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

AGENDA
September 14, 2026
Join the meeting now
Dial in by phone
+1 719-733-3651,,770642636#

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: Home Safety and Emergency Preparedness	Renee Adams, Chief Human Resources Officer
9:10 a.m.	Compliance Reports:	
	• I-2 Financial Condition and Activities (to include Contracts Over $500K) G-7 (Quarterly April through June)	John Hunter, Manager of Financial Planning and Risk
	• I-7 Water Supply Management (Annual)	Jenny Bishop, Resource Planner IV Michael Gustafson, Senior Attorney, City Attorney's Office – Utilities Division
	• I-10 Treatment of Staff (Annual)	Tara Russell, General Manager of People, Safety and Development
	• I-11 Compensation and Benefits G-9 (Annual)	Tara Russell, General Manager of People, Safety and Development
	• E-2.8 Emergency CEO Succession (Annual)	Renee Adams, Chief Human Resources Officer
9:40 a.m.	Electric Cost Adjustment Decrease	Scott Shirola, Pricing and Rates Manager

10:00 a.m.	2027 Budget Presentation	John Hunter, Manager of Financial Planning and Risk
10:20 a.m.	Intergovernmental Agreement to Partner with USCYBERCOM	Jessica Rheinschmidt, Cybersecurity Manager
10:40 a.m.	Nuclear Program Plan Update	David Longrie, Manager of Energy Resource Planning and Innovation Troy Bass, Supervisor of Energy Resource Planner
11:10 a.m.	Clean Energy Plan Update	David Longrie, Manager of Energy Resource Planning and Innovation Troy Bass, Supervisor of Energy Resource Planner
11:40 a.m.	Clean Heat Plan Update	David Longrie, Manager of Energy Resource Planning and Innovation Troy Bass, Supervisor of Energy Resource Planner
12:00 p.m.	Adjournment	Chair Donelson

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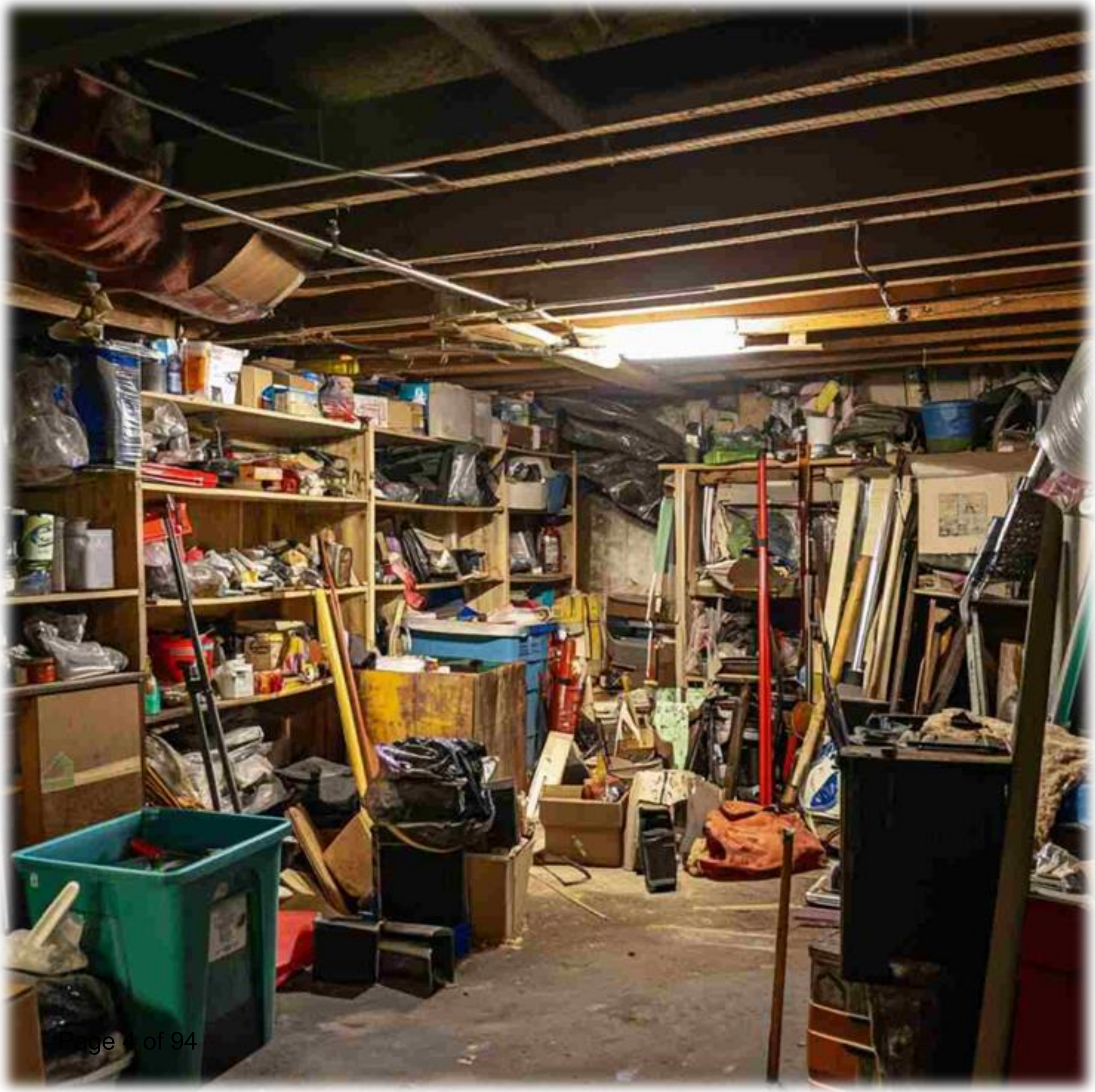
Safety Moment: Home Safety and Emergency Preparedness

Renee Adams, Chief Human Resources Officer

September 14, 2026

Home Hazard Challenge

Which hazards can you spot?



What Hazards were spotted?

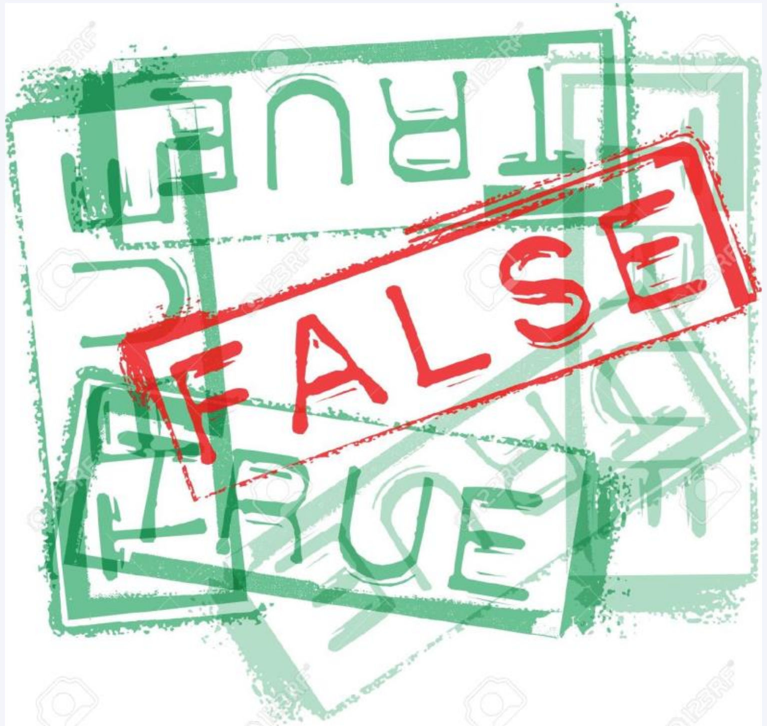
- Trip hazards
- Blocked walking paths
- Unsecured tools
- Heavy items stored overhead
- Excess clutter
- Combustible storage
- Limited emergency access

How many of our garages, sheds or basements look like that photo?

Are you safer at work than home?
Have you…

- Tested smoke alarms this year?
- Checked your fire extinguisher?
- Updated your family emergency plan?
- Stocked your 72-hour emergency kit?

Home Fire Safety



TRUE OR FALSE?

"I only need to test my smoke alarm once a year."

Could your family survive 72 hours?

Show of hands:

- ❑ Yes
- ❑ Maybe
- ❑ Not Yet

Family Challenge

Choose one thing to complete this week!!

- ❑ Check smoke alarms
- ❑ Create family emergency plan
- ❑ Build a GO-BAG
- ❑ Update your emergency kit
- ❑ Identify a family meeting place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Date: September 16, 2026

To: Utilities Board

From: Travas Deal, Chief Executive Officer

Subject: **Excellence in Governance Monitoring Report**
Financial Condition and Activities (I-2)

