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

AGENDA
August 17, 2026
Join the meeting now
Dial in by phone
+1 719-733-3651,,664235749#

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

9:00 a.m.	Call to Order Pursuant to the Colorado Open Meetings Law and the City Charter, since three or more members of the Utilities Board may be attending this public meeting, it is noticed and open to the public. Pursuant to the Utilities Board Bylaws, this Committee of the Utilities Board will not accept public comments at this meeting.	Chair Donelson
9:05 a.m.	Safety Moment: E-Bike and E-Scooter Safety	Nicholas Peters, Chief System Planning and Projects Officer
9:10 a.m.	Compliance Reports:	
	• I-4 Risk Management (Semi-annual)	John Hunter, Manager of Financial Planning and Risk
	• I-9 Treatment of Customers and Customer Information (Annual)	Mike Francolino, Chief Customer and Enterprise Services Officer
	• E-2 CEO/Board Partnership Responsibilities – CEO Responsibilities 1. Electric Cost Adjustment/Gas Cost Adjustment Update	Scott Shirola, Pricing and Rates Manager
9:45 a.m.	Southwest Power Pool Market Update	Alex Baird, General Manager of Fuels and Purchase Power
10:30 a.m.	2027 Budget Presentation	John Hunter, Manager of Financial Planning and Risk
11:25 a.m.	Update on the Plan of Finance	Adam Hegstrom, Treasury and Finance Manager
11:30 a.m.	Adjournment	Chair Donelson

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E-Bike and E-Scooter Safety

Nicholas Peters
Chief System Planning and Projects Officer

August 17, 2026

E-Bike and E-Scooter Dangers

E-bikes can travel 20-28 MPH

Traditional bike helmets are not enough

Children and inexperienced riders:

Overestimate ability

Underestimate stopping distances

Have limited experience with traffic

Are more likely to take risks or become distracted

Most Common Injuries

E-bikes	Head Neck Face
E-scooters	Arms Wrists Ankles

184%
Increase in traumatic injuries at Children's Colorado Anschutz related to e-bikes between 2024-25

84%
Increase in traumatic injuries at Children's Colorado Anschutz related to e-scooters between 2024-25

33%
E-bike or e-scooter traumatic injuries at Children's Colorado that involved an automobile

Safety Tips

E-bike:
- Helmet that matches the class of bike
- Traditional bike helmets will not protect at higher speeds

E-scooters:
- Helmet
- Wrist guard
- Elbow pad
- Knee pad

Review with children:
- Risks of increased speed
- Rules of the road

Know the Classification

Classification of E-bikes

Class 1	An electric bicycle that only provides assistance when the rider is pedaling; the motor ceases at 20 miles per hour (mph).
Class 2	An electric bicycle that provides assistance regardless of whether the rider is pedaling; the motor ceases at 20 mph.
Class 3	An electric bicycle that provides assistance only when the rider is pedaling; the motor ceases at 28 mph. Class 3 electric bicycles must have a speedometer.

Classification of E-Scooters

Weighing less than 100 pounds;

- With handlebars and an electric motor;
- That is powered by an electric motor; and
- That has a maximum speed of 20 miles per hour on a paved level surface when powered solely by the electric motor.

Know the Rules

On Streets:	All classes of e-bikes are permitted on public streets and bike lanes
On Trails:	Class 1 are permitted on select trails
	Class 2 and 3 are prohibited on trails
In Open Space:	All classes of e-bikes are prohibited on city open spaces unless signed otherwise

3 Habits to Prevent Crashes

Slow Down

- Most severe injuries occur after loss of control at higher speeds. Ride at a speed appropriate for your skill and surroundings.

Stay Visible

- Wear bright clothing and use front and rear lights, even during daylight hours.

Ride Like a Vehicle

- Follow traffic signs, ride predictably, and stay alert. E-bike and e-scooter riders have many of the same responsibilities as motorists.

Before Setting Out

Understand the dangers

Have the right protection

Know the rules


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Date: August 17, 2026

To: Utilities Board

From: Travas Deal, Chief Executive Officer

Subject: **Excellence in Governance Monitoring Report**
Risk Management (I-4)

Desired Action: Monitoring

Compliance: The CEO reports compliance with the instructions.

INSTRUCTIONS			
Category:	**Utilities Board Instructions to the Chief Executive Officer**	Reporting Timeframe:	**January 1, 2026 – June 30, 2026**
Policy Title (Number):	**Risk Management (I-4)**	Reviewing Committee:	**Working Committee**
Monitoring Type:	**Internal and City Auditor**	Monitoring Frequency:	**Semi-Annual and Annual**

The Chief Executive Officer shall direct that the enterprise maintains enterprise risk management activities that identify, assess and prudently manage a variety of risks including strategic, financial, operational, legal and hazard. Accordingly, the CEO shall:

1. Maintain a Risk Management Committee to identify, measure, monitor, manage and report risk on an enterprise-wide basis.

A Risk Management Committee (RMC) was maintained with a structure and procedures specified in the Enterprise Risk Management (ERM) Plan. RMC meetings were restructured to capture a top-down approach to risk management. Elements at each scheduled RMC meeting included:

- Enterprise risk registry – A tracking tool is used to identify, measure, monitor, and report on risks. This tracking tool incorporates elements of the Financial Risk Report, which monitors energy and interest rate market risks and various financial risks.
- Special topic review – Reporting of current projects and their efforts to manage and/or mitigate identified risks and special topics.

2. *Operate under and maintain a written Enterprise Risk Management (ERM) Plan and its required plans listed below that each include management level approval, detailed procedures, internal controls and reporting requirements, and external audits.*

The Enterprise Risk Management (ERM) Plan was maintained and is currently approved. Due to the continuous evaluation of business needs of Colorado Springs Utilities, the ERM Plan was revised to better align with the risks the organization is, and will be, facing. This plan has been revised to incorporate appropriate policies and procedures in alignment with joining the Southwest Power Pool.

The current ERM Plan ensured risks were identified, measured, monitored, managed, and reported for each of the five risk categories.

A. Energy Risk Management Plan - establishes procedures for limiting organizational exposure to price volatility and supports the acquisition or sale of energy that does not unreasonably jeopardize the ability to meet customer needs.

The Energy Risk Management Plan was revised and remains current, with updates to address the exposure introduced by participation in the Southwest Power Pool Integrated Market. Further updates to delegated authority, credit, and hedging governance are under review. The Plan continues to govern identification and reporting of energy commodity risks to operational groups and executive management, along with the controls supporting trade and settlement activities in these markets.

B. Investment Plan - establishes investment scope, objectives, delegation of authority, standards of prudence, eligible investments and transactions, risk tolerance and safekeeping and custodial procedures for the investment of all funds.

The Investment Plan was maintained and remains current. Compliance was met by the handling of cash management investments with clear delegation of authorities as defined by the plan and adherence to Colorado state law regarding municipal investments.

C. Financial Risk Management Plan - establishes objectives and procedures for minimizing risk to support responsible compliance.

The Financial Risk Management Plan was maintained and remains current. Compliance was met by monitoring, managing, and reporting of the portfolio of financial derivatives and associated counterparties and the enterprise exposure to interest rate risk. During the first half of 2026, Colorado Springs Utilities did not enter any financial derivative transactions which are governed by the plan.

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I-4 Risk Management Report

John Hunter, Manager of Financial Planning & Risk

August 17, 2026

I-4 Excellence in Governance Monitoring Report

- Colorado Springs Utilities maintains a **Risk Management Committee** ("RMC") comprised of executive leadership and SMEs within the organization.
- Meetings occur on a monthly basis, with the **RMC** prepared to take an emergency session to vote on any pressing risk issues.
- The **RMC** maintains a **Risk Registry** that is reviewed as needed at meetings, and is presented annually to the Utilities Board at a closed session.

I-4 Excellence in Governance Monitoring Report

- The RMC maintains an **Enterprise Risk Management Plan**, with sub-plans focused on acute risks within distinct functional areas of the organization.
  - **Energy Risk Management Plan** - establishes procedures for limiting organizational exposure to price volatility while supporting the ability to meet customer needs. This plan was being updated for our entry into the SPP Regional Transmission Organization. Further updates to delegated authority, credit, and hedging governance are under review.
  - **Financial Risk Management Plan** - establishes objectives and procedures for minimizing risk to support responsible compliance. This plan will receive minor updates for our entry into SPP.
  - **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. This plan was most recently updated in January 2024 and remains current.


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Date: August 17, 2025

To: Utilities Board

From: Travas Deal, Chief Executive Officer

Subject: **Excellence in Governance Monitoring Report**
Treatment of Customers and Customer Information (I-9)

Desired Action: Monitoring

Compliance: The CEO reports compliance with the instructions.

INSTRUCTIONS			
Category:	**Utilities Board Instructions to the Chief Executive Officer**	Reporting Timeframe:	**August 1, 2025 – July 31, 2025**
Policy Title (Number):	**Treatment of Customers and Customer Information (I-9)**	Reviewing Committee:	**Working Committee**
Monitoring Type:	**Internal**		
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.*

   Colorado Springs Utilities only collects information needed to perform our business functions. The information we collect is used to manage customers' accounts and the billing process for energy and water services we provide. We also use it to communicate with customers, respond to their questions, provide customer support, improve our services and product offerings, protect against fraud and comply with legal requirements.

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.*

   Customer information is safeguarded with a defense in depth strategy to protect the privacy and security of sensitive information, which includes customer data. Defenses are implemented and configured through software, hardware, policy, contractual agreements, and physical access mechanisms and restricted to Colorado Springs Utilities employees and support staff who have an authorized business purpose.

3. *Comply with Colorado Springs Utilities Tariffs regarding treatment of customers.*

   One of Colorado Springs Utilities' values is People; this is demonstrated by treating customers with dignity, respect and fairness. Consistent compliance with our Tariffs, including the Utilities Rules and Regulations, is one way we ensure we are treating our customers fairly.

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 Colorado Springs Utilities or a mediator, or formal appeal to a hearing officer.*

   Complaints may arise from any issue involving utility services, and when complaints are received they are resolved in a timely and fair manner. In these situations, customers have the option to escalate the dispute through internal staff or further escalate the dispute through an informal review via Colorado Springs Utilities or the Better Business Bureau. Efforts are continually made to resolve customer issues through staff to minimize escalations.

   If the complaint is not resolved through an informal review and a customer feels Colorado Springs Utilities violated their rights or is in violation of our Tariffs, he/she may participate in our Dispute Resolution Procedure as outlined in the Utilities Rules and Regulations on the Colorado Springs Utilities website.

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.*

   The Dispute Resolution Procedure is included in the Utilities Rules and Regulations and is published on Colorado Springs Utilities' website. In addition, staff notifies customers of the Dispute Resolution Procedure when working through escalated issues.

6. *Operate under written and maintained claims procedures that address fair treatment of claimants, legal liability, customer costs and sound business practices.*

   - Claims procedures are governed by the Municipal Government Risk Management Division's established Functional Claim Handling and Processing Procedures Manual.
   - The process is supported by a risk management service-level agreement with Colorado Springs Utilities.
   - Together, these procedures help ensure claimants are treated fairly while addressing

legal liability, customer costs and sound business practices.

