between current and future customers.
7. Use risk-based modeling and a defined enterprise procedure to prioritize operations and maintenance infrastructure.
8. Inform Utilities Board of Springs Utilities' determinations to design and construct water distribution and/or wastewater collection systems as defined in sections VIII.B.1 and IX.C.1 of Utilities Rules and Regulations.

INSTRUCTIONS

Category:	Utilities Board Instructions to the Chief Executive Officer	Date of Adoption:	May 16, 2018
Policy Title (Number):	Risk Management (I-4)	Revision Date:	February 18, 2026
Monitoring Type:	Internal; City Auditor	Revision Number:	1
Monitoring Frequency:	Semi-Annual, Annual		

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. Accordingly, the CEO shall:

1. Maintain a Risk Management Committee to identify, measure, monitor, manage and report risk on an enterprise-wide basis.
2. Operate under and maintain a written Enterprise Risk Management (ERM) Plan which includes the required plans listed below that each include management level approval, detailed procedures, internal controls and reporting requirements and external audits.
 - A. Energy Risk Management Plan - establishes procedures for limiting organizational exposure to price volatility and supports the acquisition or sale of energy that does not unreasonably jeopardize the ability to meet customer needs.
 - B. Investment Plan - establishes investment scope, objectives, delegation of authority, standards of prudence, eligible investments and transactions, risk tolerance and safekeeping and custodial procedures for the investment of all funds.
 - C. Financial Risk Management Plan - establishes objectives and procedures for minimizing risk to support responsible compliance.

INSTRUCTIONS

Category:	Utilities Board Instructions to the Chief Executive Officer	Date of Adoption: May 16, 2018
Policy Title (Number):	Economic Development (I-5)	Revision Date:
Monitoring Type:	Internal	Revision Number:
Monitoring Frequency:	Annual	

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

1. Offer economic development incentives, special rates or terms and conditions for utility services and alternative development solutions when they are defined within Springs Utilities Rules and Regulations, Tariffs and City Code and approved by the City Auditor.
2. Consider economic development support that:
 - A. Optimizes existing utility infrastructure.
 - B. Grows the customer base.
 - C. Assures a neutral or positive impact to citizens.
 - D. Partners with local entities.
3. Create a business-friendly culture by eliminating operational policies and standards that no longer provide value and by proactively communicating the rationale behind current operational policies.
4. Provide access to existing utilities infrastructure and capacity information while minimizing security risks.

INSTRUCTIONS			
Category:	Utilities Board Instructions to the Chief Executive Officer	Date of Adoption:	May 16, 2018
Policy Title (Number):	Infrastructure (I-6)	Revision Date:	February 21, 2024
Monitoring Type:	Internal	Revision Number:	2
Monitoring Frequency:	Annual		
Guidelines:			

The Chief Executive Officer shall direct that annual, five-year and 20-year infrastructure plans are developed and maintained for each utility service. Accordingly, the CEO shall:

1. Use a reasonable planning period to meet obligation to serve requirements for current and future customers.
2. Base plans on operational and regulatory requirements to provide safety, system reliability and security.
3. Maintain an organization-wide long-range infrastructure plan that considers the annual impact to the typical customer bill, maintains strong financial metrics and sequences infrastructure projects to the extent operationally and financially practical.
4. Plan for replacement of aging infrastructure, information and operational technology upgrades, utility relocations for public works and road projects, life extension of existing systems and services to approved contract customers.
5. Coordinate infrastructure planning with the Municipal Government’s Strategic Plan, Comprehensive Plan and Annexation Policy and other governmental agency plans.

INSTRUCTIONS

Category:	Utilities Board Instructions to the Chief Executive Officer	Date of Adoption: May 16, 2018
Policy Title (Number):	Water Supply Management/Regional Water and Wastewater Service (I-7)	Revision Date: March 19, 2025
Monitoring Type:	Internal	Revision Number: 6
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 Integrated Water Resource Plan as updated from time to time.
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.
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.
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.

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
 - 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.

INSTRUCTIONS

Category:	Utilities Board Instructions to the Chief Executive Officer	Date of Adoption:	May 16, 2018
Policy Title (Number):	Asset Protection (I-8)	Revision Date:	February 21, 2024 May 20, 2026
Monitoring Type:	Internal; City Auditor	Revision Number:	21 21
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.
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*.
3. Only sell, dispose of or allow use of assets at fair market value, except for *de minimis* contributions to community-oriented organizations.
4. Protect the enterprise’s public image and reputation.

INSTRUCTIONS

Category:	Utilities Board Instructions to the Chief Executive Officer	Date of Adoption: May 16, 2018
Policy Title (Number):	Treatment of Customers and Customer Information (I-9)	Revision Date:
Monitoring Type:	Internal	Revision Number:
Monitoring Frequency:	Annual	

The Chief Executive Officer shall direct that customer interactions are safe, dignified and provide appropriate confidentiality or privacy for customers or those applying to be customers. Accordingly, the CEO shall:

1. Use application forms that elicit information for which there is clear necessity.
2. Use methods of collecting, reviewing, transmitting or storing customer information that strive to protect against improper cyber or physical access to the material elicited.
3. Comply with Springs Utilities Tariffs regarding treatment of customers.
4. Maintain a procedure for accessible, fair, efficient and unbiased treatment of customer complaints regarding utility service or proposed utility service that provides for resolution at the lowest level through use of staff procedures, informal review through either Springs Utilities or a mediator or formal appeal to a hearing officer.
5. Inform customers of this policy and provide a grievance procedure to customers who believe they have not been accorded a reasonable interpretation of their rights.
6. Operate under written and maintained claims procedures that address fair treatment of claimants, legal liability, customer costs and sound business practices.
7. Maintain facilities that provide a reasonable level of security and privacy, both visual and aural.
8. Inform customers about services offered.

INSTRUCTIONS

Category:	Utilities Board Instructions to the Chief Executive Officer	Date of Adoption:	May 16, 2018
Policy Title (Number):	Treatment of Staff (I-10)	Revision Date:	February 21, 2024
Monitoring Type:	Internal	Revision Number:	1
Monitoring Frequency:	Annual		

The Chief Executive Officer shall direct that working conditions for paid and volunteer staff are fair, dignified and respectful. Accordingly, the CEO shall:

1. Adhere to all discrimination, harassment and retaliation laws, policies and procedures.
2. Operate with a written personnel policy manual that clarifies personnel rules for employees and promulgate the personnel policy manual with an employee notification and comment procedure before any changes are made unless proposed changes are required immediately based on Federal, State or local laws or other exigent circumstances.
3. Provide employees access to all organizational policies and procedures.
4. Operate with a written affirmative action plan, as required by law.
5. Periodically, not to exceed five years, assess the organizational climate issues using statistical sampling and a sound, validated procedure; and develop and implement an action plan.
6. Foster an environment within the workforce that promotes and rewards creativity, efficiency and empowerment.

INSTRUCTIONS

Category:	Utilities Board Instructions to the Chief Executive Officer	Date of Adoption:	May 16, 2018
Policy Title (Number):	Compensation and Benefits (I-11)	Revision Date:	November 20, 2024
Monitoring Type:	Internal	Revision Number:	1
Monitoring Frequency:	Annual		
Guidelines:	At-Will Senior Management Severance (G-9)		

The Chief Executive Officer shall direct that employee compensation plans address individual accountability, reward for job performance, encourage organizational flexibility and responsiveness and are consistent with the geographic and professional markets for the job duties performed. Accordingly, the CEO shall:

1. Communicate an administrative procedure to employees which allows them to appeal the methodologies followed that result in the annual salary and benefits proposed for the upcoming year.
2. Develop executive compensation plans that are consistent with professional markets and include:
 - A. Data sources that include similar local, regional and national utilities of comparable size and annual revenue.
 - B. Multi-service utilities.
 - C. An appropriate balance of public and private organizations.
 - D. A mix of available survey data and published survey sources.
3. Provide severance to Officers and General Managers in the event of involuntary separation without cause in accordance with approved Utilities Board guidelines and at the discretion of the Chief Executive Officer in accordance with the At-Will Senior Management Severance Guideline.
4. Provide severance to any other employees only with Utilities Board approval.

INSTRUCTIONS

Category:	Utilities Board Instructions to the Chief Executive Officer	Date of Adoption:	May 16, 2018
Policy Title (Number):	Environmental Stewardship (I-12)	Revision Date:	
Monitoring Type:	Internal	Revision Number:	
Monitoring Frequency:	Annual		

The Chief Executive Officer shall direct that Springs Utilities is a leader in environmental stewardship. Accordingly, the CEO shall:

1. Provide customers with educational materials and solutions to promote energy and water conservation and renewable energy technologies.
2. Promote efficient energy and water consumption in new buildings and landscapes.
3. Ensure emissions from operations meet or surpass air quality regulations.
4. Ensure local ground and surface water discharges from operations meet or surpass surface water and groundwater quality standards.
5. Maintain or enhance the visual appeal of utility operations where cost effective.
6. Ensure the community receives a portion of its electric needs from renewable sources.
7. Strive to preserve and protect wildlife, wildlife habitat and wetlands during construction and operation of facilities and infrastructure.
8. Strive to preserve and protect cultural and historic sites during construction and operation of facilities and infrastructure.
9. Engage the community in Utilities Board decisions on Springs Utilities' operations that affect the environment.
10. Strive to minimize or reuse waste generated by Springs Utilities to reduce impact on the environment.

INSTRUCTIONS

Category:	Utilities Board Instructions to the Chief Executive Officer	Date of Adoption: May 16, 2018
Policy Title (Number):	Community Investment (I-13)	Revision Date: February 21, 2024 May 20, 2026
Monitoring Type:	Internal	Revision Number: 21 21
Monitoring Frequency:	Annual	
Guidelines:	Affordable Housing (G-10) Community Support (G-11) Wastewater Backup Assistance Program (G-13)	

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

1. Maintain community involvement that is in alignment with Springs Utilities’ strategic objectives and that provides a benefit to the citizens and customers.
2. Encourage and support employee volunteerism within the communities served by Springs Utilities.
3. Communicate to customers and provide student and adult education programs on the safe and efficient use of utility services.
4. Allow philanthropic support of community-oriented organizations only in the service territories or localities impacted by Springs Utilities’ operations.

