

AGENDA

February 18, 2025

9:00 a.m. – 11:00 a.m.

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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 comment at this meeting.	Board Chair Dave Donelson
9:05 a.m.	Acceptance of Minutes - Jan. 17, 2025 Personnel Committee Minutes - Jan. 21, 2025 Finance Committee Minutes - Jan. 21, 2025 Strategic Planning Committee Minutes - Nov. 19, 2024 Program Management Review Committee Minutes	Committee
9:10 a.m.	Safety Moment: American Heart Month	Ken Hughlett, Safety Programs Supervisor
9:25 a.m.	Compliance Reports: - I-4 Risk Management - I-5 Economic Development - I-13 Community Investment	Tristan Gearhart, Chief Financial Officer Jared Miller, Manager of Strategic Customer Relations April Speake, Supervisor of Community Relations
9:55 a.m.	I-7 Water Supply Management Revision	Kim Gortz, Manager of Water Supply Resources
10:15 a.m.	Intergovernmental Agreement (IGA) for Construction Cost Sharing for the Northern Monument Creek Interceptor	Andy Muser, Project Manager Water and Wastewater Project Management

10:35 a.m. Open Discussion: Format of the Working Committee Meeting

All Utilities Board
Members

11:00 a.m. Adjournment

Board Chair Dave
Donelson

MINUTES
Personnel Committee
Colorado Springs Utilities Board
January 17, 2025

Committee members present via Microsoft Teams or Rosemont Conference Room:

Yolanda Avila and Randy Helms

Staff members present via Microsoft Teams or Rosemont Conference Room:

Travas Deal, Renee Adams, Michael Francolino, Tristan Gearhart, Somer Mese, Sara Akins, Heather Harvey, Jacqueline Nunez, Gail Pecoraro, Bethany Schoemer and Natalie Watts

City staff present via Microsoft Teams or Rosemont Conference Room:

Elli Harris-Mevis and Matthew Vanlandingham

1. Call to Order and Welcome

Committee Chair Yolanda Avila called the meeting to order at 10:01 a.m. Ms. Renee Adams, Chief Human Resources Officer, read a statement regarding the Colorado Open Meetings Law and City Charter and stated that public comment would not be a part of the meeting.

Members in attendance in the Rosemont Conference Room and Ms. Natalie Watts, Strategic Planning and Governance Manager, introduced the online attendees.

Mr. Travas Deal, Chief Executive Officer, presented Committee Chair Avila with a service award for her dedication to the Personnel Committee. Mr. Tristan Gearhart, Chief Planning Financial Officer, thanked Vice Chair Avila for her dedication to the employees of the organization and the difference she has made during her tenure.

2. Review of Minutes

The Nov. 18, 2024, Personnel Committee minutes were approved for posting.

3. Safety Moment: Slips, Trips and Falls

Ms. Sara Akins, Occupational Clinic Supervisor, shared the safety moment on slips, trips and falls. A slip is caused by the absence of sufficient friction between a person's feet and his/her walking surface. A trip is a loss of balance that occurs when the forward or backward movement of one foot or both feet is interrupted. A fall is the consequence of a slip. Falls happen when an irregular body movement disrupts balance. Causes of slip, trip and fall incidents are caused by human factors (54%), wet or slippery surfaces (25%), and housekeeping issues (16%), according to a Southern University study.

The organization had 38 incidents in 2024 – 20 falls, 14 trips, and 4 slips. There are ways to prevent slips, trips and falls. These include good traction, walking with purpose, not carrying too many objections, and avoiding distractions like texting and talking on the phone while walking.

4. Employee Climate Survey Action Planning Efforts

Ms. Heather Harvey, Human Resources Manager, said that every division and every department was required to submit an action plan.

A total of 380 action plans were received, by 131 unique users – indicating that many users have submitted multiple plans. Of the plans submitted, 89.74% have not been started, and 10.26% are in progress. The top action planning survey items used are Career Development: I feel valued at Utilities; Other which offers customization outside the survey items which includes themes such as communication and employee development; Supervisor: I understand how the success of my department is measured; Career Development: My direct supervisor supports my career development; Supervisor: Clear goals are set for our department, and Career Development: I receive the training I need to be successful in my work.

Division Action Planning

Top themes for the different areas throughout the organization are Systems Planning and Projects -- Career Development: I feel valued at Utilities; Customer and Enterprise Services -- Supervisor: I understand how the success of my department is measured; Administrative Human Resources -- Leadership: I feel the organization manages change effectively; Planning and Finance -- Leadership: I feel the organization manages change effectively; Operations -- Leadership: I trust that communications from my manager are open and honest.

5. Personnel Committee Topic Recommendations for Utilities Board Working Committee

Ms. Adams said that as the structure of the committee meetings is changing, it is important for the Personnel Committee to review and bring forward items that they feel would be important for the Working Committee to discuss. Workplans over the past four years were reviewed and key focus areas and strategic initiatives were compiled for the committee to review.

Ms. Adams stated that Compliance Reports are Utilities Board requirements and cannot be changed.

Compliance Reports

- Board Expected Results – Scorecard (ER: 1:1-3)
 - Workforce Index; Occupational Injuries and Illnesses – Lost Time
- Treatment of Staff (I-10)
- Compensation and Benefits (I-11)
- Emergency CEO Succession (E-2.8)

Ms. Adams asked for feedback on the Focus areas and the Strategic Areas. After discussion the following items were determined to move forward to the Working Committee.

Focus Areas

- Affirmative Action Plan and Workforce Demographics
- CEO Competencies
- CEO Year-End and Mid-Year Performance Reviews- perhaps doing a “softer” mid-year evaluation, more of a conversation
- Employee Climate Survey and Action Planning
- New Board Member Orientation
- Workforce Updates- updates from employee groups with activities within those work groups, and not specific to awards

Strategic Initiatives

- Diversity, Equity and Inclusion
- Total Worker Health
- Workforce Development and Training- at a higher level
- Safety Maturity, Safety, Occupational Health Clinic- annually
- Support Our Community – Employee Volunteer Program
- Human Resources Integrated Plan (HRIP)

Committee Member Helms asked if the change went through to redirect the organizations' donations to other not for profit organizations to Project COPE. Ms. Adams said that this change has been made. All organizations that had received funds previously have been contacted, and they were very gracious with this news. Their names have been added to the list of organizations where Colorado Springs Utilities employees can volunteer.

Ms. Harvey updated the committee on the HRIP. Supervisors throughout the organization were asked to identify employees as high risk / high impact and high potential. The high risk / high impact classification was the impact on the organization if the employee were to leave the organization. The high potential classification identified the potential of the employee. This information is being used for succession planning efforts throughout the organization.

Committee Member Helms congratulated and thanked Committee Chair Avila for her work on the Personnel Committee over his time on the committee. He reiterated the importance of continuing to recruit a diverse workforce. He stated that it is particularly important to keep a safety focus, and having a safety moment at the Working Committee meeting is a great way of keeping this focus.

Committee Chair Avila said that one of the things that she has enjoyed most serving on the Personnel Committee is being able to get to know members of the staff and getting to know her fellow Board Members better.

6. Adjournment

The meeting adjourned at 11:25 a.m.

Minutes
January 21, 2025
10:00 a.m. to 12:00 p.m.

Committee members present via Microsoft Teams or Rosemont Conference Room:

Nancy Henjum and Dave Donelson

Staff members present via Microsoft Teams or Rosemont Conference Room:

Travas Deal, Lisa Barbato, Mike Francolino, Tristan Gearhart, Somer Mese, Alex Baird, Pete Bejadhar, Andrew Colosimo, Kalea Daub, Lily Fleck, Jennifer Franceschelli, Pete Goslin, Jason Green, Kelly Guisinger, Mallorie Hansen, Adam Hegstrom, John Hunter, Chad Jolly, Channing Law, Justine Mitchell, Angelia Mora, Danielle Nieves, Gail Pecoraro, Scott Read, Lindsay Riley, Cindi Ruybal, Bethany Schoemer, Rodger Scriven, Scott Shirola, Admar Susic, Matthew Thieme, Natalie Watts, Al Wells and Kyle Wilson

City of Colorado Springs staff members present via Microsoft Teams or Rosemont Conference Room:

Sally Barber, Chris Bidlack and Jacqueline Rowland

1. Call to Order

Committee Chair Nancy Henjum called the meeting to order at 10:03 a.m. and read a statement regarding the Colorado Open Meetings Law and the City Charter and noted that public comment would not be a part of the meeting.

2. Review Minutes

Minutes from the Oct. 14, 2024, Finance Committee meeting were reviewed and accepted for posting.

3. 10-Year Financial Outlook

Mr. John Hunter, Financial Planning and Risk Manager, reviewed the 10-year forecast. The debt ratio projection in 2025 is 53.58%; in 2026 it is 56.4%; in 2027, it grows to 58.78%; in 2028, is 58.79%; and in 2029 it is 57.26%.

The non-fuel typical bill increase is projected at 6.6% in 2024, 6.6% in 2025, 6.6% in 2027, 5.5% in 2028, and 6.6% in 2029. These projections are based on the approved 5-year rate increase. There is some projected relief to the customers after the five years if Colorado Springs Utilities can adhere to the plan.

Committee Chair Henjum asked what would happen if the debt funded capital does creep up to 60%. Mr. Hunter said that the organization would need to evaluate how capital is allocated or another revenue source to keep it under 60%.

Mr. Tristan Gearhart, Chief Financial Officer, said that much of this budget is tied to regulatory items. These items were highlighted in the five-year rate case. If items do begin to come in at higher prices, the organization would need to see if items can be shifted or if additional rates are needed. Mr. Gearhart stated that internal teams are being challenged to live within the annual budget. Mr. Gearhart said that historically the budget and appropriation ordinances have been timed consecutive with the rate case each year, but since the rate increases have been set for the next five years, the budget appropriations could occur earlier in the year. Committee Chair Henjum asked how this change could help. Mr. Gearhart said that it allows more preparation time and time to move forward with plans.

Committee Chair Henjum asked if this forecast considers Karman Line passing, and Mr. Hunter said that it does not. Mr. Gearhart said that riders may be necessary to cash fund some of these items.

Committee Member Donelson asked how often the 10-Year Financial Outlook is provided. Mr. Gearhart said this update is provided quarterly.

4. 2025 Plan of Finance Overview

Mr. Adam Hegstrom, Treasury and Finance Manager, said the Plan of Finance is an annual strategic effort to effectively obtain and manage debt obligations to support the organization's capital needs.

The first objective of the Plan of Finance is to support the organization's operations by funding the debt-backed portion of the enterprise's future capital plan. \$280,000,000 remains from the 2024A bond issuance and approximately \$535,000,000 bond issue is needed to fund the 2025/2026 capital needs.

The second objective is to manage and optimize the organization's current debt portfolio – refunding issuances. Anticipated actions include tax-exempt refunding – 1 series from 1025 totaling \$50.8 million (very likely), bond tenders – exchange bonds from existing bondholder (unlikely), or refund Variable Rate Demand Obligations (VRDO) and terminate swaps(s) – unwind synthetically fixed debt issuances and refinance into traditional fixed rate debt (unlikely).

Mr. Gearhart said that the organization should receive positive credit feedback with the locked in five-year rate case.

Committee Chair Henjum asked how other utilities are reacting to Springs Utilities' five-year rate case approval. Mr. Gearhart said that other companies have received 2- and 3-year rate increases. The organization has received inquiries from other utilities asking how the Utilities Board was prepared for a five-year rate case vote. Mr. Travas Deal, Chief Executive Officer, said that this year in particular, the hot topic of discussion will be fire mitigation and risk.

The debt issuance timetable includes the Bond Issuance presentation to the Working Committee on June 16, to the Utilities Board on June 18, the 1st Ordinance Reading at City Council on June 24, 2nd Reading on July 8, Issuance Pricing on Aug. 5, and Issuance Closing on Aug. 19.

The third plan of finance objective is to successfully manage debt-supporting instruments and services. The organization has a \$75 million revolving line of credit with U.S. Bank that expires in September 2025. Tentative SBPA / Liquidity events include renewing 2008A and 2010A liquidity facilities and line of credit on June 6, a presentation to the Working Committee on June 16, presentation to the Utilities Board on June 18, and renewing / replacing liquidity facilities and line of credit on Sept. 10.

Items not requiring major action under objective three include swaps, VRDO remarketers, and Public Authority for Colorado Energy.