7. *Maintain facilities that provide a reasonable level of security and privacy, both visual and aural.*

   Colorado Springs Utilities recognizes the importance of providing facilities to meet the needs of customers. If customers wish to conduct Utilities business in person, they may visit the Utilities Customer Service Center (UCSC) at 111 S. Cascade Avenue. The UCSC is staffed with security personnel and is designed with individual stations to support customer privacy. For remote work, employees are expected to follow established information protection protocols.

8. *Inform customers about services offered.*

   Our customers expect to receive from us timely, helpful information about their utility services. We provide them information about utility safety, energy and water efficiency, customer service and payment assistance programs and operations updates (e.g. major projects, construction advisories, service interruptions, emergency response).

   We use a mix of media channels preferred by our customers. Channels include print and digital/social media, monthly bill inserts, direct mail, electronic publications, public meetings, community events and personal interaction with staff. We also work with local news outlets on a regular basis to inform our customers about services we offer.

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I-9
Treatment of Customers & Customer Information

Mike Francolino, Chief Customer and Enterprise Services Officer

August 17, 2026

CEO Direction

- 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.

Expectations for customer interactions

Clear standards for safe, dignified and confidential service.

01 Only collect information that is necessary

02 Safeguard customer information

03 Treat customers with dignity, respect and fairness

04 Provide avenues for complaints and resolution

05 Provide a safe and secure place to conduct business

06 Inform customers about service offerings


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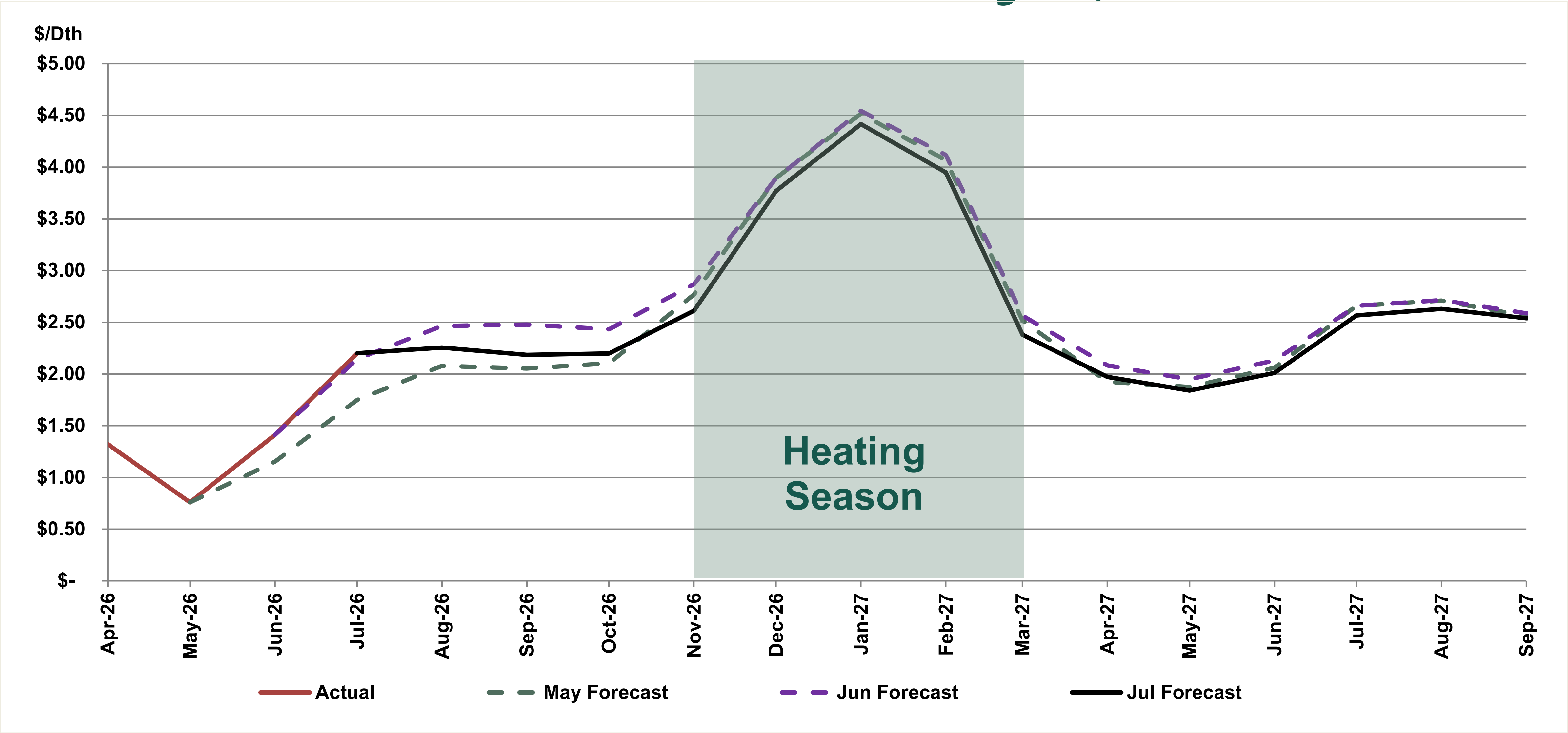
Electric Cost Adjustment
Gas Cost Adjustment

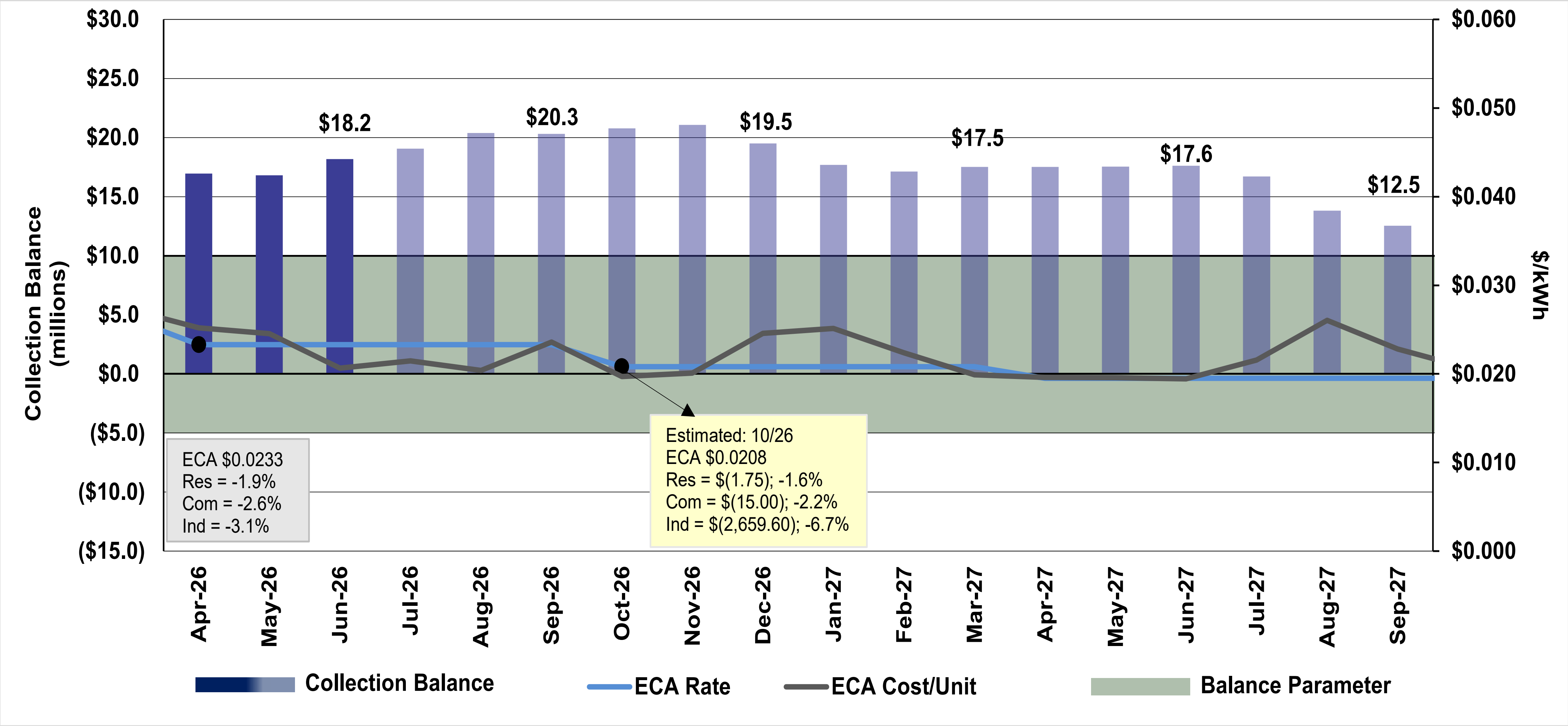
Scott Shirola, Pricing and Rates Manager

August 17, 2026

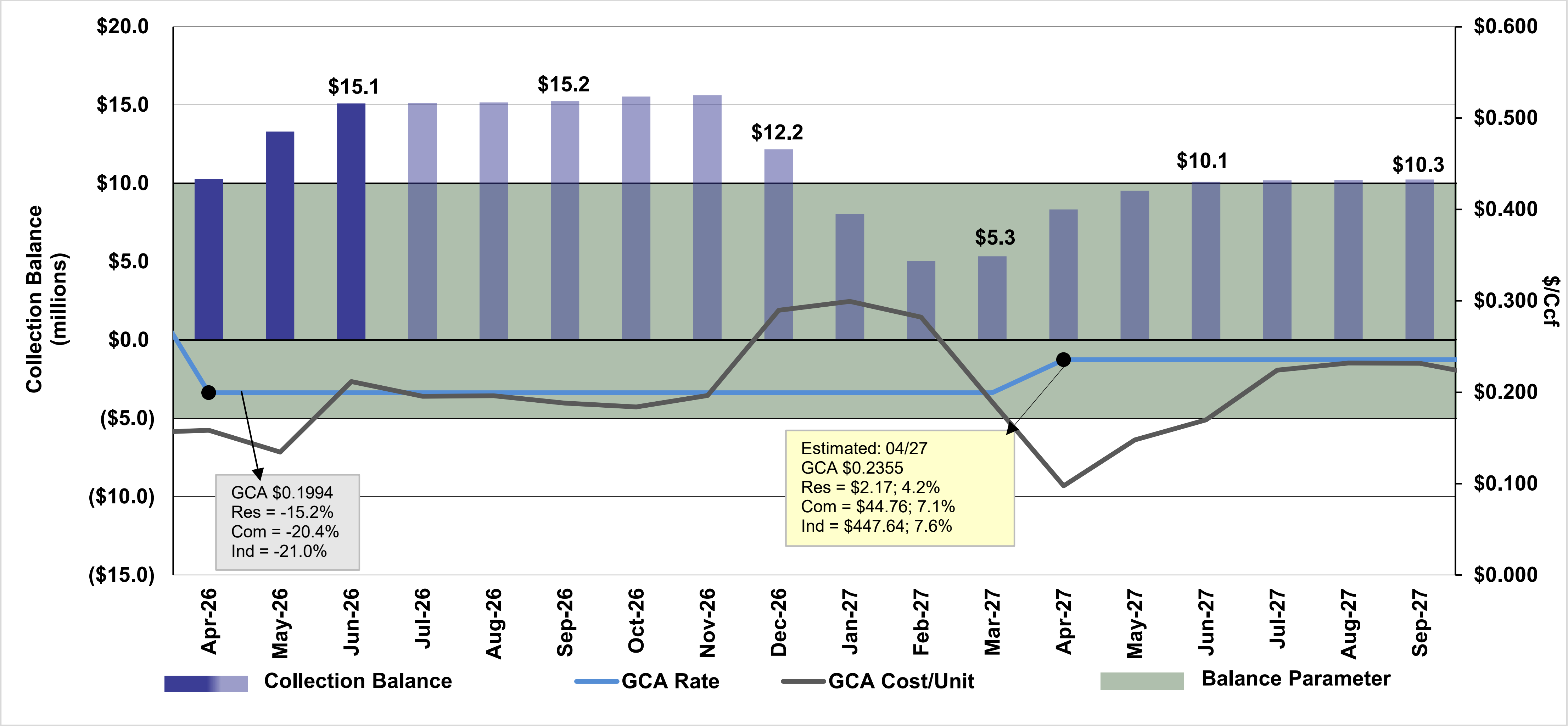
Natural Gas Prices as of July 1, 2026



ECA Projections July 2026



GCA Projections July 2026

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SPP Market Participation Update