~~— Only allow funding of community-oriented organizations that complete an application describing how the funds will be used in alignment with Springs Utilities’ strategic objectives.~~

~~6.5.~~ 6.5. Allow funding of community-oriented organizations with Political Action Committees (PACs) only if they demonstrate independent PAC revenue and decision-making.

~~7.6.~~ 7.6. Consider partnerships with other funding entities to leverage resources and maximize impact.

~~8.7.~~ 8.7. Inform the community of the enterprise’s corporate citizenship and employee volunteerism.

~~9.8.~~ 9.8. Develop programs intended to support affordable housing within the City.

~~10.9.~~ 10.9. Advance services and programs that achieve customer interests, community goals and enterprise objectives.

GUIDELINES

Guideline:	Utilities Board Evaluation (G-1)	Date of Adoption:	January 18, 2017
Applicable Policy Title (Number):	Utilities Board Evaluation (C-2)	Revision Date:	February 21, 2024
		Revision Number:	1

Utilities Board Evaluation

1. Utilities Board Members evaluate the work of the Utilities Board and provide feedback to the Utilities Board Chair in an informal setting.
2. The feedback should include accomplishments, plans for improvement and comments on what to start, what to stop, what should continue and lessons learned.

GUIDELINES			
Guideline:	Committee Purpose, Structure and Operation (G-2)	Date of Adoption:	January 18, 2017
Applicable Policy Title (Number):	Operational Resources (P-5)	Revision Date:	August 20, 2025
		Revision Number:	2

Committee Purpose, Structure and Operation

Purpose:

1. The Board Working Committee reviews performance and compliance with Utilities Board policies and guidelines and recommends the Strategic Plan and vision and Board Expected Results, the Annual Operating and Financial Plan and the Five-Year Service Business Plans, the Chief Executive Officer’s performance plan, developed jointly with the Chief Executive Officer, and reviews Utilities Board monitored and Committee selected programs/projects.
2. The Utilities Policy Advisory Committee (UPAC) is a Utilities Board directed advisory committee that reviews, analyzes and provides recommendations to the Utilities Board on specific issues or policies.

Structure and Operating Guidelines:

1. All Utilities Board members shall serve on the Working Committee. For ad hoc Board Committees, Utilities Board Committee Members will be appointed from among members of the Utilities Board by the Utilities Board Chair and serve two-year terms concurrent with the municipal election cycle. All ad hoc Board Committees shall have a minimum of three Board Members. Committee Members may be removed by the Utilities Board Chair.
2. The Committee Chair for each ad hoc Committee is appointed from among members of the Committee by the Utilities Board Chair and serves a two-year term concurrent with the municipal election cycle. In the absence of the Committee Chair during any Committee meeting, the Committee may designate a Chair.
3. Board Subcommittee Members are appointed from among members of the Utilities Board. Board Subcommittees may include citizens and customers appointed by the Utilities Board, but must have a minimum of two Board Members. Members of Subcommittees serve two-year terms concurrent with the municipal election cycle. Subcommittee Board Members may be removed by the Utilities Board Chair. Citizen and customer Subcommittee Members may be removed by the Utilities Board.

4. The Subcommittee Chair is selected by the Board Members on the Subcommittee and serves a two-year term concurrent with the municipal election cycle. In the absence of the Subcommittee Chair during any Subcommittee meeting, the Subcommittee may designate a Chair.
5. The Chief Executive Officer provides Springs Utilities staff support for Committees and Subcommittees. The Chief Executive Officer or designee is responsible for preparing draft agendas for review and approval by the Committee Chair or Subcommittee Chair and for keeping minutes of all Committee and Subcommittee meetings. Copies of the Committee and Subcommittee minutes shall be provided to the Utilities Board and to relevant committees.
6. Board Committees and Subcommittees will meet as often as may be deemed necessary or appropriate. Public notice of all Committee and Subcommittee meetings shall meet governing legal requirements. All Board Committees and Subcommittees, Utilities Policy Advisory Committee and customer advisory group meetings are open to the public.
7. At the discretion of the Chair, or the majority of Subcommittee Members present, public comment will be taken at meetings. Individual comments are limited to three minutes each unless time is extended by the Committee Chair or majority of the Subcommittee Members present. Additionally, Springs Utilities staff, City staff, including staff of the City Auditor's Office, members of the Utilities Policy Advisory Committee (UPAC) and invited guests may participate in such Subcommittee meetings. The Utilities Board establishes and maintains written bylaws fully describing the operation of the Utilities Policy Advisory Committee.
8. Citizen and customer Board Subcommittee Members:
 - a. Are subject to provisions of the City of Colorado Springs Code of Ethics.
 - b. Serve without compensation for their services but may be reimbursed for actual expenses in accordance with Springs Utilities policies and procedures.
 - c. Are expected to attend Subcommittee meetings regularly in order for the Subcommittee to function effectively. Upon recommendation by the Subcommittee, the Utilities Board may remove any members of the Subcommittee who fail to attend three or more regular meetings in any year.
 - d. Shall notify the Chief Executive Officer and the Utilities Board if they choose to seek employment with Springs Utilities. The Subcommittee Member applying for employment shall be excused from attending Subcommittee meetings and participating in recommendations while the employment application is pending. If the Subcommittee Member is not selected for employment with Springs Utilities, that member shall be reinstated to full Subcommittee participation. If the Subcommittee Member accepts employment with Springs Utilities, that member shall promptly resign or be removed by the Utilities Board from the Subcommittee.

- e. Committee Members are not precluded from offering or providing products and services to Springs Utilities under Springs Utilities' applicable procurement procedures or from offering or supplying products or services to contractors providing products or services to Springs Utilities. Subcommittee members should not offer or contract to supply products or services to Springs Utilities or Springs Utilities' contractors that conflict with the Subcommittee Member's work on the Subcommittee. Subcommittee Members shall not use their position on a Subcommittee to influence Springs Utilities or Springs Utilities' contractor's procurement decisions. In the event any Subcommittee Member desires to provide products or services to Springs Utilities or a contractor for Springs Utilities, that Subcommittee Member shall notify the Chief Executive Officer of the proposed offering. The Chief Executive Officer shall consult with the Chair of the Utilities Board concerning the proposed offering. Provided that the Chief Executive Officer, after consultation with the Chair of the Utilities Board, determines that the proposed products or services offering does not conflict with the Subcommittee Member's work on the Subcommittee or the City's Code of Ethics, the Subcommittee Member may proceed with offering the products or services and may contract to provide such products or services to Springs Utilities if selected under Springs Utilities' applicable procurement procedures or to a contractor for Springs Utilities. If the Chief Executive Officer, after consultation with the Chair of the Utilities Board, determines that the proposed products or services offering does conflict with the Subcommittee Member's work on the Subcommittee or the City's Code of Ethics, the Subcommittee Member may choose to resign from the Subcommittee and to continue to pursue the offering of the Subcommittee Member may choose to refrain from pursuing the offering, in which case the Subcommittee Member may continue participation on the Subcommittee. This restriction shall apply to Subcommittee Members and any company or organization employing the Subcommittee Member.

GUIDELINES

Guideline:	Compliance Report Frequency and Method (G-3)	Date of Adoption:	December 19, 2016
Applicable Policy Title (Number):	Organizational Oversight (E-2.3)	Revision Date:	February 21, 2024
		Revision Number:	1

Compliance Report Frequency and Method

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

GUIDELINES

Guideline:	Evaluation of the Chief Executive Officer's Performance (G-4)	Date of Adoption: May 16, 2018
Applicable Policy Title (Number):	Evaluating Chief Executive Officer Performance (E-1.2)	Revision Date: February 21, 2024
		Revision Number: 1

Evaluating the Chief Executive Officer's performance:

1. Annually, the Chief Executive Officer and the Working Committee, will partner to review and to recommend performance indicators, targets, leadership competencies and weightings to the Utilities Board in the fourth quarter of the current year for adoption by the Utilities Board for the following year.
2. Performance indicators and targets are in alignment with the Strategic Plan and the Annual Operating and Financial Plan.
3. The Utilities Board establishes weightings annually for each indicator and competency for both the performance indicator and leadership competency sections of the performance plan.
4. The Utilities Board provides mid-year (September) and annual (March) feedback to the Chief Executive Officer in executive personnel sessions to facilitate discussion of: achievement of organizational results; Utilities Board/Chief Executive Officer partnership expectations; the Chief Executive Officer's follow-through with Utilities Board policy instructions; and Chief Executive Officer Leadership competencies using an approved feedback form.
5. Chief Executive Officer performance indicator results and a performance evaluation feedback form are provided to Utilities Board Members at least three weeks prior to the executive personnel sessions with Utilities Board Members returning completed forms to the Chief Human Resources Officer
6. The Utilities Board reviews the Board Expected Results in open session at the March Utilities Board meeting annually.
7. After the annual Chief Executive Officer evaluation in March, the Utilities Board may approve any compensation and benefits adjustments for the Chief Executive Officer.

GUIDELINES			
Guideline:	Rate Design (G-5)	Date of Adoption:	September 19, 2014
Applicable Policy Title (Number):	Pricing of Services (I-1)	Revision Date:	February 21, 2024
		Revision Number:	3

Rate Design

1. Rates should be designed applying the principles of economic efficiency and revenue stability.
 - A. Economic efficiency supports efficient use of resources, promotes innovative response to changing demand and supply patterns and leads to optimal consumer and utility decision-making in new technologies and resources, such as those that recognize time varying costs and benefits of demand response (i.e., rate design that recover costs that vary with time or demand and/or encourage efficient use of resources).

A proposed rate may be designed based on the ability of a customer class to influence system efficiency and maintain high load factor usage that result in deferring capital costs for added capacity.

 - B. Rates support revenue stability through sufficient and predictable recovery of the approved revenue requirement.
2. The remaining supporting pricing principles of equitable for all customers, customer satisfaction and customer bill stability will be considered holistically in rate design.
 - A. A rate is considered equitable for all customers if it is within plus or minus five percent (5%) of the customer class costs established by a Cost of Service study which is done in accordance with pricing standards.
 - B. Economic development is an appropriate consideration in the design of rates for certain rate classes because it supports attracting and/or retaining customers in the Colorado Springs area.
3. Prior to rate design, a Cost of Service study should be used, where appropriate, to establish costs assigned to each customer class and may vary substantially from study to study.
 - A. Deviation from a Cost of Service study should be described in the rate filing.