Committee Chair Henjum asked why the days cash on hand increases after the five-year rate plan. Mr. Hunter said that there is a defect in the model that causes cash to spike the last two years, this may not be realized. Committee Chair Henjum asked if there were other defects in the model, and Mr. Hunter said that the cash on hand is the only one.

The last plan of finance objective is to manage the organization's financial reputation and industry relationships to ensure market success. These include maintaining strong banking relationships to help ensure financing plans, maintaining strong investor relationships, and maintaining strong relationships with rating agencies.

Credit rating agency events include credit presentation preparation April – July, presentations in July, 2025AB rating request submissions in July, receive 2025 AB issuer credit rating in July, and receive credit ratings for 2008A and 2010C renewals in September.

Committee Member Donelson asked how much will be spent on the Karman Line that may not be reimbursed if the development is not realized. Mr. Deal said that this project will be “build as you go” so there will be less risk. Ms. Lisa Barbato, Chief Systems Planning and Projects Officer, said that the annexation agreement now includes specific language around stranded assets that allows the organization to recoup money from the developers if revenue is not being collected to recover costs.

Committee Chair Henjum asked how the Finance Team is approaching the next five years from a leadership, operations, and effectiveness standpoint. Mr. Gearhart said that his team is emphasizing the confidence the Board placed in the organization by approving the five-year rate case and the importance of operating to the five-year operating budgets. One initiative that has been implemented is budget prioritization teams in Operations and Systems Planning and Projects. Another focus is placing more emphasis on the I-2 report quarterly.

5. I-2 Report Revision Review

Mr. Hunter stated the I-2 is the report back to the Board to show how the organization is doing what they said they were going to do. The Finance Department will be revising the I-2 report after discussions at the October 2024 Finance Committee meeting.

The new report will have sections outlining the significant financial variances; budget transfers and cancelled major capital projects over \$2,000,000 in the approved budget or new major capital projects not funded in the approved budget; invest funds in accordance with Board Ordinance

requirements and Utilities Investment Plan; Ensure Controls are in place for receiving, processing, or disbursing funds and allow only bonded personnel access to material amounts of funds; ensure receivables are resolved within a reasonable grace period; settle payroll and debts in a timely manner; ensure tax payments or other government ordered payments are timely and materially accurate; 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; and inform the Utilities Board of significant financial impacts on the Municipal Government.

Springs Utilities will be meeting with the City Auditor's Office for input on the content of this updated report. Mr. Gearhart stated that the goal is to finalize the new report format by March 2025.

6. Electric Cost Adjustment (ECA) / Gas Cost Adjustment (GCA) Monitoring

Mr. Scott Shirola, Pricing and Rates Manager, said that the January forecast reflects slightly higher fuel prices than the prior two monthly forecasts.

Natural Gas Prices as of Jan. 1, 2025, reflects slightly higher fuel prices through the heating season.

January 2025 ECA was under collected by \$1.4 million. This under collection balance changed by \$0.1 million from the \$1.3 million under collection balance reported last month. On Sept. 24, 2024, City Council approved the ECA rate of \$0.0301 per kWh effective Oct. 1, 2024.

January 2025 GCA was over collected by \$0.9 million. This over collection balance changed by \$2.1 million from the \$3.0 million over collection balance reported last month. On Sept. 4, 2024, City Council approved the GCA rate of \$0.1725 per Ccf effective Oct. 1, 2024.

Mr. Alex Baird, General Manager of Fuels and Purchase Power, said that over the weekend the Incident Command Center was stood up due to the frigid temperatures. Gas prices did spike for the weekend. The Propane Air Plant was utilized during weekend.

Committee Member Donelson asked what the native load was. Mr. Baird said in 2024 it was 844 MW, and this past weekend it was 825 MW.

Committee Member Donelson asked when the Birdsall Power Plant will shut down. Ms. Somer Mese, Chief Operations Officer, said Birdsall I and II will shut down at the end of 2025, and Birdsall III will shut down in 2027. Plans after the closure are still to be determined.

7. Future Meeting

Mr. Gearhart said that the Finance Committee meetings will become part of the Working Committee meetings.

Ms. Natalie Watts, Strategic Planning and Governance Manager, said that a presentation will be made to the full Utilities Board on Jan. 22, 2025. A final vote will be done at the February Utilities

Board meeting since this would require changes to the Excellence in Governance Manual and Utilities Bylaws changes.

Mr. Deal said that the purpose of the Working Committee is to streamline the communication, efficiency, and staff time.

8. Closing Remarks and Adjournment

The meeting adjourned at 11:27 a.m.



**Minutes
Strategic Planning Committee
January 21, 2025**

Committee members present in the Rosemont Conference Room or online:

Dave Donelson, David Leinweber and Brian Risley

Board Members present in the Rosemont Conference Room or online:

Nancy Henjum

Staff members present in the Rosemont Conference Room or online:

Travas Deal, Lisa Barbato, Mike Francolino, Tristan Gearhart, Somer Mese, Jay Anderson, Alex Baird, Kevin Binkley, Andy Colosimo, Matt Dudden, Jason Green, Ginny Halvorson, Jennifer Jordan, David Longrie, Jared Miller, Daniel Norton, Jacqueline Nunez, Christopher Olney, Abigail Ortega, David Padgett, Joseph Rasmussen, Jason Reynolds, Jason Rigler, Kathryn Rozwod, Bethany Schoemer, Leslie Smith, Gail Pecoraro, Natalie Watts, Al Wells and Jane Zook

City of Colorado Springs staff members present in the Rosemont Conference Room or online:

Shawn Alessio, Sally Barber, David Beckett, Renee Congdon and Rhea Hendrixson

Call to Order

Committee Chair Brian Risley called the meeting to order at 2:00 p.m. and read into the record the statement regarding the Colorado Open Meetings Law and the City Charter and noted that public comment would not be a part of the meeting.

Minutes

The minutes from the Nov. 19, 2024, Strategic Planning Committee meeting were approved for posting.

Compliance Reports

I-6 Infrastructure

Ms. Abigail Ortega, General Manager of Infrastructure and Resource Planning, reviewed the I-6 Infrastructure compliance report, which was included in the meeting materials packet.

Committee Member Leinweber asked if this covers the process and not the details. Ms. Ortega stated this is correct. The Integrated Resource Plans go more into the details on projects and plans. Mr. Travas Deal, Chief Executive Officer, said that this is more of a report on the guiding principles.

Energy Integrated Resource Plan (EIRP) and Schedule

Ms. Kathryn Rozwod, Energy Resource Planning Supervisor, gave an overview of the Energy Integrated Resource Plan.

Energy Vision

The organization's energy vision is to "Provide resilient, reliable and cost-effective energy that is environmentally sustainable, reduces our carbon footprint and uses state-of-the-art technologies to enhance our quality of life for generations to come".

Current Plan Review

The Integrated Resource Plan (IRP) was most recently updated in 2020. The Clean Energy Plan was filed in 2021 and was verified in 2022. The Clean Heat Plan and the electric Request for Proposal (RFP) resource solicitation were submitted in 2023. The electric RFP selections were made in 2024. The IRP will be updated in 2025, and the EIRP filing and entry into the Regional Transmission Organization (RTO) is planned for 2026.

The Utility Policy Advisory Committee (UPAC) had input into the development of the energy vision, pillars, and goals. The vision, goals and strategies steer the planning approach.

Integrated Resource Plan Update Overview

The IRP's strategic objectives are operational excellence, focus on the customer, financial accountability and support our community.

Public process oversight includes recommendations to the Strategic Planning Committee to include goals, inputs, scenarios and sensitivities; recommendation to the Utilities Board to draft the portfolio, and approval of the IRP by the full Utilities Board.

Once approved, desired outputs include balanced system plans, system strategies, action plans (focus areas) and energy messaging.

Committee Member Leinweber asked if climate changes play a role in the planning process. Ms. Ortega said that different proposals for environmental inputs need to be determined before specific dates can be promised.

Board Member Henjum asked how much of the energy used by artificial intelligence (AI) is distributed across the globe versus how much is used locally by data centers? Mr. Deal said that the data is consumed at the processing plant. Where the data center is located will determine where the energy is used, not specifically where the resident pulling the AI is located.

Committee Member Leinweber asked if the local military installations house their data locally, and if they keep the organization aware of their needs to this type of storage. Mr. Deal said that they are making decisions on their current load and redundancy of load.

Stakeholder Engagement Plan

The purpose of stakeholder engagement is to engage through the planning process; to confirm existing plan direction; to communicate relevant updates/changes to the plan; to educate about the planning purpose, drivers and policy; to collect and incorporate feedback; and to provide status updates for completed and planned projects.

Stakeholder engagement activities include customer surveys, public meetings, and Utilities Board meetings.

The approximate draft timeline is October 2025.

Customer Feedback

Ms. Leslie Smith, Customer Insights and Programs Supervisor, said that in 2020 customers were asked, “Please rate how important each of the attributes should be to Colorado Springs Utilities future energy planning.” The attribute choices were cost, diversity, environment, flexibility, implementation, innovation, reliability, and stewardship. Residential customers’ top three choices were cost, environment, and reliability; commercial customers’ top choices were cost, reliability, and environment, and employees’ top three choices were reliability, cost, and environment.

Residential customers were also asked if a rate increase was necessary, how much of an increase would be acceptable. The highest percentage of responses indicated that a \$5 or less increase would be acceptable (22%), closely followed by no increase (21%).

Ms. Smith said that since 2020, customers have been asked if they are worse off financially than they were the previous year. In 2024, 38% of Springs Utilities customers feel that they are worse off than they were in 2023.

On the energy horizon, there is a risk of customer backlash against clean energy plans. When offered a range of energy issues, more customers select energy affordability as a bigger issue than the environment. The percentage gap between these two issues has declined from 12.8% in 2023 to 11.6% in 2024.

Committee Member Leinweber said that one of the things he has noticed is that air quality in residents’ homes is being talked about more and more, pushing a narrative against natural gas stoves, because homes are now sealed more than ever before. Studies have indicated that burning a natural gas flame may be more dangerous than before. Ms. Smith said that these studies are different across different parts of the country, but the organization does survey for this information.

Ms. Smith said that Springs Utilities customers completing survey data are very highly educated, more so than other metropolitan areas in Colorado.

Economic Development Update

Mr. Jared Miller, Strategic Customer Relations Manager, reviewed the Economic Development Program Dashboard (January – December 2024).

In 2024, there have been 42 prospects, with 5,133 estimated job impacts. The estimated capital investment is \$6.198 billion.

Potential revenue by industry:

\$410.0 million – Technology

\$177.9 million – Manufacturing

\$11.7 million – Food and Beverage

\$800,000 – Office

\$400,000 – Government

\$200,000 – Retail

Committee Chair Risley asked if there is any insight into Q1 numbers. Mr. Miller said that the Peak Innovation Park remains the primary focus for innovation with the data center and new manufacturing. Mr. Deal said that he believes that numbers may slow down initially under the new administration, many of these initiatives are very load-driven. It is important to look at sustainable infrastructure for the community and how resources are utilized.

Committee Member Leinweber asked if the generators are on order and Ms. Barbato said they are.

Future Meetings Format Update

Ms. Natalie Watts, Strategic Planning and Governance Manager, said that the meeting structure for future committee meetings will be piloted in February 2025. All committee meetings will be combined into one Working Committee meeting, which will meet the Monday or Tuesday prior to the Utilities Board meeting. This change will need approval of the full Utilities Board with a vote at the February 2025 meeting. These changes will require changes to the Utilities Board Bylaws and the Excellence in Governance Manual.

Committee Chair Risley asked how items would be determined to be brought forward to the Working Committee. Ms. Watts said that the final decision would be at the discretion of the full Utilities Board.

Mr. Deal stated that many details are still to be determined, but the purpose behind the Working Committee is to streamline information sharing. One of the objectives of the Working Committee is to have a quorum, which is sometimes not achieved at the existing committee meeting structure. Committee Member Donelson said that this will be timesaving to cover items from the Personnel, Strategic Planning, Finance, and Program Management Review Committees for the full Board in one meeting.

Committee Chair Risley said that his concern is that the discussion would remain more detailed, information sharing and less formal. Committee Member Henjum suggested keeping the meeting location in Rosemont Conference Room over at the more formal Blue River Board Room dais.

Committee Member Leinweber said that the biggest challenge for him has always been that this is a volunteer position and he is making large scale decisions for a large organization. He relies on the subject matter experts within the organization to provide the technical expertise to make critical decisions for the organization and the community.