August 5th, 2026

Four Pillars of RTO Benefits – Utilities Perspective

Reliability

- Access to a broader resource pool
- Shared reserves across multiple states
- Improved resilience during extreme events

Operational Excellence

- Automated day-ahead and real-time markets
- Better price visibility and situational awareness
- Enhanced resource optimization

Sustainability

- Improved renewable integration
- Reduced renewable curtailment
- Supports IRP & CEP

Regional Influence

- Voting member in regional governance
- Ability to influence market rules
- Participation in regional transmission planning

SPP Strategic Framework 2027-2031

LEAD ON RELIABILITY AND AFFORDABILITY

Strategic Opportunities

- Improve Transmission Planning and Operational Capabilities
- Ensure Long-Term Resource Adequacy

Measures

- Improved Resource Adequacy Sufficiency
- Transmission Efficiency & Value
- Planning and Operations Alignment Consistency Rate

LEAD THE NATION IN ENERGY DEVELOPMENT

Strategic Opportunities

- Drive Faster Connection of Generation
- Deliver Grid Readiness for Significant New Demand Growth
- Accelerate Grid Infrastructure Development

Measures

- Interconnection Cycle Time
- Controllable GIR Queue Throughput
- Transmission Approval Velocity

LEAD ON INTEGRATED INTERREGIONAL CONNECTIVITY

Strategic Opportunities

- Champion Interregional Coordination and Smooth Our Seams
- Strengthen & Deliver Western Expansion Value Proposition

Measures

- Value Delivered to the RTO
- Interregional Seam Efficiency

DRIVE ORGANIZATIONAL EXCELLENCE

Transformational Opportunities

- Embrace Forward-Leaning Approach to Technology and AI
- Future-Ready our People and Culture
- Drive External Visibility and Impactful Communications

Measures

- AI-Powered Transformation Velocity Index
- Workforce Readiness Index
- Stakeholder and market Sentiment Scores

SPP Strategic Priority – Drill Down

Strengthen & Deliver Western Expansion Value Proposition

WHAT: Expand SPP's western RTO and Markets+ footprint to deliver clear, durable value for both existing members and new western participants

WHY: Growing load, reliability risk, and extreme weather in the West increase the need for broader market access and stronger coordination across interconnections

HOW: Deliver on implementation and successful operation of Western services to support shared costs of services, adaptive governance, and gaining access to greater resiliency through the diversity of resources, time zone, and geography

MEASURES TO TRACK SUCCESS:

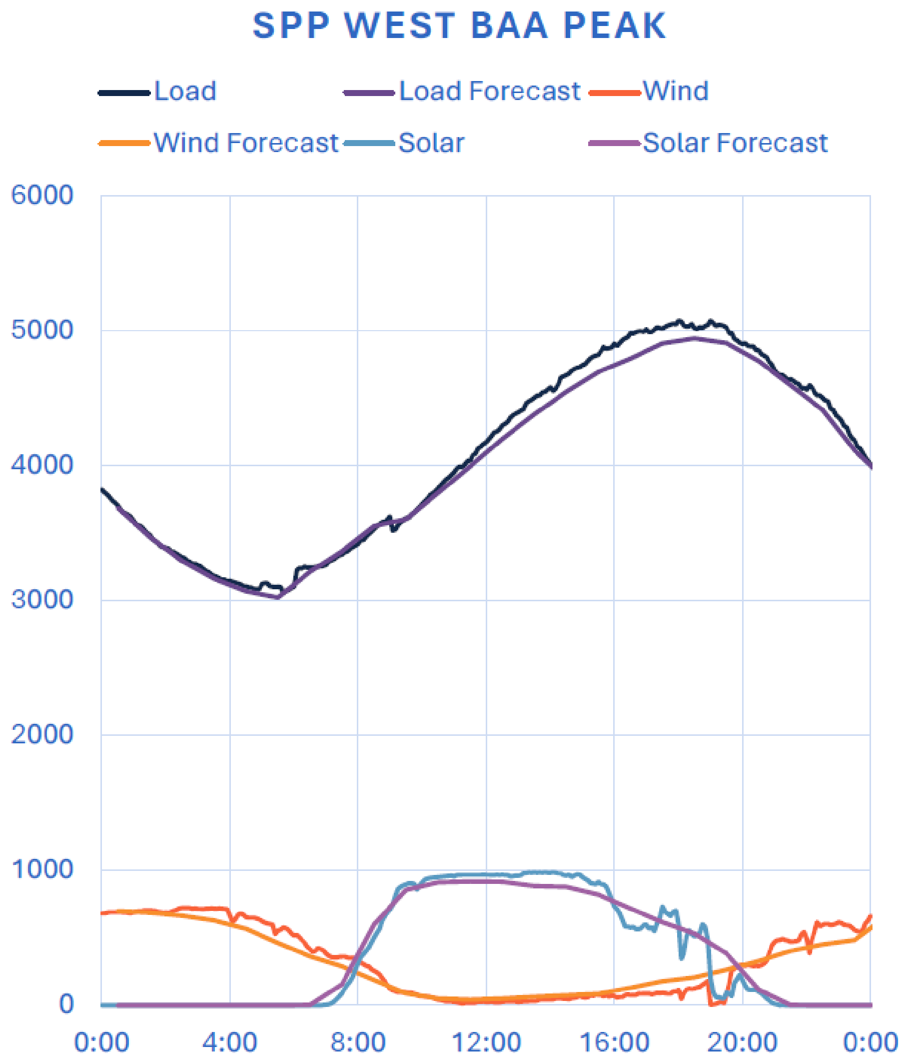
MEASURE 1	MEASURE 2	MEASURE 3
Expansion of RTO services beyond initial footprint	Expansion of Contract Services enabling greater sharing of costs	Implementation of services that bring broader market access

Setting New Peak

Colorado Springs Utilities set all-time peak 1,034 MW

- New Peak Demand: 5,121MW (07/20/2026)
- VER Production at Peak: ~193MW
  - Solar: 187MW
  - Wind: 6MW
- Imports at the Peak: ~1200MW

- SPP issued a Resource Advisory for its West BAA effective July 16, later escalating to Conservative Operations effective July 20 – August 1.
- Long-lead generation and reliability status resources committed



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SWPW – July 24 West BAA Event Timeline

Large import curtailment/adjustments triggered emergency conditions in the SWPW BAA

EEA2	2h 42m	~750 MW	200 MW
Highest level reached	EEA1 to EEA0 (2h 37m in EEA2)	Imports curtailed/adjusted lower	Emergency assistance

19:30 — **Large NSI adjustment effective top of the hour**
This was largely triggered by external tag curtailments

19:59 — **EEA1 declared**
29 minutes after the NSI curtailment took effect

20:04 — **EEA2 declared**
Escalated five minutes after EEA1

20:13 — **Emergency assistance received (200MW)**
100MW initially, additional 100MW next hour

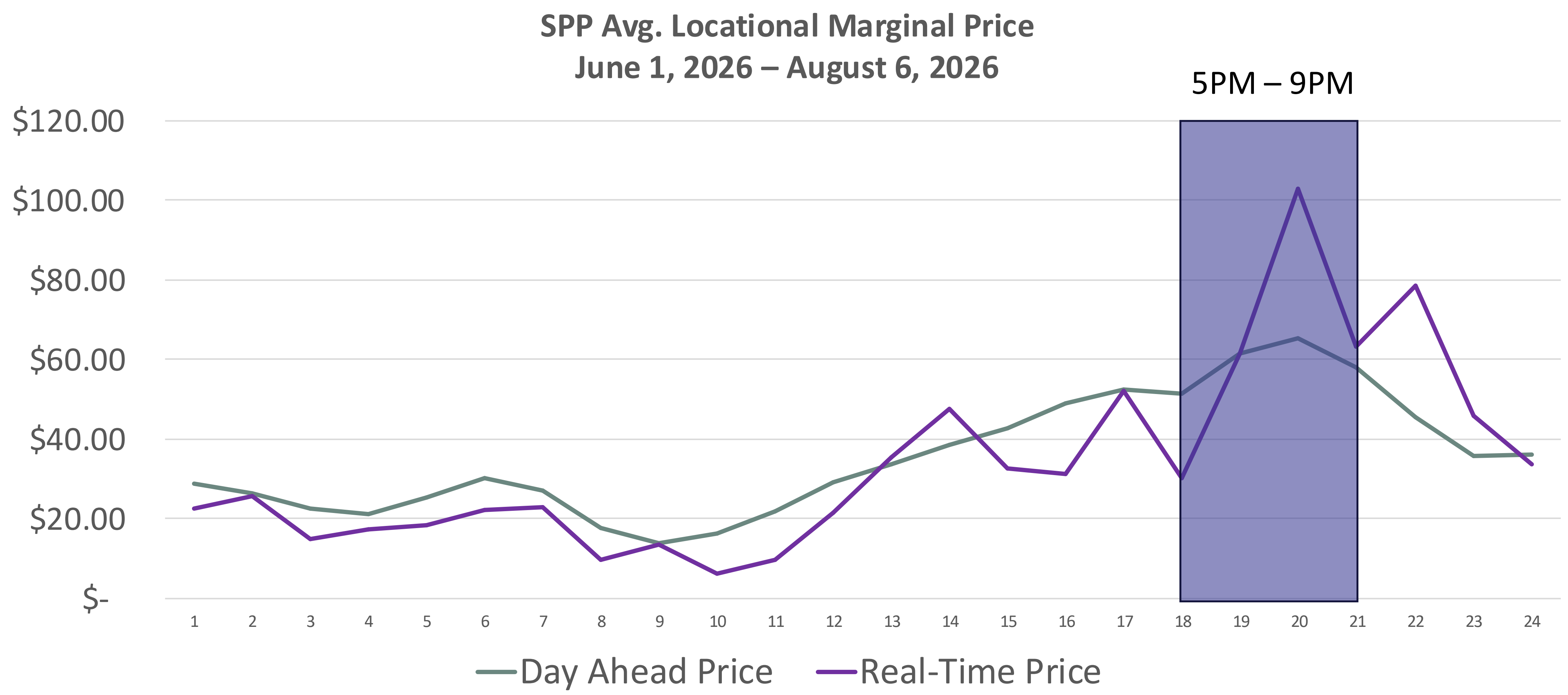
20:46 — **Demand-side management requested**
Interruptible load called on