GUIDELINES

Guideline:	Electric and Gas Cost Adjustments (G-6)	Date of Adoption:	January 20, 2016
Applicable Policy Title (Number):	Pricing of Services (I-1)	Revision Date:	February 21, 2024
		Revision Number:	3

Electric and Gas Cost Adjustments

1. Springs Utilities produces and purchases electricity and recovers fuel related costs through the Electric Cost Adjustment (ECA). Springs Utilities purchases natural gas and recovers fuel related costs through the Gas Cost Adjustment (GCA).

2. In accordance with City Code 12.1.108(D)(2)(b), Springs Utilities Electric and Natural Gas Rate Schedules allow cost adjustment rates to be changed as often as monthly to pass-through cost in a timely manner in order to:
 - A. Respond to fluctuations in fuel markets.

 - B. Provide a price signal to customers based on the true cost of electricity and natural gas.

 - C. Accurately reflect customer energy consumption and associated costs.

3. Rate adjustments are filed with City Council on a quarterly basis (effective January, April, July and October) to pass-through forecasted fuel related costs.
 - A. When collected balances are within plus \$10,000,000 or minus \$5,000,000, quarterly refunding/recovery of balances will be based on the proportionate share of forecast sales and target a zero-dollar collected balance at the end of a 24-month period.

 - B. When collected balances exceed plus \$10,000,000 or minus \$5,000,000, quarterly refunding/recovery of balances will be based on the proportionate share of forecast sales and target a zero-dollar collected balance at the end of a 12-month period.

4. Based on relevant or unexpected circumstances, Springs Utilities may propose rate adjustments using alternative balance refunding/recovery periods.

GUIDELINES

Guideline:	Local Vendor (G-7)	Date of Adoption: May 16, 2018
Applicable Policy Title (Number):	Financial Condition and Activities (I-2)	Revision Date:
		Revision Number:

Local Vendor

1. The Utilities Board strives to achieve a local spending goal of thirty percent (30%) of total non-fuel expenditures, using the definition and formula below to calculate the local spending percentage.
 - A. Total spend is defined as all expenditures made through Procurement and Contract Services and through P-card purchases.
 - B. Local companies are defined as having a business presence within El Paso County; with information collected on a semi-annual basis.
 - C. The local spending percentage formula is total expenditures with local companies divided by total spend.
 - D. The local spending percentage is reported in the Financial Condition and Activity compliance report.

GUIDELINES

Guideline:	Water Reserve (G-8)	Date of Adoption:	May 16, 2018
Applicable Policy Title (Number):	Financial Planning and Budgeting (I-3)	Revision Date:	February 21, 2024
		Revision Number:	2

Water Reserve

1. A water reserve account is established and maintained to mitigate water revenue volatility.
2. The water reserve account is used to supplement current year water revenues only.
3. One hundred percent (100%) of actual revenue greater than budget will be allocated annually to the water reserve account.
4. The water reserve account will only be used when the reserve account balance is greater than \$5 million and water revenues are \$10 million below budget in the current fiscal year.
5. Up to fifty percent (50%) of the water reserve account, as of January 1 of the current fiscal year, may be used to supplement current year budgeted expenditures.
6. Funds in excess of \$10 million in the water reserve account may be transferred to the water acquisition account.

GUIDELINES

Guideline:	At-Will Senior Management Severance (G-9)	Date of Adoption:	May 16, 2018
Applicable Policy Title (Number):	Compensation and Benefits (I-11)	Revision Date:	February 21, 2024
		Revision Number:	1

At-Will Senior Management Severance

1. At the discretion of the Chief Executive Officer, senior managers may be offered severance, in accordance with this guideline, upon the termination of such individual's at will employment with Springs Utilities.
2. Employees on probation or having less than one year of service are not eligible for severance.
3. Severance may include base pay compensation and/or Medical Premium Benefit Continuation. For purposes of this guideline, Medical Premium Benefit Continuation means a lump sum amount that equals Springs Utilities' then-current monthly percentage share of the health plan premiums using the Consolidated Omnibus Budget Reconciliation Act of 1985 ("COBRA") premium for the group health plan option in which the employee participates at the time of separation or, if the employee does not participate in a group health plan in which Springs Utilities is a participating employer at the time of separation, a lump sum amount that equals Springs Utilities' then-current monthly percentage share of health plan premiums based on the COBRA premium for the group health plan option in which the majority of the Springs Utilities' employees participate. Eligibility is determined by anniversary date.
4. Severance amounts are:
 - A. One to five years of continuous service - may be offered up to 11 weeks base pay and/or three months Medical Premium Benefit Continuation.
 - B. Five to ten years of continuous service - may be offered up to 13 weeks base pay and/or three months Medical Premium Benefit Continuation.
 - C. Ten to 15 years of continuous service - may be offered 17 weeks base pay and/or four months Medical Premium Benefit Continuation.
 - D. 15-20 years of continuous service - may be offered up to 22 weeks base pay and/or five months Medical Premium Benefit Continuation.
 - E. 20 or more years of continuous service - may be offered up to 26 weeks base pay and/or six months Medical Premium Benefit Continuation.

GUIDELINES

Guideline:	Affordable Housing (G-10)	Date of Adoption:	May 16, 2018
Applicable Policy Title (Number):	Community Investment (I-13)	Revision Date:	February 21, 2024
		Revision Number:	2

Affordable Housing

1. Springs Utilities will promote affordable housing through multiple methods, such as coordination with the City, providing funding, rebates and credits, recommending changes to the tariff and implementing procedures that incentivize affordable housing. All affordable projects receiving funding, credits, rebates or deferrals from Springs Utilities must meet specified energy and water conservation criteria.
2. Springs Utilities will develop and promote energy and water savings audit and installation programs for low-income households. Allocate a minimum of ten percent (10%) of the total Energy Demand Side Management budget to support the Home Efficiency Assistance Program (HEAP).

GUIDELINES

Guideline:	Community Support (G-11)	Date of Adoption:	May 16, 2018
Applicable Policy Title (Number):	Community Investment (I-13)	Revision Date:	February 21, 2024
		Revision Number:	5

Community Support

1. Springs Utilities will allow the expenditure of no more than 0.1 percent (0.1%) of budgeted operating revenues on direct monetary support of community-oriented economic development and charitable organizations. The 0.1 percent (0.1%) limitation set forth in this guideline shall not include the matching dollars provided by Springs Utilities to the Project COPE utilities bill assistance program. Operating revenues are revenues from charges to customers for sales and services for Electric, Streetlight, Gas, Water, Wastewater and products and services. All other revenue sources not meeting this definition are reported as nonoperating revenues.
2. Springs Utilities will allocate 100 percent (100%) of Community Focus Fund grant dollars to nonprofit organizations in support of programs addressing issues that have been identified as important to our customers:
 - Affordable Housing
 - Community
 - Education
 - Environment
 - Safety and Health
 - Seniors
 - Youth
3. Springs Utilities will fully match customer donations to the Project COPE (Citizens Option to Provide Energy) utilities bill assistance program up to \$500,000 annually.

GUIDELINES

Guideline:	Water Acquisition Account (G-12)	Date of Adoption:	July 20, 2022
Applicable Policy Title (Number):	Financial Planning and Budgeting (I-3)	Revision Date:	February 21, 2024
		Revision Number:	1

Water Acquisition Account

1. A water acquisition account is established and maintained to fund expenditures that enable timely acquisitions and participation in supply projects that increase raw water system yield.
2. The water acquisition account will be used to partially or completely fund acquisitions and projects that fulfill long range water supply and resiliency goals and levels of service.
3. The water acquisition account will be funded by the Water Resource Fee and potential transfers from the water reserve account. The water acquisition account may also be supported by other sources of water revenue and/or sources of debt in accordance with the Annual Operating and Financial Plan or as directed by Utilities Board.
4. An account balance of at least \$40 million will be targeted through a combination of cash and access to other sources of liquidity.
5. Springs Utilities will periodically evaluate, in light of approved enterprise financial metrics: (a) whether the sources of funding of the water acquisition account are sufficient to maintain the water acquisition account balance target and (b) whether the water acquisition account balance target is sufficient to fulfill long range water supply and resiliency goals and levels of service.

GUIDELINES

Guideline:	Determinations to Construct Water and/or Wastewater Extensions (G-13)	Date of Adoption: June 18, 2024
Applicable Policy Title (Number):	Financial Planning and Budgeting (I-3)	Revision Date:
		Revision Number:

Determination to Construct Water and/or Wastewater Extensions

1. As provided in Utilities Rules and Regulations, Springs Utilities may design and construct water distribution and/or wastewater collection systems when, in Springs Utilities sole discretion, it is in the best interest to protect water and/or wastewater service to existing customers, to allow for the continued development within the service area(s), and/or to provide benefit to the entire service area(s). Springs Utilities will recover the costs of such facilities, with interest, through a Recovery Agreement Charge and/or an Advance Recovery Agreement Charge.