Adjournment

The meeting adjourned at 3:36 p.m.

**Minutes
Program Management Review (PMR) Committee
Colorado Springs Utilities Board
Rosemont Conference Room/Microsoft Teams
Thursday, November 19, 2024**

Committee members present via web conference or in the Rosemont Conference Room: Committee Chair Michelle Talarico, Dave Donelson and Randy Helms

Staff members present via web conference or in the Rosemont Conference Room:

Travas Deal, Renee Adams, Lisa Barbato, Mike Francolino, Tristan Gearhart, Somer Mese, Joe Awad, Pattie Bengier, Kevin Binkley, Jeff Courtright, Jessica Davis, Nate De Kock, Steve Duling, Bob Hasanabadi, Michael Hemesath, Jennifer Jordan, Sarah LaBarre, Thane LaBarre, JerrieAnn LaLond, Emily Magnusen, Jason Miller, Rich Norton Jr., Jacqueline Nunez, Dave Padgett, Gail Pecoraro, Jessica Ramirez, Joseph Rasmussen, Bethany Schoemer, Gina Smith, Stuart Smith, Shawn Timothy, Natalie Watts, Al Wells and Jane Zook

City of Colorado Springs staff members present via web conference or in the Rosemont Conference Room: Victoria Classen, Jacqueline Rowland and Tim Scheiderer

1. Call to Order and Review Minutes

Committee Member Helms called the meeting to order at 12:02 p.m. Attendees in the room introduced themselves.

The minutes from the May 21, 2024, and Aug. 20, 2024, Program Management Review Committee meetings were accepted for posting.

2. Fiber Network Project Update

Mr. Thane LaBarre, Fiber Optics and Telecommunications Manager, introduced Mr. Jason Miller, Contract Manager, who provided an overview of the fiber network project. There were 18 contractor incidents including 15 hit utility lines including electric, gas, water and wastewater lines; one equipment malfunction, one near miss, and one slip, trip, fall or jump.

From May 31 through Sept. 30, 2024, more than 3,800 pothole and softscape restorations have been completed. 277 previously reported restoration complaints were completed, 665 issues were identified and completed utilizing the customer intake form, and 630 City Right-of Way permits were opened and 294 have been closed (55%).

When the fiber project began, one contractor was hired for this project. Since then that contract has been terminated, and the Request For Proposal (RFP) process has been completed with three new contractors being hired to assist with the network installation plan. One began work Sep. 24, the second Nov. 12, and the third will begin work Dec. 1, 2024. Construction will expand to three different areas of the city.

A project reporting Power BI dashboard has been built. This is a robust, forward-facing report that contains detailed Colorado Springs area information. Over an 18-month period with the previous contractor, 9,525 address deliveries were completed. With the current contractor, over a seven-month period, 7,794 address deliveries have been completed.

Budget

So far, \$82,500,000 has been incurred by the fiber project year to date, with an additional \$217,692,500 expected through 2028. Capital costs from 2024 through 2030 are estimated at \$396,000,000, based on conceptual design's class IV estimate. The anticipated spend was under, because of falling behind in construction targets.

In the coming months the final two hut buildings will be completed. Network production will be increased, with three contractors working simultaneously. The network transportation services team will be hiring 20 new positions in 2025, with the goal of 66 team members when complete.

Committee Chair Talarico asked if the budget will need to be increased over the initial planned budget due to bringing on additional contractors. Mr. Miller said that all contractor costs have been received; however, a total analysis has not yet been done. A small increase is anticipated.

Committee Member Helms asked if all installation and restoration has been performed in the initial north end. Mr. Miller said that installation has been suspended currently, with about 75% being completed. The restoration activities are 95% to 99% complete for the softscape and 75% complete for the hardscape restoration. Mr. Helms asked the number of addresses that have been delivered to Ting. Mr. Miller said 17,319 have been delivered. Additional questions were asked, which Mr. Tim Scheiderer, City Attorney, asked to be taken offline due to confidentiality reasons.

Committee Member Helms asked if installations had started in the Rockrimmon area of town, and Mr. Miller stated that installations would begin in the next few weeks.

Committee Chair Talarico asked how the pause plan is being communicated to the customers in the north end who are in the 25% that are included in the installation suspensions. Mr. Miller said that there was extensive outreach conducted by the Customer Relations team. That communication plan is on pause currently.

Mr. Helms stated that there was a communication mishap in his neighborhood with installers showing up without prior notification. Mr. Mike Francolino, Chief Customer and Enterprise Services Officer, asked that Board Members be sent the communication plan. Mr. LaBarre said that there is a cadence of communication through mail, through door hangers, and through social media coordinated by the organization's Public Relations team.

Based on the initial plan, Committee Member Donelson asked what percentage of installations the organization should be at right now. Mr. LaBarre stated the organization is at about 50% of the original anticipated number of installations.

Committee Member Donelson asked if it was always anticipated that an additional 66 team members would be added when the project is complete for maintenance. Mr. LaBarre stated that he was not in his current position at the time of project implementation, so is not sure of that number. Committee Member Donelson asked how many members will be needed to support the operation and maintenance of the fiber network. Mr. LaBarre will provide the number of employees to support the infrastructure of the fiber network.

Ms. Somer Mese, Chief Operations Officer, stated that Springs Utilities is contractually obligated with Ting to respond in certain circumstances and repair when a line has been hit. There have already been instances of hit lines. Committee Member Donelson stated it would be helpful for Board Members to know how many times lines are hit.

3. Eastern Wastewater Expansion Project Update

Ms. Tara McGowan, Engineering Manager, said that there have been no changes to the conceptual alignments of the Eastern Wastewater System Expansion. Committee Member Donelson asked, if power goes out how the lift stations operated. Ms. McGowan stated that there are power backup generators on site to operate lift stations until power can be restored.

No additional staff has been hired to support this project, but a Portfolio Owner's Engineer was hired through the RFP process. The award was approved on Oct. 18, 2024. The Notice of Intent was sent to Brown and Caldwell on Oct. 21. The Progressive Design-Build RFP launched Oct. 22 and proposals are due Dec. 13.

Conceptual design coordination meetings have occurred with the airport, Valley Hi Golf Course, Peterson Space Force Base, and the City/County. Committee Member Donelson asked if Valley Hi will be required to close down any of their holes. Ms. Jessica Davis, Technology and Facility Project Manager, stated that they will not be required to close any holes.

The rate case was approved on Nov. 12. The advanced recovery agreement will be updated at the Guaranteed Maximum Price proposed in 2025. Committee Member Donelson asked when the Guaranteed Maximum Price will be known, and Ms. McGowan said during Q2 2025. This is based on the proportional share of capacity.

Future challenges and opportunities include the need for a rate case approval for project funding. Rates will be determined with Class IV estimates on a conceptual plan, as the design progresses so can costs. RFP contract negotiations can delay the schedule.

Committee Chair Talarico asked what the Oct. 22 delayed due to RFQ Industry feedback highlight on the Procurements Timeline dated Sept. 30 indicated. Ms. McGowan stated that perhaps a larger company was partnering with larger subcontractors within the city to bid on the project, which limited the number of companies that were submitted in the RFP process. Depending on negotiations, projects may not happen simultaneously.

Committee Member Helms asked how old the Sand Creek Lift Station is. It is approximately 20 years old. Mr. Helms asked why the concern with pre-qualifications for this project. Ms. McGowan stated that this project is much more complex than the Sand Creek Lift Station was when it was built. Mr. Francolino spoke to the status of the labor market as one aspect of the pre-qualification process.

The estimated costs from 2024 through 2030 are about \$396,000,000. Ms. Lisa Barbato, Chief Systems and Planning Officer, said that Springs Utilities is meeting with the Home Builders Association regularly to discuss the costs of early delivery versus costs of delivery by 2030. Another concern is running out of capacity, which will only be exceeded because of growth.

The electric service, gas service, water service, wastewater service and common service projects proposed budget informational sheets were included in the materials packet. No questions were asked.

4. Committee Purpose Discussion and 2025 Work Plan

Ms. Bethany Schoemer, Strategic Planning and Governance Specialist Senior, explained the purpose of the Program Management Review Committee. It was created to review major program performance for large programs and review compliance with Utilities Board policies. It was established in 2017 to provide initial additional oversight of the Southern Delivery System and the emissions control program. It has since evolved into looking at various other major projects.

2024 Accomplishments

Focus areas in 2024 included a detailed review of the Sustainable Energy Portfolio, Gas Distribution Integrity Management Program (DIMP) and Compliance Projects, Eastern Wastewater System Expansion Project, and Fiber Optics / Communications Network; dashboard reviews (projects with a budget over \$1,000,000) and more than 50 additional high-profile projects / programs from the 2024 Annual Operating Financial Plan (AOFP). Board Member tours were given of the Monument Creek Stabilization project and Tollefson Water Treatment Plant.

Top Funded Capital Projects

The 2024 top-funded capital projects were the fiber network, the Sustainable Energy Plan implementation, the Kelker Substation, the Eastern Wastewater System Expansion, the Central Bluffs Substation, the Highline Pressure Zone Extension and Redundant Supply and the Finished Water Linear Asset Program.

Draft 2025 Proposed Work Plan

Selected project and program focus areas include significant projects by service, unique projects, high-public visibility, risk impact to organization, and regulatory project schedule; dashboard review of over 50 additional high-profile projects / programs from the AOFP, and committee tours.

Ms. Schoemer asked for Committee Member feedback.

Committee Chair Talarico asked if other committee members found the tours to be helpful and asked for feedback on the dashboard presented at each meeting. Committee Members Donelson and Helms felt it would be beneficial to keep both the tours and the dashboard, especially in light of having new Board Members in 2025. The dollar amount of projects may need to be increased in 2025, or have different criteria applied such as multi-year projects or higher risk. Ms. Schoemer suggested reporting the fourth quarter dashboard in the same format, and then deciding at that time.

5. 2024 Q3 Project Dashboard Review

Mr. Steve Duling, Manager of Project Management, highlighted aspects of the dashboard, including energy projects, fiber, gas projects, water service projects for pumping stations, portable water tanks and the Clear Springs Ranch biogas project.

Ms. Gina Smith, Advanced Utilities Technology Manager, gave an update on Advanced Metering Infrastructure (AMI) meter installations and estimated completion dates.

6. Closing Remarks and Adjournment

There were no closing remarks. The meeting adjourned at 1:50 p.m. The next meeting is scheduled for Feb. 18, 2025.



Colorado Springs Utilities
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American Heart Month

Safety Moment

Know the Difference

Cardiovascular Disease

“The big umbrella”

Cardiovascular disease is the term for all types of diseases that affect the heart or blood vessels, including coronary heart disease (clogged arteries), which can cause heart attacks, stroke, heart failure, and peripheral artery disease.



Know the Difference

Heart Disease

“Heart disease” is a catch-all phrase for a variety of conditions that affect the heart’s structure and function.

- All heart diseases are cardiovascular diseases, but not all cardiovascular diseases are heart disease.
- The most common type of heart disease is coronary heart disease.



Nearly 650,000 Americans die from heart diseases each year.

About 11% of American adults (that's more than 1 of every 9) have been diagnosed with heart disease.

About 366,000 Americans die from coronary heart disease each year.

Get Started



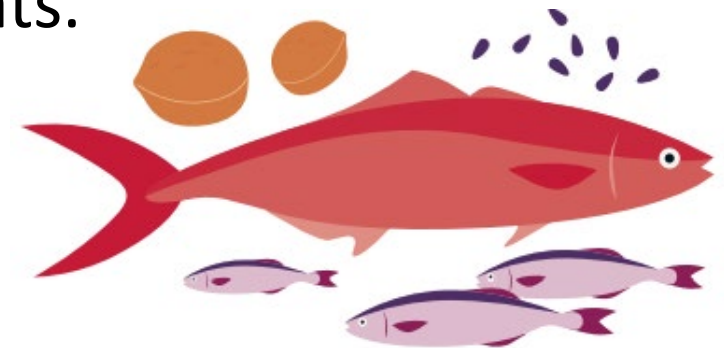
Eat Better

- A flexible and balanced eating plan can help lower your high blood pressure and improve your cholesterol.
- Read nutrition labels.
- Pick foods low in saturated fat, sodium, and added sugars.



Control Cholesterol

- Unhealthy levels of cholesterol can lead to high cholesterol, which increases the risk of developing heart disease.
- Eat a heart-healthy diet that is low in saturated fats.



Get Started



Manage Stress

- Learning how to manage stress with healthy coping strategies helps improve your emotional and physical health.