21:37 — **Interruptible Loads allowed to restore**
Recovering any load that was interrupted

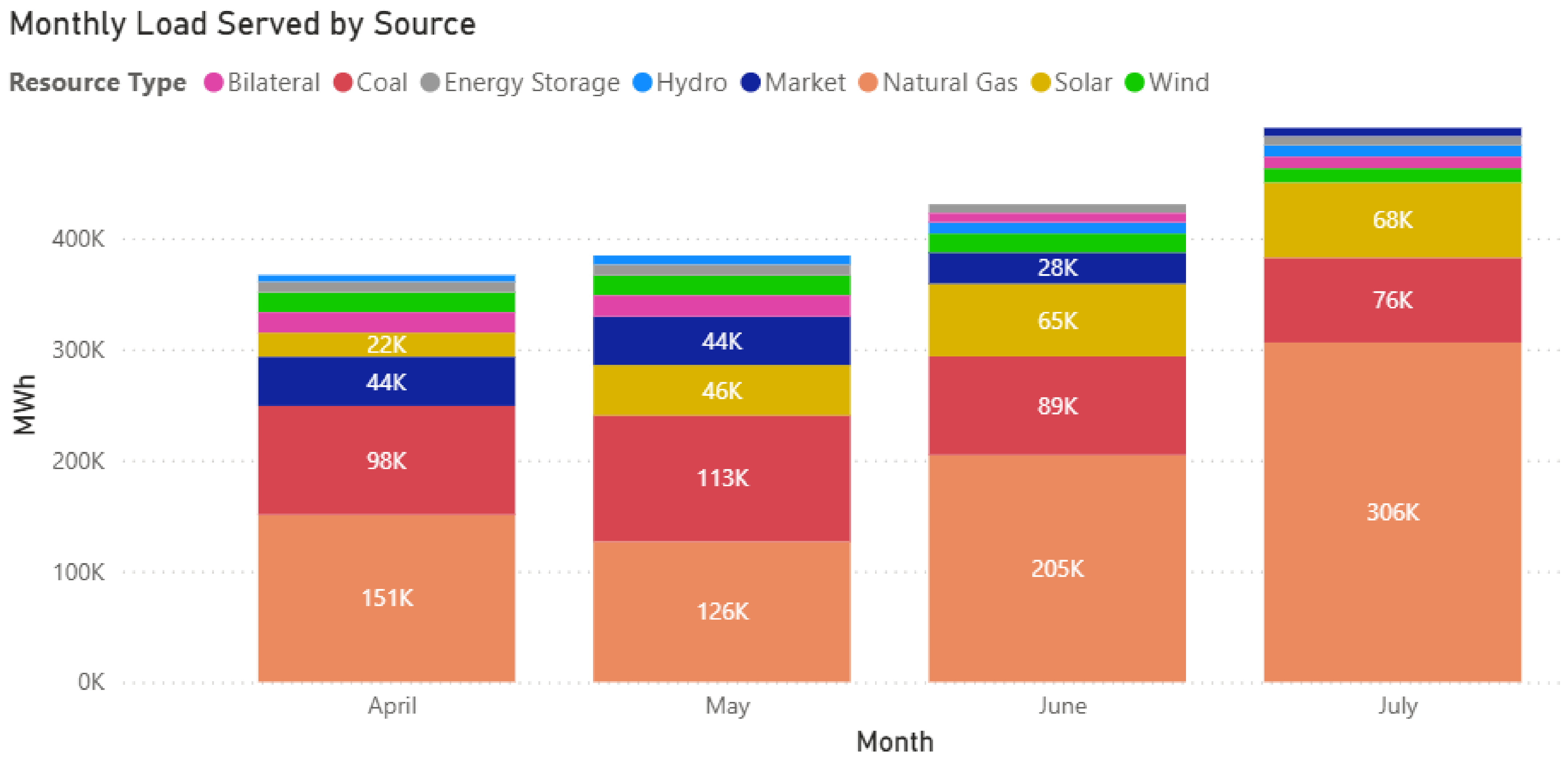
22:26 — **Termination of emergency assistance requested**
External support no longer needed

22:41 — **EEA0 declared**
Event terminated, 2h 42m after EEA1

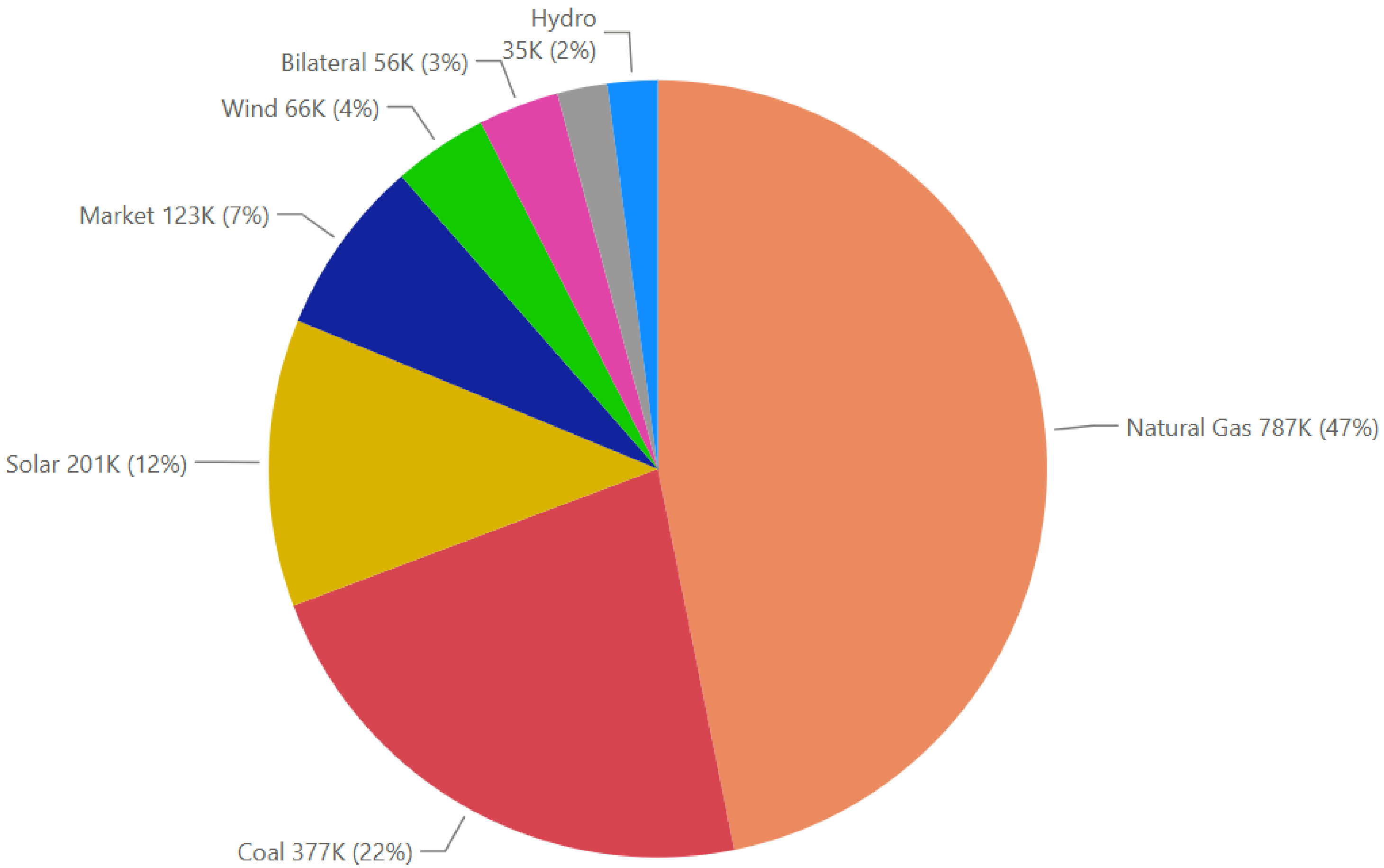
Southwest Power Pool
CO Springs Price Point



CO Springs Generation Mix – SPP RTO

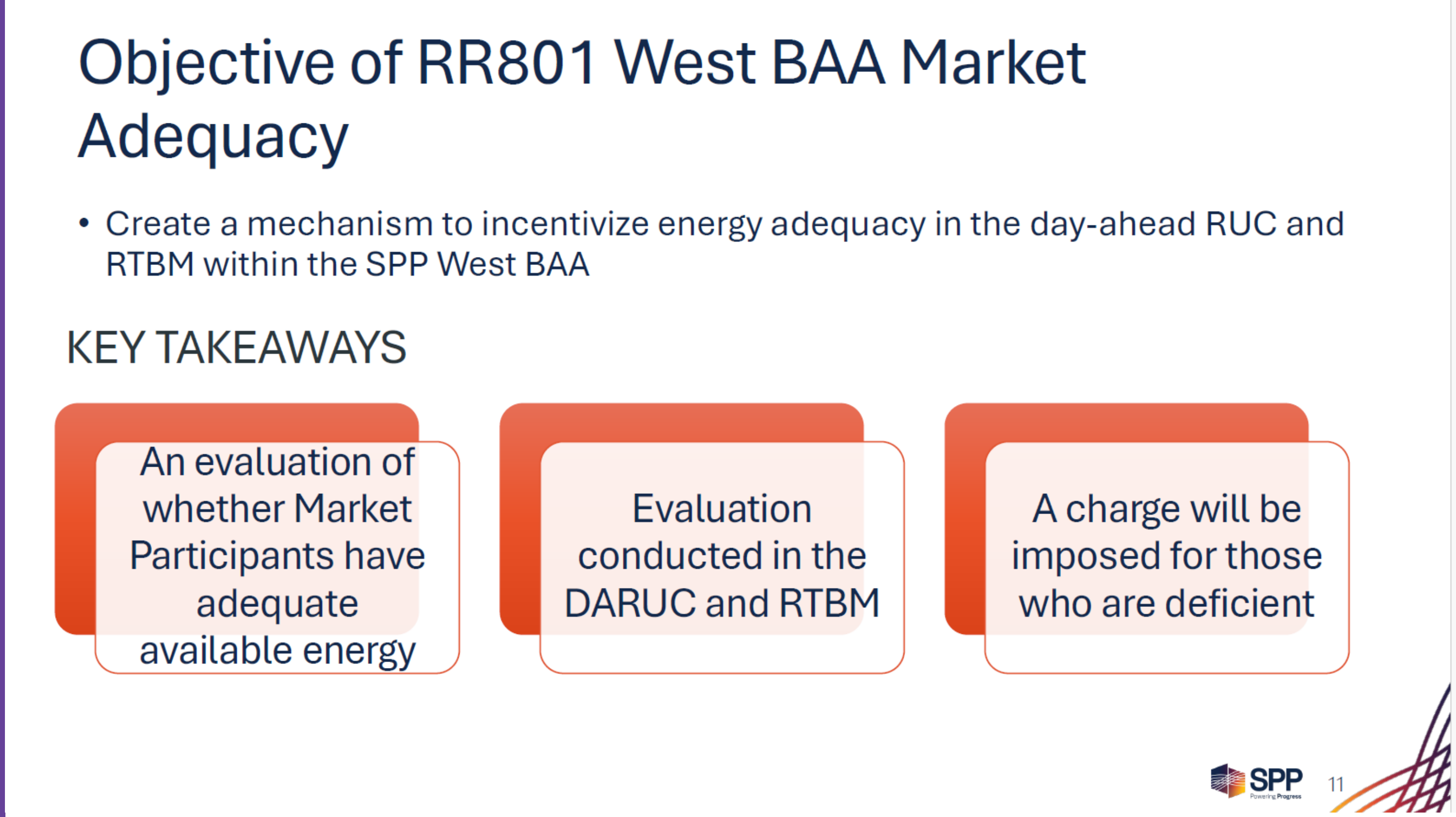


CO Springs Generation Mix – SPP RTO



Resource Sufficiency Changes

- Stakeholder driven governance.
- Utilities submitted comments on this revision request.
- Formal Resource Adequacy Requirement in Summer 2027 already established.
- Some Market Participants are significantly leaning into the market prior to 2027 binding requirement.
- Full incident report coming within 30 days by SPP (Expected in September)



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2027 Proposed Budget Second Draft

Working Committee
August 17, 2026

Budget Overview

Proposed 2027 Budget vs 2026 AOFP

Budget Summary (in thousands)

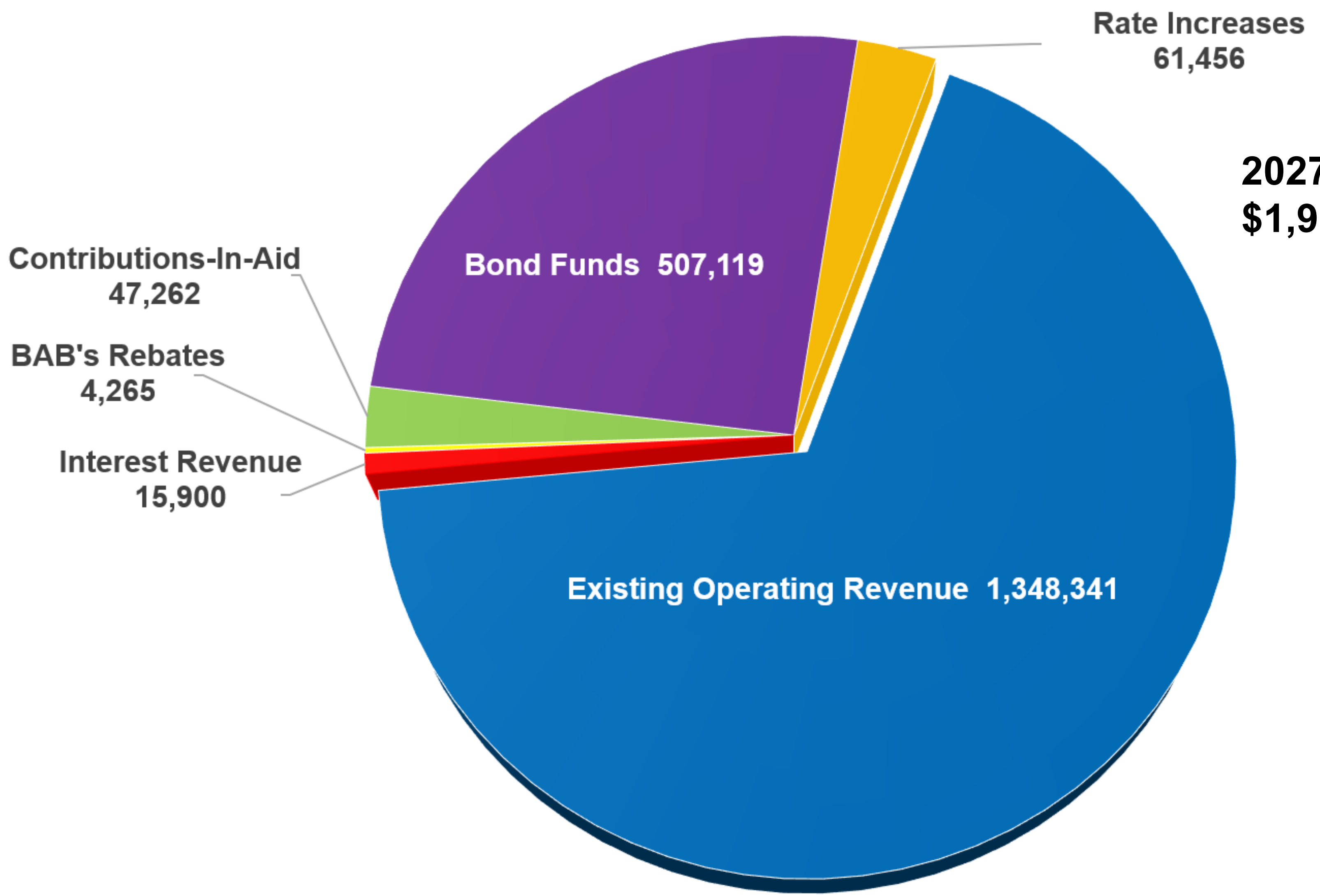
	2027 Proposed Budget	2026 Approved Budget	Increase / (Decrease)	% Change
Capital Projects	$ 783,188	$ 948,201	$ (165,013)	-17.4%
Fuel Operations & Maintenance	453,975	534,693	(80,718)	-15.1%
Non-Fuel Operations & Maintenance	459,938	452,909	7,029	1.6%
Debt Service	270,295	266,425	3,870	1.5%
Transfers - Surplus Funds to City	37,134	36,543	591	1.6%
Other	428	365	63	17.2%
TOTAL	**$ 2,004,959**	**$ 2,239,136**	**$ (234,177)**	**-10.5%**

Proposed 2027 Budget vs Prior 2027

Budget Summary (in thousands)

	2027 Proposed Budget	Prior Year 2027 Budget	Increase / (Decrease)	% Change
Capital Projects	$ 783,188	$ 860,019	$ (76,831)	-8.9%
Fuel Operations & Maintenance	453,975	537,138	(83,164)	-15.5%
Non-Fuel Operations & Maintenance	459,938	457,137	2,801	0.6%
Debt Service	270,295	302,694	(32,398)	-10.7%
Transfers - Surplus Funds to City	37,134	37,372	(238)	-0.6%
Other	428	370	58	15.5%
TOTAL	**$ 2,004,959**	**$ 2,194,731**	**$ (189,772)**	**-8.6%**

Funding 2027 Appropriation (in thousands)



2027 Total Source of Funds
$1,984,342,150

Total Labor and Non-Fuel Operations & Maintenance

Total Labor & O&M by Account Group (in thousands)

Division	FY27 Proposed Budget	FY26 Approved Budget	Increase/ (Decrease)	% Change
Corporate	$ 12,755	$ 13,484	$ (729)	-5.4%
CEO Direct Reports (Division 1)	4,567	5,232	(665)	-12.7%
Admin and Human Resources (Division 2)	136,994	123,045	15,272	12.4%
Planning and Finance (Division 4)	22,341	22,439	(98)	-0.4%
Customer & Enterprise Services (Division 5)	81,030	82,439	(1,408)	-1.7%
Operations Division (Division 7)	243,077	240,154	2,923	1.2%
System Planning and Projects (Division 9)	58,835	57,410	1,425	2.5%
Total [1]	**$ 559,600**	**$ 544,203**	**$ 15,397**	**2.8%**

[1] Totals exclude inter-service eliminations, Administration & General overhead, and GASB 68 and 75 pension expense.

Total Labor & O&M By Division (in thousands)

Account Group	FY27 Proposed Budget	FY26 Approved Budget	Increase/ (Decrease)	% Change
Labor	$ 273,519	$ 267,034	$ 7,059	2.6%
Benefits	94,945	82,261	12,684	15.4%
Outside Professional Services	56,943	59,330	(2,386)	-4.0%
Equipment Lease & Maintenance	37,759	36,609	1,151	3.1%
Buildings & Utilities	27,081	26,434	647	2.4%
Office Expenses, Materials & Supplies	42,151	40,186	1,965	4.9%
Travel, Education & Employee Expenses	4,665	5,137	(472)	-9.2%
Conserve, Safety, Customer Assist & Financial Info	6,072	5,565	507	9.1%
Professional/Industry Memberships & Publications	1,632	2,295	(663)	-28.9%
Misc. Accounting General	14,833	19,354	(4,521)	-23.4%
Total [1]	**$ 559,600**	**$ 544,203**	**$ 15,397**	**2.8%**

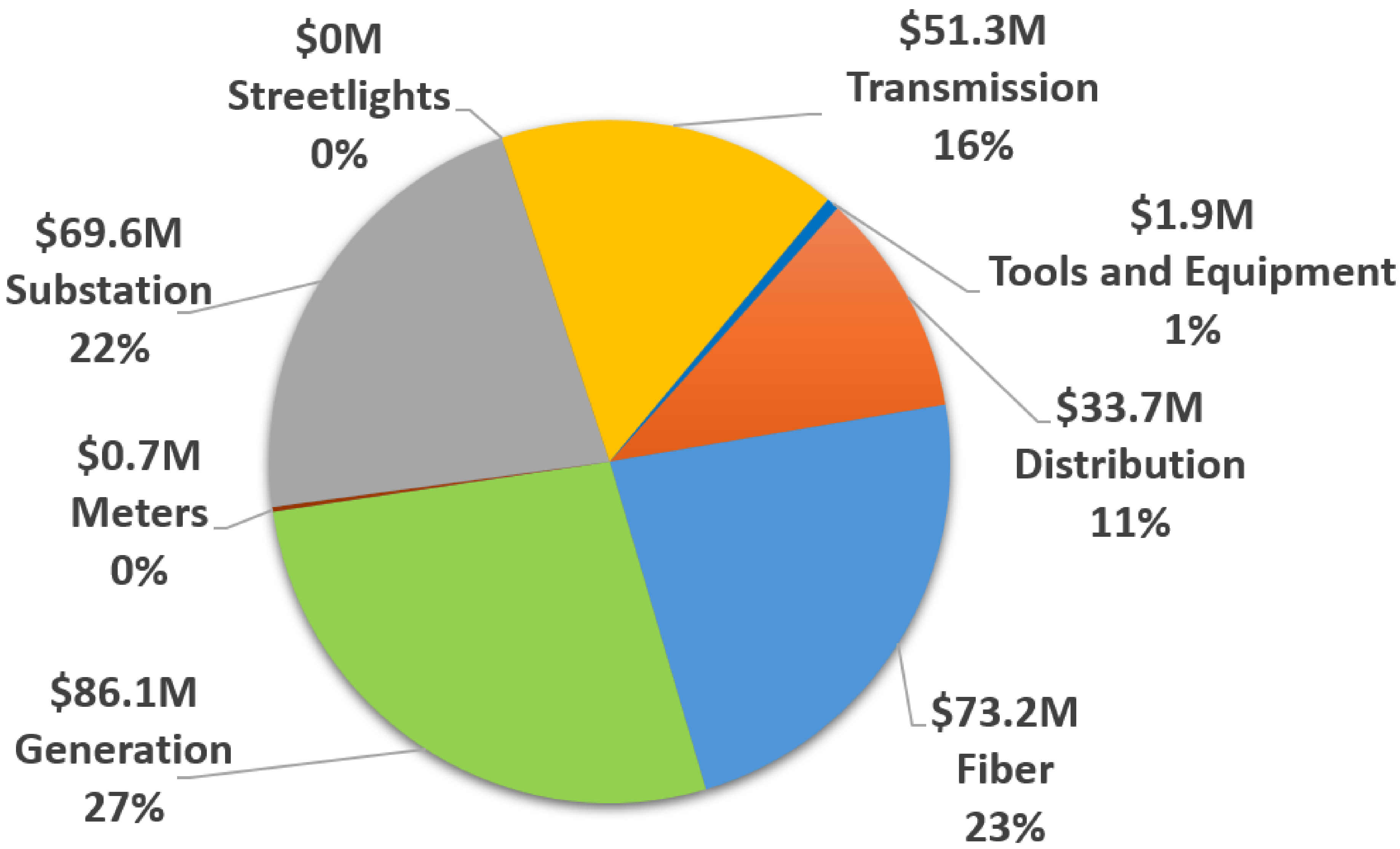
[1] Totals exclude inter-service eliminations, Administration & General overhead, and GASB 68 and 75 pension expense.

2027 Capital Project Overview

2027 Electric Budget Allocation

Asset Type	Project Name	2027 Total ($M)
Generation	Williams Creek Generating Station	78
Fiber	Operational Fiber Network	73
Transmission	SEP MW-KE Transmission Line	29
Substation	SEP Kelker Substation Rebuild-Expansion	19
Substation	SEP Kelker-South Plant New 115kV Transmission Line	16
Substation	Claremont Substation – Add Transformer, Switchgear, and Feeders	11
Substation	Briargate Substation – Add New Transformer, Switchgear and Feeders	7
Substation	Horizon Substation – Add New (34.5kV) Transformer, Switchgear, and Feeders	6
Distribution	Underground 12.5kV Distribution to New Residential Customers	6
Transmission	Kelker-Rock Island 115kV Line Reconductor	6

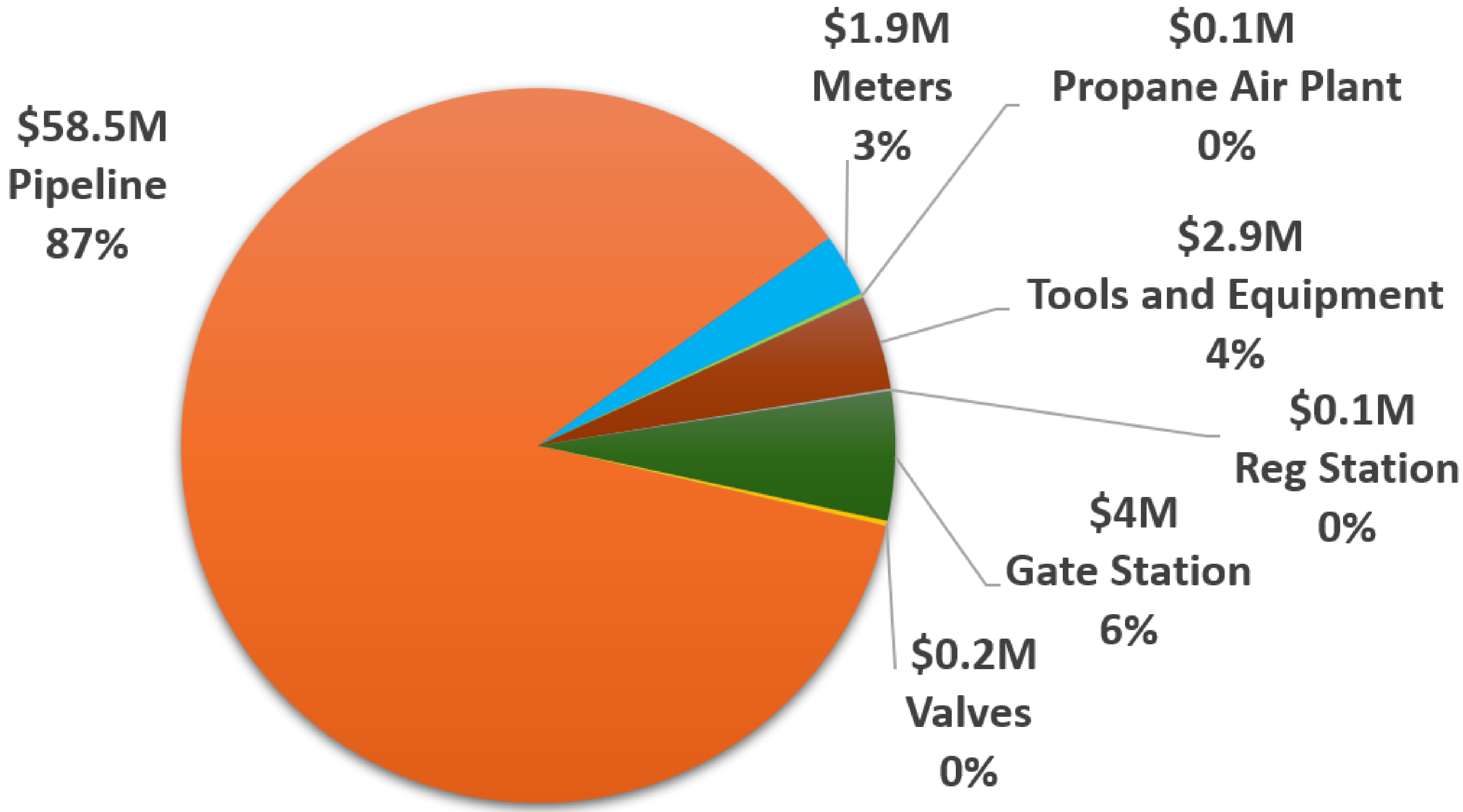
Electric Capital by Asset Type (2027)



2027 Gas Budget Allocation

Asset Type	Project Name	2027 Total ($M)
Pipeline	DIMP Accelerated Work	19
Gate Station	Natural Gas Gate Station at Clear Spring Ranch	10
Pipeline	DIMP - Gas Projects	6
Pipeline	Downtown and Military Gas Supply Resiliency Project	5
Pipeline	New Construction Billable	4
Gate Station	Williams Creek Generating Station Gas Infrastructure	4
Pipeline	30060 Gas FY 2023 PHMSA Grant	4
Pipeline	Loch Fyne, Phase II	3
Pipeline	Gas Unplanned Maintenance	2
Equipment	Gas Service Vehicles & Equipment	2

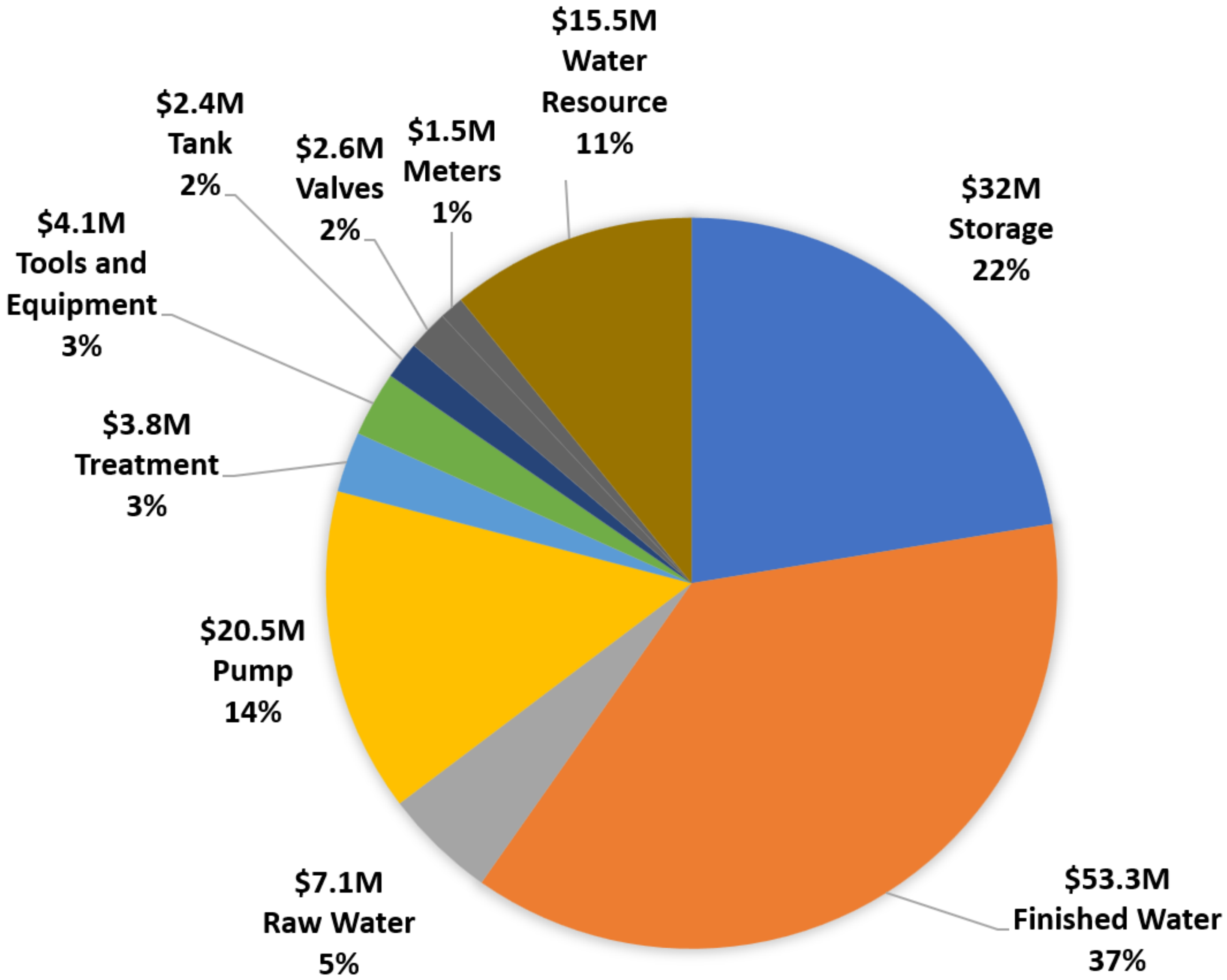
Gas Capital by Asset Type (2027)