2. Springs Utilities informs Utilities Board of determinations to construct water distribution and/or wastewater collection system. Information provided to Utilities Board will be dependent on the specific characteristics of the applicable project, which may be subject to other rules, requirements, and policies. When applicable, information provided by Utilities will include the following:
 - a. System and operational considerations
 - Design capacity
 - Complexity of design and construction
 - Land and easement acquisition
 - b. Financial estimates
 - Cost and schedule
 - Recovery Agreement Charge and/or Advance Recovery Agreement Charge
 - Water and wastewater rate impacts
 - c. Environmental considerations
 - Regulatory and permitting requirements
 - Identified impacts to waterways
 - d. Community support considerations
 - Regional significance
 - Impact to growth and economic development

GUIDELINES

Guideline:	Wastewater Backup Assistance Program (G-14)	Date of Adoption: November 20, 2024
Applicable Policy Title (Number):	Community Investment (I-13)	Revision Date:
		Revision Number:

Wastewater Backup Assistance Program

1. The Chief Executive Officer is authorized to implement a program and related policies which provides financial assistance to residential customers whose properties have been impacted by a wastewater backup. Any such program shall be subject to the following limitations and requirements and shall be consistent with the purpose of the program:
 - A. The program shall apply to Utilities’ residential customers impacted by a wastewater backup that results in property damage caused by either (i) a verified stoppage in Utilities main line or (ii) intrusion of the wastewater system by a main water pipeline failure provided the intrusion is not the result of a storm or flood event.
 - B. Any assistance shall be subject to available and appropriated funding.
 - C. Assistance under the program is limited to \$100,000 per eligible residence per covered incident. Any such assistance will be reduced by amounts received under the customer’s policies of insurance.
 - D. The determination of whether to provide assistance and in what amount, up to the applicable limit, shall be at the sole discretion of Springs Utilities, and no vested rights are or shall be created by such program.
 - E. No assistance will be paid without the recipient agreeing to release Springs Utilities from liability for the event and the damage to the residence. All such releases shall be subject to the approval of Springs Utilities.
 - F. Assistance shall be limited to property damage, timely emergency response and mitigation services, temporary housing, and temporary storage of personal property. Springs Utilities will not pay any assistance for indirect, consequential or punitive damages.
 - G. The program shall only be available to customers receiving services at an owner-occupied residential property that is an individual dwelling and where not more than one dwelling unit is served through one water meter. The program shall not apply to rental property.
 - H. A residential customer shall not be eligible for assistance under the program where the wastewater backup is caused in whole or in part by any negligent or intentional act of such residential customer.
 - I. The program shall not apply to a wastewater backup which is due to a catastrophic event that impacts several properties, such as an act of God or nature (like a major flood event), terrorism, or war.

2. The program may include immediate assistance to help offset the costs of emergency response services and mitigation services necessary to restore a property to habitability prior to the customer completing all prerequisites of the program, provided that such owner agrees to pay any immediate assistance back if the owner does not comply with the requirements of the program. The purpose of the program is to provide assistance for a defined class of customers and categories of damages relating to wastewater backups and the operation of the enterprise even though Springs Utilities likely has no legal liability for such damages. No net benefit will accrue to a customer as assistance will be limited to actual direct damages resulting from a wastewater backup. The program is consistent with and advances both customer and enterprise interest.
3. Annual funding for the program will not exceed \$1,000,000, which will be funded through the normal operating budget and Utilities appropriation process.

RESULTS

Category:	Utilities Board/Chief Executive Officer Partnership Expectations	Date of Adoption:	December 18, 2017
Policy Title (Number):	Utilities Board Expected Results (ER: 1-3)	Revision Date:	March 19, 2025
		Revision Number:	1

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

2025 Board Expected Results

1. Reliability:

- A. Electric – SAIDI – Interruptions in minutes per year will be in the target range of 52.50 – 47.51 minutes
- B. Natural Gas – Failures per 100 miles of pipe will be in the target range of 6.00 – 4.00 failures
- C. Water – Failures per 100 miles of mainline will be in the target range of 12.00 – 10.00 failures
- D. Wastewater – Failures per 100 miles of mainline will be in the target range of 0.75 – 0.51 failures

2. Rates:

- A. Residential Electric Service - Front Range Comparison will be in the target range of +/- 5.0% of average
- B. Residential Natural Gas Service – Front Range Comparison will be in the target range of +/-5.0% of average
- C. Residential Water Service – Front Range Comparison will be in the target range of 10.1 – 20.0% higher than average
- D. Residential Wastewater Service – Front Range Comparison will be in the target range of +/-5.0% of average
- E. Small Commercial 4-Service Bill – Front Range Comparison will be in the target range of +/- 5.0% of average
- F. Large Commercial/Industrial 4-Service Bill – Front Range Comparison will be in the target range of +/- 5.0% of average
- G. Days Cash on Hand – Current Year will be in the target range of 151–160 days
- H. Days Cash on Hand – 3 Year Average will be in the target range of 151–160 days
- I. Adjusted Debt Service Coverage Current Year will be in the target range of 1.80 – 1.90 times
- J. Adjusted Debt Service Coverage 3 Year Average will be in the target range of 1.80 – 1.90 times
- K. Debt Ratio – Current Year will be in the target range of 54.2 – 50.2%
- L. Debt Ratio – 3 Year Average will be in the target range of 54.2 – 50.2%
- M. Bond Rating will be in the target range of Standard & Poors AA, Moody's Investors Service: Aa2, Fitch Ratings: AA

3. Relationships:

- A. Customer Satisfaction – Residential will be in the target range of 2.50 – 3.49
- B. Customer Satisfaction – Business will be in the target range of 2.50 – 3.49
- C. Environmental Index will be in the target range of 75.00 – 85.99
- D. Safety: Occupational Injuries and Illnesses Rate will be in the target range of +/- 10% of Benchmark
- E. Workforce Index – Workforce Index will be in the target range of 2.70 – 3.49

Appendix

APPENDIX

Document Title:	City Charter Related to Colorado Springs Utilities Governance (Charter, Article 6)
	City Code Related to Colorado Springs Utilities Governance (Chapter 12)
	City Code of Ethics
	Utilities Board Bylaws
	Utilities Policy Advisory Committee Bylaws



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Excellence in Governance Policy Manual Revisions

April 20, 2026

Revisions

- Proposing two minor revisions to the Instructions to the CEO to ensure alignment with current internal policy and to support more efficient use of Utilities Board Members' time.
 - I-8, Asset Protection
 - I-13, Community Investment



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EXCELLENCE IN GOVERNANCE POLICY MANUAL

I-8, Asset Protection

The Chief Executive Officer shall direct that enterprise assets are protected, adequately maintained, and not unnecessarily risked.

- Report currently requires bi-annual reporting to the Utilities Board and annual review from the City Auditor.
- Since most of the report's content does not change significantly on a bi-annual basis, an annual reporting cycle is more appropriate and ensures alignment with the audit schedule.
- **Recommendation:** Change reporting cycle from bi-annual to annual.

I-13, Community Investment

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

- In November 2024, an internal policy was implemented directing that the Community Focus Fund (CFF) budget allocation to non-profit organizations be administered exclusively through the Colorado Springs Utilities Foundation for the Project COPE program.
- Section five of the current I-13 policy has become obsolete, as the organization no longer distributes funds to community-oriented organizations through an application-based process.
- **Recommendation:** Remove this section from the I-13 policy to ensure alignment and consistency with the updated internal policy.

Next Steps

- **Working Committee:** April 20, 2026 for review
- **Utilities Board:** May 20, 2026 for final approval



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Reimbursement Resolution

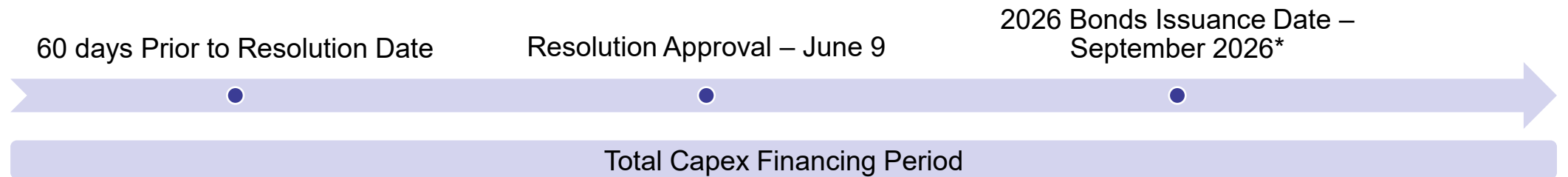
Adam Hegstrom
Treasury and Finance Manager
April 20, 2026

Capital Financing Cycle

- Springs Utilities' 2026 Bond financing cycle runs from September 2026 through September 2027
 - 2026 Bond proceeds used to finance CapEx incurred from the issuance date forward



- A Reimbursement Resolution provides flexibility for financing 2026 CapEx
 - Authorizes the Utilities to utilize the 2026 Bond proceeds to finance CapEx incurred up to 60 days prior to resolution approval date through bond issuance date



Next Steps

Event	Date
<i>Plan of Finance Overview Presentation to Working Committee</i>	<i>Monday, March 16, 2026</i>
Reimbursement Resolution Presentation to Working Committee	Monday, April 20, 2026
Reimbursement Resolution Presentation to Utilities Board	Wednesday, May 20, 2026
Reimbursement Resolution Reading and Vote at City Council	Tuesday, June 9, 2026



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RESOLUTION NO. 26-__

A RESOLUTION OF THE CITY OF COLORADO SPRINGS,
COLORADO REGARDING THE CITY'S INTENTION TO ISSUE
TAX-EXEMPT OBLIGATIONS.

WHEREAS, the City of Colorado Springs, Colorado (the "City") is a municipal corporation and a home rule city duly organized and existing under the laws of the State of Colorado and in particular under the provisions of Article XX of the Constitution of the State of Colorado and the Charter of the City (the "Charter"); and

WHEREAS, the City now owns and operates a municipal water system, electric light and power system, gas system, wastewater system and certain other systems heretofore designated by the City Council (the "Council") of the City, constituting the Utilities created by the Charter; and

WHEREAS, the City desires to finance the costs of acquiring certain public facilities and improvements, as provided in Exhibit A attached hereto and incorporated herein (the "Project"); and

WHEREAS, the City intends to finance the acquisition of the Project or portions of the Project with the proceeds of the sale of obligations the interest upon which is excluded from gross income for federal income tax purposes (the "Obligations").

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

Section 1. The City hereby states its intention and reasonably expects to reimburse Project costs incurred prior to the issuance of the Obligations with proceeds of the Obligations. Exhibit A describes either the general character, type, purpose, and function of the Project, or the fund or account from which Project costs are to be paid and the general functional purpose of the fund or account.

Section 2. The reasonably expected maximum principal amount of the Obligations that is anticipated to be used for such reimbursement is \$750,000,000.

Section 3. This resolution is being adopted not later than sixty (60) days after the date that the City expended monies for the portion of the Project costs to be reimbursed from proceeds of the Obligations (the "Expenditures Date or Dates").