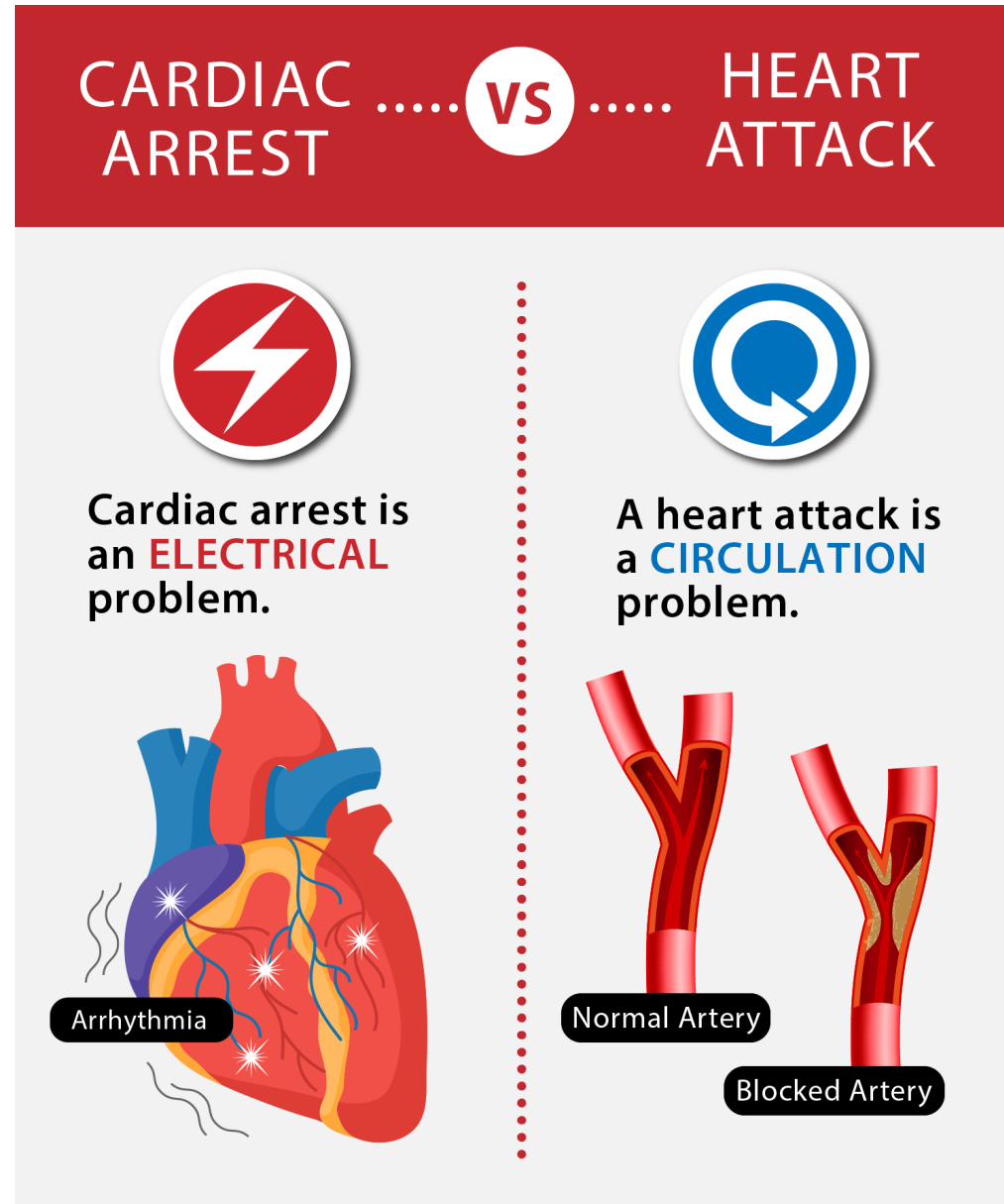
Get Quality Sleep

- Lack of sleep or getting poor-quality sleep increases the risk of having high blood pressure, heart disease, and other medical conditions.
- Try to aim for 7-9 hours of sleep a night.

Electrical Problem

Sudden Onset

- Unconscious
- Not Breathing
- No Pulse



Circulation Problem

Varied Onset

- Chest Pain
- Fatigue
- Weakness
- Nausea
- Difficulty Breathing



TAKE ACTION



UNTIL HELP ARRIVES

**Every minute matters! Whether you suspect it's cardiac arrest or a heart attack,
The first step is always to call 911 or another emergency number.**

WHAT TO DO WHEN YOU SUSPECT A **HEART ATTACK**

Call 911

or another emergency number.

Chew & Swallow Aspirin

unless allergic or told not to by a doctor.

Take Nitroglycerin

If you think you're having a heart attack,
take it as prescribed. If you're *not prescribed*
nitroglycerin, do *not* take someone else's.

WHAT TO DO WHEN YOU SUSPECT **CARDIAC ARREST**

Call 911

or another emergency number.

Start CPR

cpr.heart.org

Use an AED

(Automated External Defibrillator)
if there is one nearby.

Visit NIH Website for more information

Use these resources to motivate others to be smart when it comes to their heart.



Learn More



Join #OurHearts

Find social media resources, fact sheets, and more in the American Heart Month outreach toolkit. Share them with your community.

Find resources >



Live a Heart-Healthy Lifestyle

Heart disease is largely preventable. Learn what you can do to keep your heart healthy.

Learn more >



Take Action for Your Heart

Find heart-healthy tips to help you take action to reduce the risk of heart disease and its risk factors.

Get started! >



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Date: February 19, 2025

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:	July 1, 2024 – December 31, 2024
Policy Title (Number):	Risk Management (I-4)	Reviewing Committee:	Working Committee
Monitoring Type:	Internal, External, City Auditor	Monitoring Frequency:	Semi-Annual, Annual, Years ending in 0 and 5

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.

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 maintained and remains current. This plan reports energy-related commodity risks to operational groups and executive management. Additionally, the plan's processes and controls were in place for trade and settlement activities associated with transactions in these commodity 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 second half of 2024, Colorado Springs Utilities did not enter into any financial derivative transactions which are governed by the plan.



Date: Feb. 19, 2025

To: Utilities Board

From: Travas Deal, Chief Executive Officer

Subject: **Excellence in Governance Compliance Report
Economic Development (I-5)**

Desired Action: Monitoring

Compliance: The CEO reports compliance with the instructions.

INSTRUCTIONS			
Category:	Utilities Board Instructions to the Chief Executive Officer	Reporting Timeframe:	January 1, 2024 – December 31, 2024
Policy Title (Number):	Economic Development (I-5)	Reviewing Committees:	Working Committee
Monitoring Type:	Internal	Monitoring Frequency:	Annual

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

- 1. Offer economic development incentives, special rates or terms and conditions for utility services and alternative development solutions when they are defined within Utilities Rules and Regulations, Tariffs and City Code and approved by the City Auditor.*

In 2024, all prospecting and business expansion and retention efforts aligned with existing tariffs and Colorado Springs Utilities’ Rules and Regulations. Springs Utilities offered four new economic development incentive packages, but they have not been executed to date as outlined in the Utilities Rules and Regulations, Application and Contract for Services. As required, written documentation demonstrating compliance with tariff provisions were provided to the City Auditor and City Attorney for each incentive package, contract review and approval.

2. *Consider economic development support that:*

- A. *Optimizes existing utility infrastructure.*
- B. *Grows the customer base.*
- C. *Assures a neutral or positive impact to citizens.*
- D. *Partners with local entities.*

In 2024, Colorado Springs Utilities worked closely with the Colorado Springs Chamber and EDC, El Paso County, and the Municipal Government to provide utility assessments and solutions for 42 potential new businesses interested in locating in Colorado Springs. Each of the 42 assessments prepared by Springs Utilities' engineers provided:

- Analysis of existing utility resource capabilities
- Infrastructure delivery assessment
- Transmission interconnect study requirements
- Distribution or transmission upgrade or extension obligations
- Timelines

Through the year, Colorado Springs Utilities was involved with 163 business retention and expansion meetings. Colorado Springs Utilities partnered with numerous local entities Exponential Impact, Apartment Association of Colorado Springs, Pikes Peak Small Business Development Center, Downtown Partnership and many other entities.

3. *Create a business-friendly culture by eliminating operational policies and standards that no longer provide value and by proactively communicating the rationale behind current operational policies.*

- In 2024, Colorado Springs Utilities worked closely with the Colorado Springs Chamber and EDC, El Paso County Economic Development, City Economic Development, Downtown Partnership, Exponential Impact, Small Business Development Center and other economic development community partners to evaluate customer feedback regarding utility barriers to development.
- Colorado Springs Utilities staff participated on the City Agencies for Small Business Advancement team to proactively assist and provide solutions to small businesses, thereby shaping how businesses navigate the various processes while reinforcing the narrative that our city agencies are committed to supporting businesses.
- Colorado Springs Utilities staff proactively shared information with community partners so they can serve as our ambassadors and assist developers and customers in navigating the Springs Utilities' development process.
- Colorado Springs Utilities staff participated in forums and served on panels

aimed at educating existing and prospective customers and community partners and clarifying the rationale behind Springs Utilities policies and standards. Examples include Colorado Restaurant Association – Pikes Peak Chapter, Building Owners & Managers Association (BOMA), Apartment Association of Colorado Springs (AASC) and support for Exponential Impact's Accelerate programming and Survive and Thrive loan fund.



Date: Feb. 19, 2025

To: Utilities Board

From: Travas Deal, Chief Executive Officer

Subject: **Excellence in Governance Monitoring Report
Community Investment (I-13)**

Desired Action: Monitoring

Compliance: The CEO reports compliance with the instructions.

INSTRUCTIONS			
Category:	Utilities Board Instructions to the Chief Executive Officer	Reporting Timeframe:	January 1, 2024 – December 31, 2024
Policy Title (Number):	Community Investment (I-13)	Reviewing Committees:	Working Committee
Monitoring Type:	Internal	Monitoring Frequency:	Annual
Guidelines:	Affordable Housing (G-10) Community Support (G-11)		

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

- 1. Maintain a community involvement plan that is in alignment with Colorado Springs Utilities’ strategic objectives and that provides a benefit to the citizens and customers.*

Colorado Springs Utilities developed and implemented a 2024 community involvement strategy aligned with the Colorado Springs Utilities Strategic Plan and Utilities Board policies. The plan is managed by the Community Relations Section of the Public Affairs Department.

2. *Encourage and support employee volunteerism within the communities served by Colorado Springs Utilities.*

The CEO and his executive team supported volunteerism through personal participation, active recognition of volunteers, and the addition of two new paid volunteer programs: Team Building and Individual Volunteering. Total volunteerism through the Community Focus Fund, Ambassador volunteer program and new paid programs was 18,705.20 hours.

3. *Communicate to customers and provide student and adult education programs on the safe and efficient use of utility services.*

Community education and outreach programs convey the value of our services and promote utility efficiency and safety. In 2024, staff presented numerous water, energy and safety programs to student and adult audiences. Messaging revolved around safe and efficient use of utility services. Methodology included community event booths, facility and stakeholder tours, adult presentations, teacher workshops, student programs, landscape classes and webinars, public meetings and town halls. New in 2024 were the inaugural State of the Utility and a contract agreement with Culver. The Culver agreement served to augment our communication efforts regarding damage prevention and leak recognition education in accordance with the Pipeline and Hazardous Materials Safety Administration (PHMSA) requirements.

4. *Allow philanthropic support of community-oriented organizations only in the service territories or localities impacted by Colorado Springs Utilities' operations.*

All organizations that received philanthropic support in 2024 were in the Colorado Springs Utilities service territory or localities impacted by Colorado Springs Utilities' operations.

5. *Only allow funding of community-oriented organizations that complete an application describing how the funds will be used in alignment with Colorado Springs Utilities' strategic objectives.*

All organizations that received Community Focus Fund (CFF) financial support in 2024 completed an application which included a description of how the funds would be used. Funding decisions were based on requested project alignment with Colorado Springs Utilities' strategic objectives.

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

No organizations with PACs received funding in 2024.

7. *Consider partnerships with other funding entities to leverage resources and maximize impact.*

In compliance with Community Support Guideline (G-11.3), Colorado Springs Utilities provided \$500,000 to match employee, customer, and business donations to Project COPE in 2024. These funds were directed to the Colorado Springs Utilities Foundation to assist 2,431 households in paying their utilities bills.