Desired Action: Monitoring

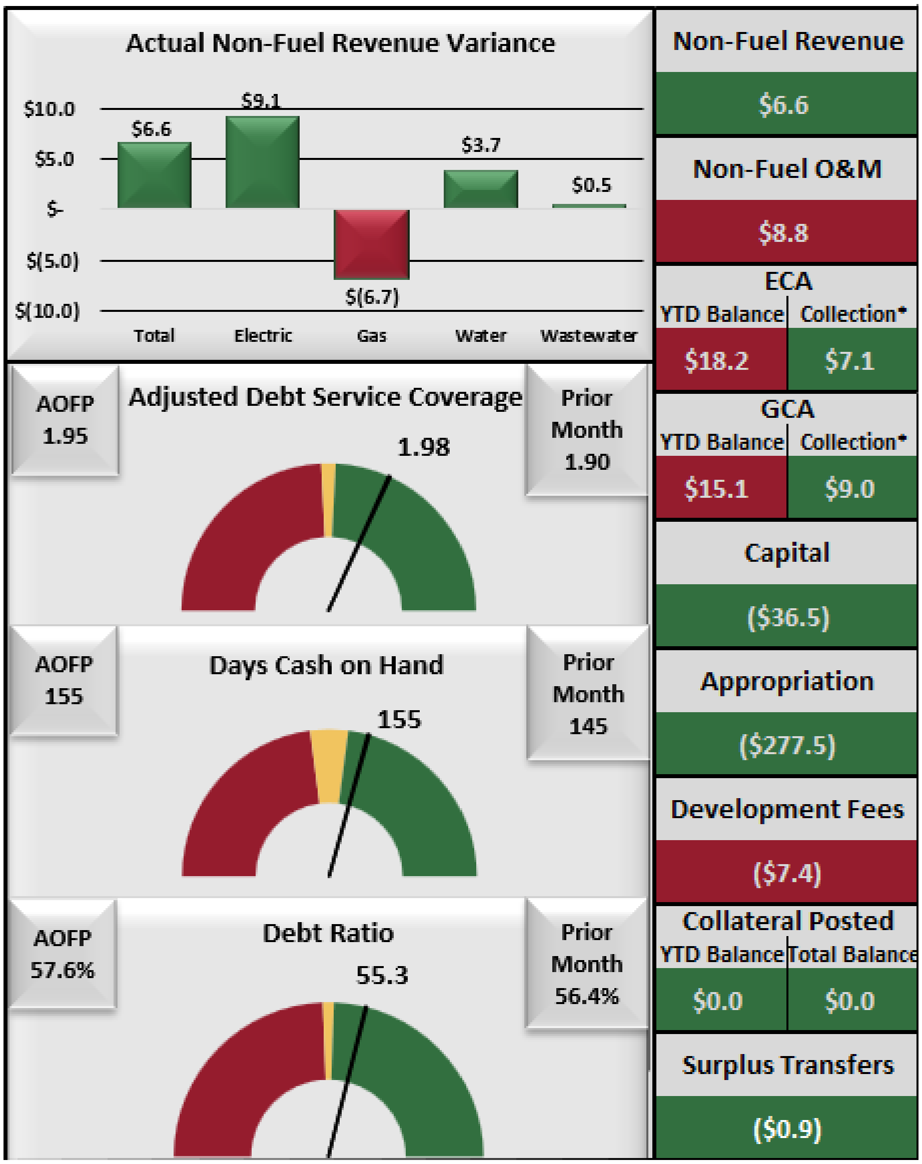
Compliance: The CEO reports compliance with the instructions.

INSTRUCTIONS			
Category:	**Utilities Board Instructions to the Chief Executive Officer**	Reporting Timeframe:	**April 1, 2026 – June 30, 2026**
Policy Title (Number):	**Financial Condition and Activities (I-2)**	Reviewing Committees:	**Working Committee**
Monitoring Type:	**Internal; City Auditor**	Monitoring Frequency:	**Quarterly, Annually**
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*
      - 2026 Total Use of Funds $2 billion a decrease of $(277.5) million or (12.4)% from the 2026 Approved Budget of $2.24 billion.
      - Fuel expenses are projected to be $(236.1) million or (44.2)% under the approved budget primarily due to lower actual 2026 natural gas prices than those projected at the time of the 2026 budget appropriation.
      - Operating revenues are $(2.0) million or (0.3)% under the approved budget due to lower fuel costs that are being reflected in lower ECA / GCA revenue.
      - Capital expenses are projected to be $36.5 million or 3.9% under the approved budget primarily related to Sustainable Energy Plan (SEP) Horizon Utility Power Plant relocation to Williams Creek 2-year delay.
      - Non-fuel operating expenses are projected to be $8.8 million or 1.9% over the approved budget primarily due to high bad debt write-offs, labor & benefits shift from Capital, Fountain Valley Authority (FVA) water conveyance, and facility expenses across all campuses.

- Debt Service, Surplus Transfers, and Franchise Fees are $(13.6) million or (4.5)% under the approved budget primarily due to lower debt payments from bond sizing and the actual realized interest rate.



b. *Expenditures that exceed the Federal Energy Regulatory Commission capital and operating and maintenance budget classifications in electric, natural gas, water, wastewater, and common.*

	O&M	Capital
Electric	$ (87,376)	$ (73,335)
Gas	$ (146,792)	$ 6,463
Water	$ 446	$ 20,700
Wastewater	$ 357	$ 10,221
A&G and Common	$ 6,081	$ (575)
Utilities Total	$ (227,283)	$ (36,526)

Note: O&M is both fuel and non-fuel, non-fuel is over by $8.8 million

2. Budget transfers, canceled major capital projects, or new major capital projects not funded in the Approved Budget over $1,000,000

Project Over/Under Runs						
Activity #	Project Name	Service Line	Investment Type	2026 AOFP	Change	New Budget
194144	SEP - Horizon Utility Campus	Electric	Reliability	$385,937,759	($357,526,533)	$28,411,226
193952	Operational Fiber Network	Electric	Regulatory	$52,445,000	$47,499,998	$99,944,999
394846	Las Animas Consolidated Company Shares Acquisition	Water	Reliability	$3,000,000	$33,000,000	$36,000,000
394787	Penrose Water Supply	Water	Reliability	$12,800,000	($10,200,059)	$2,599,941
394652	WOLF and UBGT Pressure Zone Interconnection - North Segment, Phase 1 of 2	Water	Regulatory	$8,221,000	($6,591,918)	$1,629,082
194029	Santa Fe Substation - Add New Transformer, Switchgear, and Feeders	Electric	Growth	$8,860,000	($6,363,603)	$2,496,397
293207	SEP - Downtown and Military Gas Supply Resiliency Project	Natural Gas	Regulatory	$3,320,000	$5,888,670	$9,208,670
495435	EWSE Phase 1 - Upper and Lower Crosstown Interceptor	Wastewater	Growth	$9,685,264	$4,546,547	$14,231,811
394476	Rosemont Pipeline Replacement	Water	Reliability	$4,505,647	($4,412,647)	$93,000
194107	Briargate Substation - Add New Transformer, Switchgear, and Feeders	Electric	Growth	$11,166,679	($4,402,982)	$6,763,697
194136	USAFA - 34kV OH to UG - Oak Valley Tap to Tesla	Electric	Reliability	$683,682	$3,307,768	$3,991,450
194028	Fuller Substation - Add Two New Feeders	Electric	Growth	$4,600,000	($3,088,513)	$1,511,487
293182	DIMP - Gas Projects	Natural Gas	Regulatory	$230,000	$2,970,001	$3,200,001
495436	EWSE Phase 1 - New Lift Stations and Force Mains	Wastewater	Growth	$9,449,038	$2,932,830	$12,381,868
495356	Northern Monument Creek Interceptor	Wastewater	Growth	$32,500,000	$2,900,825	$35,400,825
495401	WW Lift Station and Force Main NMCI Related Infrastructure Improvement Program	Wastewater	Growth	$450,000	$2,742,782	$3,192,782
495363	LVSWRRF Influent Junction Box Replacement	Wastewater	Reliability	$9,600,000	$2,703,941	$12,303,941
394832	Mason-McReynolds 20 inch Transfer Line	Water	Regulatory	$1,700,000	$2,599,999	$4,299,999
394722	Pine Valley & McCullough DOVE Disinfection Improvements	Water	Reliability	$500,000	$2,295,415	$2,795,415
193884	APIP - Claremont Substation - Add Transformer, Switchgear, and Feeders	Electric	Regulatory	$7,440,829	$2,272,309	$9,713,138
394807	FLCC Shares Acquisition	Water	Growth	$400,000	$2,042,044	$2,442,044
193974	System Additions for New Development	Electric	Growth	$1,150,000	$1,999,999	$3,149,999
394651	Specialty Valves Rehabilitation and Replacement Program	Water	Reliability	$2,760,000	($1,994,997)	$765,003
194139	Airport Peak Innovation Park (APIP) Transmission & Substation Project	Electric	Reliability	$6,000,000	($1,930,000)	$4,070,000
193877	SEP Kelker-South Plant New 115kV Transmission Line	Electric	Regulatory	$12,214,591	($1,887,999)	$10,326,592
495371	LVSWRRF I&C Improvements	Wastewater	Reliability	$1,900,000	($1,870,000)	$30,000
495437	EWSE Phase 1 - Milton Proby Interceptor	Wastewater	Growth	$4,488,293	$1,801,459	$6,289,752
293179	DIMP - Gas High-Pressure Distribution System Renewals	Natural Gas	Regulatory	$2,500,000	($1,724,999)	$775,001
180283	Public Improvements-Electric	Electric	Reliability	$258,063	$1,600,001	$1,858,064
194154	Substations Power Transformer Purchases	Electric	Reliability	$2,838,314	$1,314,713	$4,153,027
394691	Ute Pass WTP Improvements Program	Water	Reliability	$500,000	$1,311,868	$1,811,868
194026	Patty Jewett Substation - Add New Transformer, Switchgear, Feeders, and Retire Memorial Hospital Sub	Electric	Growth	$5,937,561	($1,309,258)	$4,628,303
293180	DIMP - Gas Coated Steel Renewals	Natural Gas	Regulatory	$2,125,000	($1,225,000)	$900,000
293221	Loch Fyne, Phase II	Natural Gas	Reliability	$1,543,797	($1,197,797)	$346,000
394575	Potable Water Tank Refurbishment/Replacement Prograr	Water	Reliability	$12,059,819	($1,133,608)	$10,926,211
280024	Public Improvements-Gas	Natural Gas	Reliability	$242,931	$1,100,000	$1,342,931
495426	JDPWRRF BNR Upgrades - Phase 1	Wastewater	Regulatory	$500,000	$1,096,825	$1,596,825
495439	JDPWRRF Hydrocyclones	Wastewater	Reliability	$1,064,800	($1,040,271)	$24,529
495475	LVTP06 Complete Interior Renovation Project	Wastewater	Growth	$500,000	$1,000,001	$1,500,001
596651	GIS Technology Modernization Program	Common	Reliability	$2,000,000	($1,000,000)	$1,000,000
Total				**$628,078,067**	**($279,972,189)**	**$348,105,879**

Cancelled / Delayed Projects						
Activity #	Project Name	Service Line	Investment Type	2026 AOFP	Change	New Budget
495402	LVSWRRF RAS Pump Replacement	Wastewater	Reliability	$4,000,000	($4,000,000)	$0
194105	Project Falcon - Enhanced feed from North Plant - T&M	Electric	Reliability	$2,500,000	($2,500,000)	$0
194104	Project Falcon - Express Feed from Rampart (main feed)	Electric	Growth	$2,500,000	($2,500,000)	$0
293209	GPAP XLE Compressor Replacement	Natural Gas	Reliability	$2,000,000	($2,000,000)	$0
193885	Kelker 12.5kV Feeder Addition	Electric	Reliability	$1,500,000	($1,500,000)	$0
495467	CSRRRF Boiler Replacement and Biogas Treatment System	Wastewater	Reliability	$1,159,480	($1,159,480)	$0
495410	LVSWRRF UV Disinfection Electrical System Improvements	Wastewater	Reliability	$1,000,000	($1,000,000)	$0
Total				**$14,659,480**	**($14,659,480)**	**$0**

New or Advanced Projects						
Activity #	Project Name	Service Line	Investment Type	2026 AOFP	Change	New Budget
194216	Williams Creek Generating Station	Electric	Reliability	$0	$250,027,774	$250,027,774
394677	Water Treatment Capital Improvements	Water	Regulatory	$0	$1,789,834	$1,789,834
596786	Dispatch radio console replacement	Common	Reliability	$0	$1,385,955	$1,385,955
193978	SEP Horizon BESS	Electric	Reliability	$0	$1,384,787	$1,384,787
194185	SPAG Unit A1 Premixer (fuel Nozzle) Replacement	Electric	Reliability	$0	$1,344,513	$1,344,513
394749	Highline Pressure Zone Extension and Redundant Supply	Water	Growth	$0	$1,000,771	$1,000,771
394857	MCTP01 Boiler 1 and 2 Complete Replacement	Water	Reliability	$0	$1,000,000	$1,000,000
Total				**$0**	**$257,933,634**	**$257,933,634**

Summary			
Category	2026 AOFP	Change	New Budget
Total I-2 Reportable Changes	$642,737,547	($36,698,035)	$606,039,513
Total Other Changes	$305,463,690	$172,132	$305,635,821
Grand Total	$948,201,237	($36,525,903)	$911,675,334

5-year Capital Outlook (in thousands)		
Category	2025	2026
AOFP Budget*	$628,752	$948,201
I-2 Forecast	$653,592	$911,675
Variance	$24,839	($36,526)
5-year Total Variance		

* Based on 2026 approval

Actuals in green

3. *Invest funds in accordance with Bond Ordinance requirements and Utilities Investment Plan.*

   All cash and investments are in U.S. Treasury Notes, U.S. Agency securities, repurchase agreements, Local Government Investment Pools, and secured bank accounts that comply with Bond Ordinance investment requirements and the Colorado Springs Utilities Investment Plan.

4. *Ensure controls are in place for receiving, processing, or disbursing funds and allow only bonded personnel access to material amounts of funds.*

   Colorado Springs Utilities maintains adequate controls that are reviewed annually by an external auditor. Appropriate personnel have access to material amounts of funds. In addition, the City of Colorado Springs' Risk Management team has expanded insurance coverage of high-risk employees through a shared Crime Insurance Policy, which affords a financial backstop for employee theft, forgery, money order tampering, counterfeit money, and other elements of potential fraud and misappropriation.

5. *Ensure receivables are resolved within a reasonable grace period.*

   Days Sales Outstanding (DSO) is the average number of days receivables remain outstanding before being collected. At the end of the second quarter of 2026, there is 17.51 of DSO. This is an improvement from first quarter of 2026 which was 20.80.

6. *Settle payroll and debts in a timely manner.*

   These conditions have been achieved as of this monitoring report.

7. *Ensure tax payments or other government ordered payments are timely and materially accurate.*

   These conditions have been achieved as of this monitoring report.

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.*

   Colorado Springs Utilities maintains written purchasing regulations that assure legal and fiscal compliance with competitive acquisition practices, avoid conflicts of interest, avoid favoritism, and promote procurement from local vendors. Total spending associated with purchase orders and contracts with local area addresses at 24% for the second quarter, with a target of 30%.

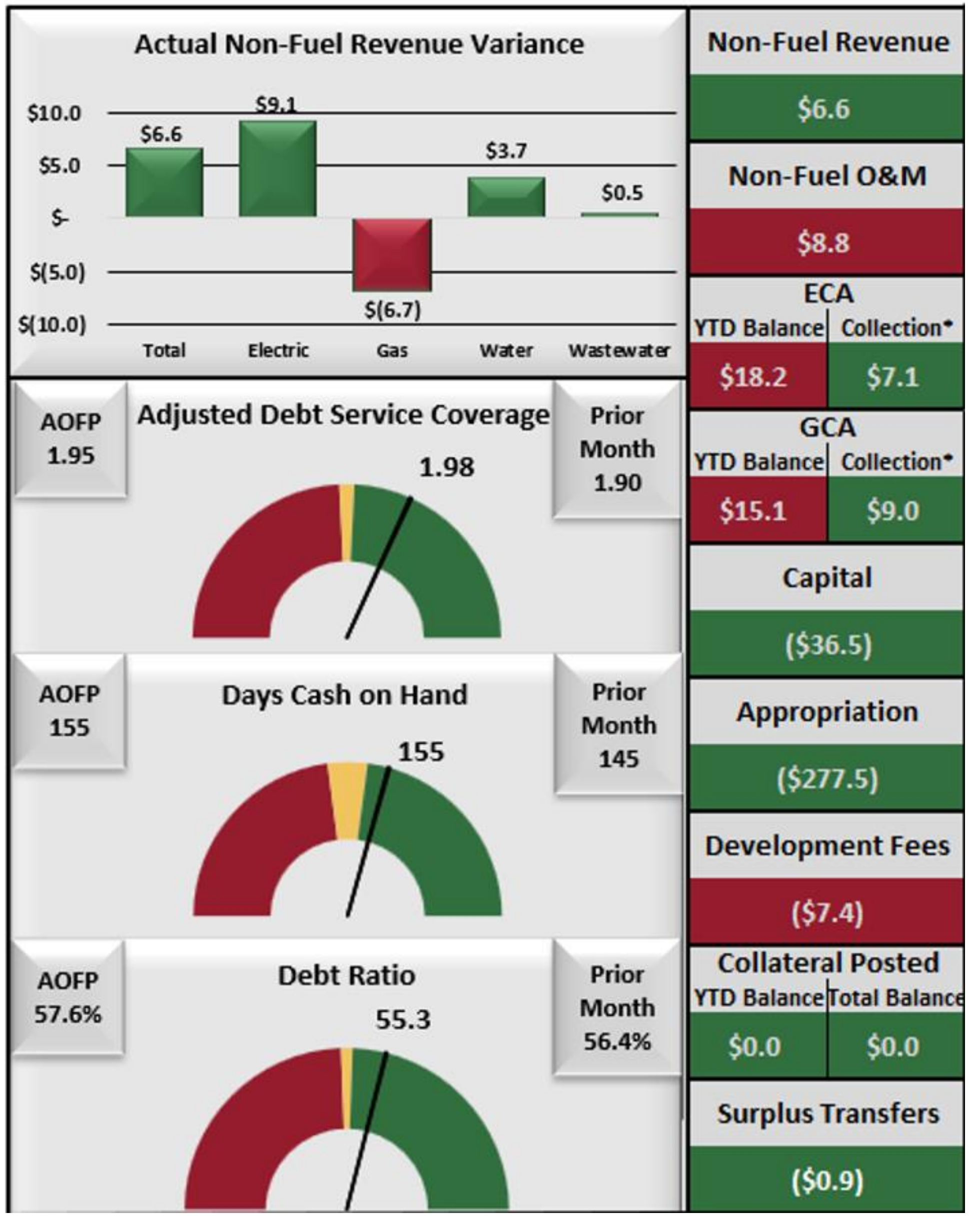
9. *Inform the Utilities Board of significant financial impacts on the Municipal Government.*

   During the second quarter of 2026, there were no significant financial impacts on the Municipal Government.

2026 Quarter 2 Financial Condition and Activities I-2 Report

John Hunter, Financial Planning and Risk Manager

Working Committee
September 14, 2026



1. Operate within the Budget Appropriation

- We are forecasting to operate within the total appropriation for fiscal year 2026

Key Variances

- Total appropriation is $278 million under AOFP
  - Lower fuel expense is the major driver
- Development fees are $7.4 million under
  - Forecasted drop in new homes is the driver
- Capital is $36.5 million under the AOFP
  - Underage is related to the generation move from Horizon to Williams Creek

2. Capital Projects with changes greater than $1,000,000

- $36.5 million under the 2026 Budget for Capital

Largest Project Change List	$ Changes	Project Change Description
Horizon / Williams Creek Power Plant	($108 million)	Reduced due to delay with project sight change
Operational Fiber	$47 million	Increased spend to make up for slow early years
Las Animas Shares Acquisition	$33 million	Purchase of Water Rights accelerated from 2027
Penrose Water Supply	($10 million)	Majority of project spend delayed until 2027
WOLF & UBGT pressure zone interconnect	($7 million)	Pushed into 2027 due to design changes

Other I-2 Directives

3. Invest Funds in accordance with Bond Ordinance
    - **All cash was invested in compliance.**
4. Ensure controls are in place for material fund access
    - **We maintained adequate controls that were reviewed by an external auditor.**
5. Ensure receivables are resolved within grace period
    - **At the end of the second quarter there were 17.5 Days Sales Outstanding (DSO) which improved 3.3 days from 2026 Q1.**
6. Settle payroll and debts in a timely manner
    - **These conditions were achieved.**
7. Ensure tax and other government ordered payments are timely and accurate
    - **These conditions were achieved.**
8. Operate within applicable procurement codes and policies
    - **We maintained written purchasing regulations that assured legal and fiscal compliance.**
9. Inform of significant financial impacts on the Municipal Government
    - **During the second quarter of 2026, there were no significant financial impacts.**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Date: October 21, 2026

To: Utilities Board

From: Travas Deal, Chief Executive Officer

Subject: **Excellence in Governance Monitoring Report**
Water Supply Management (I-7)

Desired Action: Monitoring

Compliance: The CEO reports compliance with the instructions.

INSTRUCTIONS			
Category:	**Utilities Board Instructions to the Chief Executive Officer**	Reporting Timeframe:	**September 30, 2025 – August 31, 2026**
Policy Title (Number):	**Water Supply Management (I-7)**	Reviewing Committee:	**Working**
Monitoring Type:	**Internal**		
Monitoring Frequency:	**Annual**		

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

1. *Defend Colorado 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.*

Colorado Springs Utilities protects Colorado Springs' existing water resources vigorously against claims and filings by others by filing statements of opposition to water rights claims made in Colorado water courts that have the potential to impede, infringe upon, or decrease the yield from Colorado Springs' decreed water rights. As of August 31, 2026, Springs Utilities is involved in 19 statement of opposition cases.

2. *Conduct periodic evaluations of Colorado Springs Utilities' existing decreed water rights and take legal and administrative actions necessary to optimize the water system.*

Springs Utilities has maintained the conditional Sugarloaf water rights since acquiring them as part of a larger water rights package in 1984. On May 26, 2026, Colorado Springs City Council voted to abandon these conditional rights because of physical, legal, and regulatory challenges and because the de minimus benefit to the overall water system.

Springs Utilities' staff engaged in the following activities to protect and optimize existing water resources during the reporting period:

A. Participation in water court actions related to the protection and development of water rights.

As of August 31, 2026, Springs Utilities is a party in 29 water rights cases, consisting of four application cases, six diligence cases, and 19 statement of opposition cases.

During the reporting period, Springs Utilities filed two applications for findings of reasonable diligence with regard to certain conditional water rights owned by Utilities and its partners, and/or to make portions of the conditional water rights absolute while maintaining the remaining conditional portions of those rights during the reporting period. Both diligence filings support ongoing efforts to perfect exchange rights, the first for Fountain Mutual Irrigation Company and Chilcott Ditch Company shares, and the second for Colorado Canal Company shares. Both applications are pending.

B. Development of conditional water rights.

Springs Utilities' staff is actively pursuing development of its remaining conditional water rights located on the Western Slope of Colorado. The primary means of protecting and developing these water rights is to complete the permitting and construction of the infrastructure needed to divert the water and put it to beneficial use. Two systems in the Colorado River Basin have existing water rights and undeveloped supplies:

i. Continental-Hoosier System - Staff has continued working on permitting a project to fully utilize the rights available under the Continental-Hoosier System and is conducting planning studies, engineering, legal analysis, design and pre-permitting, including meeting with the appropriate permitting agencies to develop full and complete applications for the project that comply with federal, state and local requirements for the development of these water rights and supply. Pursuant to the executed Blue River Memorandum of Understanding 2024 with several west slope parties, staff is working toward a decree in Case No. 24CW3116 regarding Lower Blue Reservoir storage rights.

ii. Eagle River MOU Project - Staff participated in partnership discussions consistent with the planning phase of the project to continue to diligently preserve these water rights and supply. Staff provided subject matter expertise in water court cases to protect these water rights.

C. Development of additional water supplies.

   i. Springs Utilities' staff continues to perform engineering and legal work that facilitates the use of the water rights associated with:
      1. 2,500 shares in the Lower Arkansas Water Management Association (LAWMA). The LAWMA shares will provide Springs Utilities approximately 2,500 acre-feet of water in alternating years.
      2. 3,292 shares in the Fort Lyon Canal Company (FLCC). The FLCC shares will provide Springs Utilities approximately 3,300 acre-feet of water annually.

   ii. Springs Utilities has taken significant steps to complete the acquisition of shares in the Las Animas Consolidated Water Sharing Company which will provide approximately 3,500 acre-feet of water annually.

   iii. Springs Utilities is pursuing successful completion of permitting an enlargement at Montgomery Reservoir in the Continental-Hoosier System which is expected to increase the average annual yield from that system by 4,000 acre-feet.

   iv. Springs Utilities' staff continue to evaluate and pursue opportunities to acquire additional water supplies and participate in storage projects in the Arkansas, Colorado, and South Platte River Basins.
      1. Springs Utilities' participation in the John Martin Reservoir Multi-Purpose Account Pilot Project allows Springs Utilities to temporarily store certain water supplies in John Martin prior to exchange upstream. The Pilot Project is an agreement between the states of Colorado and Kansas which allows certain water sources to be stored temporarily after review and administrative approval from the Arkansas River Compact Administration. The two states agreed to implement the Pilot Program through March 31, 2028. However, storage permanency for Springs Utilities in John Martin remains uncertain, and Springs Utilities continues to evaluate alternatives.

      2. Staff and consultants are evaluating the feasibility of constructing a 5,000-acre-foot reservoir near Las Animas on Colorado Springs Utilities' owned property. The storage feasibility study will identify any fatal flaws related to constructability and evaluate three, high level alternative designs with class five cost estimates. The purpose of this future reservoir is to store Springs Utilities' lower

Arkansas River water (particularly water derived from its Fort Lyon Canal shares) prior to exchange upstream for subsequent delivery to Springs Utilities' distribution system.

3. This also includes participation in the newly formed Recovery of Yield ("ROY") Water Authority, which is a collaborative effort between the Southeastern Colorado Water Conservancy District, the City of Fountain, Pueblo Water, Pueblo West Metropolitan District, Aurora Water, and Springs Utilities. Its purpose is to develop multi-beneficial water storage projects in the Arkansas River basin with oversight from its board of directors comprised of representatives from the participating entities.

D. Development and use of Springs Utilities' exchange program.

Springs Utilities also operated its exchange program, which allows Springs Utilities to maximize the use of its reusable return flows by exchanging them for a like amount of water stored or diverted upstream of where the return flows accrue to the Arkansas River System (e.g., reusable return flows that accrue to the Arkansas River at its confluence with Fountain Creek can be exchanged or traded upstream for a like amount of water stored in Pueblo Reservoir). The exchange program currently yields approximately 32,900 acre-feet of water annually by maintaining dominion and control of all reusable return flows.

E. Participation in regional, state, and national programs, work groups and activities that may affect Colorado Springs' water resources.

Springs Utilities' staff attended, monitored, and regularly participated in meetings and activities of regional, statewide, and national interest concerning policies, regulations, and activities that may affect Colorado Springs' water resources.

Regional activities include ongoing discussions and coordination with regional water districts and other entities regarding potential service contracts. Statewide and national activities include negotiations with large water providers and other interested parties regarding water and watershed projects and administration and monitoring of water issues on regional and national levels. Examples include participation by staff on the Arkansas, Colorado and South Platte River Basin Round Tables, the Metro Round Table, the Inter-Basin Compact Committee, the Front Range Water Council, Upper Colorado River Endangered Fish Recovery Program, Upper Colorado River Wild & Scenic Alternative Management Plan, and the Arkansas Basin Regional Resource Planning Group.

Other examples include staff's participation in activities related to: (1) Interstate and intrastate negotiations relating to compliance with the Colorado River Compact and related agreements, (2) addressing issues related to Perfluorinated Compounds in regional water supplies, and (3) proposed legislation that could impact Springs Utilities' water supply development and operations.

Springs Utilities' staff is also actively engaged in the Water Court proceedings for the Shoshone Water Rights change of use application by the Colorado River Water Conservation District. Springs Utilities and other Front Range water providers support the project but are engaged to ensure the continued use of Shoshone water rights is consistent with historical uses.

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.*

Springs Utilities' staff continually monitors stream flow, water demand and water system storage to ensure maximization of available water supply. As of July 31, 2026, Springs Utilities has more than two years and seven months of unrestricted water demand in storage. Springs Utilities has maintained more than one year of customer demand in storage since 1992. In addition, it has achieved 90% reliability for maintaining a minimum of 1.5 years of demand in storage during this period, with storage only dropping below 1.5 years of demand in three of the 30 years. Colorado Springs was under mandatory watering restrictions in five years (2002-2005, and 2013) during this 30-year period to respond to and recover from drought and low storage conditions. To promote water-wise watering practices, Springs Utilities has permanent three-day a week watering restrictions.

In recognition of the extremely poor snowpack in late 2025 through early 2026, Colorado Springs enacted increased drought response measures by formally declaring the *Water Shortage Preparation* stage of the Water Shortage Ordinance on March 18, 2026. Although water system storage is not expected to fall below 1.5 years of demand in storage during the next reporting period, Springs Utilities continues to evaluate and plan for implementation of drought response measures in 2026-2027 and beyond based on the water outlook conditions that may exist in future years.

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 efficiency and demand management measures to support and enhance water system reliability.*

In compliance with all Colorado Water Conservation Board (CWCB) guidelines, Springs Utilities filed an updated Water Efficiency Plan (WEP) which the CWCB approved in 2023. Water efficiency and demand management programs implemented by Springs Utilities are designed to enhance water system reliability, stretch available supplies, and are critical to the careful stewardship of water in our community, state and region.

To reach the goal of 8,000 – 10,000 acre-feet of water savings defined in the Integrated Water Resource Plan (IWRP), Springs Utilities must continue to address inefficient use and reduce demands through comprehensive conservation programming. Springs Utilities' 2023 WEP is designed to reduce residential and systemwide usage rates by 2.5% and the identified programs could provide an estimated 2,191 acre-feet of water savings by 2030.

In 2023, Springs Utilities completed a water conservation study looking at the possibilities for water conservation 25 years into the future. This study demonstrated that while in the last 25 years Springs Utilities cut use more than 22,000 acre-feet, in the next 25 years we can only expect to gain approximately 8,000 acre-feet of additional savings.

Springs Utilities is currently developing strategies, conservation pricing and policies to continue to maximize savings and water efficiency as we grow. Integrating land and water use in our conservation efforts allows us to better determine and shape future water demands while incentivizing growth designed to support economic vitality and the livability of our community. All of these efforts ensure the careful stewardship of our water resources.

Pursuant to City Code §§ 12.4.1301-12.4.1316 (Water Shortage), Springs Utilities has the authority to systematically manage water demand and conserve Colorado Springs' water supply through water waste prohibitions that are always in place (called Water-Wise Rules), and mandatory watering restrictions during water shortage.

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.*

Springs Utilities does not allow the use of Denver Basin groundwater in its exclusive water service territory for purposes that violate this instruction, except for instances when specifically directed to do so by the Utilities Board and/or City Council. During the reporting period, Springs Utilities operated two Denver Basin wells on a limited basis for non-potable irrigation and provided for the use of five additional customer owned and operated wells for non-potable water purposes through its groundwater augmentation program.

Springs Utilities legally controls a majority of the Dawson Aquifer groundwater within its exclusive water service territory. Springs Utilities has not developed or allowed development of groundwater that it controls in the Dawson Aquifer within the exclusive water service territory. There are some historical Dawson Aquifer wells on land previously annexed into the exclusive water service territory. Many of these wells are not subject to the control of Springs Utilities and the owners are legally entitled to continue operating the wells under existing well permits, decreed water rights, or both, to provide limited private water service.

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.*

Springs Utilities has not reserved water supply, water and wastewater infrastructure, or water and wastewater capacity for any person, organization, property or development during this reporting period. Springs Utilities provides water service on a "first-come, first-serve" basis within City limits pursuant to City Code § 12.4.1001 (Denver Basin Groundwater). Springs Utilities only provides water and wastewater service pursuant to City Code §§ 12.1.116, 12.4.301-12.4.305, and 12.5.301-12.5.305.

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.*

Springs Utilities has not entered into any special contracts for water-related services that are inconsistent with this instruction during the reporting period. During this reporting period, Springs Utilities entered one special water contract and three special wastewater contracts. The special water service contract is with Cheyenne Mountain Space Force Station for Augmentation Water Service over a 25-year term. Springs Utilities entered into two special wastewater contracts in support of the North Monument Creek Interceptor (NMCI) project with Forest Lakes Metropolitan District and Triview Metropolitan District. Finally, Springs Utilities entered into a new special wastewater contract with Garden Valley Water and Sanitation District to continue to provide wastewater services. These contracts provide a benefit to Springs Utilities' ratepayers and citizen owners, contain terms and conditions consistent with this instruction, and received final approval from City Council.

Springs Utilities is continuing to monitor its existing special contracts and is evaluating the potential of providing regional water or wastewater services for a number of existing municipalities, existing special districts, new special districts, and enclaves. The requests for service have included standby water service; convey, treat, and deliver water service; and full service wastewater service. Any contracts resulting from these discussions will ensure benefit to Springs Utilities' ratepayers and citizen owners, contain terms and conditions consistent with this instruction, and will require approval from City Council.

Springs Utilities also entered into 15 separate but similar temporary surplus water lease agreements under which the lessees can use water available under certain shares of the FLCC, Colorado Canal Company and/or fully consumable reusable return flows for various uses including well augmentation and agricultural irrigation during the reporting period. Total supplies that are subject to those leases is equal to approximately 11,800 acre-feet.

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.

The Utilities Board approved language for Springs Utilities to enter into agreements of up to 99-years for regional water and wastewater agreements tied to economic development purposes and using Springs Utilities infrastructure only in March 2025. Since the language has been approved, Springs Utilities has entered into two wastewater service agreements for 99-years; one with Forest Lakes and one with Triview. Both Forest Lakes and Triview will receive wastewater treatment service once the NMCI Project is complete.

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I-7
Water Supply Management

September 14, 2026

Jenny Bishop, P.E.

Water Resource Planning

Water Rights Protection & Development

- Protection through water court

- Development of water supplies
  - Las Animas Consolidated purchase diligence
  - Continental-Hoosier System planning, engineering, legal analysis, design, pre-permitting

- Exchange Program

Reliable Water Supply

- More than 2 years of water in storage
- 3-day a week watering
- Water Shortage Preparation declaration
- Continued storage monitoring

Regional, State and National Engagement

- Shoshone water rights discussions
- Basin Round Table and other Committees
- Water Efficiency and Demand Management
- Regional Wastewater Service Agreements
  - Triview Metropolitan District
  - Forest Lakes Metropolitan District
  - Garden Valley Water and Sanitation District


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Date: October 21, 2026

To: Utilities Board

From: Travas Deal, Chief Executive Officer

Subject: **Excellence in Governance Compliance Report Treatment of Staff (I-10)**

Desired Action: Monitoring

Compliance: The CEO reports compliance with the instructions.

INSTRUCTIONS			
Category:	**Utilities Board Instructions to the Chief Executive Officer**	Reporting Timeframe:	**July 1, 2025 – June 30, 2026**
Policy Title (Number):	**Treatment of Staff (I-10)**	Reviewing Committee:	**Working Committee**
Monitoring Type:	**Internal**	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.*

   As stated in the Personnel Policies Manual, Colorado Springs Utilities will not tolerate any form of unlawful discrimination or harassment and seeks to establish a collaborative and productive work environment free from unlawful discrimination and harassment. Colorado Springs Utilities has an Open Door Policy and a formal complaint process which it has adhered to during this reporting period.

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.*

   Colorado Springs Utilities promulgated and formally notified all employees of potential changes to the Personnel Policy Manual (PPM) in accordance with the PPM

Promulgation Process. The PPM was promulgated Nov. 7, 2025 – Nov. 21, 2025, and approved effective Dec. 19, 2025.

3. *Provide employees access to all organizational policies and procedures.*

   The Personnel Policy Manual (PPM) is posted on the intranet, which is accessible to all employees. A copy of the PPM may be printed by any employee. All new employees receive information on how to access the PPM during new employee orientation and sign an acknowledgment form.

4. *Operate with a written affirmative action plan, as required by law.*

   Colorado Springs Utilities is a covered federal contractor or subcontractor subject to the requirements of the Vietnam Era Veterans Readjustment Assistance Act, 38 U.S.C. § 4212 (§ 4212), as amended, and § 503 of the Rehabilitation Act of 1973, as amended. Colorado Springs Utilities has an Affirmative Action Plan for protected veterans and individuals with disabilities.

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.*

   Colorado Springs Utilities conducted an employee climate survey in 2024. Organizational action plans were created from the results of the 2024 climate survey and implementation of the action plans began in Q1 2025. A pulse survey was conducted in Q3 2026, with results reported in the same quarter.

I-10, Treatment of Staff

Tara Russell

General Manager - People, Safety and Development

September 14, 2026

Protection from Discrimination, Harassment and Retaliation

Colorado Springs Utilities will not tolerate any form of unlawful discrimination or harassment and seeks to establish a collaborative and productive work environment. Our policies include an Open Door Policy and a Formal Complaint Process.

Personnel Policy Manual (PPM)

Colorado Springs Utilities maintains a PPM to clarify rules for employees. We offer a promulgation process with an employee notification and comment process before PPM changes are made. In addition, we make the PPM accessible to all employees.

Affirmative Action Plan (AAP)

The organization maintains a formal Affirmative Action Plan to support equal employment opportunity, prohibit discrimination, and promote the employment and advancement of protected veterans and individuals with disabilities.

Employe Climate Surveys

Colorado Springs Utilities conducted an employee climate survey in 2024 to gather feedback and identify opportunities for improvement. Based on the results, organizational action plans were developed, and implementation began in Q1 2025. To measure progress and employee sentiment, a pulse survey was conducted in August 2026, with results scheduled to be shared organization-wide in September 2026.


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Date: October 21, 2026

To: Utilities Board

From: Travas Deal, Chief Executive Officer

Subject: **Excellence in Governance Monitoring Report Compensation and Benefits (I-11)**

Desired Action: Monitoring

Compliance: The CEO reports compliance with the instructions.

INSTRUCTIONS			
Category:	**Utilities Board Instructions to the Chief Executive Officer**	Reporting Timeframe:	**September 1, 2025 – August 31, 2026**
Policy Title (Number):	**Compensation and Benefits (I-11)**	Reviewing Committee:	**Working Committee**
Monitoring Type:	**Internal**		
Monitoring Frequency:	**Annual**		

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.*

   In conjunction with the proposed 2026 budget presentation, employees were notified of the proposed salary and benefits in an annual wage and benefits memo. This memo included a specific salary and benefits appeal process. There were no appeals submitted during this reporting period.

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 custom survey data and published survey sources.*

    No new executive compensation plans were developed during this reporting period.

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 Guidelines.*

    Severance was not provided during this reporting period.

4. *Provide severance to any other employees only with Utilities Board Approval.*

    Severance was not provided during this reporting period.

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I-11, Compensation and Benefits

Tara Russell

General Manager - People, Safety and Development

September 14, 2026

Annual Salary and Benefits Appeal Process

Employees have the right to appeal the methodologies followed that result in the annual salary and benefits proposed for the upcoming year. The appeals process is outlined in the annual Wage and Benefits Memo that is released annually to employees.

There were no appeals submitted during this reporting period.

Executive Compensation Plans

Executive compensation plans for Officers and General Managers are developed using market data from comparable multi-service utilities and public and private organizations, incorporating both custom and published survey sources.

No new executive compensation plans were developed during this reporting period.

Severance Plans

Severance may be provided to Officers and General Managers in cases of involuntary separation without cause, in accordance with Board-approved guidelines. Severance for other employees requires Utilities Board approval.

No severance was provided to either group during the reporting period.


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Date: October 21, 2026

To: Utilities Board

From: Travas Deal, Chief Executive Officer

Subject: **Excellence in Governance Compliance Report**
Chief Executive Officer Responsibilities (E-2.8)
Emergency Chief Executive Officer Succession

Desired Action: Monitoring

Compliance: The CEO reports compliance with the instructions.

INSTRUCTIONS			
Category:	**Utilities Board/Chief Executive Officer Partnership Expectations**	Reporting Timeframe:	**2026 Calendar Year**
Policy Title (Number):	**Chief Executive Officer Responsibilities (E-2.8)**	Monitoring Frequency:	**Annually**
Monitoring Type:	**Internal**		

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-2 Chief Executive Officer Responsibilities

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.*

   The designated Officer emergency successors are:
   The Chief Operations Officer
   The Chief Planning and Financial Officer

   All travel has been arranged in accordance with policy.

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E-2.8 Emergency Chief Executive Officer Succession

Renee Adams
Chief Human Resources Officer
September 14, 2026

Emergency Chief Executive Officer Succession

The designated Officer emergency successors are:

- The Chief Operations Officer
- The Chief Planning and Financial Officer

All travel has been arranged in accordance with this policy.


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2027 Proposed Budget Final Draft

John Hunter, Financial Planning and Risk Manager

Working Committee

September 14, 2026

Budget Overview

Proposed 2027 Budget vs 2026 AOFP

Budget Summary (in thousands)

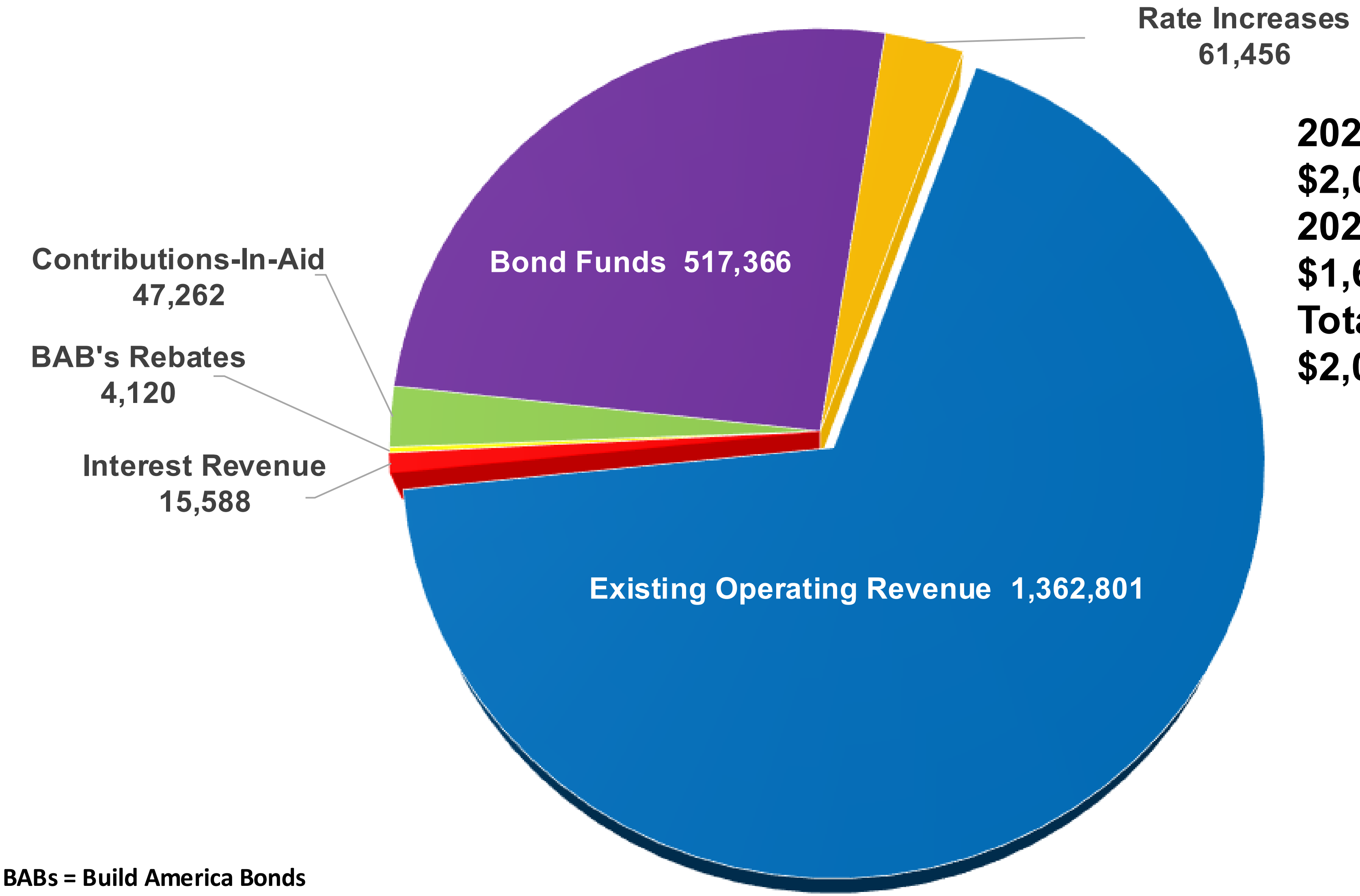
	2027 Proposed Budget	2026 Approved Budget	Increase / (Decrease)	% Change
Capital Projects	$ 777,088	$ 948,201	$ (171,113)	-18.0%
Fuel Operations & Maintenance	459,051	534,693	(75,642)	-14.1%
Non-Fuel Operations & Maintenance	465,452	452,909	12,543	2.8%
Debt Service	271,123	266,425	4,698	1.8%
Transfers - Surplus Funds to City	37,134	36,543	591	1.6%
Other	428	365	63	17.2%
TOTAL	**$ 2,010,276**	**$ 2,239,136**	**$ (228,860)**	**-10.2%**

Proposed 2027 Budget vs 2nd Presentation

Budget Summary (in thousands)

	2027 Proposed Budget 3rd Consol	2027 Proposed Budget 2nd Consol	Increase / (Decrease)	% Change
Capital Projects	$ 777,088	$ 783,188	$ (6,100)	-0.8%
Fuel Operations & Maintenance	459,051	453,975	5,076	1.1%
Non-Fuel Operations & Maintenance	465,452	459,938	5,514	1.2%
Debt Service	271,123	270,295	828	0.3%
Transfers - Surplus Funds to City	37,134	37,134	(0)	0.0%
Other	428	428	(0)	0.0%
TOTAL	**$ 2,010,276**	**$ 2,004,958**	**$ 5,318**	**0.3%**

Funding 2027 Appropriation (in thousands)



2027 Total Source of Funds
$2,008,593
2027 Cash from Metrics
$1,683
Total Funds
$2,010,276

BABs = Build America Bonds

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	$ 12,005	$ 13,484	$ (1,479)	-11.0%
CEO Direct Reports (Division 1)	4,567	5,232	(665)	-12.7%
Admin and Human Resources (Division 2)	137,300	123,045	14,255	11.6%
Planning and Finance (Division 4)	22,341	22,439	(98)	-0.4%
Customer & Enterprise Services (Division 5)	81,222	82,439	(1,217)	-1.5%
Operations Division (Division 7)	247,927	240,154	7,773	3.2%
System Planning and Projects (Division 9)	56,287	57,410	(1,123)	-2.0%
Total [1]	**$ 561,649**	**$ 544,203**	**$ 17,446**	**3.2%**

[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	$ 275,433	$ 267,033	$ 8,400	3.1%
Benefits	94,966	82,261	12,705	15.4%
Outside Professional Services	56,943	59,329	(2,386)	-4.0%
Equipment Lease & Maintenance	37,759	36,609	1,150	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	14,947	19,354	(4,407)	-22.8%
Total [1]	**$ 561,649**	**$ 544,203**	**$ 17,446**	**3.2%**

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

Metric & Rate Outlook

Proposed 2027 Budget Overview (in thousands)

Proposed Metrics	2027	3 Year Average (2027-2029)
Adjusted Debt Service Coverage	1.95	1.94
Debt Ratio	56.7%	58.0%
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

Next Steps

October 21: Utilities Board – 2027 Proposed Budget

November 10: City Council –
- 2027 Budget - 1st Reading

November 24: City Council –
- 2027 Budget – 2nd Reading

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U.S. Cyber Command (USCYBERCOM) Cooperative Research and Development Agreement (CRADA)

Partnership Proposal

Jessica Rheinschmidt

Manager, Cybersecurity

Sept. 14, 2026

Intergovernmental Agreement

CRADA: Cooperative Research and Development Agreement

Purpose

Enables a federal laboratory and a non-federal partner to work together on specific research or development projects.

How it works

Each party may contribute personnel, services, facilities, equipment, expertise, or other agreed resources. The federal party does not fund the collaborator.

What governs the work

The agreement and Joint Work Plan define scope, responsibilities, information handling, intellectual property, liability, and deliverables.

Pending Utilities Board approval, the agreement will be presented to City Council for its consideration. City Council approval is required for intergovernmental agreements per City Code § 12.1.104.

Who is USCYBERCOM?

U.S. Cyber Command: The federal government combatant command responsible for cyberspace operations.

01 **Mission**

Directs, synchronizes, and coordinates cyberspace planning and operations to defend and advance national interests.

02 **Core Focus**

Defends federal government networks, supports combatant commanders, and strengthens national resilience to cyberattack.

03 **How It Operates**

Unifies cyberspace operations and brings together cyber capabilities and expertise across the federal government.

04 **Partner Approach**

Works with domestic and international partners, making collaboration central to mission success.

Expected Benefits

Reduce cyber risk

Find and address unnecessary access paths and unauthorized exposure.

Extend resource capacity

Use partner expertise for targeted work.

Transfer knowledge

Capture methods, lessons learned, and repeatable practices.

Support governance

Strengthen documentation and policy adherence through cyber audits.

Support reliability

Lower the likelihood that preventable weaknesses contribute to service disruption.

Enable future options

Build evidence to decide whether to expand, adjust, or stop the partnership.

Proposed Projects

Engagement Requirements

- Utilities will begin with limited, low-risk cybersecurity initiatives to evaluate the partnership, validate assigned capabilities, and deliver measurable security improvements.
- Each project will be separately scoped and approved, with Utilities retaining control over access, technical changes, remediation, and production implementation.

Project 1 | Site surveys

- Survey and site walks at multiple facilities
- No direct production-system access

Project 2 | Policy review support

- Audit against specific requirements for enhanced security
- Utilities validates business need and controls all remediation changes
- Develop repeatable governance and knowledge transfer


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Electric Integrated Resource Plan (EIRP) – Nuclear Update

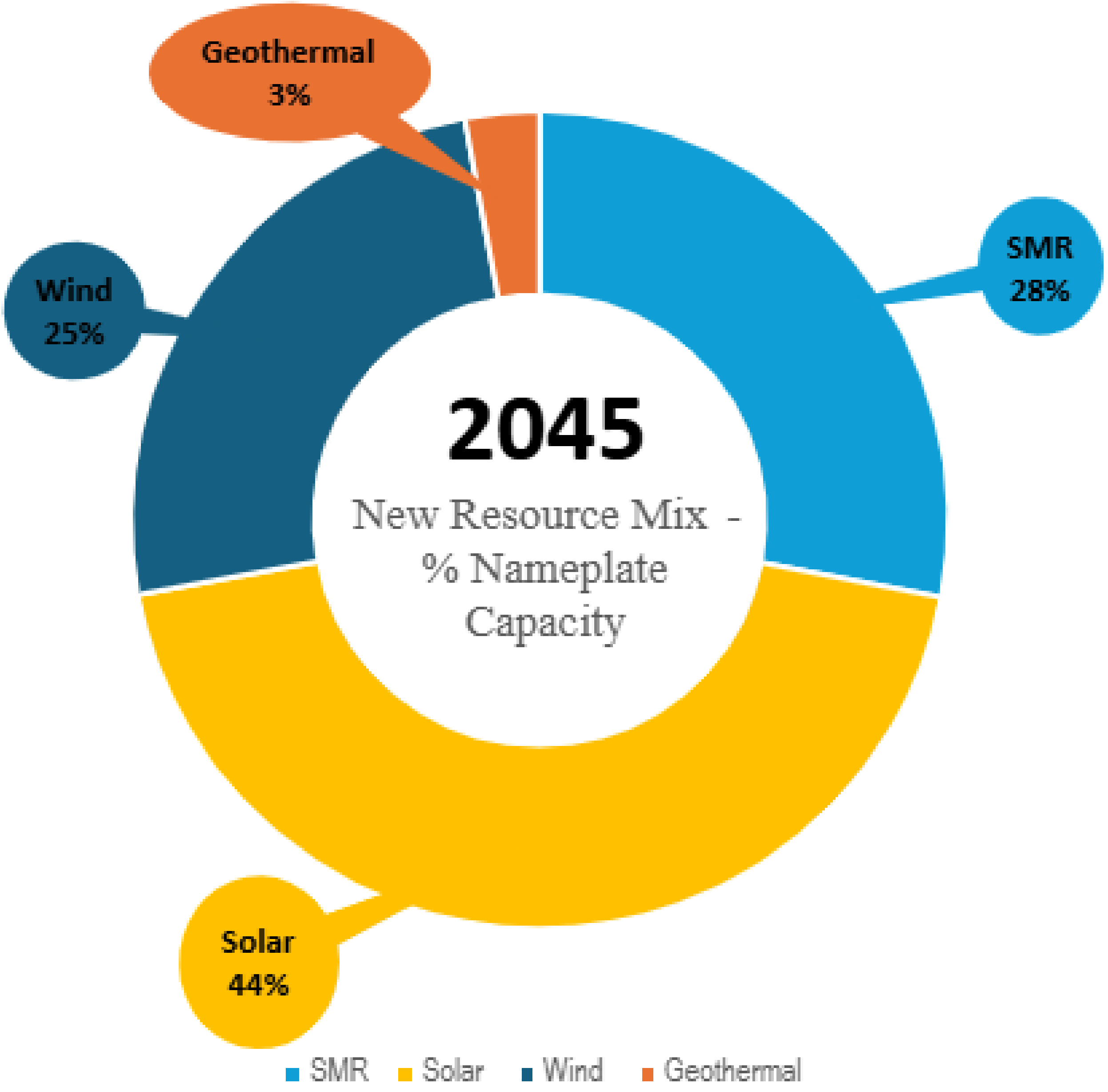
September 14, 2026, Utilities Board Working Committee

David Longrie – Manager Energy Resource Planning and Innovation
Troy Bass – Supervisor Energy Resource Planning

Strategic Case for Nuclear

- Firm, dispatchable generation
- 80-year asset life with minimal downtime
- High firm capacity
- Bipartisan policy support
- Designated as a clean resource
- Least-cost option when emissions and reliability are balanced

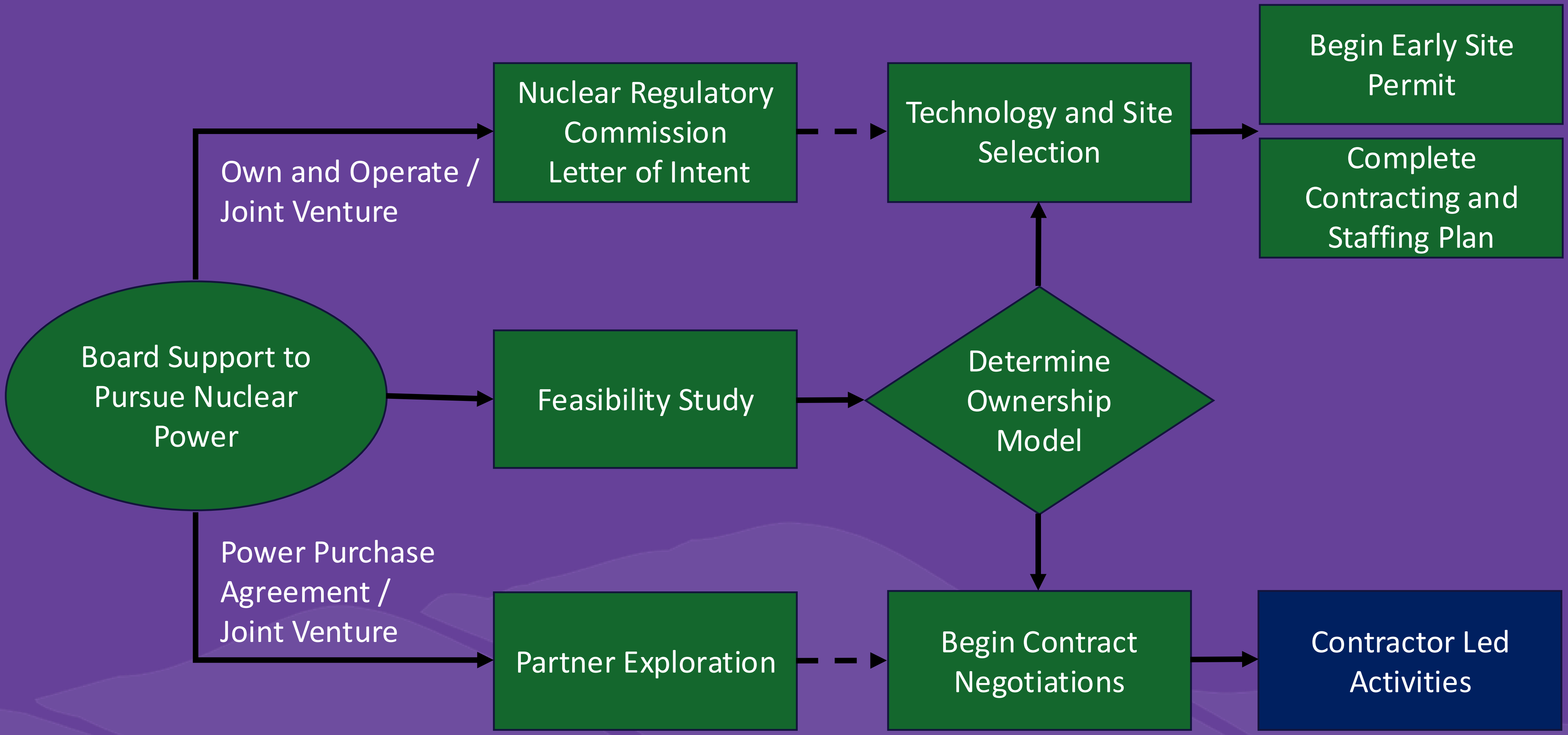
Strategic Implications → Retain nuclear as a firm-clean option while feasibility is tested.



Progress to Date

- Feasibility plan drafted
- Community engagement plan drafted
- Partnerships formed to support feasibility work
- Exploring regional utility partners

Planning Phase



Select the Ownership and Delivery Model

- Use community informed evaluation criteria to establish the ownership and delivery model
- Balance risks, costs, and benefits

Decision Gate #1 → Confirm the evaluation criteria before narrowing the model

Model	Strategic Benefit	Main Risk
Own and operate	Most control, potential long-term cost benefit	Highest capital, staffing, regulatory, and execution risk
Power purchase	Lower upfront risk and staffing need	Less control, potential higher long-term cost
Partnership or joint venture	Shared risk and capability	Partner uncertainty and governance complexity

Community Engagement

- Community input should shape criteria, questions, concerns, and safeguards.
- Engagement should be phased:
  - Internal alignment and evidence base
  - Stakeholder co-development
  - Public portfolio tradeoff engagement
  - Site-selection criteria engagement
  - Report-back and recommendation
  - Benefits, mitigation, and accountability

Decision Gate #2 → Community alignment around nuclear power and potential plant sites

Colorado Springs Utilities

Narrow Sites Using Feasibility Screens

- Confirm site screening criteria.
- Test Nixon site assumptions.
- Identify at least one alternative site for comparison.
- Evaluate water, geology, security, environmental, community, transmission, and interconnection factors.

Decision Gate #3 → Create a shortlist of sites for final evaluation

Regulatory Path and Early Site Permit Strategy

- Early Nuclear Regulatory Commission (NRC) engagement may preserve schedule optionality.
- Letter of Intent and Early Site Permit (ESP) work can reduce uncertainty before technology commitment.
- ESP work requires staffing, consultants, and community engagement.
- Regulatory timelines and costs must be validated before major commitment.

Decision Gate #4 → Site selected to pursue ESP

Colorado Springs Utilities

An Artist's Impression of a Small Modular Reactor (SMR) Nuclear Facility

Milestones

Milestone	Complete
Nuclear Regulatory Commission Letter of Intent	Jan 27
Partnership Exploration	Apr 27
Determine Ownership Model	Apr 27
Complete Contracting / Hiring Plan	May 27
Site Selection	Jan 28
Feasibility Study	May 28
Early Site Permit	Nov 29

Decision Logic

Advance only when the preceding feasibility and governance gates are satisfied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Clean Energy Plan

September 14, 2026, Utilities Board Working Committee

David Longrie – Manager Energy Resource Planning and Innovation

Troy Bass – Supervisor Energy Resource Planning

Senate Bill 26-182

May 2026

Signed into Colorado law May 2026

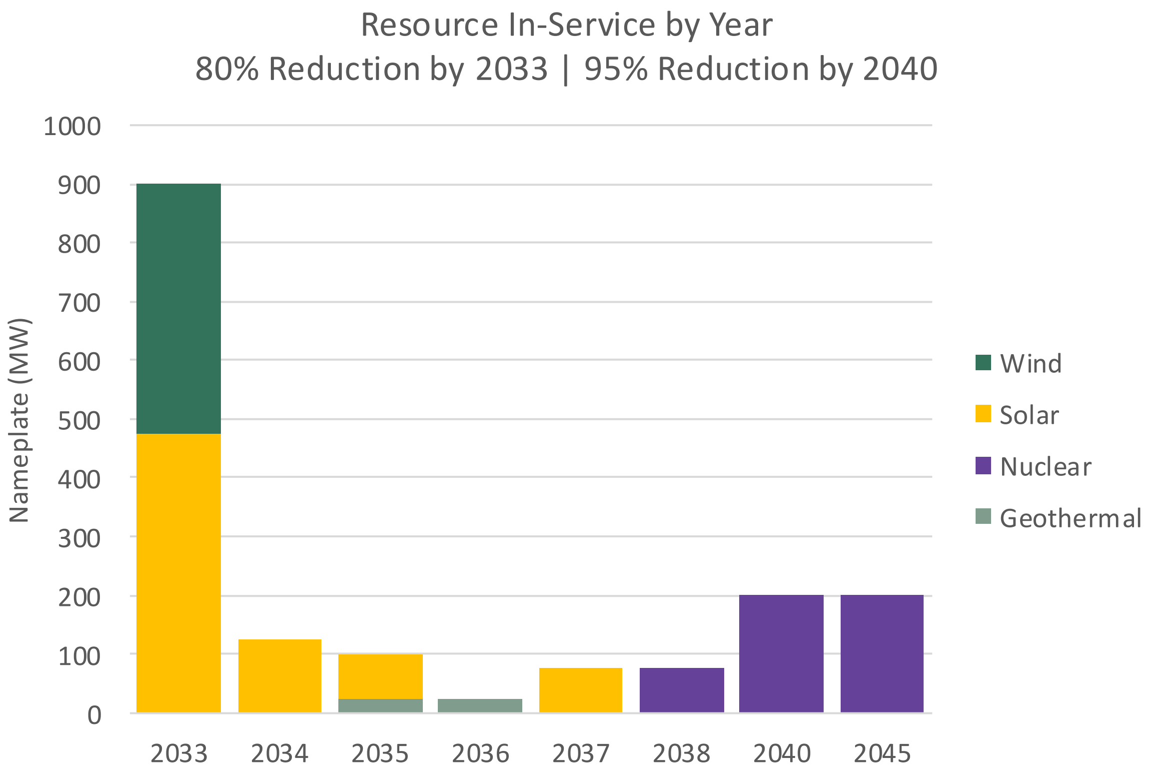
end of 2026

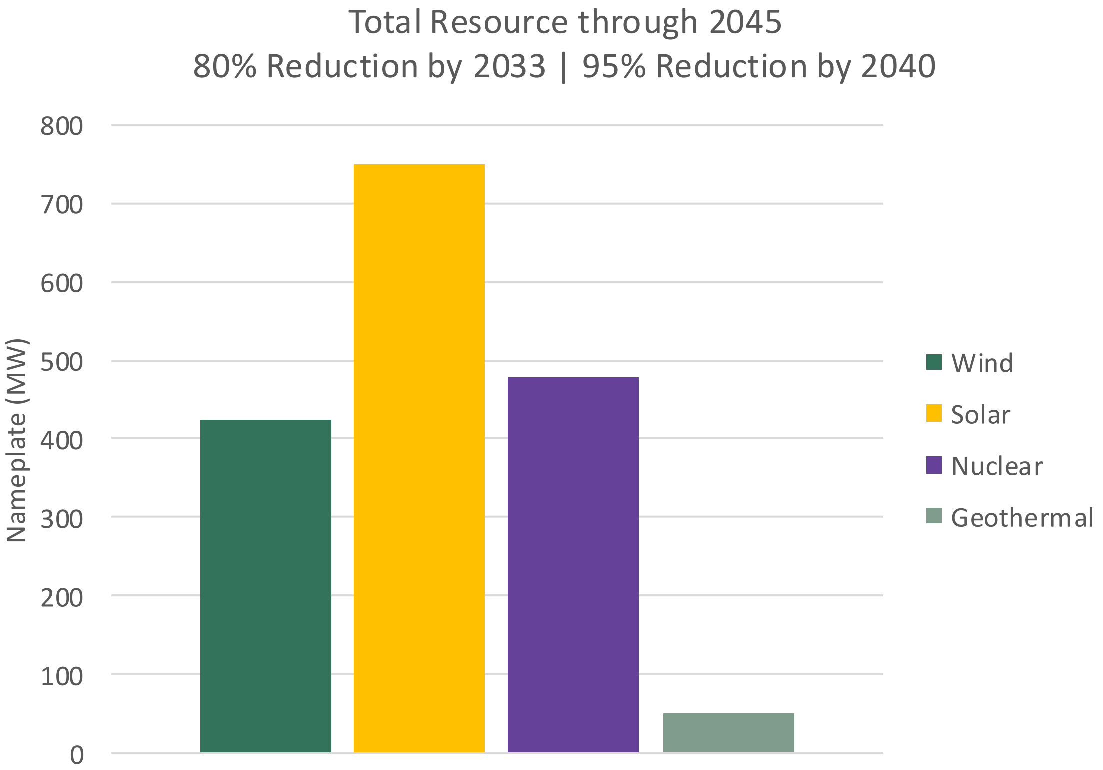
Municipally-owned utilities can file a revised Clean Energy Plan at the end of 2026 to extend the deadline to meet the 80% reduction of greenhouse gas emissions from 2030 to 2033 and seek to achieve 95% reduction by 2040

2032

Allows for the operation of the Ray Nixon Unit 1 coal plant through 2032

EIRP: New Resources Required





Summary of Customer Comments

Clearly explain the drivers of forecasted load growth and new resource needs

Protect existing customers from inappropriate growth-related costs

Give greater visibility to efficiency, demand response, distributed solar, and storage

Apply rigorous cost, schedule, and risk evaluation to nuclear

Maintain transparency and community involvement through implementation

Status

2026 Integrated Resource Plan, unanimously endorsed by the Utilities Board, incorporated 80% by 2033 and seeking 95% by 2040 Clean Energy Plan (CEP) targets

Received customer feedback from multiple community engagement channels and events

Awaiting the updated verification workbook from the Colorado Department of Public Health and Environment (CDPHE)

Actions

September 14	Working Committee
October 21	UB Resolution Approval
December 31	Submit to CDPHE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Clean Heat Plan Update

September 14, 2026, Utilities Board Working Committee

David Longrie – Manager, Energy Resource Planning and Innovation

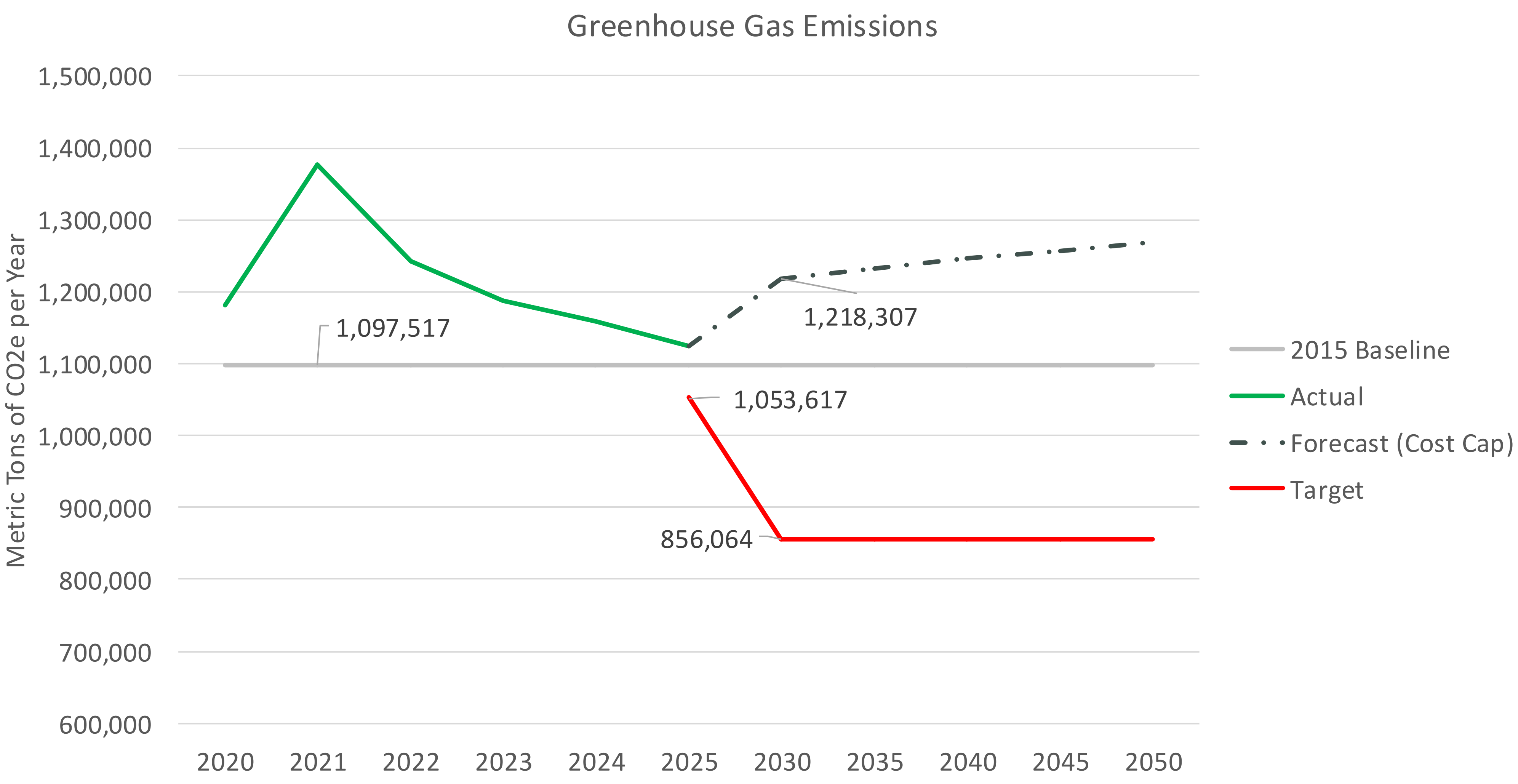
Troy Bass – Supervisor, Energy Resource Planning

Overview

- Colorado State Law as of 2021
- Utilities Board approved cost cap portfolio methodology on June 21, 2023
- Update required every four years

2025	2030
Spend	**Spend**
2%	**2.5%**
of total gas revenue toward achieving	of total gas revenue toward achieving
4%	**22%**
Target: reduction in greenhouse gas below 2015 levels	Target: reduction in greenhouse gas below 2015 levels

Clean Heat Plan Estimated Greenhouse Gas Reductions



Customer Programs Deliver Meaningful Community Benefits

PROGRAM IMPACT

Savings goals were exceeded in both 2024 and 2025

2025 by the numbers

260	339	111
efficient new homes	insulation projects	income-qualified homes improved

Customer commitment

Customers are choosing efficiency upgrades by investing $2.5 million, creating durable savings and supporting the community's clean-energy transition.

Homes made more efficient

New construction, insulation and heating equipment improvements are turning plan objectives into practical household results.

Benefits reach more customers

Targeted improvements help extend program benefits to customers facing participation barriers.

Participation Through Engagement

Earned, owned and paid media

- Heat Pump and Insulation Communications
- “Science with Sam” and “Smallfoot” educational campaigns

Direct Customer Engagement

- Coffee and Conservation events

Industry trade group outreach

- Direct outreach to homebuilders and mechanical contractors
- Trade ally and contractor training programs

Peer utility collaboration

Customer surveys informing program decisions

- Behind the Meter Survey
- Rates and Incentives Survey

Actions

September 14	Working Committee
2027	Submit to CDPHE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