Section 4. Except as described below, the expected date of issue of the Obligations will be within eighteen months of the later of the Expenditure Date or Dates and the date the Project is placed in service; provided, the reimbursement may not be made more than three years after the original expenditure is paid. For Obligations subject to the small issuer exception of Section 148(f)(4)(D) of the Internal Revenue Code, the "eighteen-month limit" of the previous sentence is changed to "three years" and the limitation of the previous sentence beginning with "; provided," is not applicable.

Section 5. Proceeds of the Obligations to be used to reimburse for Project costs are not expected to be used, within one year of reimbursement, directly or indirectly to pay debt service with respect to any obligation (other than to pay current debt service coming due within the next succeeding one year period on any tax-exempt obligation of the City (other than the Obligations)) or to be held as a reasonably required reserve or replacement fund with respect to an obligation of the City or any entity

related in any manner to the City, or to reimburse any expenditure that was originally paid with the proceeds of any obligation, or to replace funds that are or will be used in such manner.

Section 6. This resolution is consistent with the budgetary and financial circumstances of the City, as of the date hereof. No monies from sources other than the Obligation issue are, or are reasonably expected to be reserved, allocated on a long-term basis, or otherwise set aside by the City (or any related party) pursuant to their budget or financial policies with respect to the Project costs. To the best of our knowledge, this City Council is not aware of the previous adoption of official intents by the City that have been made as a matter of course for the purpose of reimbursing expenditures and for which tax-exempt obligations have not been issued.

Section 7. The limitations described in Section 4 and Section 5 do not apply to (a) costs of issuance of the Obligations, (b) an amount not in excess of the lesser of \$100,000 or five percent (5%) of the proceeds of the Obligations, or (c) any preliminary expenditures, such as architectural, engineering, surveying, soil testing, and similar costs other than land acquisition, site preparation, and similar costs incident to commencement of construction, not in excess of twenty percent (20%) of the aggregate issue price of the Obligations that finances the Project for which the preliminary expenditures were incurred.

Section 8. This resolution is adopted as an official action of the City in order to comply with Treasury Regulation § 1.150-2 and any other regulations of the Internal Revenue Service relating to the qualification for reimbursement of the City expenditures incurred prior to the date of issue of the Obligations, is part of the City's official proceedings, and will be available for inspection by the general public at the main administrative office of the City.

Section 9. All bylaws, orders, resolutions and ordinances of the City, or parts thereof, inconsistent herewith are hereby repealed to the extent only of such inconsistency. This repealer shall not be construed to revive any other such bylaw, order, resolution or ordinance of the City, or part thereof, heretofore repealed.

Section 10. If any section, subsection, paragraph, clause or other provision of this resolution for any reason is invalid or unenforceable, the invalidity or unenforceability of such section, subsection, paragraph, clause or other provision shall not affect any of the remaining provisions of this resolution.

Section 11. This resolution shall take effect immediately upon its adoption.

DATED at Colorado Springs, Colorado this ____ day of _____, 2026.

Lynette Crow-Iverson, Council President

ATTEST:

Sarah B. Johnson, City Clerk

EXHIBIT A

DESCRIPTION OF PROJECT

Extend, better, otherwise improve and equip the municipal water system, electric light and power system, gas system, wastewater system and certain other systems of the City constituting the Utilities.



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Solar Focus Groups

Working Committee

April 20, 2026

Summary of Process

Concepts Covered

- Understanding of cost shift and rate modernization
- Perspectives on potential rollout approaches for a net metering rate
- Interest and opinions of battery storage

Participant Summary

- 12 solar customers and 8 non-solar customers attended
- Recruiting based on diverse demographics
 - Home ownership
 - Generation
 - Income
 - Length of time as a customer
 - Solar: Engagement level
 - Non-solar: Solar consideration

Solar Group Insights

Cost Shift

Terminology such as “*limitation*” was perceived negatively

Skepticism remains regarding the existence of a cost shift

Rate Modernization

Participants requested industry benchmarks and comparative studies

Grid access fee was preferred for its perceived stability and predictability

Concerns that changes to solar rates could deter future adoption

Solar Group Insights

Rollout of Change

Participants emphasized recognition of customer prior investment

Strong need for clear and transparent communication, education and change management

Rollout should consider investment level, production levels and prior commitments

Preference for applying changes to new customers first

Battery Storage

Viewed as a potential future system enhancement

Additional upfront cost was seen as prohibitive

Concerns were raised about battery degradation and lifecycle

Interest in utility-provided storage solutions at both individual and grid levels

Reliability, Fairness and Other Considerations

Participants believe solar contributes to overall grid reliability

Emphasized fairness over equality in rate design

Suggested Utilities-vetted installation providers

Requested individualized power usage profiles to help customers understand impacts

Non-Solar Group Insights

Cost Shift

If it improves reliability, customers viewed a \$2 monthly contribution toward solar as reasonable, while amounts above \$5 were generally seen as excessive

Participants emphasized the need for greater transparency and ongoing monitoring as solar adoption continues to grow

Several customers noted a perceived tipping point when monthly charges increased from \$5 to \$8

Concerns were raised regarding the impact on low-income customers, with some concerned any additional cost would be burdensome

Transition Process

Customers found the differences in service needs between solar and non-solar customers difficult to understand

Several participants expressed the view that solar customers enhance grid reliability

Non-Solar Group Insights

Solar Adoption Maturity

The primary distinction between solar and non-solar customers lies in daytime usage; nighttime usage remains consistent across both groups

The absence of solar adoption does not indicate opposition; for many customers, it is simply not a suitable option given their individual circumstances

Participants noted a general expectation solar costs will fall as adoption becomes more widespread

Battery Storage

Sourcing, manufacturing, recycling and safety of batteries is a concern

Belief battery technology will continue to advance improving lifecycle, safety and manufacturing limitations

Colorado Springs Utilities should provide battery storage for customers to support reliability and peak demand

Consistent Themes

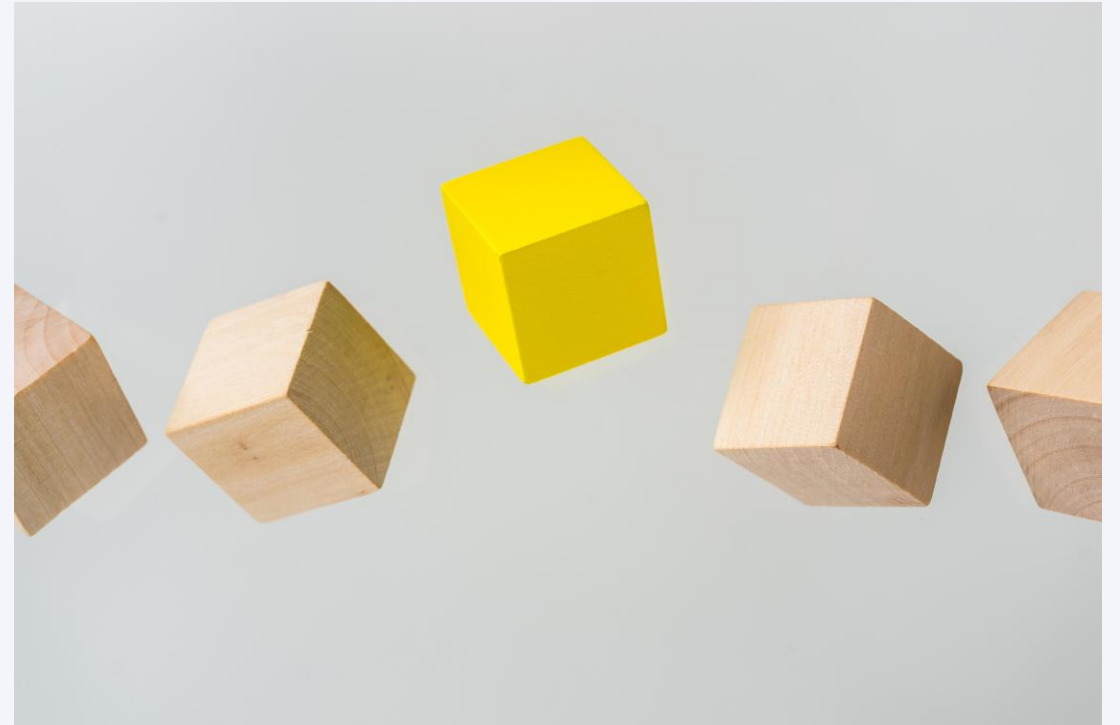
- Cost shift was a difficult concept to explain
- Participants from both groups wanted to understand Colorado Springs Utilities' position on rooftop solar
- Ongoing education is needed to support both prospective and current solar customers as technology and rates continue to evolve
- Communication about rate changes, cost shifts, and solar adoption must be clear, transparent, and easy for customers to understand
- Both groups believed residential solar generation increases the reliability of the system



Differing Viewpoints

- Cost shift definitions
 - Solar customers preferred Statements* A and C as more neutral while non-solar customers showed preference for Statement B as a reflection of the objective statement
- Understanding of the solar process
 - Non-solar customers were generally less familiar with solar concepts
- Solar customers sought acknowledgment of their investment, while non-solar customers viewed it as an individual choice

*See appendix for statements



Key Observations

Solar customers view themselves as meaningful contributors to the utility's generation portfolio and believe their investments strengthen system performance.

Because of the perception of increased reliability, non-solar customers expressed willingness to absorb the incremental costs currently embedded in rates, though they indicated they might respond differently to additional charges.

While nearly half of respondents on the solar survey indicated Market-Based rates were generally acceptable, focus group participants felt they would discourage solar adoption. A Grid Access Fee was the preferred approach for its predictability and stability and was favored over other options proposed.

Solar customers placed high importance on the production they contribute back to the system.

Solar was broadly associated with high reliability, but the distinction between generation and transmission was not made.

Notable Quotes

**Solar
Customer
Comments**

“It's a Colorado Springs asset. It's not some national corporation that's out to make money.”

“There needs to be some level of acknowledgement of people's investments into the infrastructure where they're producing electricity that the utility company did not invest in.”

“This is being added on as a retroactive change to prior invested capital.”

“Fair does not have to mean equal.”

**Non-solar
Customer
Comments**

“...For all of our rates... you have the amount that you pay, which is supposed to pay for [infrastructure and delivery] and then we have your fuel cost essentially. So wouldn't the part that's paid to maintain all of that be the same for solar versus non-solar?”

“What [an extra cost per month for non-solar customers] may mean for somebody who's still working, your answer is gonna be different than for somebody who's 80 years old and has no choice.”

“This conversation is going to have to be had every year because things are going to change that quickly.”

Next Steps

- Rate information at the May Working Committee meeting
- Present draft rate proposal at the June Working Committee and Utilities Board meetings
- Rate filing at City Council in July

Appendix

Cost Shift Definitions Presented

Statement A: Cost shift refers to a limitation of existing rate structures that treat all kilowatt-hours as equal, even though the cost of producing electricity varies by time of day, season, and system conditions.

Statement B: Cost shift occurs when some customers pay less than the cost required to serve them because of how rates are structured, and the remaining revenue needed to operate the system is collected from other customers.

Statement C: Cost shift describes a mismatch between when solar customers generate electricity and when they consume it. Under current rates, electricity produced during lower-cost daytime hours is credited at the same value as electricity used during higher-cost evening hours, requiring the utility to recover the cost difference elsewhere in the rate structure.

Rate Structure Solutions Definitions Presented

- **Demand Charge:** A demand charge is based on the highest amount of electricity used during a short period of time, usually during peak hours.
- **Market Based / Time of Day Rates (Energy Wise):** Under net billing, electricity produced by solar panels is credited based on when it is generated, rather than at the full retail rate. Time-of-day rates mean the price of electricity changes based on when it is used.
- **Access Fee / Grid Access Fee (Solar Specific):** A grid access fee is a monthly charge that helps cover the cost of keeping the electric grid available for customers with solar.



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Electric Integrated Resource Plan (EIRP) April Update

David Longrie – Manager Energy Resource Planning and
Innovation

Troy Bass – Supervisor Energy Resource Planning

Electric Planning Strategic Drivers



Reliability and
Resiliency



Customer Needs



Regulatory
Requirements



Load and
Technological
Shifts



Regional Market

Major Projects

- Supply Side Resources
 - 150 MW South Plant natural gas units
 - 175 MW Pike Solar array
 - 400 MW natural gas units (Horizon)
 - 100 MW Four-hour Battery at Fuller
 - 100 MW Four-hour Battery at Horizon
- Customer Side Resources
 - 14 MW peak reduction through Peak Energy Rewards program
 - Clean Heat Plan execution

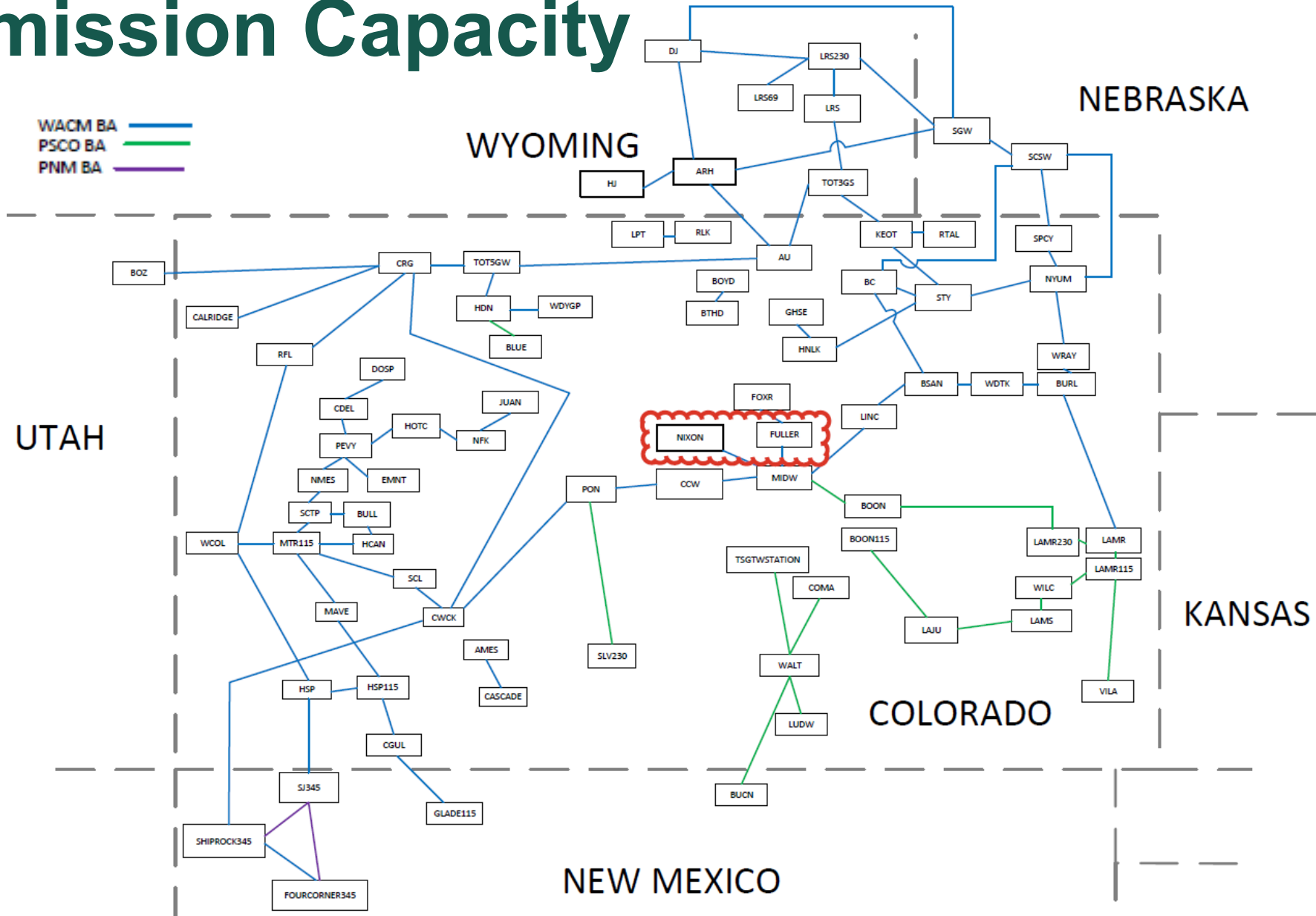


Generation Resource Retirements

- 2022 – Martin Drake Coal (208 MW)
- 2025 – Birdsall Natural Gas (54 MW)



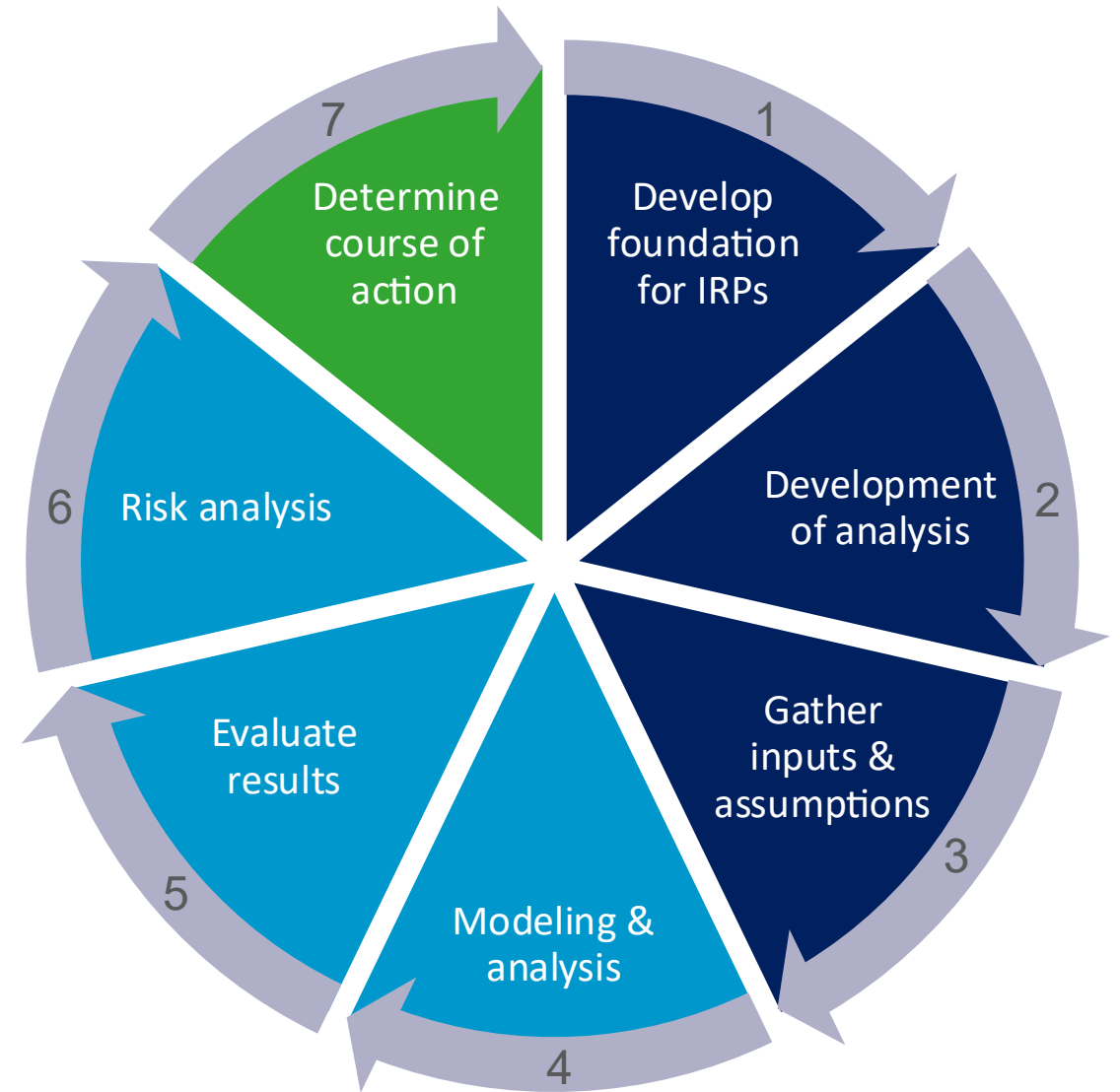
Transmission Capacity



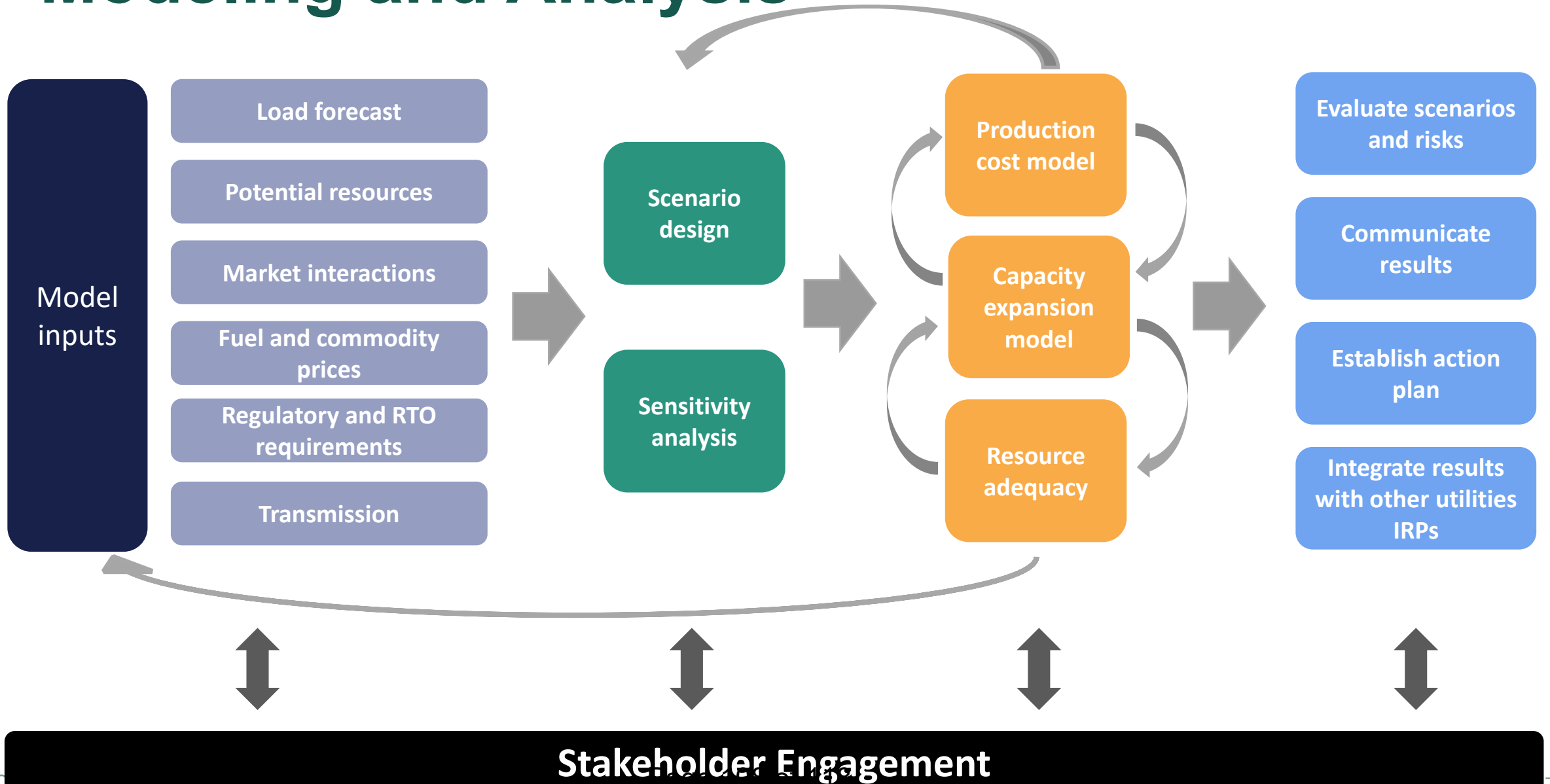
IRP Process

An electric integrated resource plan (“EIRP”, “IRP”) is a long-term strategic plan for providing cost effective and reliable energy resources to meet the energy needs of our customers

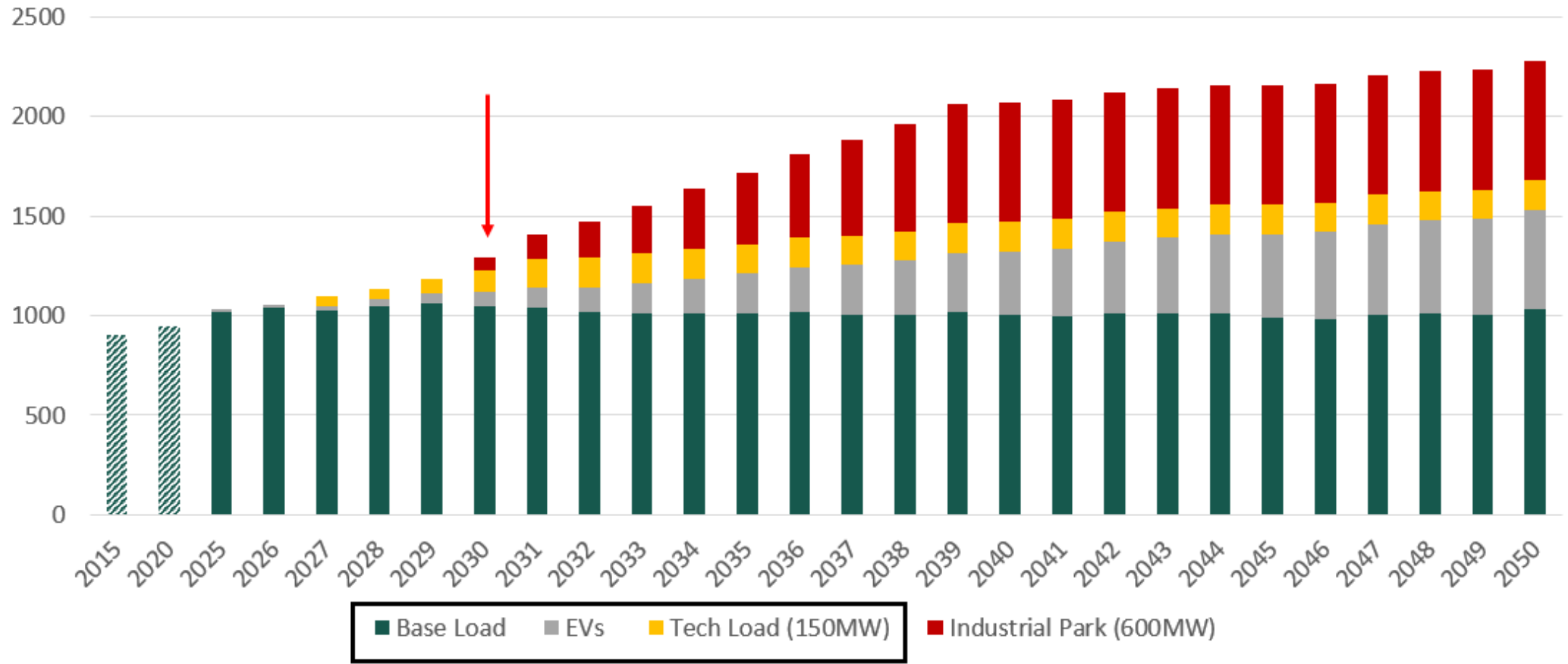
1. Develop Foundation
2. Analyze
3. Recommend



Modeling and Analysis



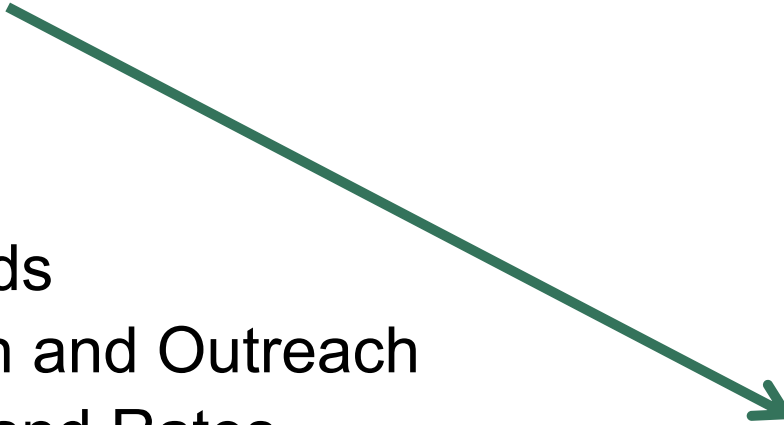
Load Forecast



Demand Side Management

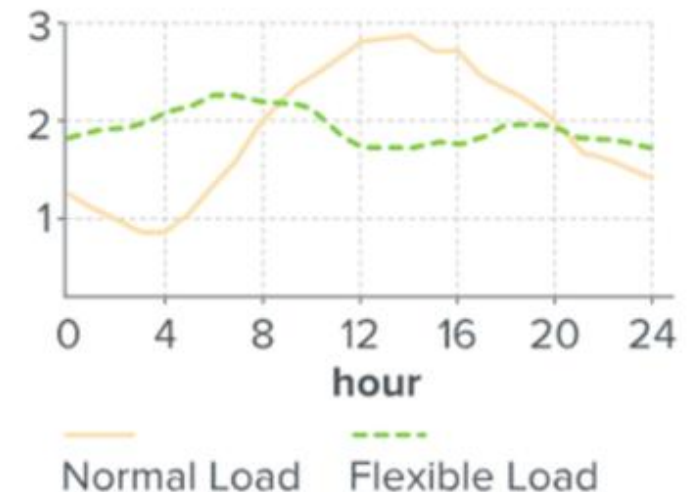
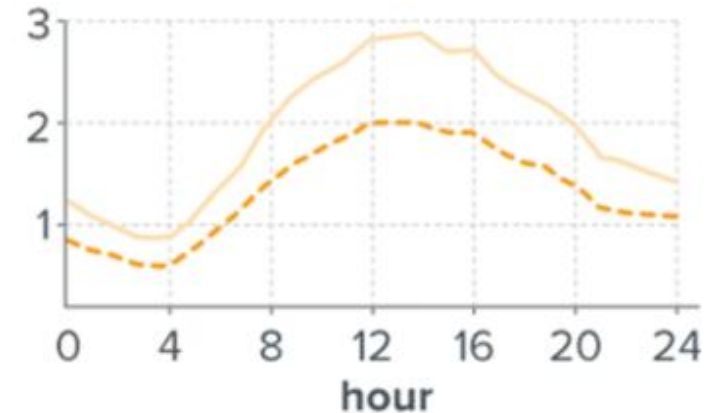
- Strategies

- Energy Efficiency
- Peak Reduction



- Tactics

- Codes and Standards
- Customer Education and Outreach
- Products, Services and Rates
- Electrification
- Distributed Energy Resources



Review Directional Portfolios

Next Steps

May
18

UB Working
Committee

June
17

Present final plan to
Utilities Board

Future

Project
Implementation





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Kelker-South Plant Transmission Line Update

Sarah LaBarre

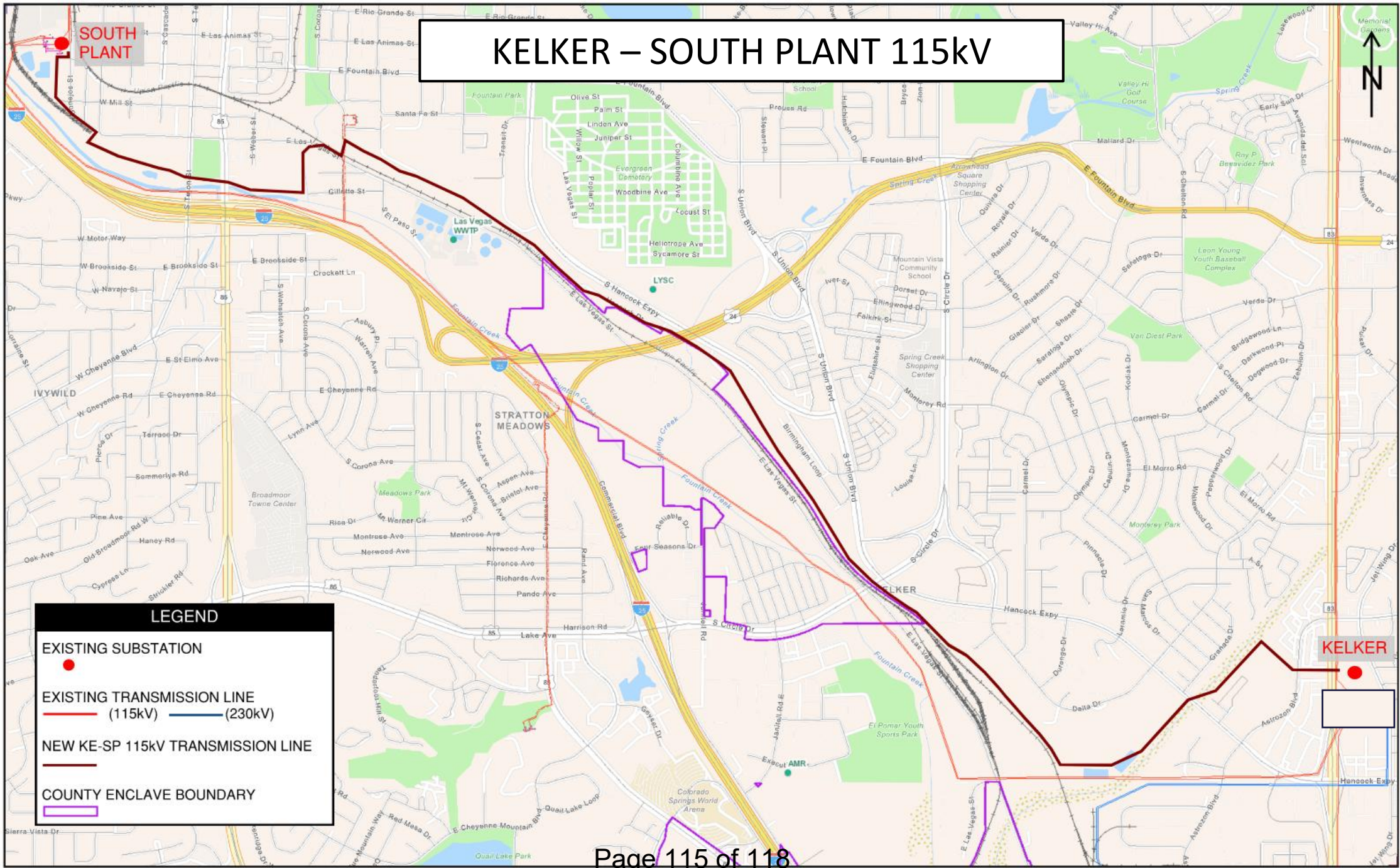
Electric and Gas Design Manager

April 20, 2026

Kelker-South Plant Transmission Line

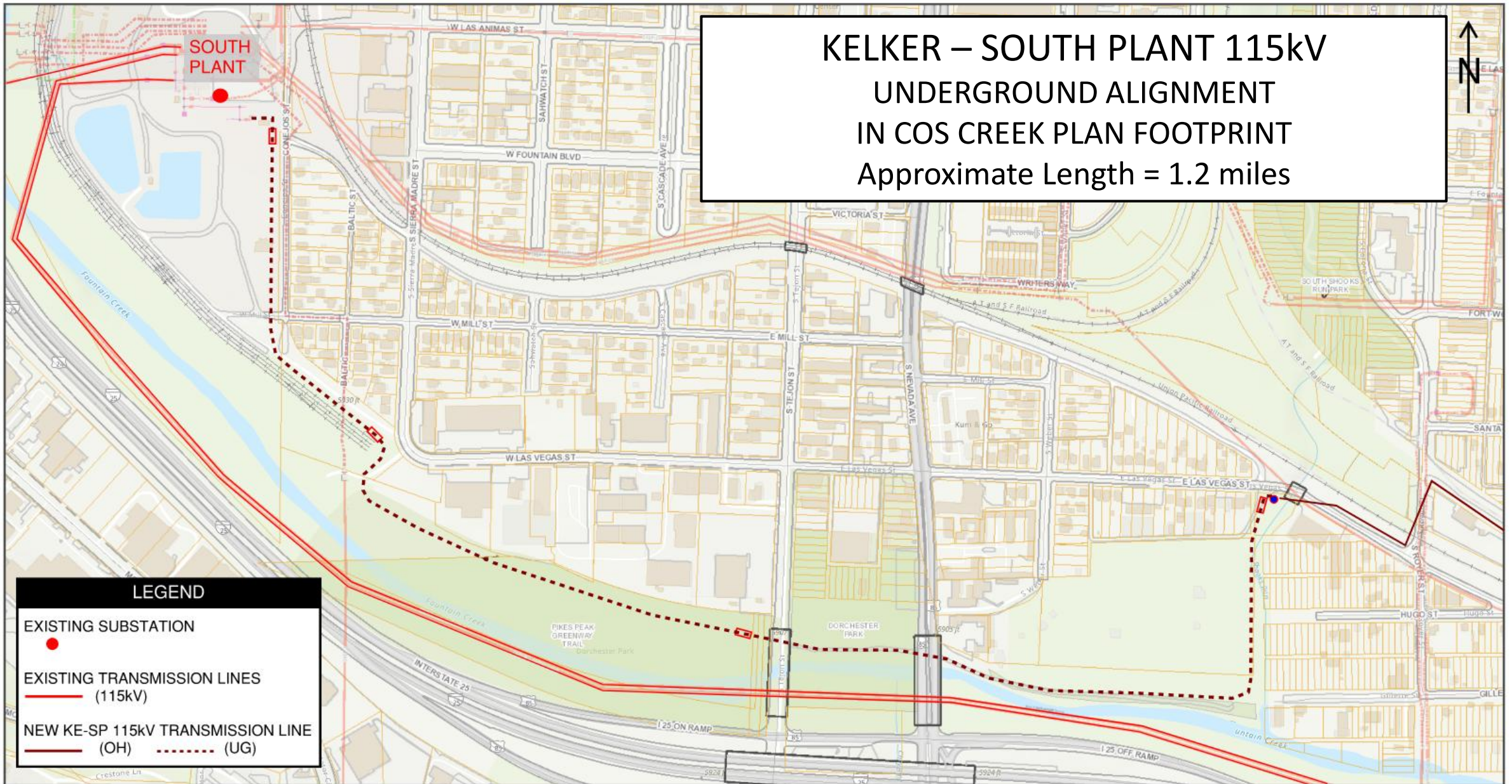
- New 115kV Transmission Line
 - 5.5 miles connecting Kelker Substation to South Plant Substation
- May 2024 Utility Board Resolution
 - Resolution No. 24-02: A resolution directing the CEO to underground portions of the Kelker-South Plant 115kV Transmission Line within the footprint of the COS Creek Plan
 - Approximately 1.2 miles of underground transmission line
- Project status:
 - Design will be issued for construction in Q2 2026
 - Contractor preparing Guaranteed Maximum Price for construction
 - Construction starting in Q3 2026

KELKER – SOUTH PLANT 115kV



LEGEND

- EXISTING SUBSTATION (Red dot)
- EXISTING TRANSMISSION LINE (115kV - Red line, 230kV - Blue line)
- NEW KE-SP 115kV TRANSMISSION LINE (Thick brown line)
- COUNTY ENCLAVE BOUNDARY (Purple line)



Cost Estimate Update

2024 Preliminary Estimate:

• Overhead Portion:	\$ 17,800,000
• Underground Portion:	<u>\$ 8,800,000</u>
	\$ 26,600,000

2026 Updated Estimate:

• Overhead Portion:	\$ 22,000,000
• Underground Portion:	<u>\$ 20,000,000</u>
	\$ 42,600,000

Key Drivers for Increase:

- Increased material and labor costs
- Horizontal directional bore versus open trench
- Increased estimate accuracy based on progression of design and final routing



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