8. *Inform the community of the enterprise's corporate citizenship and employee volunteerism.*

Throughout the year, Colorado Springs Utilities publicized efforts of our employees and their families to give back to the community we serve. We accomplished this using internal and external communication channels, including social media, website, the State of the Utility, newsletters, news media and the annual report. Our partnership with the Pikes Peak United Way 2-1-1 informs customers requesting utility assistance of our Project COPE utility assistance program.

9. *Develop programs intended to support affordable housing within the City.*

In compliance with Affordable Housing Guideline (G-10.1), Colorado Springs Utilities promoted affordable housing through coordination with the City and provided funding, rebates and credits to incentivize affordable housing. In 2024, Colorado Springs Utilities provided \$511,112 in support. All affordable housing projects that received funding, credits, or rebates from Colorado Springs Utilities met specified energy and water conservation criteria.



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I-7 Water Supply Management Revision

99-year Lease Discussion

Jenny Bishop, P.E.

February 18, 2025

Overview

- Guidelines for Water Supply Management and Regional Water and Wastewater Services
- Many of the directives have since been codified in City Code.
- Opportunity to allow for additional certainty for other regional water and wastewater service providers.

INSTRUCTIONS		
Category:	Utilities Board Instructions to the Chief Executive Officer	Date of Adoption: May 16, 2018
Policy Title (Number):	Water Supply Management/Regional Water and Wastewater Service (I-7)	Revision Date: February 21, 2024
Monitoring Type:	Internal	Revision Number: 5
Monitoring Frequency:	Annual	

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

1. Defend Springs Utilities’ water rights against claims and filings by others if these would in any way injure, hinder or decrease Colorado Springs’ current or future yield or use.
2. Conduct periodic evaluations of Springs Utilities’ existing decreed water rights and take legal and administrative actions necessary to optimize the water system.
3. Provide a reliable water supply to existing and future customers, including requests for regional service contracts and annexations, by planning for, developing and managing water resources and infrastructure in accordance with City Code section 12.4.305 and the following criteria:
 - A. At all times maintain a minimum of one year of customer demand in water system storage.
 - B. Meet or exceed 90 percent (90%) reliability for maintaining a minimum of one year and six months of customer demand in water system storage.
 - C. Conduct an evaluation of the need for water shortage response measures when water system storage is forecast to fall below one year and six months of customer demand on or after April 1 of any year.

Existing Language

3. Provide a reliable water supply to existing and future customers, including requests for regional service contracts and annexations, by planning for, developing and managing water resources and infrastructure in accordance with City Code section 12.4.305 and the following criteria:
 - A. At all times maintain a minimum of one year of customer demand in water system storage.
 - B. Meet or exceed 90 percent (90%) reliability for maintaining a minimum of one year and six months of customer demand in water system storage.
 - C. Conduct an evaluation of the need for water shortage response measures when water system storage is forecast to fall below one year and six months of customer demand on or after April 1 of any year.

Proposed Language

3. Provide a reliable water supply to existing and future customers, including requests for regional service contracts and annexations, by planning for, developing and managing water resources and infrastructure in accordance with City Code section 12. 4.305 and the ~~following criteria:~~ **Integrated Water Resource Plan as Updated from time to time.**

Reason for Change

- The Integrated Water Resource Plan includes the provisions for water planning and storage criteria.
- 12.3.1305.B.1. Hydrologic Shortage: If total system storage is projected to be below 1.5 years of demand in storage on April 1, then an analysis will be conducted by Utilities' staff...

Existing Language

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.
7. Not develop or allow development of controlled groundwater in the Dawson Aquifer in Springs Utilities' exclusive water service Territory.

Proposed Language

6. Use Denver Basin groundwater in Springs Utilities' exclusive water service territory only for emergency supplemental supply, limited non-potable uses, aquifer storage and recovery, or periodic exercising of groundwater infrastructure for operation and maintenance purposes. **In all cases development of the Dawson Aquifer is prohibited.**
- ~~7. Not develop or allow development of controlled groundwater in the Dawson Aquifer in Springs Utilities' exclusive water service Territory.~~

Reason for Change

- Combines protocol for Denver Basin groundwater into one point.

Existing Language

9. Only provide water and wastewater-related services including, but not limited to water leases, storage, conveyance or treatment (collectively referred to as “water-related services”), outside Springs Utilities’ exclusive water service territory pursuant to regional service contracts that comply with City Code, the guidelines set forth in the Regional Water and Wastewater Service Management Plan (Plan) and other applicable Utilities Board approved policies or directives. Regional service contracts are also subject to the following requirements:
 - a. 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.
 - b. Regional service contracts shall provide a net benefit to Springs Utilities and the City of Colorado Springs’ ratepayers, appropriately balancing costs and risks, and recognizing historic and planned investments.
 - c. For each contract requested, Springs Utilities will perform an evaluation of impacts to water system reliability, level of service and water resources for new water and wastewater regional service per the Plan based on a ten year planning horizon.
 - d. Regional service contracts for water-related services shall include a premium on rates that will benefit the City of Colorado Springs’ Ratepayers.
 - e. In accordance with City Charter and City Code, regional service contracts shall not exceed a 25-year term limit.

Proposed Language

~~9.a.~~ 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.

Reason for Change

- Regional water and wastewater service directions have been included in City Code 12.4.304: Service; Special Contract (Water), 12.4.305: Service; Extension Limitation (Water), and 12.5.305: Service; Special Contract (Wastewater) including:
 - 12.4.304.B.1. (and parallel language in 12.5.305.B.1.) "Persons inside City limits have made significant investments in the City's water system. Persons outside the City limits who desire water service from the City should be required to pay an amount that reflects their pro rata demand on existing and planned infrastructure and resources as well as pay additional fees for such service in recognition for investments made to the water system by persons inside City limits."
 - 12.4.304.C.1. includes Requirements for Special Contract Water Service: "The City's water system, as currently existing or planned, must be sufficient to meet the present and projected water supply needs for the foreseeable future of all users of the water system located within and outside the corporate limits of the City including those who are to be service under the special contract as provided in section 12.4.305 of this Code."
 - 25-year term limit addressed with new proposed language.

Proposed Language

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.

Reason for Change

- Financing for large projects is often spread out over 30 – 40 years. Allowing for longer-term agreements gives some certainty that a project can still be used after it has been paid off.

Next Steps

- If recommended, Utilities Board approval process



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INSTRUCTIONS

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

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

1. Defend Springs Utilities' water rights against claims and filings by others if these would in any way injure, hinder or decrease Colorado Springs' current or future yield or use.
2. Conduct periodic evaluations of Springs Utilities' existing decreed water rights and take legal and administrative actions necessary to optimize the water system.
3. Provide a reliable water supply to existing and future customers, including requests for regional service contracts and annexations, by planning for, developing and managing water resources and infrastructure in accordance with City Code section 12. 4.305 and the Integrated Water Resource Plan as updated from time to time.
4. Utilize Springs Utilities' dedicated water acquisition account to fund expenditures that enable timely acquisitions and participation in supply projects that increase raw water system yield.
5. Plan for and implement water use efficiency and demand management measures to support and enhance water system reliability.
6. Use Denver Basin groundwater in Springs Utilities' exclusive water service territory only for emergency supplemental supply, limited non-potable uses, aquifer storage and recovery, or periodic exercising of groundwater infrastructure for operation and maintenance purposes. In all cases development of the Dawson Aquifer is prohibited.
7. Not reserve Springs Utilities' water supplies, infrastructure or capacity for any person, organization, property or development regardless of whether that entity is inside or outside the city limits or Springs Utilities' exclusive water service territory, except that the Utilities Board may evaluate and approve such a reservation to

Deleted: following criteria:

Deleted: <#>At all times maintain a minimum of one year of customer demand in water system storage.¶
Meet or exceed 90 percent (90%) reliability for maintaining a minimum of one year and six months of customer demand in water system storage.

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Conduct an evaluation of the need for water shortage response measures when water system storage is forecast to fall below one year and six months of customer demand on or after April 1 of any year.¶

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

Deleted: <#>Not develop or allow development of controlled ground water in the Dawson Aquifer in Springs Utilities' exclusive water service territory.

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ensure that Springs Utilities can meet the reasonably anticipated water and wastewater demands of the Pikes Peak Region's military installations on a case by case basis.

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

A. ↓

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;
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- 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.

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

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

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



Northern Monument Creek Interceptor (NMCI)

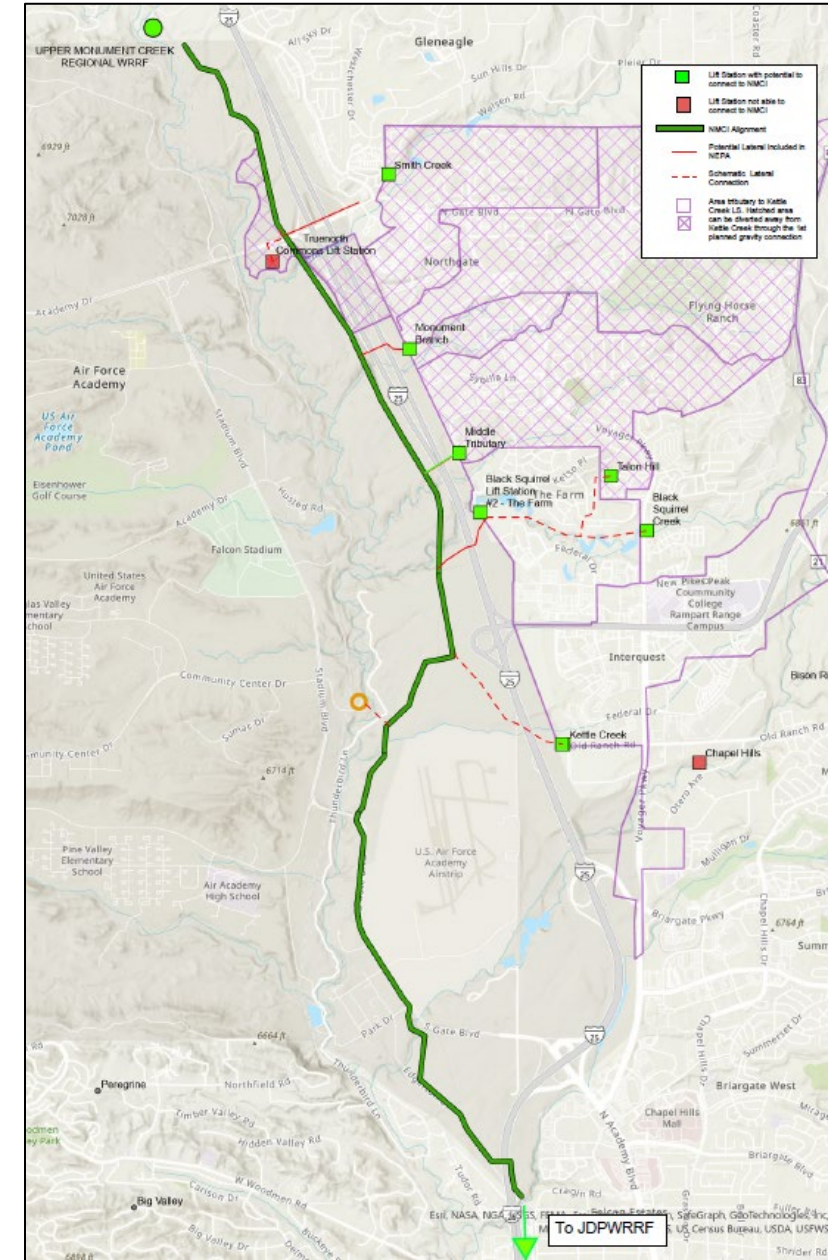
Andy Muser, Project Manager
February 18, 2025