2027 Water Budget Allocation

Asset Type	Project Name	2027 Total ($M)
Storage	Penrose Water Supply	32
Finished Water	WOLF and UBGT Pressure Zone Interconnection - North Segment, Phase 1 of 2	30
Pump	Austin Bluffs Pump Station and Transmission (2021 FWSP)	13
Finished Water	Finished Water Linear Asset Program	13
Water Resource	Continental-Hoosier System Project	8
Pump	Potable Pumping Station Replacement Program	7
Finished Water	Public Improvement Projects - Water	5
Tools and Equipmen	Water Service Vehicles & Equipment	3
Finished Water	Reduced Northfield (RNFL) Control Valve Improvements Project	3
Water Resource	Las Animas Consolidated Company Shares Acquisition	3

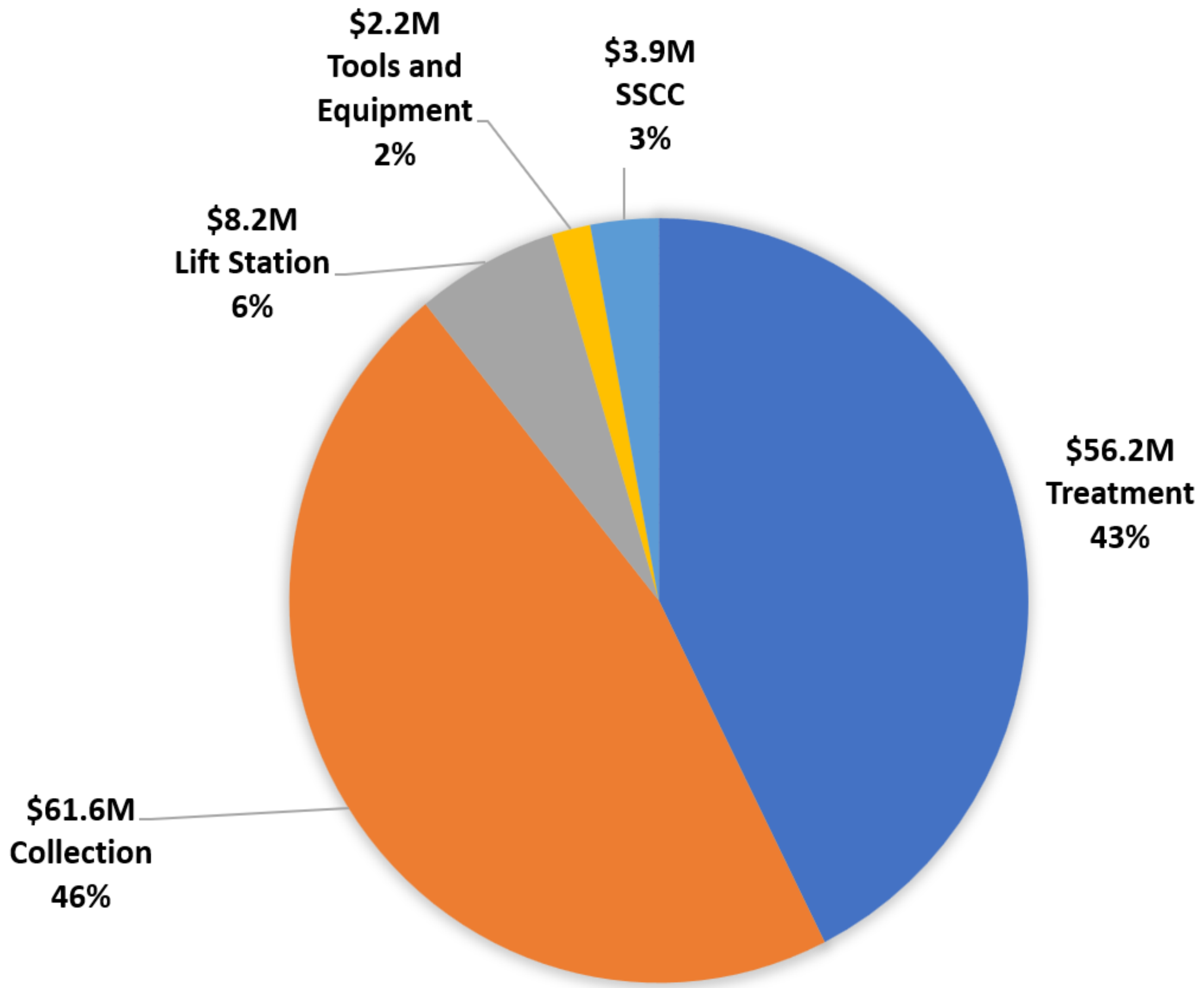
Water Capital Asset Type (2027)



2027 Wastewater Budget Allocation

Asset Type	Project Name	2027 Total ($M)
Collection	Northern Monument Creek Interceptor	40
Treatment	LVSWRRF Influent Junction Box Replacement	25
Collection	WSE Phase 1 - Upper and Lower Crosstown Interceptor	11
Treatment	JDPWRRF BNR Upgrades - Phase 1	8
Treatment	LVSWRRF Sludge Pump Replacement	7
Treatment	CSRRRF Boiler Replacement and Biogas Treatment System	6
SSCC	SSCC Collection System Rehabilitation/Replacement Program	4
Lift Station	WSE Airport Business Park Lift Station Upgrade - Windmill Gulch	3
Collection	Operations Pipeline Rehabilitation Program (formerly LCERP)	3
Collection	WW Lift Station and Force Main NMCI Related Infrastructure Improvement Program	2

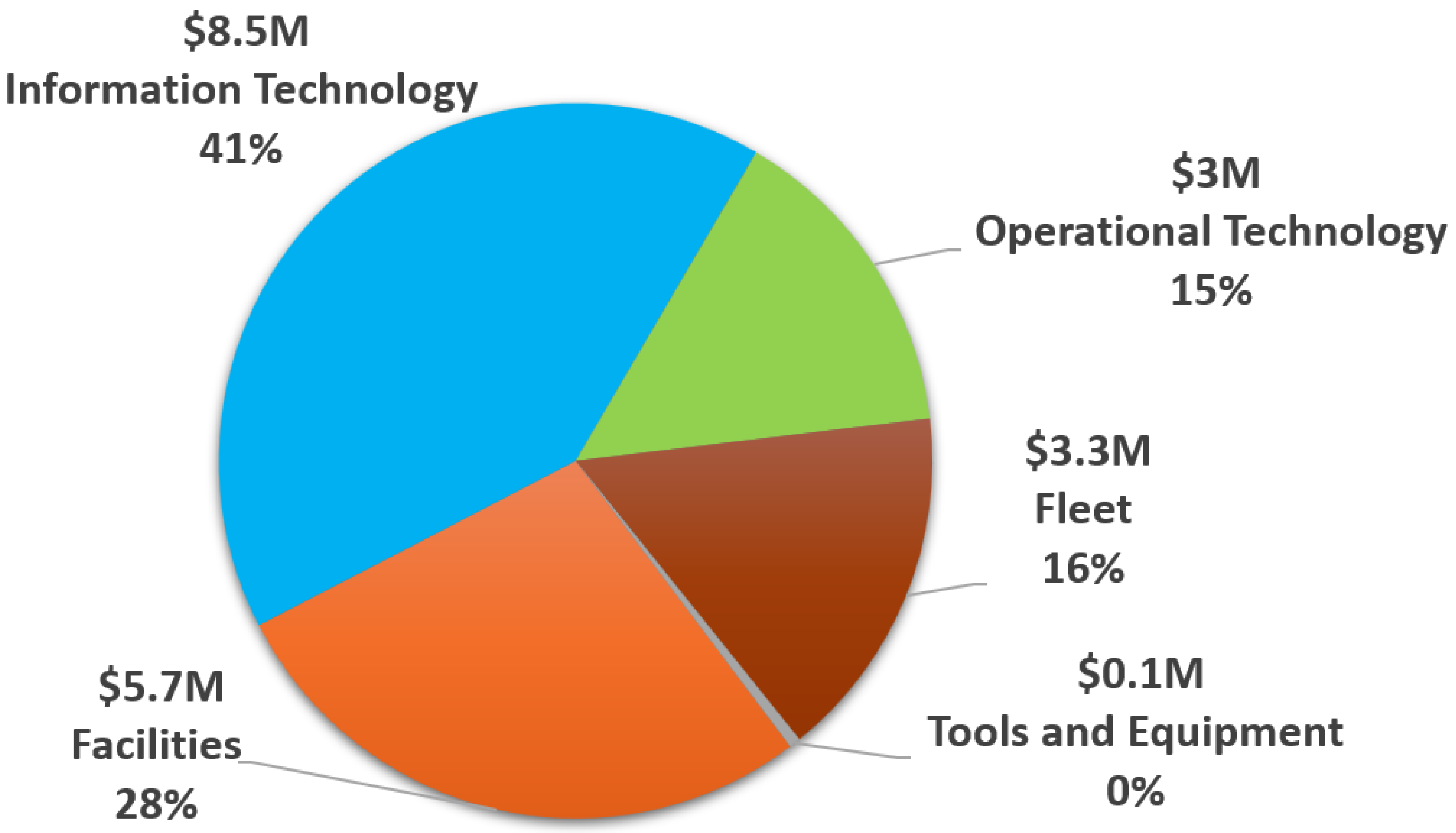
Wastewater Capital by Asset Type (2027)



2027 Common Budget Allocation

Asset Type	Project Name	2027 Total ($M)
IT	Computer Maintenance Management System (CMMS)	4
Fleet	Common Service Vehicles & Equipment	3
Facilities	BRDS02 Data Center PDU/UPS Upgrade	2
OT	GIS Technology Modernization Project	2
IT	Network Enterprise Services Program	1
Facilities	East Service Center Roof Top Upgrade and Replacement	1
IT	Infrastructure Platform Program	1
IT	Data Analytics and Strategy – Storage & Access	1
Facilities	JPSC01 Roof Upgrade and Replacement	1
Facilities	Pinkerton Lay Down Yard Expansion	1

Common Capital by Asset Type (2027)



2027 Budget By-Service

2027 Service Level Summary

Budget Summary (in thousands)

	2027 Proposed Budget	2026 Approved Budget	Increase / (Decrease)	% Change
Electric	$ 1,005,475	$ 1,315,048	$ (309,572)	-23.5%
Gas	357,660	380,867	(23,207)	-6.1%
Water	422,114	361,599	60,515	16.7%
Wastewater	232,818	191,020	41,798	21.9%
Streetlighting	8,449	6,829	1,620	23.7%
Inter-Service Eliminations	(21,557)	(16,227)	(5,331)	32.8%
TOTAL	**$ 2,004,959**	**$ 2,239,136**	**$ (234,177)**	**-10.5%**

3-Year Average Service Level Financial Metrics

	Adjusted Debt Service Ratio	Debt Ratio	Days Cash on Hand
Electric	2.15	71.5%	205
Gas	2.86	49.2%	118
Water	1.76	46.9%	236
Wastewater	1.41	56.2%	132

Metric & Rate Outlook

Days Cash Strategy: Strengthening Liquidity

Credit rating stability

Supports ongoing stability of AA+ (S&P) and AA (Moody's) ratings.

Capital cycle readiness

Improves cash position while the electric utility sector faces a broad capital build cycle.

Balanced financial strategy

Strengthens days cash while only marginally increasing leverage.

Liquidity Lift

- Restores cash reserves
- Increases Days Cash on Hand (155 to 190)
- Improves liquidity resilience
- Slight increase in debt ratio (58.4 to 58.5)

Takeaway: use balance sheet capacity to improve liquidity, protect financial flexibility, and reinforce credit quality during peak investment years.

Strategic Action

- Issue taxable debt
- Reimburse prior fiber investment funded with cash
- Rebuild liquidity without delaying capital projects

$125M **taxable bond proceeds**

Convert a cash-funded infrastructure investment into long-term financing to preserve liquidity and credit strength.

Proposed 2027 Budget Overview (in thousands)

Proposed Metrics	2027	3 Year Average (2027-2029)
Adjusted Debt Service Coverage	1.94	1.95
Debt Ratio	57.4%	58.5%
Days Cash on Hand	190	190

Proposed Rate Increases Needed	2025 Typical Bill	2026 Rate Increases	2027 Rate Increases	2028 Rate Increases	2029 Rate Increases	2029 Typical Bill
Electric (Base Rates)	$80.58	6.5%	6.5%	6.5%	6.5%	$103.30
Gas (Base Rates)	$24.11	4.0%	4.0%	4.0%	4.0%	$28.00
Water	$85.10	6.5%	6.5%	6.5%	6.5%	$109.06
Wastewater	$37.33	9.0%	9.0%	9.0%	9.0%	$52.65
Total Non-Fuel Bill	$227.12	6.5% $241.99	6.6% $257.94	6.5% $274.81	6.6%	$293.01

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2026 Plan of Finance Update

Adam Hegstrom
Treasury and Finance Manager
August 17, 2026

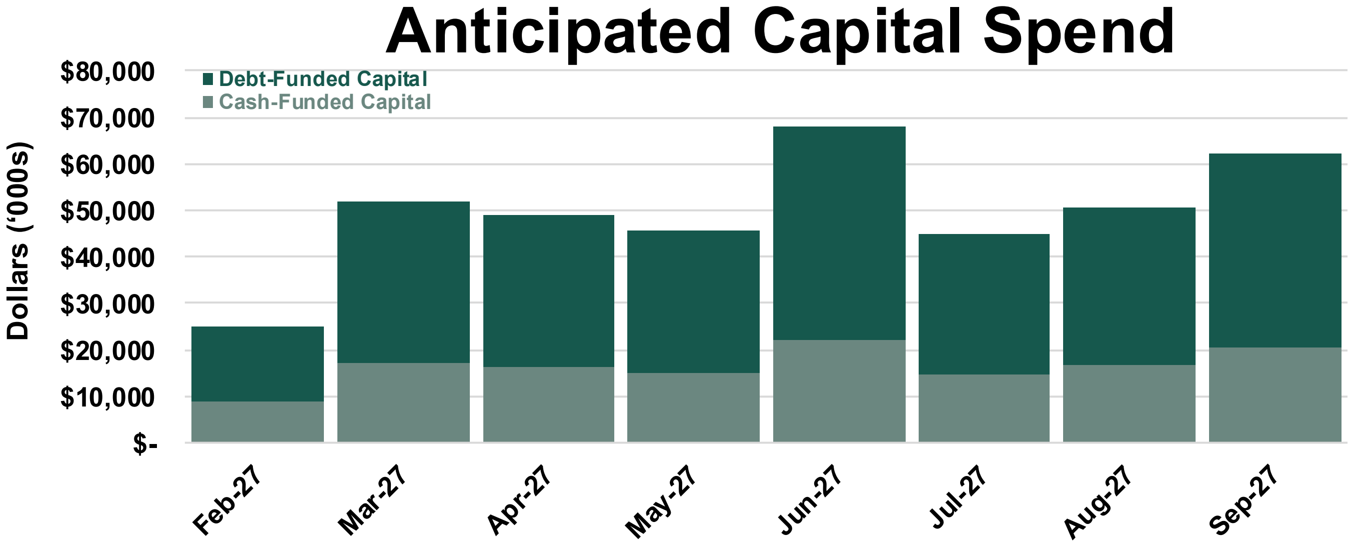
New Money Debt Issuance: 2026As (continued)

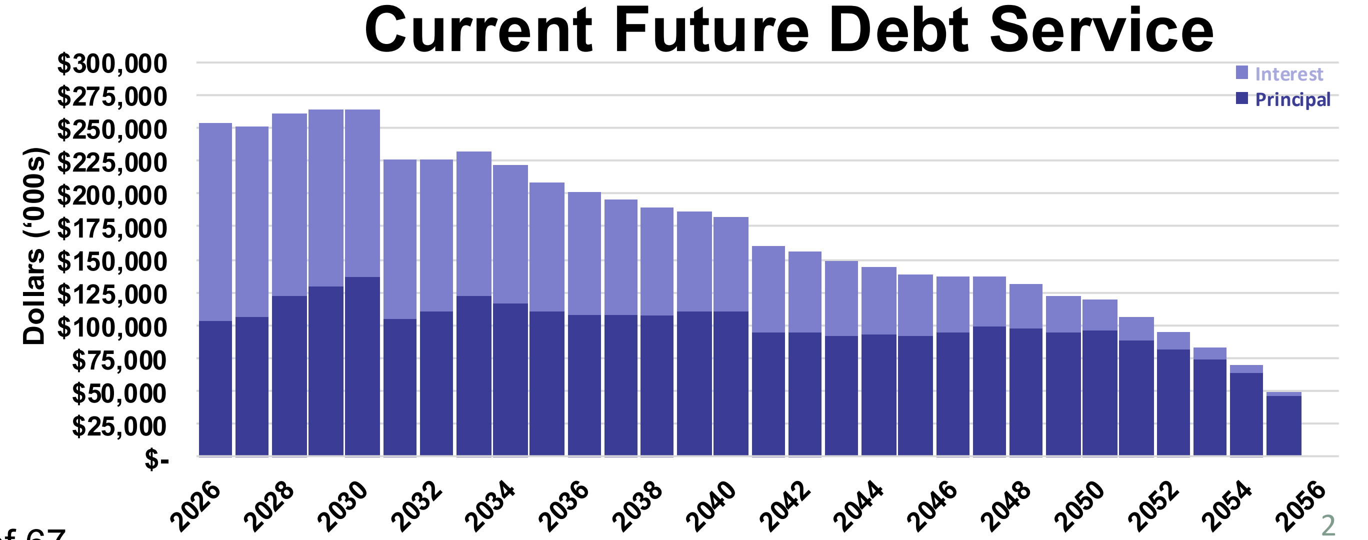
Anticipated Issuance Details:

- Current Estimate - $280 million
- Approximately 70% debt-funded capital over financing period
- Effective balance between cash and debt to optimize financial metric performance

Structure:

- Traditional tax exempt fixed-rate debt
- Maturity-by-maturity optimization near issuance date





Source: CSU Short-Term Forecast

New Money Debt Issuance: 2026Bs

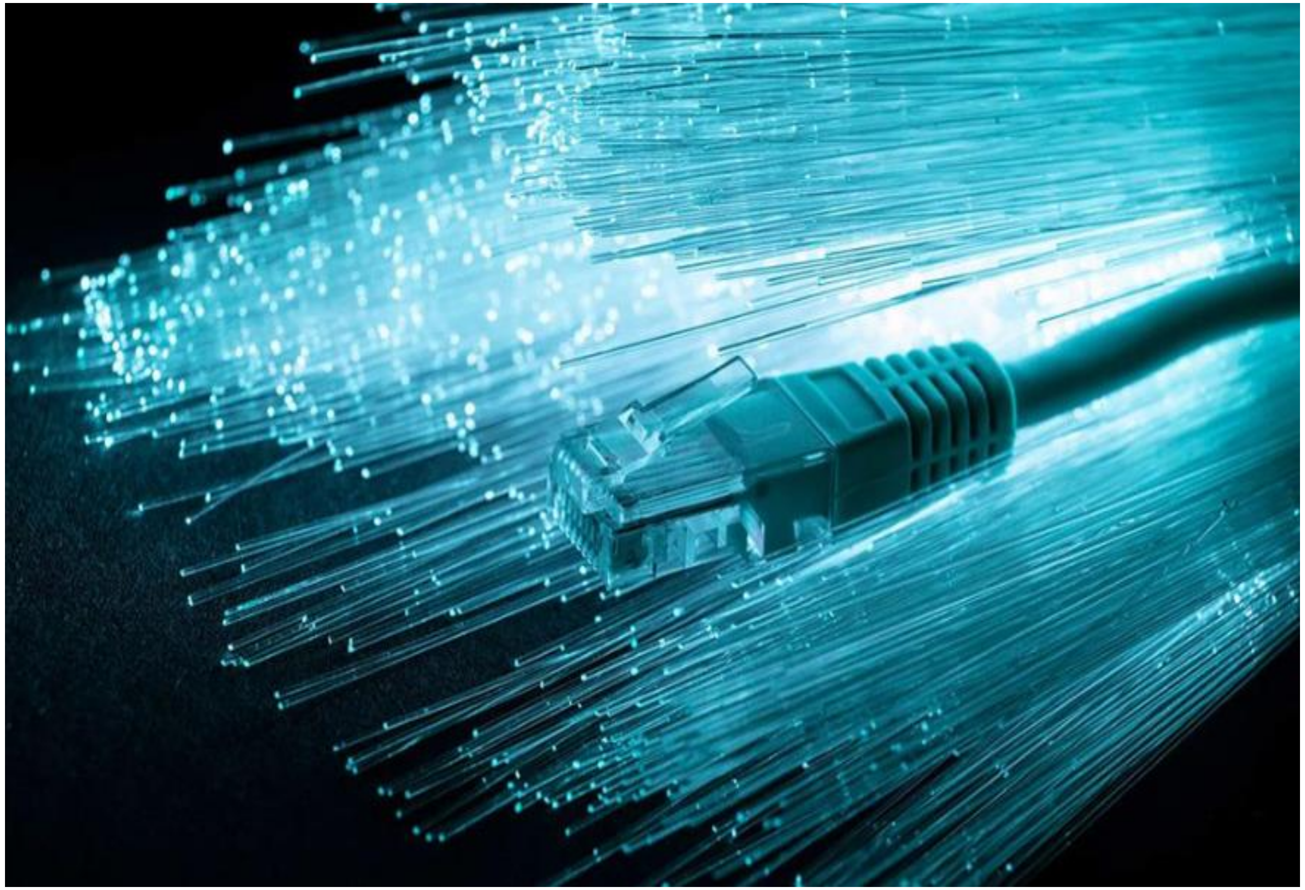
Adapting our approach to funding the fiber network project to align with and support updated financial metric strategy targets

Project Highlights
- $244.5 million project costs incurred to date
- Approximately 71,092 (47.4%) addresses delivered to Ting

Change in Project Funding
- Bond fund a portion of capital spend to support financial metric priorities

Anticipated Issuance Details:
- Current estimate- $125 million
- Supports organization’s liquidity metrics

Structure
- Taxable fixed-rate debt
- Optimizing short-term structuring to minimize overall cost of capital



Source: CSU 6x6 STF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