Agenda

1. Project description and background
2. Project Benefits
3. Current Project Status
4. Intergovernmental Agreement

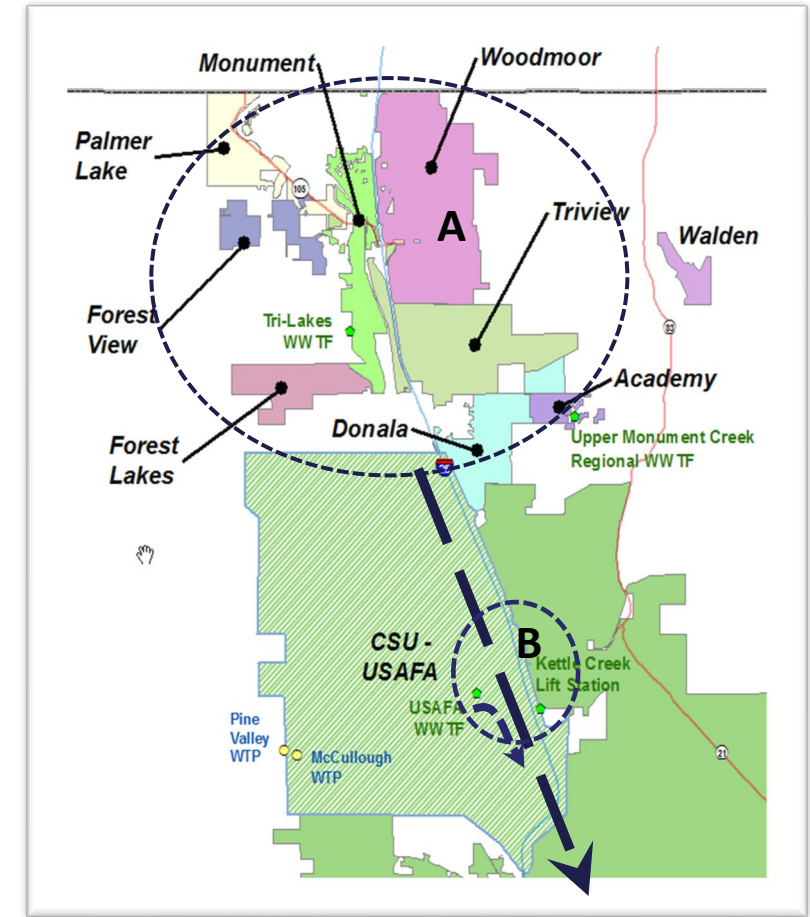
Northern Monument Creek Interceptor (NMCI)

- **What is NMCI?**
 - 8.6 mile, 30-inch wastewater (WW) interceptor
 - Southern edge of USAFA to Upper Monument Creek WW Treatment Plant
- **Why NMCI?**
 - Capacity relief for existing Utilities' wastewater collection system
 - Regional Partnerships
- **NMCI Partners**
 - Triview Metropolitan District: Capital contributor; future treatment customer
 - Forest Lakes Metropolitan District: Capital contributor; future treatment customer
 - USAFA: NEPA sponsor; access to interceptor corridor



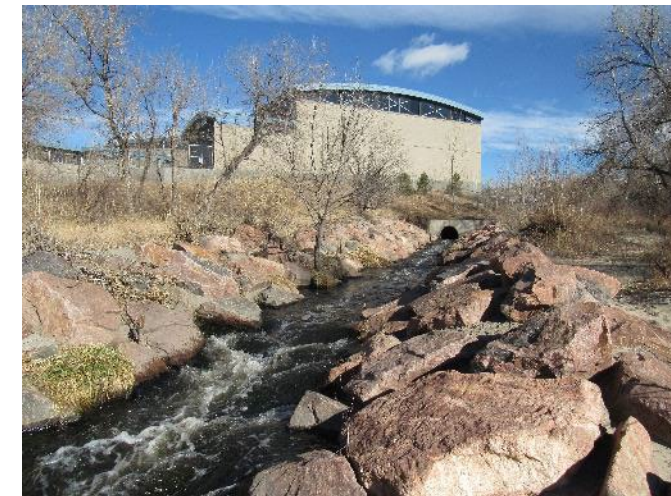
Background

- **Original concept:**
 - Developer driven to support new USAFA Visitor Center
 - Six northern districts; two treatment plants
- **Where we have been**
 - Initial Utility Board Engagements, 2018-2019
 - Routing Study, 2019
 - NEPA process
 - Initiated, 2019
 - Alternatives evaluated
 - Approved, 2024
 - Contract with Design Consultant 2024
 - Participant Agreements
 - NEPA Agreement, March 2020
 - Design Agreement, October 2022



Benefits of Project

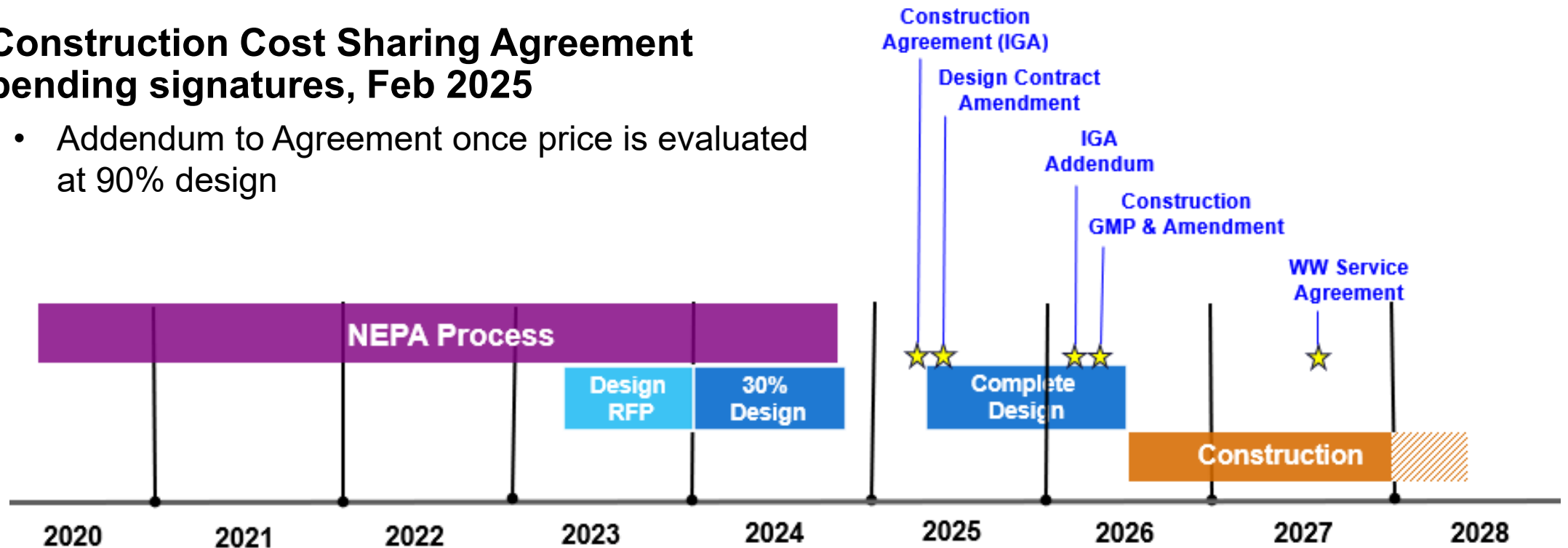
- **Regional Partnerships**
 - Consolidate wastewater treatment from three or more regional entities
 - Increased efficiency for regional wastewater return flow operations
 - Meet upcoming State Water Quality regulatory requirements
- **Alleviate capacity concerns in key Utilities' wastewater lift stations**
 - Immediately connect and retire Middle Tributary lift station
 - Improve future capacity issues in Kettle Creek lift station
 - Ability to connect/close additional lift stations in the future
- **Gravity pipeline reduces maintenance and risks**
- **More efficient use of J.D. Phillips Water Resource Reclamation Facility**



J.D. Phillips Outfall

Current Project Status

- **NEPA Complete, Aug 2024**
- **30% Design Complete, Sep 2024**
 - Included updated cost estimate from construction contractor
- **Construction Cost Sharing Agreement pending signatures, Feb 2025**
 - Addendum to Agreement once price is evaluated at 90% design



Intergovernmental Agreement Approval

- Continuation with design is dependent on respective Participants' Boards' approvals
- Agreement Establishes Participant cost share
 - Based on pro-rata build out capacity in each section of the pipeline
- Cost based on 30% design:
 - Current construction estimate: \$88.1M
 - Cost share based on projected average daily flows for each participant
 - Colo Springs Utilities: 64.1% (\$56.5)
 - Triview: 28.4% (\$25M)
 - Forest Lakes: 7.5% (\$6.6M)
- Recognition of a future addendum to confirm participation at 90% design upon review of Guaranteed Maximum Price; City Council approval prior to construction

Intergovernmental Agreement Among City of Colorado Springs, Colorado, Acting by and through its enterprise, Colorado Springs Utilities And Forest Lakes Metropolitan District And Triview Metropolitan District for Construction Cost Sharing for the Northern Effective _____ This Intergovernmental Agreement (Agreement) for Construction Cost Sharing for the Northern Monument Creek Interceptor (NMCI), is effective upon execution and is among the following parties (each of whom is a Participant as the Participants): The City of Colorado Springs, Colorado, a Colorado corporation, acting by and through its enterprise, Forest Lakes Metropolitan District (Forest Lakes), a political subdivision in the State of Colorado; and Triview Metropolitan District (Triview), a quasi-independent subdivision in the State of Colorado. In this Agreement, Forest Lakes, and Triview are each referred to as the Northern Entities. <u>Purpose</u> The purpose of this Agreement is to establish how the Participants will share the cost for the Northern Monument Creek Interceptor (NMCI) project and the continuation of design services for the NMCI Project. Construction will commence in early 2026. <u>Recitals</u> A. The Northern Entities, together with the Donalson Valley Water District, will own and operate the Upper Monument Creek Regional Wastewater Treatment Plant and operate the Upper Monument Creek Regional Wastewater Collection System. B. The Participants believe they will mutually benefit from the construction of the NMCI project and the continuation of design services for the NMCI Project. The NMCI project will collect wastewater flows to the NMCI for treatment by the Donalson Valley Water District.	• Section 1: Definitions • Section 2: Term and Scope • Section 3: Utilities' Rights and Responsibilities • Section 4: Northern Entities' Rights and Responsibilities • Section 5: Joint Rights and Responsibilities • Section 6: Budgets and Appropriations • Section 7: Monthly Invoicing and Payment • Section 8: Default • Section 9: Regular Project Communications • Section 10: Enforcement, Dispute Resolution, and Termination • Section 11: Records and Accounts • Section 12: Governing Law; Jurisdiction and Venue • Section 13: Notices • Section 14: Severability • Section 15: Counterparts • Section 16: Intent of Agreement • Section 17: Amendments • Section 18: Assignability • Section 19: Entire Agreement
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Recommendation: Utility Board and City Council approve IGA as written via respective Consent Agendas

Next Steps

- On Utilities Board Consent Agenda for February 19
- Intergovernmental Agreement go to City Council February 25 on Consent Agenda
- IGA Addendum confirming agreement to construction costs and participation, early 2026
- Wastewater Service Agreements will be presented in 2026





Colorado Springs Utilities[®]

It's how we're all connected

**Intergovernmental Agreement Among
City of Colorado Springs, Colorado,
Acting by and through its enterprise, Colorado Springs Utilities
And
Forest Lakes Metropolitan District
And
Triview Metropolitan District
for Construction Cost Sharing for the Northern Monument Creek Interceptor
Effective _____**

This Intergovernmental Agreement (Agreement) for Construction Cost Sharing for the Northern Monument Creek Interceptor (NMCI), is effective upon signing by all parties (Effective Date), and is among the following parties (each of whom is a Participant and are collectively referred to as the Participants):

The City of Colorado Springs, Colorado, a Colorado home rule city and municipal corporation, acting by and through its enterprise, Colorado Springs Utilities (Utilities);

Forest Lakes Metropolitan District (Forest Lakes), a quasi-municipal corporation and political subdivision in the State of Colorado; and

Triview Metropolitan District (Triview), a quasi-municipal corporation and political subdivision in the State of Colorado.

In this Agreement, Forest Lakes, and Triview are each a Northern Entity and are collectively referred to as the Northern Entities.

Purpose

The purpose of this Agreement is to establish how the Participants will share construction costs for the Northern Monument Creek Interceptor (NMCI) prior to Utilities committing to continuation of design services for the NMCI Project. Construction of the NMCI is anticipated to commence in early 2026.

Recitals

- A. The Northern Entities, together with the Donala Water & Sanitation District, jointly own and operate the Upper Monument Creek Regional Wastewater Treatment Facility.
- B. The Participants believe they will mutually benefit from consolidating the treatment of wastewater at Utilities' J.D. Phillips Water Resource Recovery Facility by extending Utilities' existing wastewater collection system to allow the Northern Entities to deliver wastewater flows to the NMCI for treatment by Utilities.

- C. In addition to serving the needs of Utilities and its customers, the NMCI will allow for the Northern Entities and the customers they serve within their respective present and future service areas to receive master-metered Wastewater Service from Utilities under the Contract Service-Regional tariff, and Utilities is expressly committed to provision of such Wastewater Service to the Northern Entities, as provided herein.
- D. The Participants, therefore, desire to share construction costs of the NMCI.
- E. In April 2019, Utilities executed a Construction Manager/General Contractor Agreement with Garney Companies, Inc. (Garney), for the construction of the NMCI.
- F. In January 2024, Utilities executed a Professional Services Agreement with HDR Engineering Inc. (HDR), for design and engineering services for the NMCI.
- G. Pursuant to the PSA, HDR agreed to develop the design and specifications for the NMCI Construction Project up to 30% design, and Utilities agreed to decide on continuation of the NMCI Design Services Project when this 30% design milestone was reached.
- H. HDR has completed 30% design for the NMCI Project.
- I. To continue with the NMCI Design Services Project, HDR and Utilities must amend the PSA.
- J. Before Utilities amends the PSA to allow for continuation of the NMCI Design Services Project, the Participants desire to establish how construction costs for the NMCI will be shared.
- K. The Participants acknowledge that they may need to execute amendments to this Agreement prior to the start of construction of the NMCI, but that any such amendments will not modify the Cost Shares established herein.
- L. The Participants also acknowledge that they will need to execute subsequent agreements relating to Utilities' provision of Wastewater Service to the Northern Entities.
- M. The Participants, along with other entities who are not Participants to this Agreement, previously executed the March 30, 2020 NMCI NEPA Participation Agreement.
- N. The Participants previously executed the October 5, 2022 Design Services Cost Contribution Agreement.
- O. This Agreement does not supersede the March 30, 2020 NMCI NEPA Participation Agreement or the October 5, 2022 Design Services Cost Contribution Agreement, and therefore those agreements and this Agreement coexist according to their respective terms.
- P. This Agreement provides for the joint exercise of powers lawfully authorized to each of the Participants, for the sharing of costs for the construction of facilities that will serve each of the Participants, all as authorized by the provisions of Sections 18(2)(a) and (2)(b) of Article XIV of the Colorado Constitution and Sections 29-1-201 *et seq.*, C.R.S., regarding intergovernmental relationships.
- Q. Each Participant's governing body has authorized the execution and delivery of this Agreement.

Agreement

NOW, THEREFORE, in consideration of the mutual undertakings herein contained and the mutual benefits to the Participants, the receipt and sufficiency of which is acknowledged, the Participants agree as follows:

Section 1. Definitions.

For the purposes of this Agreement, these terms shall mean as follows:

- (a) Annual Construction Costs: the Construction Costs for a calendar year.
- (b) Average Day Build Out Flow: the 90-day rolling average of wastewater flow rate in millions of gallons per day (mgd).
- (c) Construction Costs: all costs due and owing to CM/GC pursuant to the Construction Agreement.
- (d) Construction Manager/General Contractor (CM/GC): Garney Companies, Inc.
- (e) Construction Manager/General Contractor Agreement (Construction Agreement): the contract effective as of April 29, 2019, and any subsequent amendments to the same, by and between Utilities and Garney Companies, Inc., for the NMCI Construction Project.
- (f) Cost Share: Each Participant's percentage share of the Construction Costs, as set forth in Section 5(b) herein.
- (g) Flow Share in the Lower Section: the pro-rata share of Average Day Build Out Flow in the NMCI from the northern property boundary of the United States Air Force Academy to existing Colorado Springs Utilities Wastewater Manhole WW.191491.
- (h) Flow Share in the Upper Section: the pro-rata share of Average Day Build Out Flow in the NMCI from the Point of Connection to the northern property boundary of the United States Air Force Academy.
- (i) Monthly Cost Share: Each Participant's monthly share of the Construction Costs, which shall equal the monthly Construction Costs multiplied by the Participant's Cost Share.
- (j) Northern Monument Creek Interceptor (NMCI): the planned extension of Utilities' existing wastewater collection between Utilities' existing wastewater collection system located near Pine Creek and I-25 and the Upper Monument Creek Regional Wastewater Treatment Facility, which extension is to be designed, constructed, installed, owned, and operated by Utilities.
- (k) NMCI Construction Project: the phase of the NMCI Project governed by the Construction Agreement.
- (l) NMCI Design Services Project: the phase of the NMCI Project governed by the PSA, environmental and permitting services, and constructor engagement during the design process.
- (m) NMCI National Environmental Policy Act Project (NMCI NEPA Project): the NEPA permitting phase of the NMCI Project.
- (n) NMCI Project: the design, construction, and commissioning of the NMCI.
- (o) Point of Connection: the demarcation point between the Northern Entities' wastewater collection system and the NMCI, at which point a metering flume will be installed.

- (p) Professional Services Agreement (PSA): the contract effective as of January 23, 2024, and any subsequent amendments to the same, by and between Utilities and HDR Engineering Inc., for the NMCI Design Services Project, permitting, and construction oversight services. The scope of the PSA includes the main interceptor and any metering facilities, all of which shall be owned and operated by Utilities.
- (q) Wastewater Service: Utilities' receipt and treatment of wastewater conveyed through the NMCI: (1) from the Point of Connection between the master meter(s) associated with each Northern Entity or group of Northern Entities and the NMCI through the point of discharge of treated wastewater; and (2) from any Utilities feeder pipeline connected to the NMCI. Wastewater Service also includes the accounting of the Northern Entities' total return flows and reporting of such, and the maintenance of the NMCI and Utilities' water resource recovery facilities at all times in good and workable condition so as to facilitate such collection and treatment of wastewater to, or for the benefit of, the Participants.

Section 2. Term and Scope.

- (a) This Agreement will be in effect from the Effective Date until the first of the following to occur (Term): (a) all Participants have performed all their respective obligations under this Agreement; or (b) all Participants agree to terminate this Agreement.
- (b) This Agreement is intended to govern only the rights and obligations of the Participants with respect to the NMCI Construction Project.

Section 3. Individual Rights and Responsibilities of Utilities.

- (a) Upon this Agreement becoming effective, Utilities will execute an amendment to the PSA to provide for continuation of the NMCI Design Services Project to 100% design.
- (b) When the NMCI Design Services Project reaches 90% design, Utilities will issue a request to the CM/GC for a guaranteed maximum price (GMP). Upon receipt of the GMP, Utilities will provide the Northern Entities with notice of the GMP pursuant to the notice provisions set forth in Section 13 below.
- (c) If all Participants execute the addendum to this Agreement described in Section 5(a) below, Utilities will execute an amendment to the Construction Agreement authorizing the CM/GC to proceed with construction of the NMCI.
- (d) Utilities will manage the NMCI Construction Project in accordance with this Agreement and with its responsibilities and obligations under the PSA and the Construction Agreement.
- (e) Utilities will manage the NMCI Construction Project in accordance with all applicable governmental laws, ordinances, regulations, and requirements applicable thereto.
- (f) Utilities will exercise due diligence in performing its obligations under this Agreement, the PSA, and the Construction Agreement.
- (g) Utilities will make all reasonable attempts to ensure that the time between the Notice to Proceed and Substantial Completion of the NMCI, with both the Notice to Proceed and

Substantial Completion as defined in the Construction Agreement, does not exceed thirty-six (36) months.

- (h) Utilities, in its sole discretion pursuant to the terms of the PSA and the Construction Agreement, will make all decisions related to amendments to the PSA and the Construction Agreement.
- (i) Utilities acknowledges that it will bear its own indirect costs, such as internal staff time, related to the NMCI Construction Project.
- (j) Utilities will prepare and, if necessary, schedule and conduct the Regular Project Communications more specifically set forth in Section 9.
- (k) Utilities will hold title to and ownership of the NMCI at all times; however, in connection with any revenue bonds or similar financing undertaken by or on behalf of the Northern Entities to fund their shared cost of the NMCI (NMCI Revenue Bonds), Utilities shall not take (or omit to take) or permit or suffer any action to be taken if the result of the same would cause the interest on NMCI Revenue Bonds which is excludable from gross income for federal income tax purposes, to be (i) “arbitrage bonds” within the meaning of Section 148 of the Internal Revenue Code; or (ii) “private activity bonds” within the meaning of Section 141 of the Internal Revenue Code.
- (l) Utilities will, in advance of giving the Northern Entities notice of the GMP described in Section 3(b) above, which notice will be given pursuant to Section 13 below, provide each Northern Entity with a proposed Wastewater Services Agreement for the Northern Entity’s review and comment. The Participants expect that such Wastewater Services Agreements may be revised to the achieve mutual agreement between each Northern Entity and Utilities and expect that such Agreements are to be executed concurrently with, or in advance of, the Participants executing the addendum described in Section 5(b) below.

Section 4. Individual Rights and Responsibilities of the Northern Entities.

- (a) Each Northern Entity will provide Utilities with any and all assistance needed to complete the NMCI Construction Project, including, but not limited to, the following:
 - (1) Sharing of information related to its wastewater system, including point of connection and design thereof;
 - (2) Cooperating with other Participants to obtain all federal, state, and local permits and approvals necessary for the construction and use of the NMCI;
 - (3) With respect to property owned by a Northern Entity, providing property access and rights of entry; and
 - (4) With respect to property located within a Northern Entity’s service boundaries, to the extent possible, assisting with property access and rights of entry.
- (b) Each Northern Entity will review and provide timely comment on the 60% and 90% designs for the NMCI prepared pursuant to the PSA and on the CM/GC’s GMP prepared pursuant to the Construction Agreement.
- (c) A Northern Entity will not speak on behalf of the NMCI Construction Project, the NMCI Project, or Utilities without the written approval of Utilities or as permitted by Section 11.

- (d) The Northern Entities acknowledge that each will bear its own indirect costs related to the NMCI Construction Project, such as consultant fees, costs related to supplying information for the NMCI Construction Project, and legal fees.

Section 5. Joint Rights and Responsibilities of all Participants

- (a) If all Participants agree the GMP is reasonable, the Participants intend to enter into an addendum to this Agreement documenting the Participants' agreement to move forward with the NMCI Construction Project. Utilities will, subject to any restrictions in the Colorado Springs City Charter, Colorado Springs City Code, and Utilities' rules and regulations, concurrently execute a separate Wastewater Services Agreement with each Northern Entity documenting the Northern Entity's contractual entitlement to the use of the NMCI and Utilities' responsibility to provide Wastewater Services.
- (b) If any Participant does not agree that the GMP received by Utilities and provided to the Northern Entities pursuant to Section 3(b) is reasonable, the Participants will promptly meet to discuss whether opportunities exist to either value engineer the CM/GC's proposal or to reject the CM/GC's GMP and solicit competitive bids from third party contractors or explore other alternatives satisfactory to all the Participants which would allow the NMCI project to continue.
- (c) All Participants will participate in good faith in any and all negotiations related to any disputes that arise under this Agreement, any amendments to this Agreement, and agreements related to the operation of the NMCI and to Utilities' provision of Wastewater Service to the Northern Entities.
- (d) Each Participant will pay its Cost Share as follows, with invoicing and billing to take place in accordance with Section 7 herein:

Participant	Average Day Build Out Flow	Flow Share Lower Section (%)	Flow Share Upper Section (%)	Project Cost Share (%)
Forest Lakes	0.264 mgd	7.09%	20.9%	7.5%
Triview	1.000 mgd	26.85%	79.1%	28.4%
Colorado Springs Utilities	2.460 mgd	66.06%	0.0%	64.1%
<i>Total</i>	<i>3.724 mgd</i>	<i>100%</i>	<i>100%</i>	<i>100%</i>

- (e) In the event a Participant withdraws from this Agreement, and provides notice of this withdrawal pursuant to Section 13, the remaining Participants agree to meet, with this meeting attended by persons with decision-making authority, within thirty (30) days of the notice of withdrawal to decide whether to continue the NMCI Construction Project and to take appropriate actions in response to the notice of withdrawal.

- (f) In the event a non-Participant requests to become a party to this Agreement, the Participants will, within thirty (30) days of this request, meet, with this meeting attended by persons with decision-making authority, to consider the request and decide whether to enter negotiations with the non-Participant on an amended and restated agreement to replace this Agreement

Section 6. Budgets and Appropriations for Annual Construction Project Costs.

- (a) On or before the first of August of each calendar year, Utilities will prepare or cause to be prepared a written estimate of Annual Construction Costs for the NMCI Construction Project for itself and for each Northern Entity for the next calendar year along with a high-level forecast for subsequent years.
- (b) Utilities, prior to the beginning of each calendar year, will adopt an annual budget sufficient to pay its share of the estimated Annual Construction Costs for the ensuing calendar year.
- (c) Each Northern Entity, prior to the beginning of each calendar year, will adopt an annual budget, will appropriate sufficient funds to pay its share of the estimated Annual Construction Costs for the ensuing calendar year, and will deliver to Utilities a copy of the budget as adopted.
- (d) Appropriation of Funds: The Participants acknowledge that, in accordance with the Colorado Constitution, Article X, Section 20, performance of the Participants' obligations under this Agreement is expressly subject to annual appropriation and availability of funds for that purpose. In the event that funds are not appropriated, in whole or in part, sufficient for any Participant's performance of its obligations under this Agreement, or appropriated funds may not be expended due to any Participant's spending limitations, such event shall be treated as a withdrawal from this Agreement and shall be subject to the provisions in Section 5(e).
- (e) If, at any time or from time to time after the Participants adopt annual budgets and make appropriations in accordance with Section 6(b) and (c), as relevant, Utilities estimates that the actual Annual Construction Costs for the calendar year or any part thereof for which such annual budgets apply will be greater than the Annual Construction Costs set forth in the written estimate prepared pursuant to Section 6(a), then each Participant will prepare and adopt an amended annual budget including sufficient amounts to pay all actual Annual Construction Project Costs for the current year and, as necessary, will approve supplemental appropriations consistent with the amended budget or will commit to deferring such additional appropriation to the next fiscal year.
- (f) Any Participant which does not adopt an annual budget sufficient to pay its share of the estimated Annual Construction Costs, or which does not appropriate, as relevant, sufficient funds to pay its share of the estimated Annual Construction Costs, will be in breach of this Agreement.

- (g) No later than November 1, 2025, each Participant shall commence appropriate action to budget and appropriate, as relevant, sufficient funds to pay all estimated Annual Construction Costs for 2026.
- (h) Each Participant reserves the right to provide for the payment of its Cost Share through the issuance of bonds or indebtedness, on such terms as the Participant deems appropriate.

Section 7. Monthly Invoicing and Payment of each Northern Entity's Cost Share.

- (a) Each month throughout the Term, Utilities will determine each Participant's Monthly Cost Share of the monthly CM/GC-invoiced Construction Costs and will invoice each Northern Entity for its Monthly Cost Share.
- (b) Each Northern Entity shall pay its Monthly Cost Share within thirty (30) calendar days after receiving its monthly invoice.
- (c) All payments due from a Northern Entity pursuant to this Agreement will be due and payable as stated in the relevant provision of this Agreement, without setoff, recoupment, or counterclaim.
- (d) Each Northern Entity's payment obligation under this Agreement is separate and several; the failure of any Northern Entity to make any payment when due will not relieve any other Northern Entity of its own payment obligations under this Agreement.
- (e) Within sixty (60) days after the end of each calendar year, Utilities will review all Construction Costs, monthly invoices, and monthly payments during the previous calendar year to assure that all Construction Costs were invoiced and paid in accordance with this Agreement. Utilities will credit any amount it determines a Northern Entity overpaid towards the amount due from that Northern Entity in the next monthly invoice it sends to that Northern Entity. Utilities will invoice any amount it determines a Northern Entity underpaid in the next invoice it sends to that Northern Entity, and that Northern Entity will pay such amount as part of its payment due for that invoice.
- (f) As soon as practicable after the completion of the NMCI Construction Project, Utilities will conduct a final review of all of the Construction Costs, invoices, and payments. If the final review reveals that a Northern Entity has overpaid its Cost Share, Utilities will remit the amount of the overpayment to that Northern Entity within thirty (30) days. If the final review reveals that a Northern Entity has underpaid its Cost Share, Utilities will send that Northern Entity an invoice for the underpayment, and that Northern Entity will remit payment of that amount to Utilities within thirty (30) days of its receipt of the invoice.

Section 8. Default.

- (a) If a Participant fails to comply with any of the provisions of this Agreement, including by failing to make any payments when due, any other Participant may give notice, per Section 13, to the defaulting Participant specifying the nature of the default.

- (b) The defaulting Participant may cure the default within thirty (30) days of the date of the notice of default, in which case the other Participants will have no further right or remedy regarding the default.
- (c) If the defaulting Participant does not cure the default within thirty (30) days of the date of the notice of default, any other Participant may exercise any right or remedy available at law because of such default.
- (d) In the event that the event of default is non-payment of a Northern Entity's Monthly Cost Share to Utilities, the non-defaulting Northern Entity may assume responsibility for payment of the defaulting Northern Entity's Monthly Cost Share until the non-defaulting Participants meet, pursuant to Section 5(e), and make a final decision on whether to continue the NMCI Construction Project.
- (e) If the non-defaulting Northern Entity assumes responsibility for the payment of the defaulting Northern Entity's Monthly Cost Share, the defaulting Northern Entity may redeem its allocated share of the NMCI Construction Project within three (3) months after the non-defaulting Northern Entity assumes such responsibility by curing all payment and non-payment defaults and by paying all expenses incurred by the non-defaulting Participants in connection with any default, including reimbursement of all of the non-defaulting Northern Entity's payments of the defaulting Northern Entity's Monthly Cost Share plus interest at the rate of one percent per month on all expenses incurred and amounts paid by the non-defaulting Participants. The foregoing right of redemption may be exercised only once by any Northern Entity.
- (f) In the event a Northern Entity is in default under this Section 8 and does not cure such default in accordance with Section 8(b), in addition to all other available remedies, Utilities or a non-defaulting Northern Entity which chooses to assume responsibility for payment of the defaulting Northern Entity's Monthly Cost Share may pursue collection through litigation with all costs of collection, including reasonable attorneys' fees, to be paid by the defaulting Northern Entity.

Section 9. Regular Project Communications. Utilities will provide regular detailed updates to the Northern Entities, at least quarterly, on the status of the NMCI Construction Project and any pending amendments to the PSA or Construction Agreement. Each update shall include a report on the budget and projected and incurred Construction Costs. The updates and communications provided by Utilities may be used by the Northern Entities for internal communications, board or council documents, and communications with each Northern Entity's respective customers.

Section 10. Enforcement, Dispute Resolution, and Termination.

- (a) It is specifically understood that, by executing this Agreement, each Participant commits itself to timely and diligent performance of its responsibilities and obligations, pursuant to the terms contained herein.
- (b) In the event of any claim or dispute under, or in connection with, this Agreement, the Participants will meet, with this meeting attended by persons with decision-making authority, within thirty (30) days of the written notice of the dispute by one of the Participants to any other Participant. At this meeting, the Participants will, in good faith,

attempt to negotiate a resolution to the dispute. Such meeting will not be deemed to reduce or eliminate the obligations and liabilities of the Participants or be deemed a waiver by a Participant of any remedies to which such Participant would otherwise be entitled, unless otherwise agreed to by the Participants in writing.

- (c) If, within thirty (30) calendar days after such meeting, the Participants have not succeeded in negotiating a resolution of the dispute, they agree to submit the dispute to non-binding mediation and to bear equally the costs of the mediation.
- (d) The Participants will jointly appoint a mutually acceptable mediator. If they fail to do so within twenty (20) calendar days from the conclusion of the negotiation period, they shall each select a mediator. The three mediators will then appoint a fourth mediator who shall, as the sole mediator, conduct mediation for the Parties
- (e) The Participants agree to participate in good faith in the mediation and negotiations for a period of thirty (30) calendar days. The substantive and procedural law of the State of Colorado shall apply to the proceedings. If the Participants are not successful in resolving the dispute through mediation, then the Participants shall be free to litigate the matter.
- (f) The Participants intend that this Agreement will only be terminated for causes beyond their reasonable control that render the NMCI Construction Project infeasible, including financial or legal restrictions.

Section 11. Records and Accounts. Utilities will keep accurate and detailed records of the NMCI Construction Project and of the transactions relating to the NMCI Construction Project in accordance with generally accepted accounting principles as applied to governmental entities. Upon giving at least thirty (30) days' notice to the other Participants, a Northern Entity may informally or formally audit Utilities' records, accounts, and transactions related to the NMCI Construction at the Northern Entity's sole expense.

Section 12. Governing Law; Jurisdiction and Venue. This Agreement will be subject to, and shall be interpreted and performed under, the laws of the State of Colorado, and the Charter, City Code, Ordinances, Rules and Regulations of the City of Colorado Springs. Each Participant hereby expressly and irrevocably agrees and consents that any suit, action or proceeding arising out of or relating to this Agreement and the transactions contemplated hereby shall be instituted by any party hereto exclusively in any State court sitting in El Paso County, Colorado or, if federal jurisdiction exists, exclusively in the Federal court sitting in the City and County of Denver, State of Colorado and, by the execution and delivery of this Agreement, expressly waives any objection which it may have now or hereafter to the laying of the venue of any such suit, action, or proceedings.

Section 13. Notices. Any notice, request, demand, or statement provided for in this Agreement will be in writing and will be considered to have been duly delivered when personally delivered, sent by overnight delivery service, or sent by certified mail, postage prepaid, return receipt requested, addressed as follows, unless another address has been designated, in writing, by the party:

(a) Utilities: System Planning and Projects Officer
Colorado Springs Utilities
121 South Tejon Street, Fifth Floor
P.O. Box 1103/MC 950
Colorado Springs, CO 80903/80947-0950

With a copy to: City Attorney
City of Colorado Springs
30 S. Nevada
P.O. Box 1575/MC 510
Colorado Springs, CO 80901-1575

(b) Forest Lakes: Forest Lakes Metropolitan District
District Manager
2 North Cascade, Suite 1280
Colorado Springs, CO 80903
(719) 327-5810

(c) Triview: Triview Metropolitan District
Attn: District Manager
16055 Old Forest Point, Suite 302
Monument, CO 80132

With Copy to: Monson, Cummins, Shohet, & Farr LLC
Chris D. Cummins
13511 Northgate Estates Dr., Ste. 250
Colorado Springs, CO 80921

Section 14. Severability. If any provision of this Agreement is held by any court of competent jurisdiction to be invalid under the laws of the State of Colorado, or the United States, such invalidity will not invalidate the whole Agreement, but it will be construed as though not containing that particular provision and the rights and obligations of the Participants will be construed and in force accordingly, provided that the purposes of this Agreement are accomplished as originally intended by the Participants.

Section 15. Counterparts. This Agreement may be executed in several counterparts, each of which will be an original, but all of which together will constitute one and the same instrument.

Section 16. Intent of Agreement. This Agreement is intended to describe the rights and responsibilities of and between the Participants and is not intended to, and will not be deemed to, confer any rights upon any persons or entities not named as parties, nor to limit in any ways the powers and responsibilities of the Participants or any other entity not a party hereto.

Section 17. Amendments. This Agreement may be amended, modified, changed, or terminated, in whole or in part, only by a written agreement duly authorized and executed by all Participants.

Section 18. Assignability. Each Participant, without the approval of the other Participants, may assign its rights and obligations under this Agreement only to a governmental entity that succeeds to ownership of that Participant's wastewater system. Such governmental entity will become a Subsequent Participant upon execution by all Participants and by the Subsequent Participant of an Amendment to this Agreement whereby the Subsequent Participant agrees to be bound by all terms and conditions of this Agreement and agrees to assume all obligations of the former Participant under this Agreement. Such Amendment will release the former Participant from all further obligations under this Agreement. Upon execution of such Amendment by all Participants and the Subsequent Participant, the Subsequent Participant will be entitled to all rights of the former Participant under this Agreement and will be obligated for all further obligations of the former Participant under this Agreement.

Section 19. Entire Agreement. This Agreement constitutes the entire contract between the Participants relative to the subject matter hereof. Any previous agreement among the Participants with respect to the subject matter hereof is superseded by this Agreement. The Purpose and Recitals are incorporated herein by this reference.

IN WITNESS WHEREOF, this Agreement has been duly authorized and executed by the officers authorized thereunto, on the dates shown below for each Participant.

Colorado Springs Utilities,
an enterprise of the City of Colorado Springs, a
Colorado home rule city and municipal corporation

By: _____
Travas Deal
Chief Executive Officer

Date: _____

Approved as to form:

Forest Lakes Metropolitan District

By: _____

NMCI Design Services Cost Contribution Agreement

Date: _____

Attest:

Triview Metropolitan District

By: _____

Date: _____

Attest:
