

AGENDA

March 17, 2025

9:00 a.m. – 11:00 a.m.

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Meeting ID: 287 655 873 193

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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 Donelson
9:05 a.m.	Acceptance of Minutes Feb. 18, 2025 Working Committee Minutes	Committee
9:10 a.m.	Safety Moment: National Nutrition Month	Michael Myers, Manager of Safety and Health
9:15 a.m.	Compliance Reports: - ER: I-3 Utilities Board Expected Results Year-End Performance - Scorecard - I-4 Risk Management – Auditor’s Report - I-8 Asset Protection - I-12 Environmental Stewardship	Natalie Watts, Manager of Strategic Planning and Governance Tristan Gearhart, Chief Financial Officer Tristan Gearhart, Chief Financial Officer Lauren Swenson, Manager of Environmental Services
9:45 a.m.	Electric Cost Adjustment / Gas Cost Adjustment Filing Discussion	Scott Shirola, Manager of Pricing and Rates
10:00 a.m.	Improvements on Streetlight Reporting	Alex Trefry, Public Relations Specialist

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

10:10 a.m.	Purchase of Finished Water Easement	Jessica Davis, Manager of Land Resources
10:20 a.m.	Economic Development Update and Large Commercial Customers	Mike Francolino, Chief Customer & Enterprise Services Officer
10:50 a.m.	Strategic Sourcing Methodology	Rich Norton, General Manager of Supply Chain
11:00 a.m.	Adjournment	Board Chair Donelson

MINUTES
Working Committee
February 18, 2025

Committee members present via Microsoft Teams or Rosemont Conference Room:

Dave Donelson, Yolanda Avila, Nancy Henjum, David Leinweber, Brian Risley and Michelle Talarico

Committee members excused:

Lynette Crow-Iverson, Randy Helms and Mike O'Malley

Staff members present via Microsoft Teams or Rosemont Conference Room:

Travas Deal, Renee Adams, Lisa Barbato, Mike Francolino, Tristan Gearhart, Somer Mese, Sara Akins, Alex Baird, Steve Berry, Connie Brown, Nate De Kock, Steve Duling, Kim Girling, Jason Green, Kelly Guisinger, Ken Hughlett, Jennifer Jordan, Amy Lewis, Noemi Martinez, Jared Miller, Andy Muser, Michael Myers, Danielle Nieves, Jacqueline Nunez, Chris Olney, Dave Padgett, Gail Pecoraro, Bethany Schoemer, April Speake, Shawn Timothy, Amy Trinidad, Natalie Watts, Al Wells and Justin Zeisler

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

Sally Barber, Chris Bidlack, Vicki Clausen, Renee Congdon, Rhea Hendrixson and Matthew Vanlandingham

1. Call to Order

Board Chair Dave Donelson called the meeting to order at 9:03 a.m. Ms. Gail Pecoraro, Utilities Board Administrator, took roll and 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.

Those present in the Rosemont Conference Room introduced themselves.

2. Review of Minutes

The Jan. 17, 2025 Personnel Committee, Jan. 21, 2025 Finance Committee, Jan 21, 2025 Strategic Planning Committee and Nov. 19, 2024 Program Management Review Committee meeting minutes were accepted for posting.

3. Safety Moment: American Heart Month

Mr. Ken Hughlett, Field Safety Supervisor, said that February is American Heart Month. Cardiovascular disease is a term that affects the heart or blood vessels. More than 800,000 people die of cardiovascular disease every year in the United States.

He explained heart disease is a catch-all phrase for a variety of conditions that affect the heart's structure and function. Nearly 650,000 Americans die from heart diseases each year, and about 1 in 9 individuals have been diagnosed with heart disease.

Mr. Hughlett shared that individuals can take steps to help prevent heart disease, including eating better, controlling cholesterol, managing stress and getting quality sleep.

Cardiac arrest is an electrical problem characterized by unconsciousness, not breathing and no pulse. Heart attack is a circulation problem characterized by chest pain, fatigue, weakness, nausea and difficulty breathing. He stated in case of cardiac arrest, immediately call 911, start Cardiopulmonary Resuscitation and use an Automated External Defibrillator.

Mr. Travas Deal, Chief Executive Officer, said the Safety Moment has been added to each month's Working Committee agenda because of the organization's focus on safety.

4. Compliance Reports

I-4 Risk Management

Mr. Tristan Gearhart, Chief Planning and Finance Officer, explained that this report is monitored semi-annually and annually in years ending in 0 and 5. The reporting timeframe for this report is July 1, 2024 through Dec. 31, 2024.

The first requirement of the I-4 is that the organization maintain a Risk Management Committee that identifies, measures, monitors, manages and reports risk on an enterprise-wide basis. This committee meets monthly with the CEO Leadership Team and General Manager of Information Technology serving on the committee.

The last requirement is to operate under and maintain a written Enterprise Risk Management (ERM) Plan. These reports are maintained and is currently approved. It was revised to align better with the current and future risks of the organization.

The I-4 Risk Management Compliance Report was included in the meeting materials packet.

Committee Member Henjum asked what the top area of risk for the organization is. Mr. Gearhart said that the organization's focus for risk is cyber security. Committee Member Henjum asked if Mr. Gearhart was aware of any significant cyber attacks to outside organizations within the state of Colorado. Mr. Gearhart said a cyber attack occurred three to four years ago on the western slope where an entire financial system was compromised. Mr. Gearhart stated that Springs Utilities has cyber insurance and requires mandatory cyber security training of all employees.

I-5 Economic Development

Mr. Jared Miller, Manager of Strategic Customer Relations, said that the I-5 Economic Development Compliance Report is reported on annually. This reporting period is Jan. 1, 2024 through Dec. 31, 2024.

The first requirement of the I-5 is to 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. All prospecting and business expansion and retention efforts aligned with existing tariffs and Colorado Springs Utilities' Rules and Regulations. Four economic develop incentive packages were offered, but they have not been executed.

The second requirement is to consider economic development support that optimizes existing utility infrastructure, grows the customer base, assures a neutral or positive impact to citizens, and partners with local entities. Springs Utilities worked closely with the Colorado

Springs Chamber, The Economic Development Corporation, El Paso County, and the Municipal Government to provide utility assessments and solutions for 42 potential new businesses.

The third requirement is to 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. Springs Utilities staff participated on the City Agencies for Small Business Advancement team to proactively assist and provide solutions to small businesses. The organization shared information with community partners so they could serve as ambassadors and assist developers and customers in navigating the Springs Utilities' development process.

I-13 Community Investment

Ms. April Speake, Supervisor of Community Relations, stated the I-13 compliance report is reported on annually. This reporting period is Jan. 1, 2024 through Dec. 31, 2024.

The first requirement of the I-13 Community Investment Compliance Report is to 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. A 2024 community involvement strategy was developed and implemented.

The second requirement is to encourage and support employee volunteerism within the communities served by Colorado Springs Utilities. Ms. Speake said the total volunteerism through the Community Focus Fund, Ambassador volunteer program and new paid volunteer program was 18,705.20 hours. The CEO and his executive team supported volunteerism through the addition of two new paid volunteer programs, the Team Building and Individual Volunteering programs.

The third requirement is to communicate to customers and provide student and adult education programs on the safe and efficient use of utility services. Ms. Speake said that safety and efficiency are the focus of community presentations. Methodology included community event booths, facility and stakeholder tours, adult presentations, teacher workshops, student programs, landscape classes and webinars, public meetings and town halls.

Board Member Henjum asked what Culver is. Ms. Speake said that Culver is a company that helps leverage natural gas safety awareness with messaging on educational opportunities as required by different auditing bodies.

The fourth allows philanthropic support of community-oriented organizations only in the service territories and localities impacted by Colorado Springs Utilities' operations. All organizations that received philanthropic support in 2024 were in Springs Utilities' service territory.

The fifth requirement only allows 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 receiving Community Focus Fund (CFF) financial support in 2024 completed an application that included a description of how the funds would be used.

The sixth requirement allows 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.

The seventh considers partnerships with other funding entities to leverage resources and maximize impact. 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.

The eighth requirement informs the community of the enterprise's corporate citizenship and employee volunteerism. Springs Utilities publicized efforts of its employees and their families to give back to the community. This was accomplished using internal and external communication channels, including social media, website, the State of the Utilities, newsletters, news media and the annual report.

The last requirement is to develop programs intended to support affordable housing within the City. Springs Utilities promoted affordable housing through coordination with the City and provided funding, rebates and credits to incentivize affordable housing. In 2024, Springs Utilities provided \$511,112 in support.

Ms. Speak said that last year, more than \$2.7 million was given by Project COPE in utility assistance. This was a record number of assistance in both dollars and customers assisted.

Board Member Henjum asked if Ms. Speake believes there will be adequate funding for Project COPE in 2025. Ms. Speake said that there have been increased donations and with the re-direction of funds to external charities, she is confident that funding will be sufficient.

Board Chair Donelson asked if there has been increased customer utilization. Ms. Speake said that she believes the utilization is there. Ms. Speake said that Springs Utilities partners with nine non-profit agencies in Colorado Springs to meet the overall needs of customers.

5. I-7 Water Supply Management Revision

Ms. Jenny Bishop, Water Resource Planning Engineer, reviewed proposed changes to the I-7 Water Supply Management / Regional Water and Wastewater Compliance Report. Specific proposed changes are highlighted in the meeting materials packet.

Board Chair Donelson asked if these are housekeeping changes. Ms. Bishop stated they are not, these changes are moving from a 25-year lease to a 99-year lease with certain criteria being met. The following criteria must be satisfied: includes only the use of Utilities' infrastructure and not the delivery of Colorado Springs' water; optimizes existing and planned Springs Utilities' water and wastewater infrastructure; grows the customer base by providing wholesale service to qualifying entities; assures a positive rate impact to customers; and 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.

Board Member Henjum asked how this leasing would be priced over 99 years. Ms. Bishop said that it is priced at the current rate plus an additional charge.

The next step is approval by the Utilities Board on the Consent Agenda in March.

6. Intergovernmental Agreement (IGA) for Construction Cost Sharing for the Northern Monument Creek Interceptor (NMCI)

Mr. Andy Muser, Project Manager Water and Wastewater Project Management, said the NMCI is an 8.6 mile 30-inch wastewater interceptor that goes from the southern edge of the U.S. Air Force Academy (USAFA) to the Upper Monument Creek Wastewater Treatment Plant. Partners on this project include Triview Metropolitan District, Forest Lakes Metropolitan District and USAFA.

Board Member Henjum asked if any of the Northern Monument Creek Interceptor currently exists. Ms. Lisa Barbato, Chief Systems Planning and Projects Officer, said that it does not.

The project originally started in 2018 and was driven by the developer supporting the USAFA Visitor Center.

Benefits of this project include regional partnerships, alleviating capacity concerns in key Springs Utilities' wastewater lift stations, gravity pipeline reduces maintenance and risks and more efficient use of the J.D. Phillips Water Resource Reclamation Facility.

The National Environmental Policy Act was complete in August 2024, 30% of the design was complete in September 2024, and the Construction Cost Sharing Agreement is currently pending signatures. Design completion is expected mid-2026, with construction to begin soon thereafter. Construction is expected to be complete mid-2028.

Board Member Henjum asked if the capital costs for this project have been included in the 5-year rate case, and Ms. Barbato said that they have been included.

The IGA approval establishes participant cost share based on pro-rata build out capacity in each section of the pipeline. Cost is based on 30% design, with the current construction estimate of \$88,100,000. Cost share based on projected average daily flows for each participant: Colorado Springs Utilities: \$56,500,000; Triview \$25,000,000; Forest Lakes \$6,600,000.

Next steps include putting this item on the Utilities Board consent agenda on Feb. 19 and putting it on the City Council consent agenda on Feb. 25. The IGA Addendum confirming agreement to construction costs and participation and wastewater service agreements will be presented in 2026. The Working Committee approved the item to move forward to the full Utilities Board consent agenda on Feb. 19, 2025.

7. Open Discussion: Format of the Working Committee Meeting

Board Chair Donelson asked for feedback on the format of the Working Committee meeting.

Vice Chair Avila voiced the reason Board Members Helms and Crow-Iverson missed today's meeting was because of a scheduling conflict with City Council Agenda Prep. She feels that the reason attendance began declining was when meetings were changed to Mondays (from Thursday/Friday of the previous week). Board Member Henjum said that she noticed the drop in attendance as well. Mr. Deal said that the proposed is for Working Committee meeting day is Monday. Vice Chair Avila said that there would be a scheduling conflict when a holiday occurs on Monday with a reschedule of Working Committee to Tuesday (that conflict would be with City Council Agenda Prep).

City Attorney Renee Congdon proposed a change to the definition of quorum for the Working Committee to three members, down from a majority of Board Members.

Board Member Henjum said that having more Board Members available to discuss more items is beneficial. She believes that keeping a tight agenda and covering essential topics would be necessary to make this meeting format work.

Board Member Risley said that it takes more than one meeting to see if a pilot works. He suggests letting the pilot run through the summer and then reassess.

Board Member Talarico agrees that the Working Committee pilot needs to be extended to measure its success.

Board Member Leinweber asked how Utilities Board agenda prep was handled for this meeting. Board Chair Donelson stated that the agenda was determined by staff recommendations on what needed to be covered. Mr. Deal said the direction was based first on required items then items Board Members requested.

Board Member Henjum asked how project management items would be addressed in the future. Mr. Deal said that items can be added at Board Member preference, after items that are required (i.e., compliance reports). Board Member Henjum said that there needs to be a balance of educating the Board on utilities business. Mr. Deal said that for all new Board Members site visits will be scheduled, and all Board Members will be invited to those visits.

Board Member Leinweber said that Springs Utilities is massive, and no one Board Member can know everything about the organization. Each Board Member brings their own expertise to the Board. He asked the question: how can their expertise be leveraged to bring it to the organization? Mr. Deal suggested assigning specific board compliance reports to specific Board Members based on their interests/specialties. Board Chair Donelson agreed with this approach.

Ms. Natalie Watts, Manager of Strategic Planning and Governance, added that the reason the Working Committee meeting is scheduled for Mondays is in case something comes up that must be added to that month's Utilities Board meeting agenda, we can still do that. Having the extra day in between the two meetings, allows time to publicly notice the meeting according to the Colorado Open Meetings Law.

Ms. Renee Congdon, City Attorney, said a formal resolution would need to be approved at the March Utilities Board Meeting to extend the Working Committee Meeting through the summer. The resolution will temporarily suspend the Bylaws and Excellence in Governance Policy Manual around the committee meetings. The resolution will address the quorum requirement change for this meeting to three members. The Working Meeting will be scheduled on the Monday prior to the Utilities Board.

8. Adjournment

The meeting adjourned at 10:44 a.m.



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

National Nutrition Month

Food Connects Us

Safety Moment

Understanding Nutrition



Definition: Nutrition is the process by which our body takes in and uses food for growth, energy and maintenance.



Importance: Good nutrition is essential for overall health, preventing chronic diseases and promoting longevity.



Key Components: Macronutrients (carbohydrates, proteins, fats) and micronutrients (vitamins, minerals).

What is a Balanced Diet?



Definition: A balanced diet includes a variety of foods in the right proportions to provide the necessary nutrients.

Food Groups: Fruits, vegetables, grains, protein foods and dairy.

Benefits: Supports immune function, maintains healthy weight and reduces the risk of chronic diseases.

Tips for Eating Right



Portion Control: Be mindful of portion sizes to avoid overeating.



Variety: Include a wide range of foods to ensure a full spectrum of nutrients.



Hydration: Drink plenty of water throughout the day.



Limit Processed Foods: Reduce intake of sugary, salty and high-fat processed foods.

Planning Your Meals

- **Meal Prep:** Plan and prepare meals in advance to ensure healthy choices.
- **Balanced Plates:** Aim for half your plate to be fruits and vegetables, a quarter protein, and a quarter grains.
- **Snacking:** Choose healthy snacks like nuts, fruits and yogurt.
- **Mindful Eating:** Pay attention to hunger and fullness cues to avoid overeating.





Date: March 19, 2025

To: Utilities Board

From: Travas Deal, Chief Executive Officer

Subject: **Excellence in Governance - Utilities Board Expected Results (ER: 1-3) Year-end 2024**

Desired Action: Monitoring

Compliance: Performance Measures: 3.76 = Exceeds Expectations
Competencies: 4.44 = Exceeds Expectations
Overall Score: 4.10 = Exceeds Expectations

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

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

The Board Expected Results elements are allocated as follows:

- 50% toward achieving performance measure targets related to the Utilities Board strategic focus areas of rates, reliability and relationships. The performance measures result is 3.76 on a scale of 1 to 5.
- 50% based on the Utilities Board assessment of CEO leadership competencies. The CEO leadership competencies result is 4.44 on a scale of 1 to 5.
- The overall Board Expected Results score is 4.10 on a scale of 1 to 5.

The overall rating is based on the scale below.

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

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

5

→ FS1a Residential Electric Service - Front Range Comparison

Performance Measure Status: Far Exceeds Expectations

MEASURE DESCRIPTION

Strategic Objective Supported: Financial Accountability

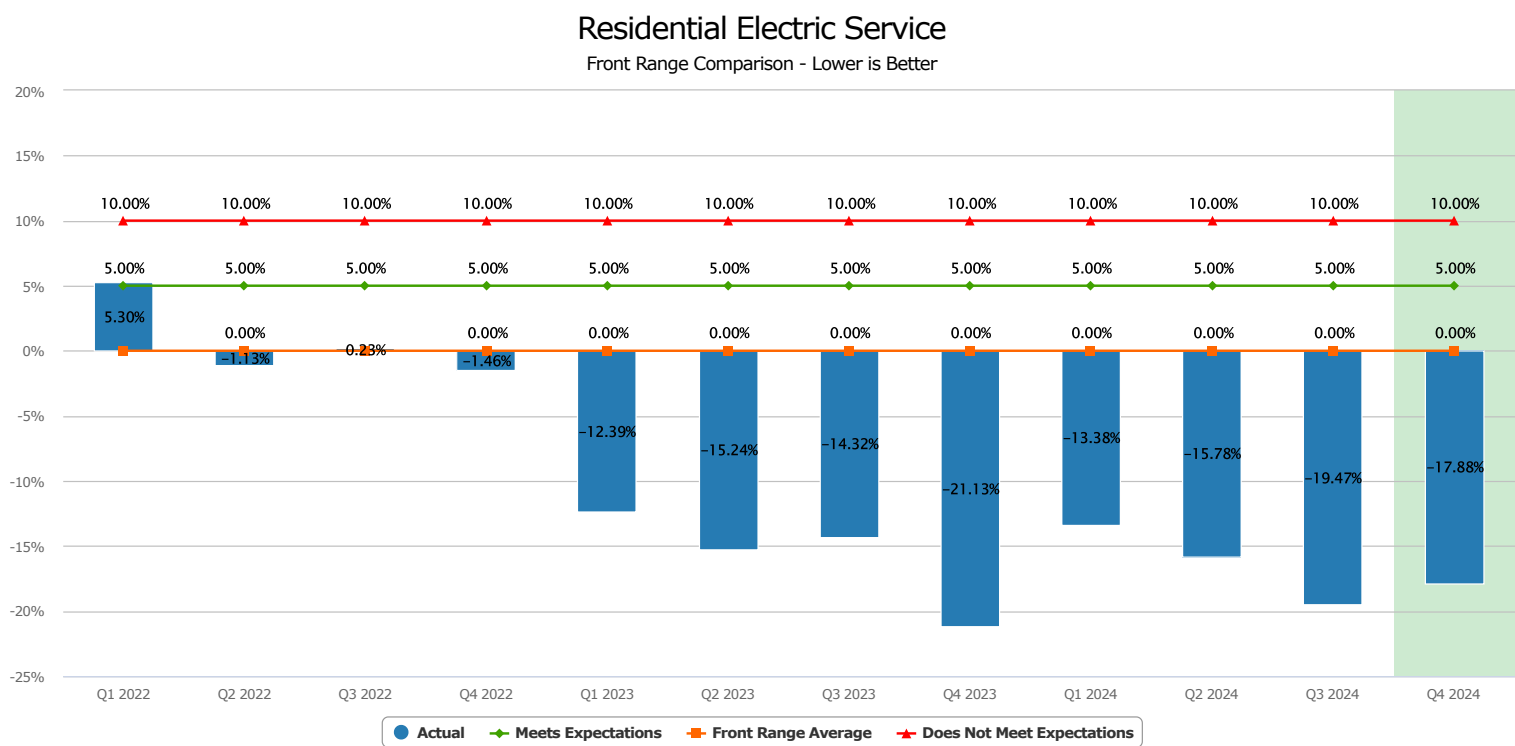
Reported as: Average natural gas bill

Target Range: +/- 5% of Colorado Front Range average

MEASURE PERFORMANCE

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

TREND CHART



PERFORMANCE ANALYSIS

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

MEASURE DESCRIPTION

Strategic Objective Supported: Financial Accountability

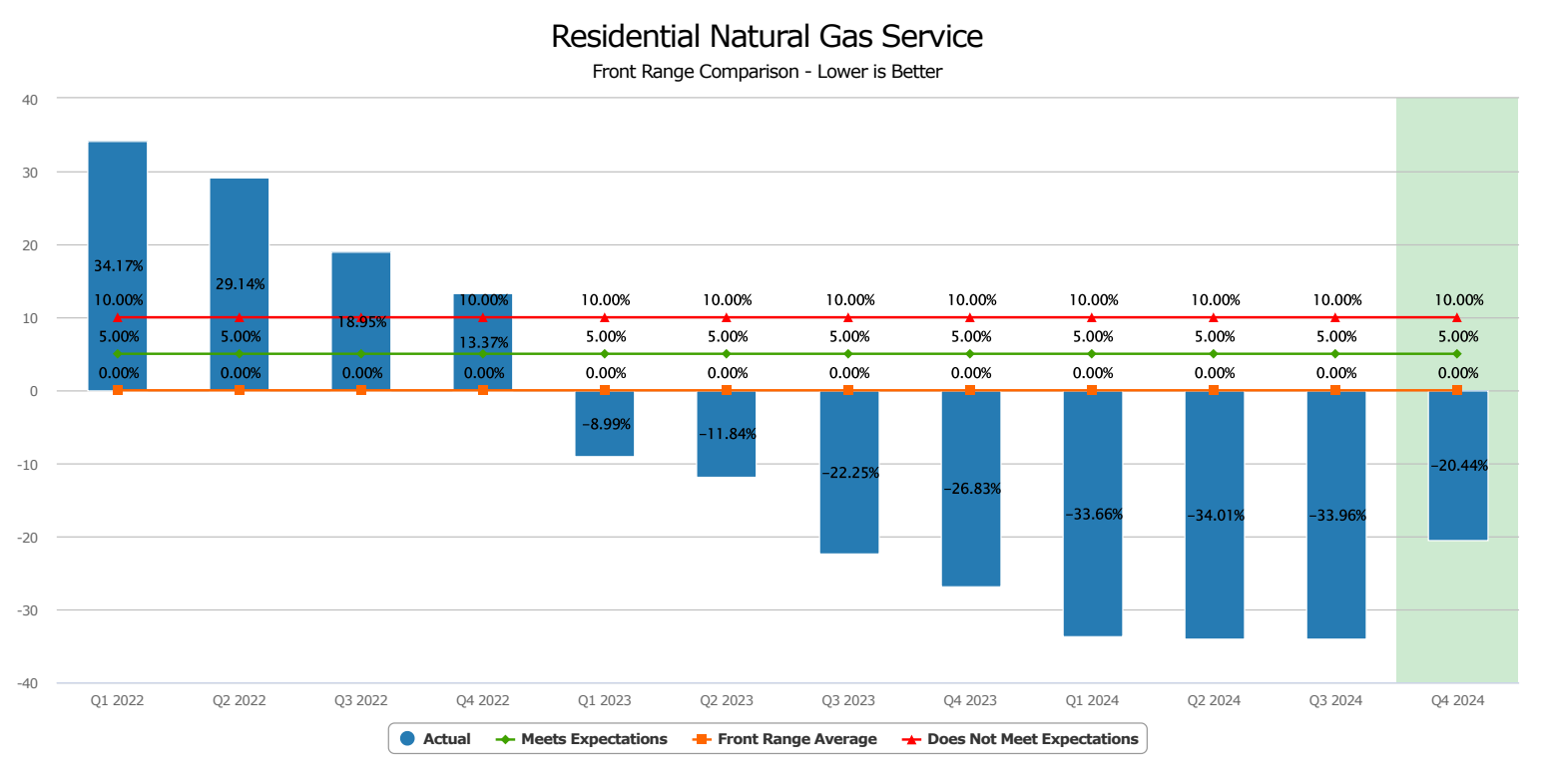
Reported as: Average bill

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

MEASURE PERFORMANCE

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

TREND CHART



PERFORMANCE ANALYSIS

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

MEASURE DESCRIPTION

Strategic Objective Supported: Financial Accountability

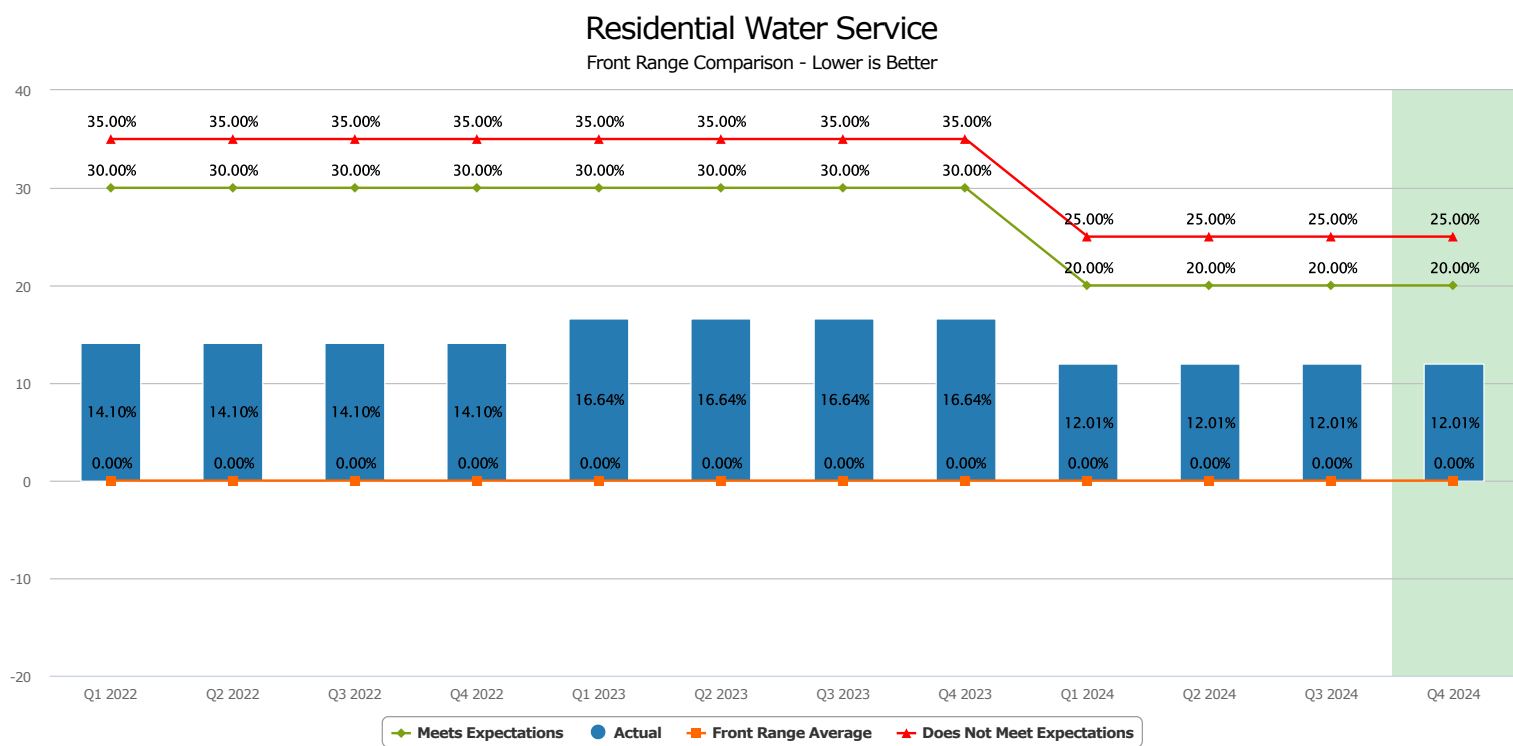
Reported as: Average bill

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

MEASURE PERFORMANCE

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

TREND CHART



PERFORMANCE ANALYSIS

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

MEASURE DESCRIPTION

Strategic Objective Supported: Financial Accountability

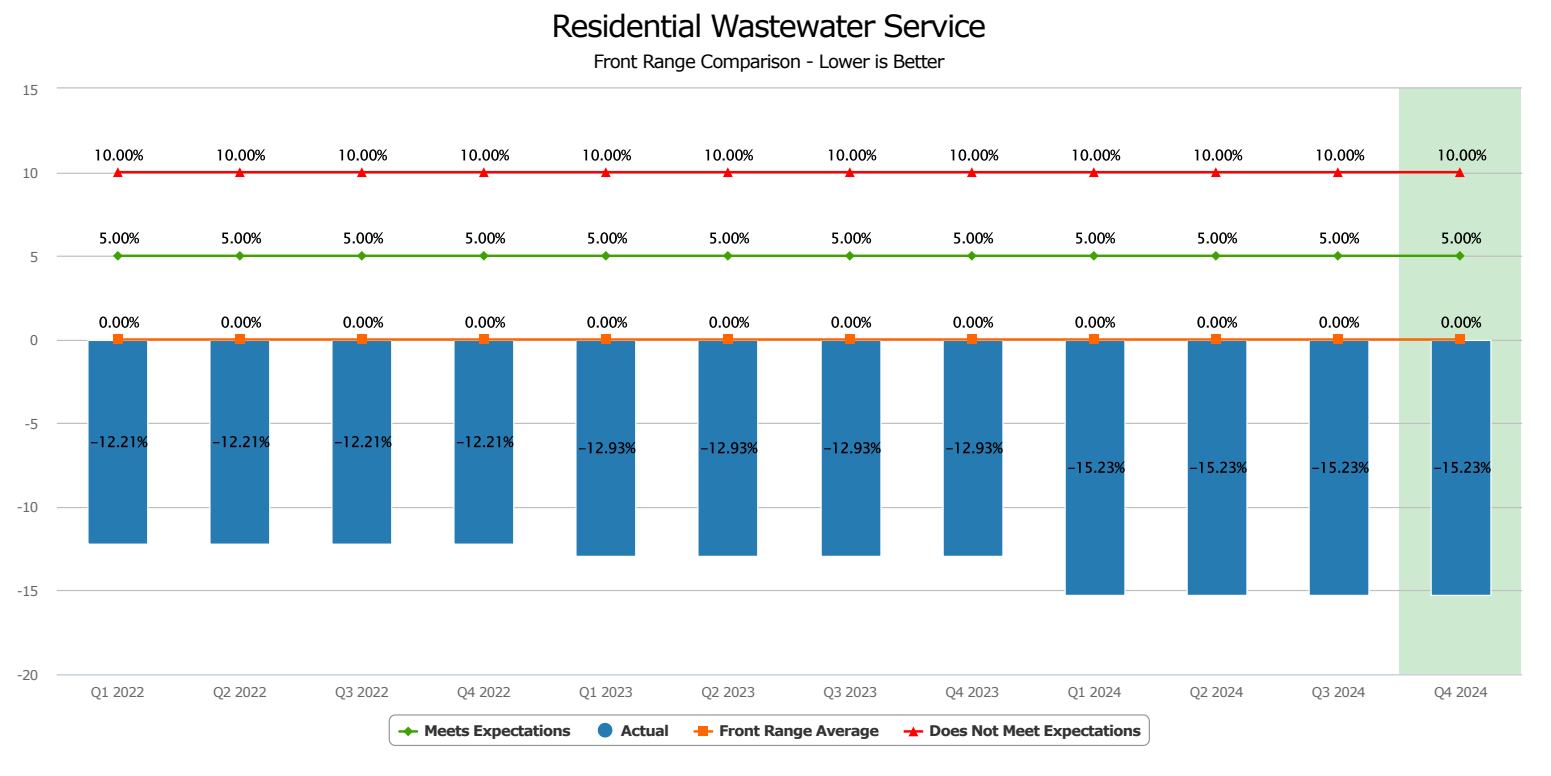
Reported as: Average bill

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

MEASURE PERFORMANCE

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

TREND CHART



PERFORMANCE ANALYSIS

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

MEASURE DESCRIPTION

Strategic Objective Supported: Financial Accountability

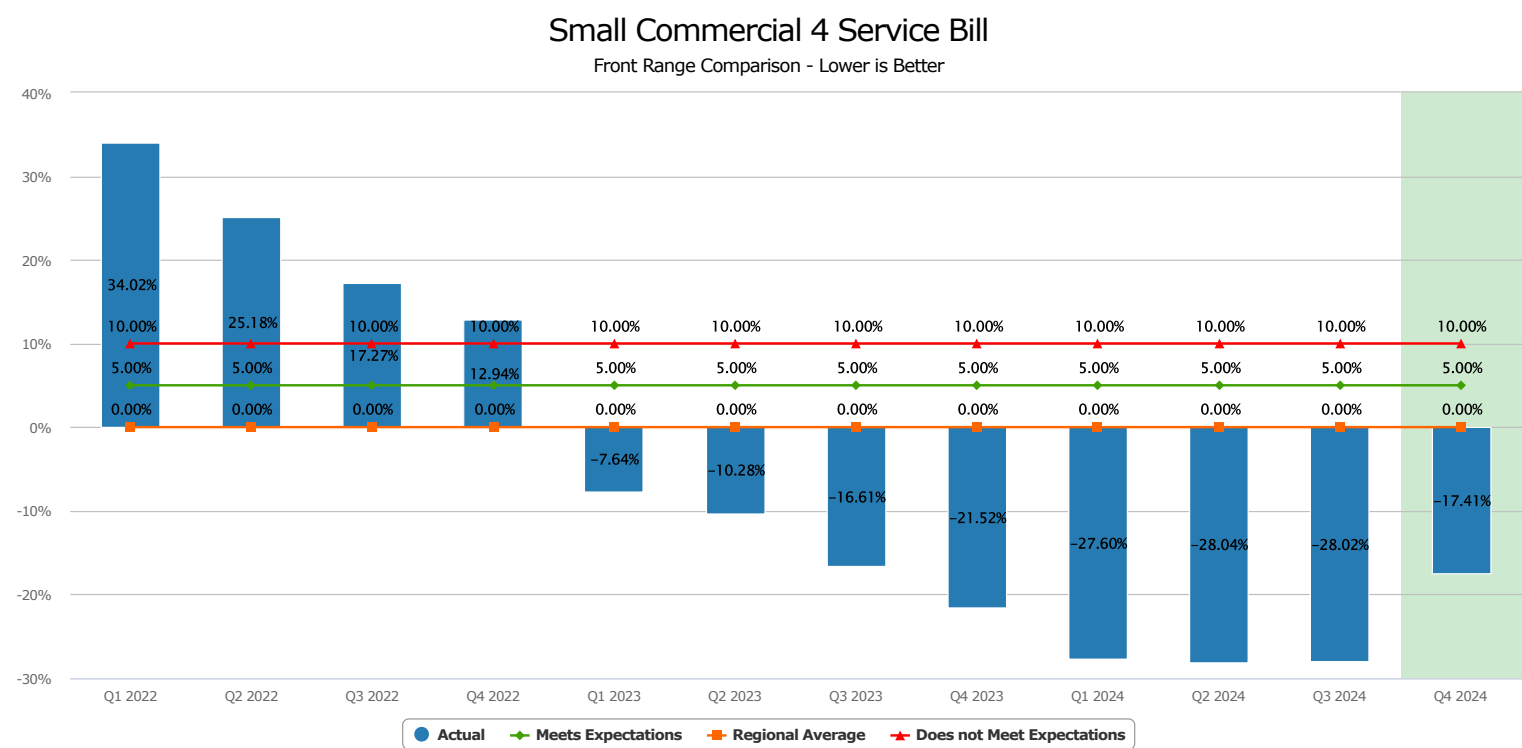
Reported as: Average combined bill

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

MEASURE PERFORMANCE

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

TREND CHART



PERFORMANCE ANALYSIS

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

MEASURE DESCRIPTION

Strategic Objective Supported: Financial Accountability

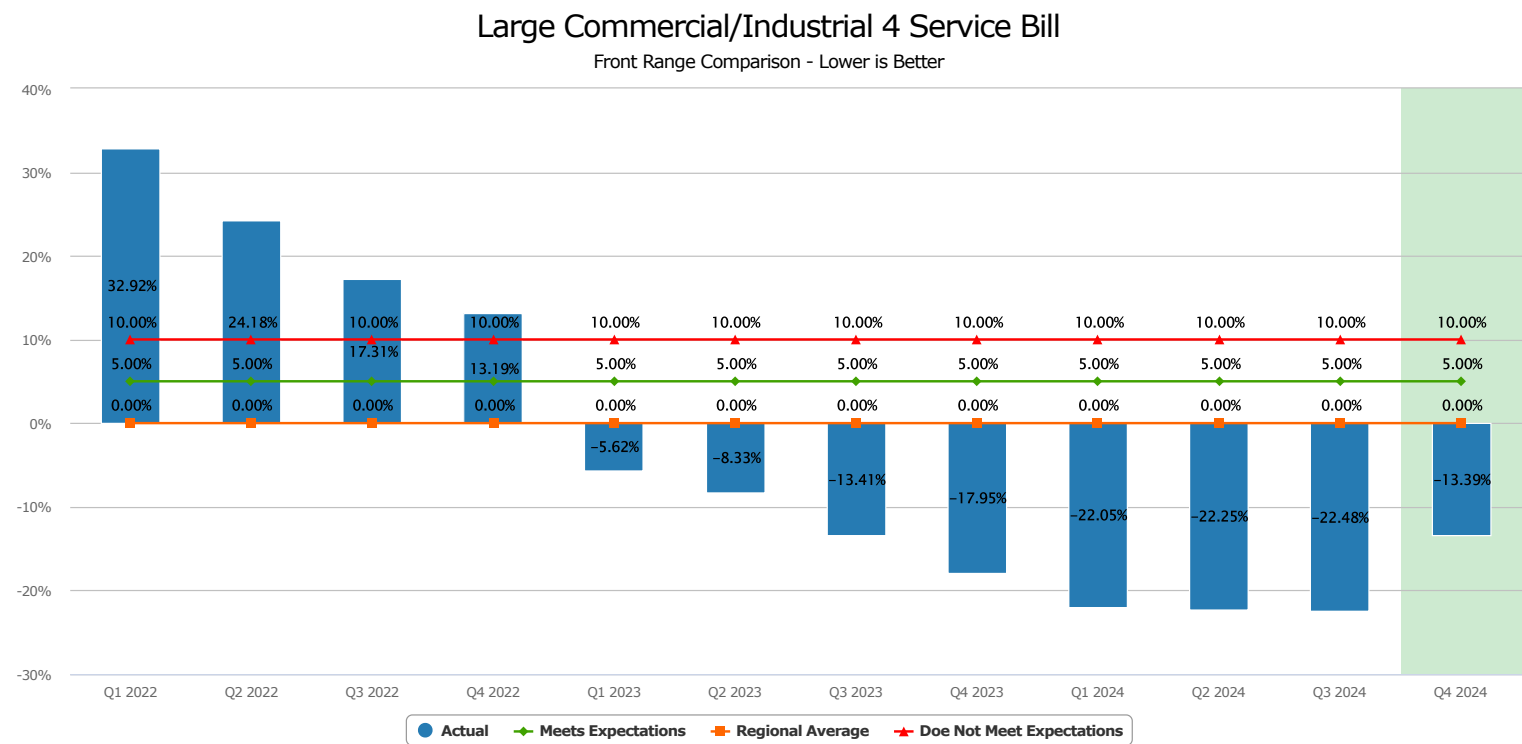
Reported as: Average combined bill

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

MEASURE PERFORMANCE

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

TREND CHART



PERFORMANCE ANALYSIS

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

MEASURE DESCRIPTION

Strategic Objective Supported: Financial Accountability

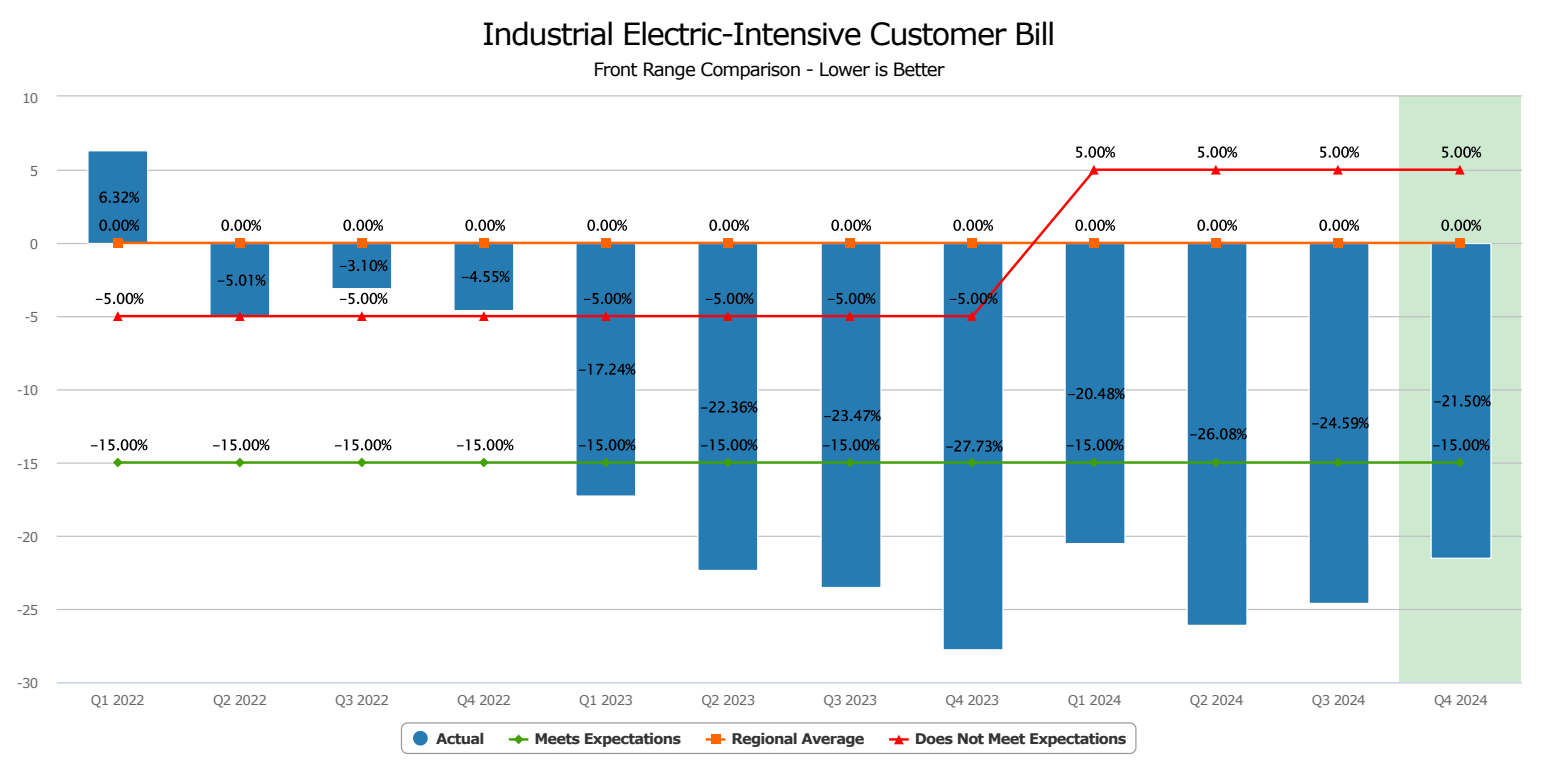
Reported as: Average electric bill

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

MEASURE PERFORMANCE

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

TREND CHART



PERFORMANCE ANALYSIS

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

3

→

FS1h Industrial Electric Customer Bill-Nationwide Comparison

Performance Measure Status: Meets Expectations

MEASURE DESCRIPTION

Strategic Objective Supported: Financial Accountability

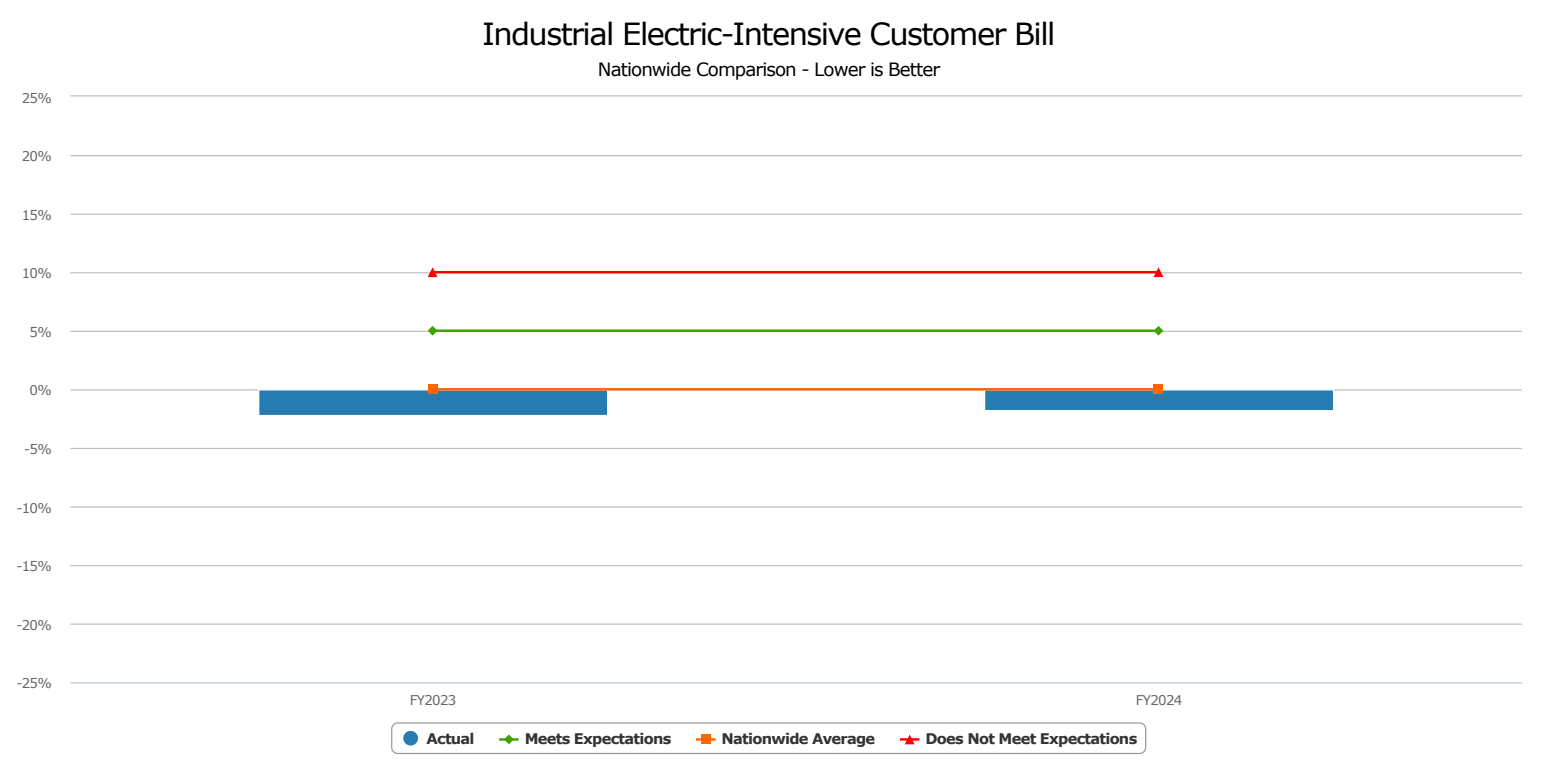
Reported as: Average electric bill

Target Range: +/- 5.0% of national average

MEASURE PERFORMANCE

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

TREND CHART



PERFORMANCE ANALYSIS

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

MEASURE DESCRIPTION

Strategic Objective Supported: Financial Accountability

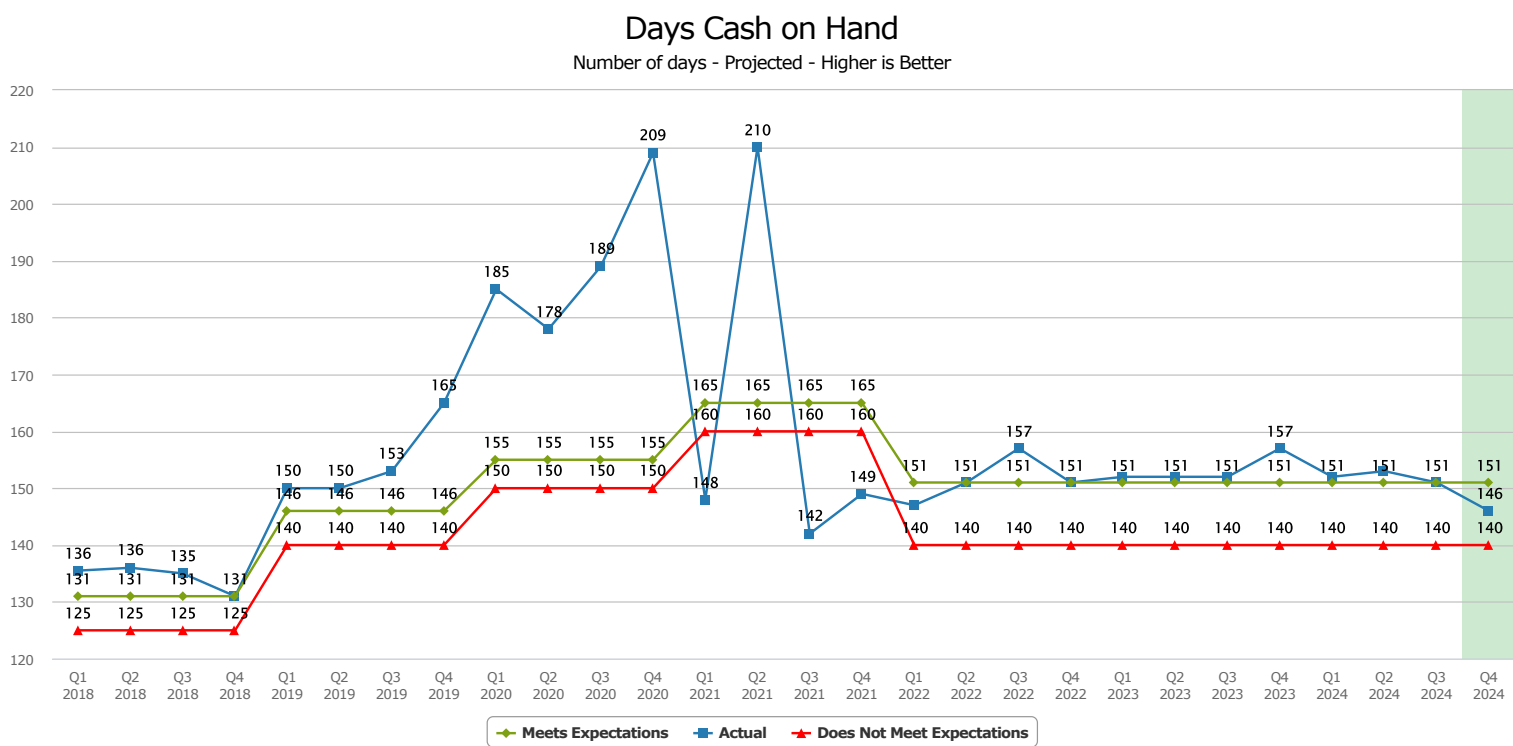
Reported as: year-end projection of actual result plus forecast

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

MEASURE PERFORMANCE

The year-end 2024 result is 146 days.

TREND CHART



PERFORMANCE ANALYSIS

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

MEASURE DESCRIPTION

Strategic Objective Supported: Financial Accountability

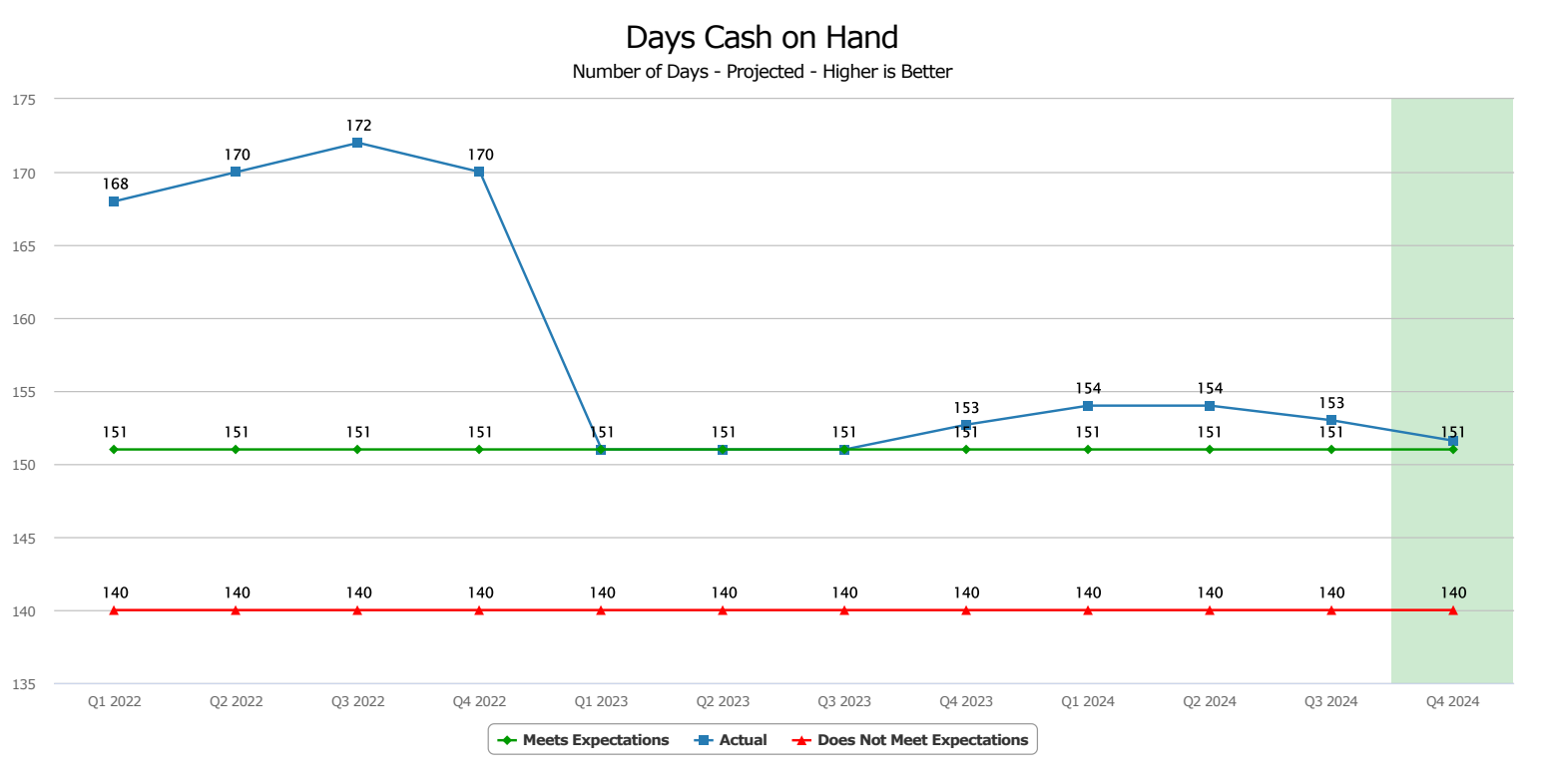
Reported as: Current year projection and the previous two years of history

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

MEASURE PERFORMANCE

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

TREND CHART



PERFORMANCE ANALYSIS

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

MEASURE DESCRIPTION

Strategic Objective Supported: Financial Accountability

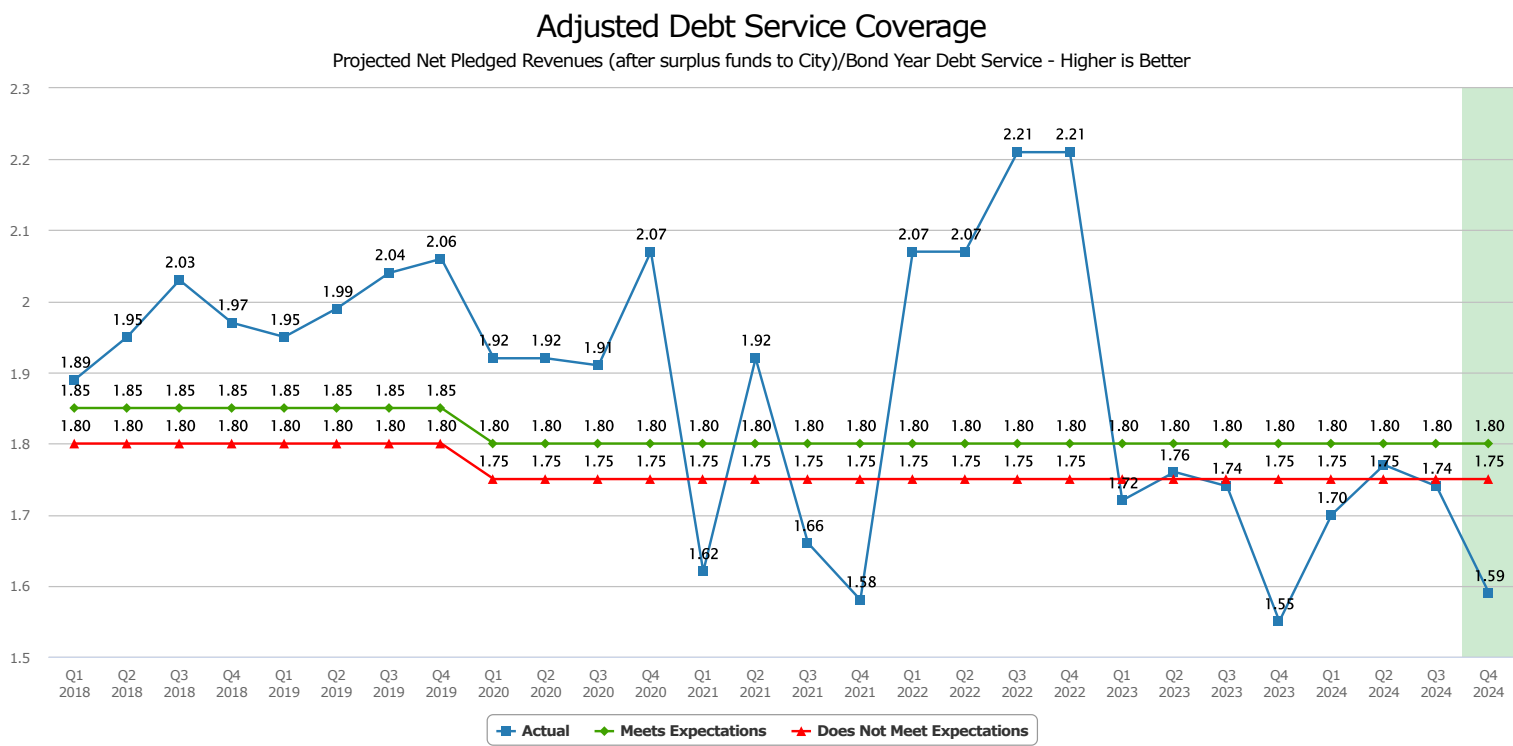
Reported as: Year-end projection of actual results plus forecast

Target Range: 1.80 – 1.90

MEASURE PERFORMANCE

The year-end 2024 result is 1.59 times.

TREND CHART



PERFORMANCE ANALYSIS

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

MEASURE DESCRIPTION

Strategic Objective Supported: Financial Accountability

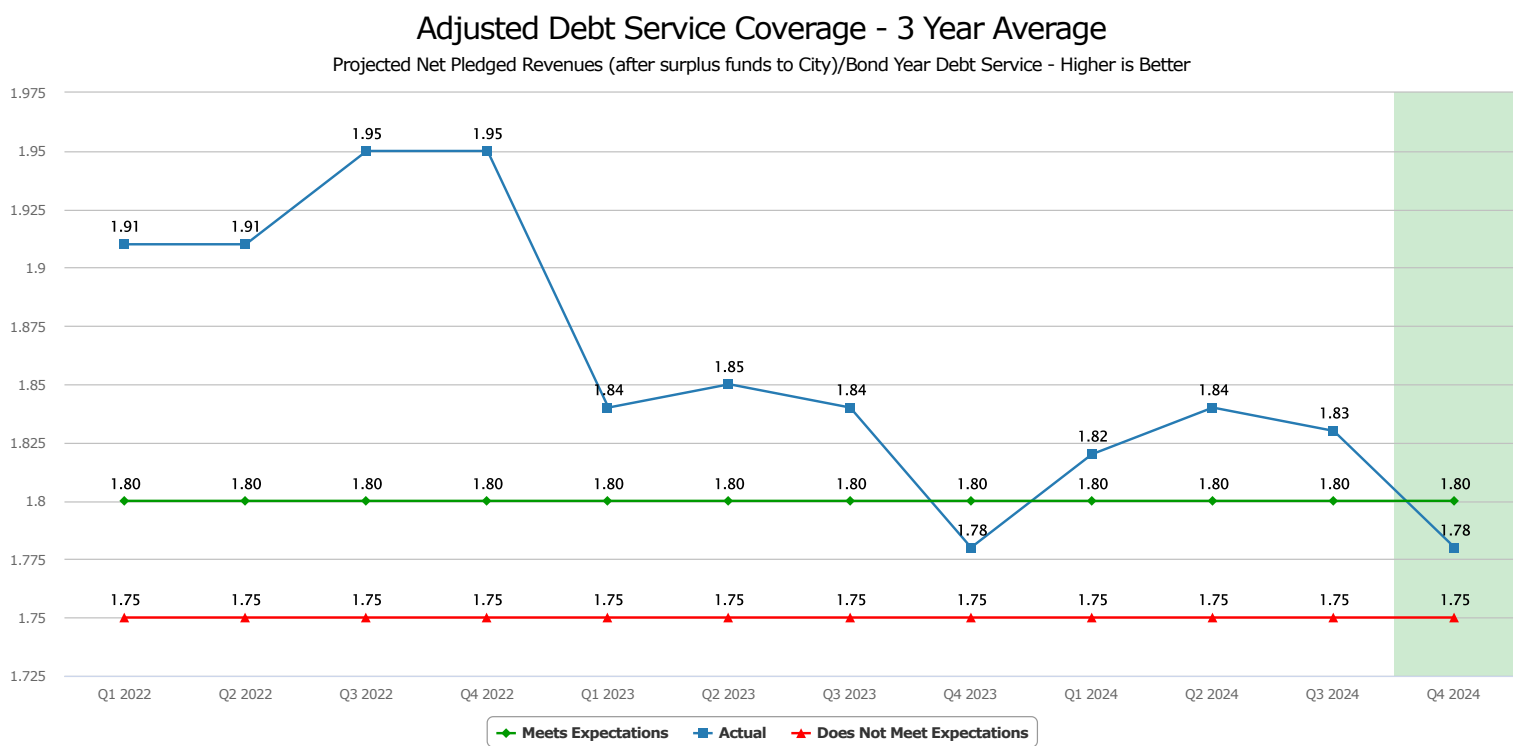
Reported as: Year-end projection of actual results plus forecast

Target Range: 1.80 – 1.90

MEASURE PERFORMANCE

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

TREND CHART



PERFORMANCE ANALYSIS

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

MEASURE DESCRIPTION

Strategic Objective Supported: Financial Accountability

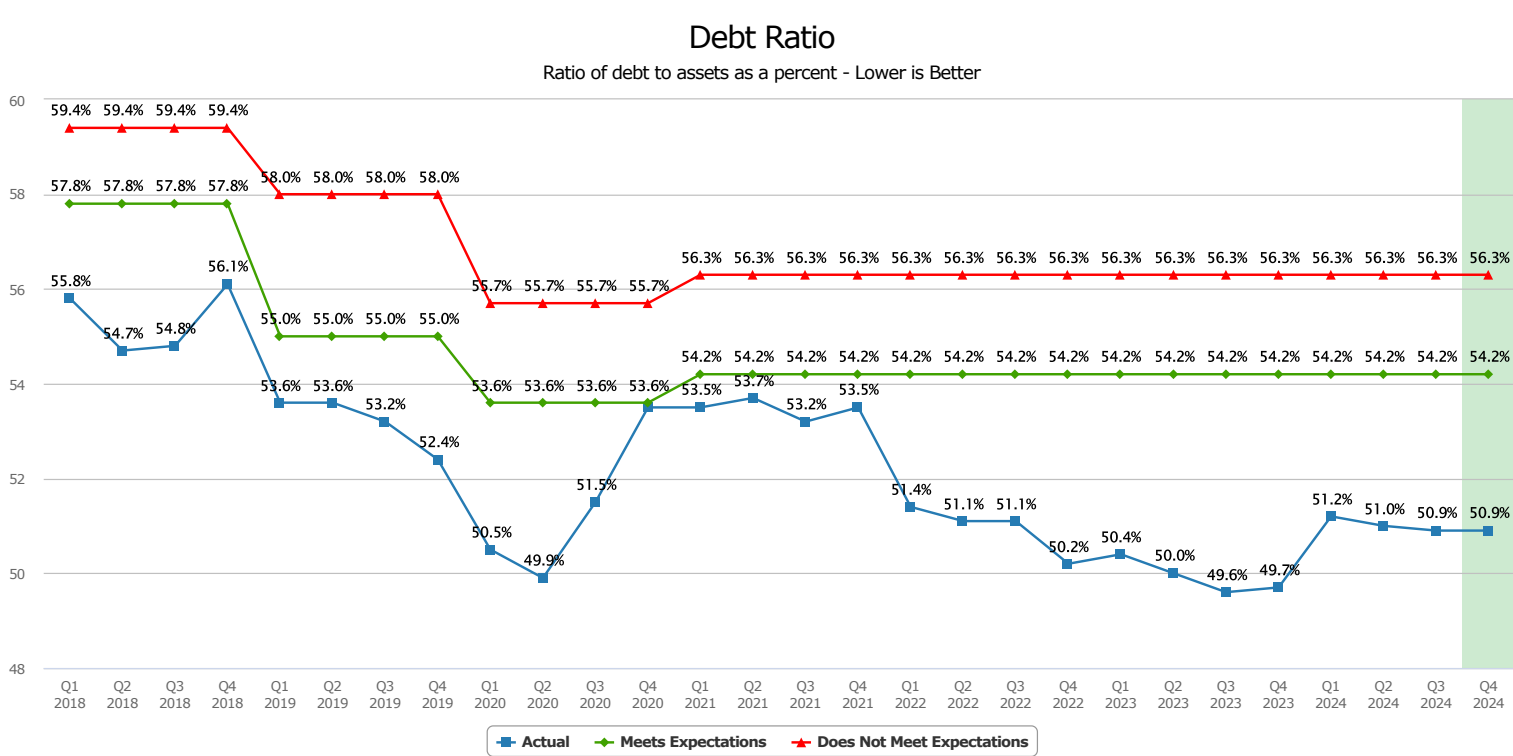
Reported as: year-to-date actual result

Target Range: 54.2 – 50.2%

MEASURE PERFORMANCE

The year-end 2024 result is 50.9%.

TREND CHART



PERFORMANCE ANALYSIS

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

MEASURE DESCRIPTION

Strategic Objective Supported: Financial Accountability

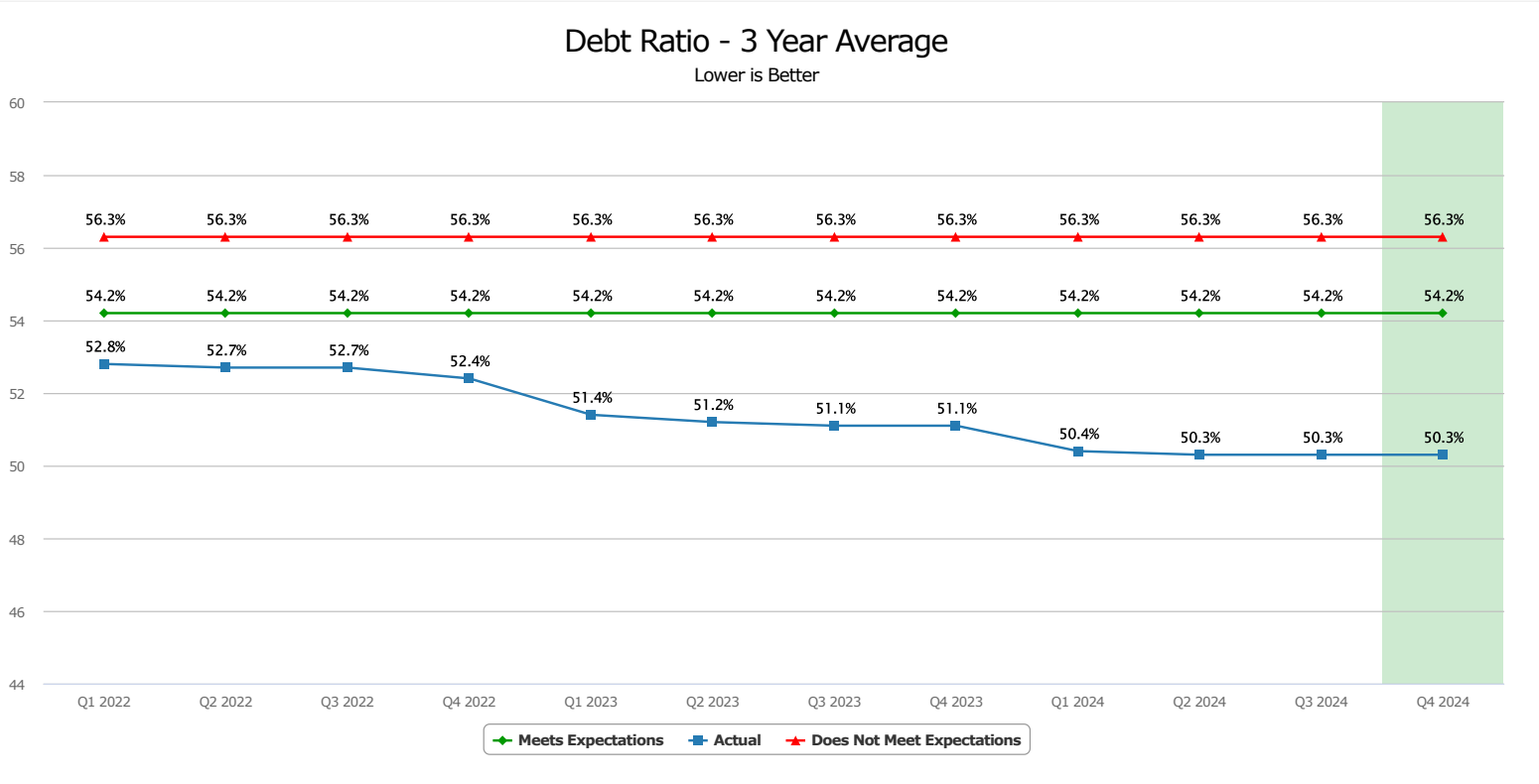
Reported as: Current year to date and the previous 2 years of history

Target Range: 54.2 – 50.2%

MEASURE PERFORMANCE

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

TREND CHART



PERFORMANCE ANALYSIS

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

MEASURE DESCRIPTION

Strategic Objective Supported: Financial Accountability

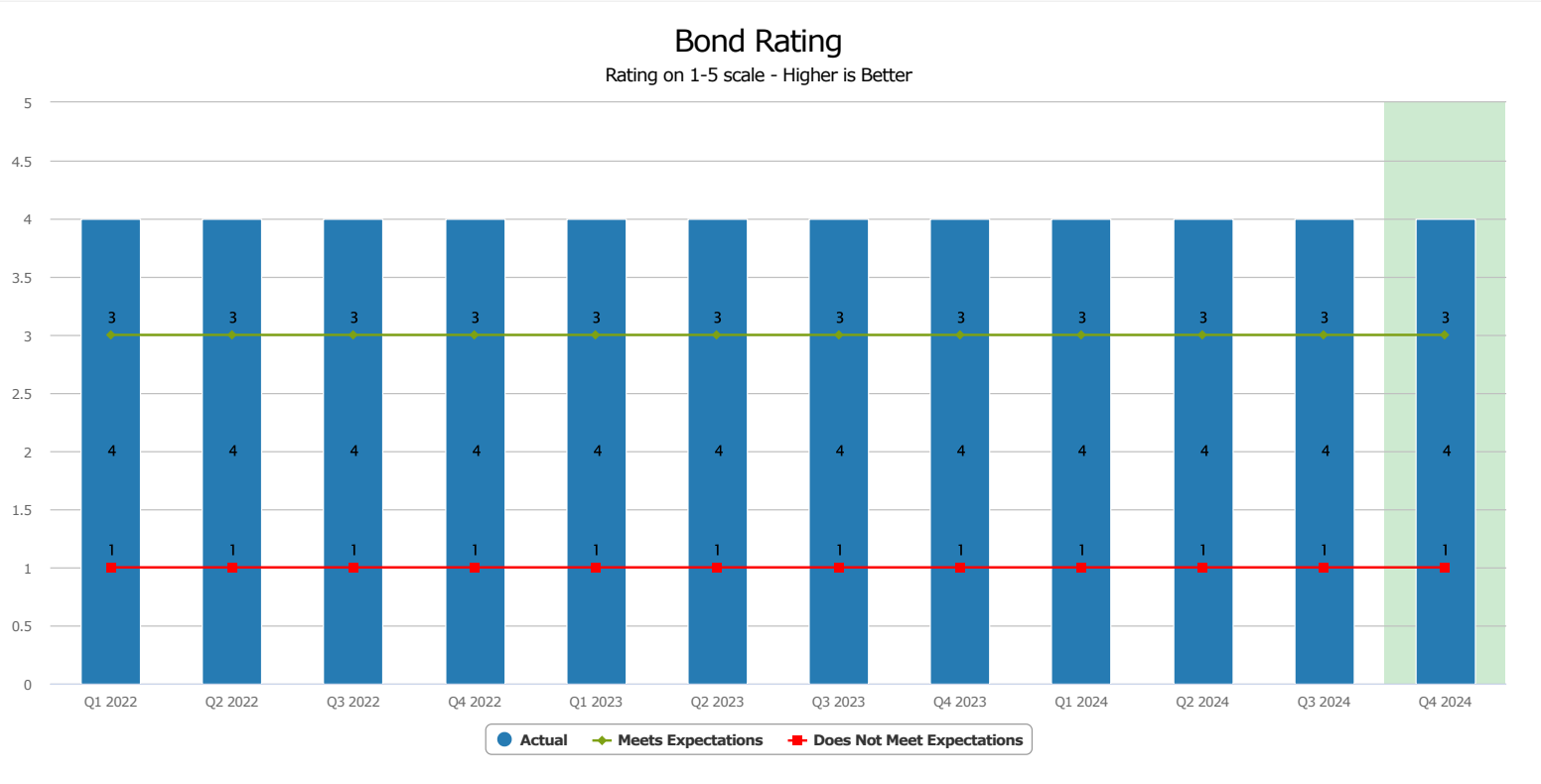
Reported as: Standard & Poor’s, Moody’s Investors Service, and Fitch Ratings

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

MEASURE PERFORMANCE

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

TREND CHART



PERFORMANCE ANALYSIS

- The long–term credit rating remains unchanged from the previous quarter for Standard and Poor’s and Moody’s.
- In recent years, Colorado Springs Utilities made the business decision to no longer seek ratings coverage from Fitch Ratings. However, Fitch Ratings has reaffirmed AA stand–alone credit ratings on all previously issued, still outstanding Springs Utilities issuances; thereby remaining unchanged from the previous quarter.

MEASURE DESCRIPTION

Strategic Objective Supported: Deliver Quality Utilities

Reported as: 12 month rolling average

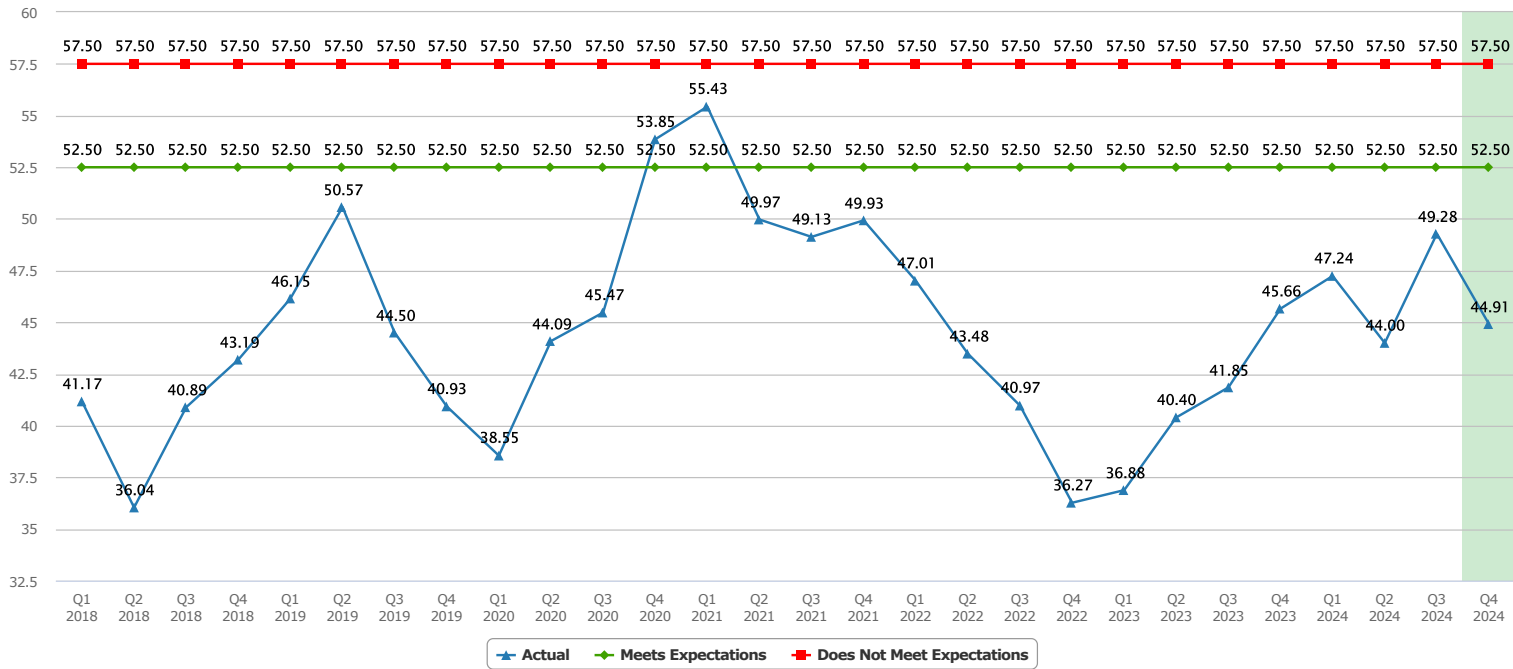
Target range: 52.50 – 47.51 (minutes interruption per customer per year)

MEASURE PERFORMANCE

The year-end 2024 result is 44.91 minutes.

TREND CHART

Electric System Average Interruption Duration Index (SAIDI)
In Minutes per Customer - Lower is Better



PERFORMANCE ANALYSIS

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

4

C1b Failures per 100 Miles of Natural Gas Pipe

Performance Measure Status: Exceeds Expectations

MEASURE DESCRIPTION

Strategic Objective Supported: Deliver Quality Utilities

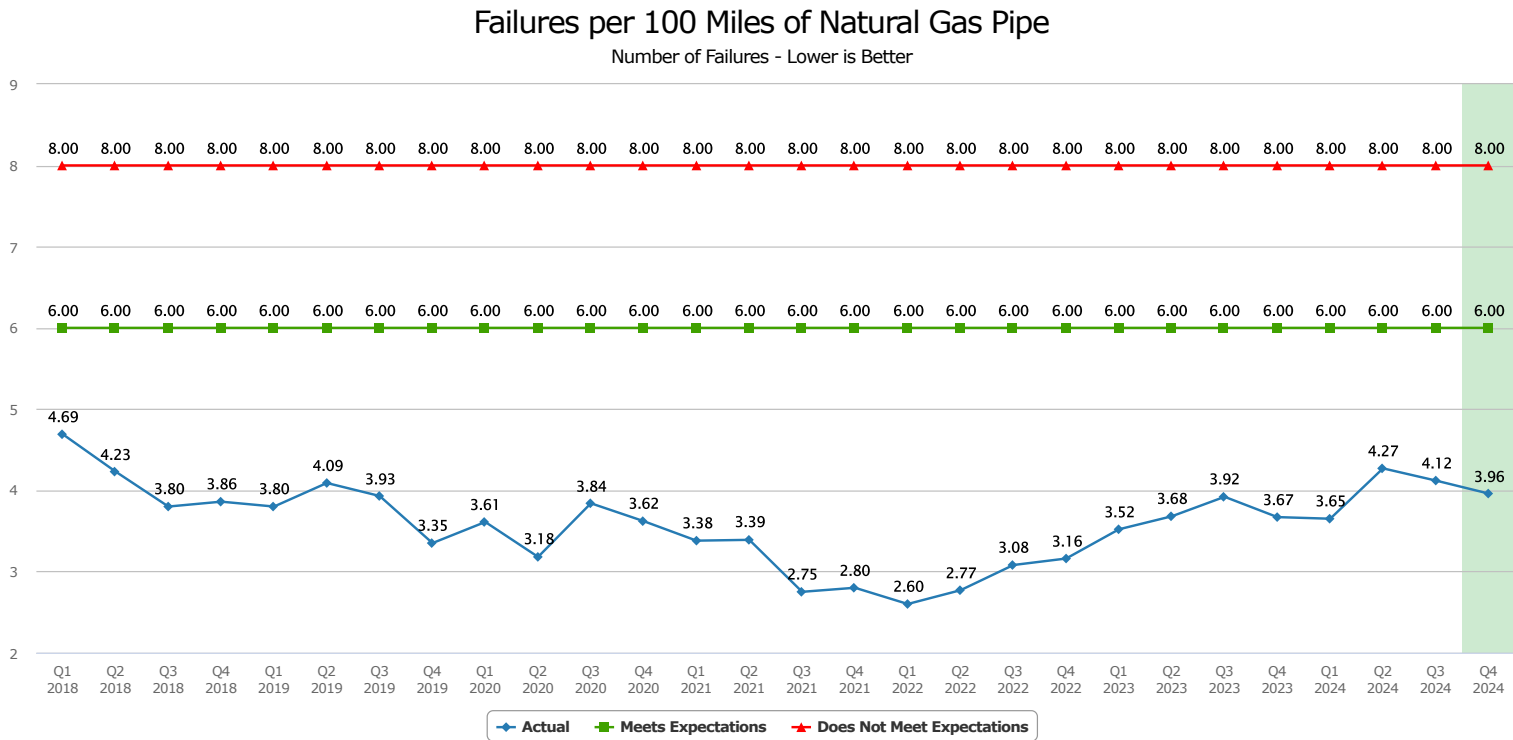
Reported as: 12 month rolling average

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

MEASURE PERFORMANCE

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

TREND CHART



PERFORMANCE ANALYSIS

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

4 → C1c Failures per 100 Miles of Water Pipe

Performance Measure Status: Exceeds Expectations

MEASURE DESCRIPTION

Strategic Objective Supported: Deliver Quality Utilities

Reported as: 12 month rolling average

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

MEASURE PERFORMANCE

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

TREND CHART

Failures per 100 Miles of Water Pipe

Number of Failures - Lower is Better



PERFORMANCE ANALYSIS

- There were a total of 69 failures on 2,297 miles of pipe in Q4 2024. 54 of the failures were main breaks, 11 were main leaks, and 4 were valve leaks.
- There were a total of 194 failures on 2,297 miles of pipe in all of 2024. 124 of the failures were main breaks, 54 were main leaks, 1 was a hydrant leak and 15 were valve leaks.
- A detailed analysis by System Planning and Projects Division shows that, at current funding levels for the capital program that addresses water main replacement, cathodic protection, and lining of water mains, a minimal increase in water main failures is expected over the next 5 years.
- The capital program prioritizes addressing high risk water mains, minimizing leaks under new pavement, and aligning with the City's paving initiative.

3

C1d Failures per 100 Miles of Wastewater Pipe

Performance Measure Status: Meets Expectations

MEASURE DESCRIPTION

Strategic Objective Supported: Deliver Quality Utilities

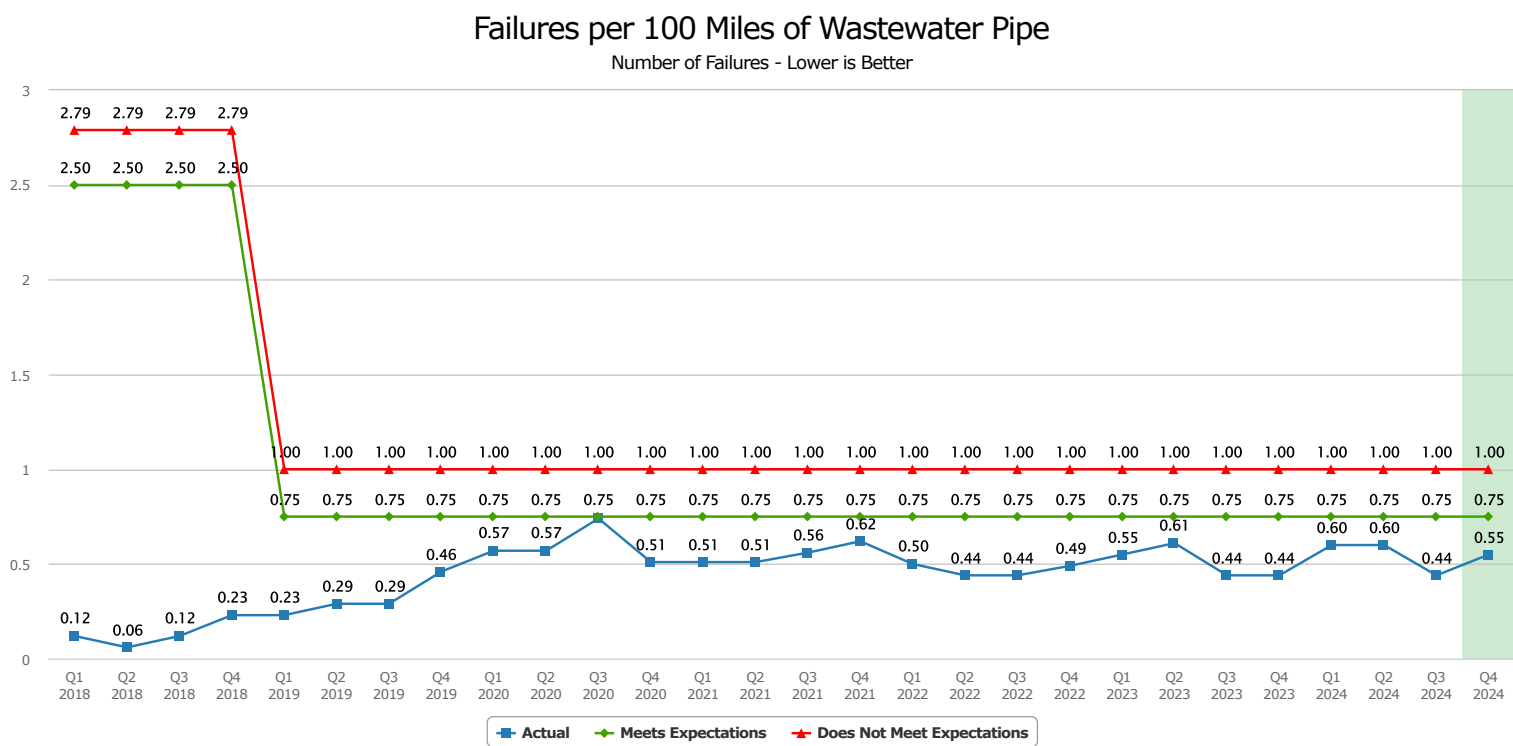
Reported as: 12 month rolling average

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

MEASURE PERFORMANCE

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

TREND CHART



PERFORMANCE ANALYSIS

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

MEASURE DESCRIPTION

Strategic Objective Supported: Focus on the Customer

Reported as: Numerical rating to two decimals

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

MEASURE PERFORMANCE

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

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

TREND CHART



Performance Analysis:

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

Customer Trends:

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

Action Plans:

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

MEASURE DESCRIPTION

Strategic Objective Supported: Focus on the Customer

Reported as: Numerical rating to two decimals

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

MEASURE PERFORMANCE

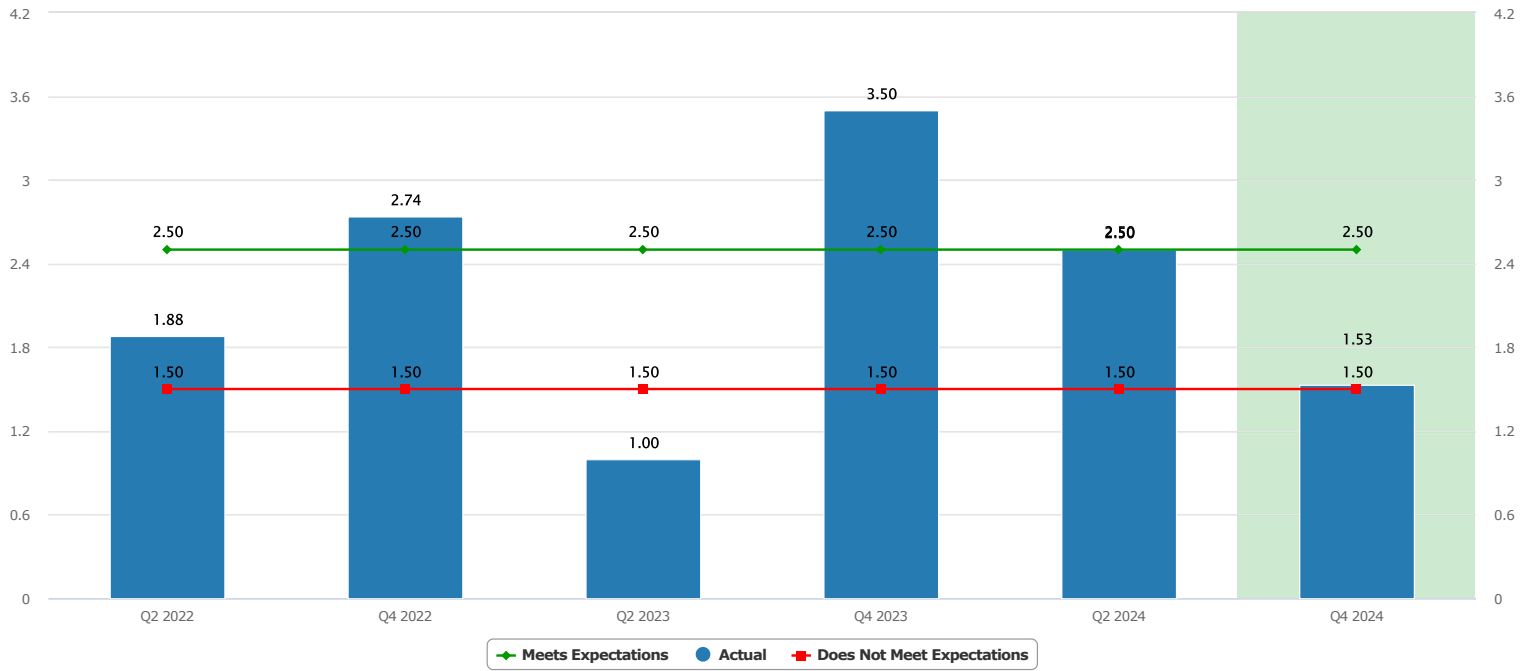
This measure will be reported semi-annually. Results are posted after Q2 and Q4 of 2024.

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

TREND CHART

Customer Satisfaction - Business

Composite Score - Higher is Better



Performance Analysis:

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

Customer Trends:

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

Action Plans:

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

MEASURE DESCRIPTION

Strategic Objective Supported: Support Our Community

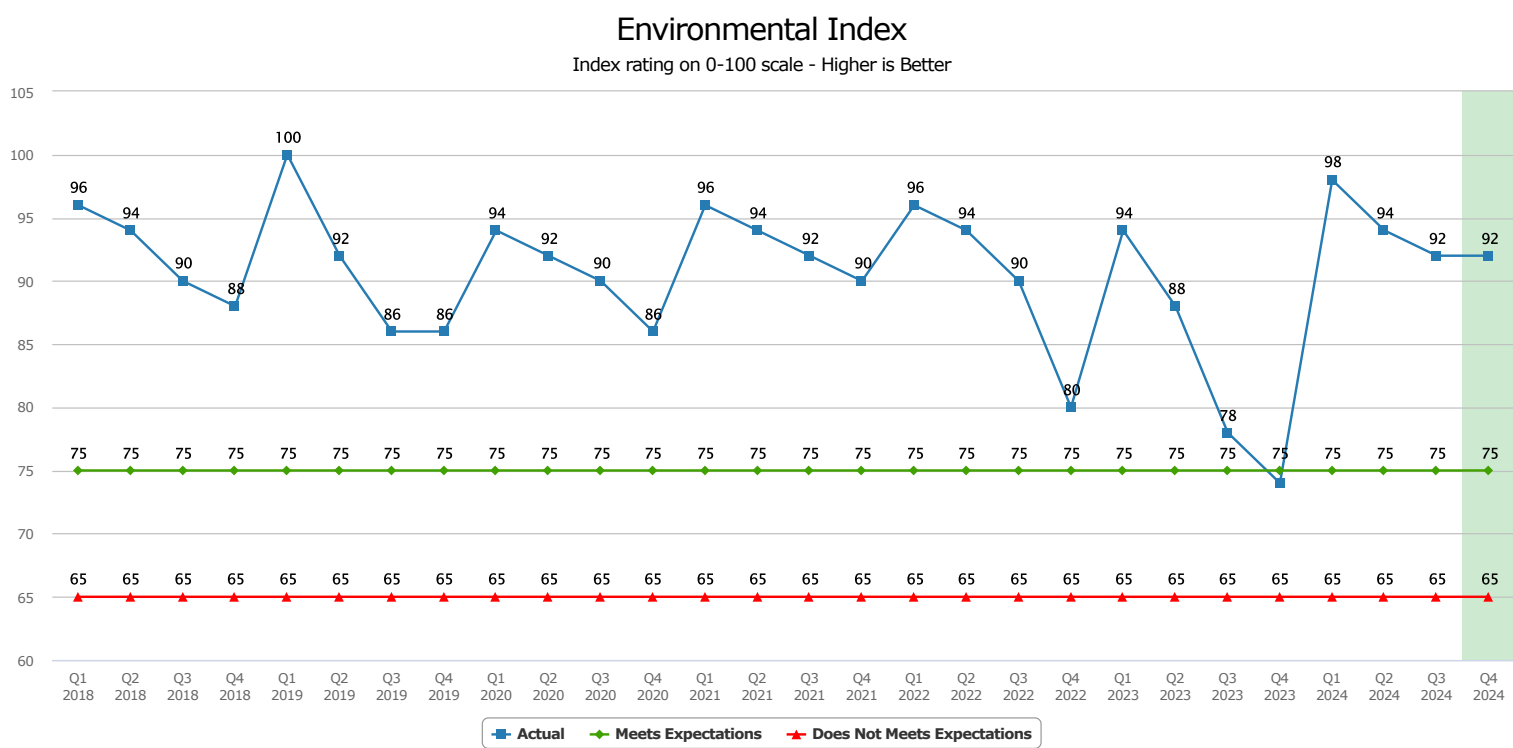
Reported as: year-to-date score

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

MEASURE PERFORMANCE

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

TREND CHART



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

MEASURE DESCRIPTION

Strategic Objective Supported: Enable Employee Empowerment

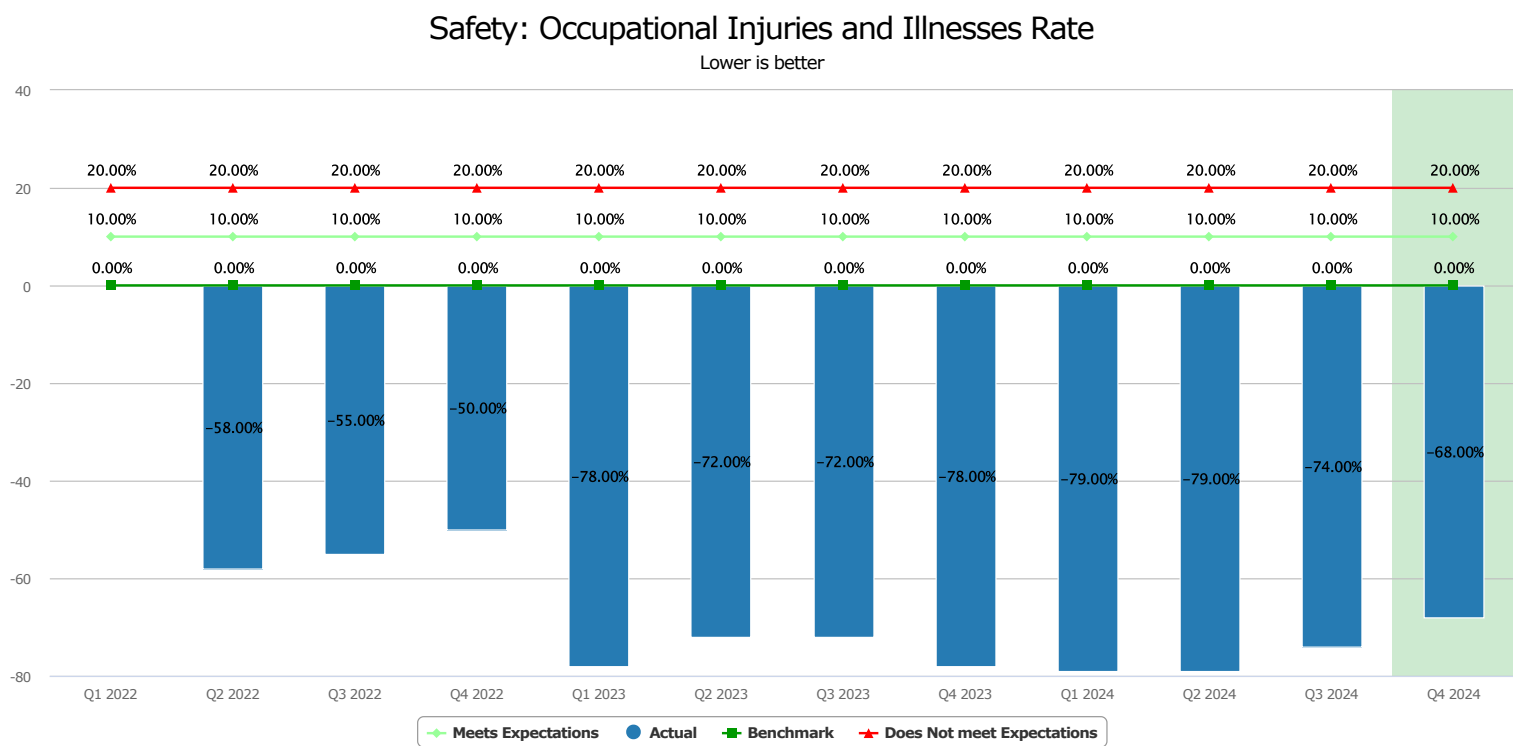
Reported as: Percentage above or below benchmark

Target Range: +/-10% of Benchmark

MEASURE PERFORMANCE

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

TREND CHART



PERFORMANCE ANALYSIS

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

MEASURE DESCRIPTION

Strategic Objective Supported: Enable Employee Empowerment

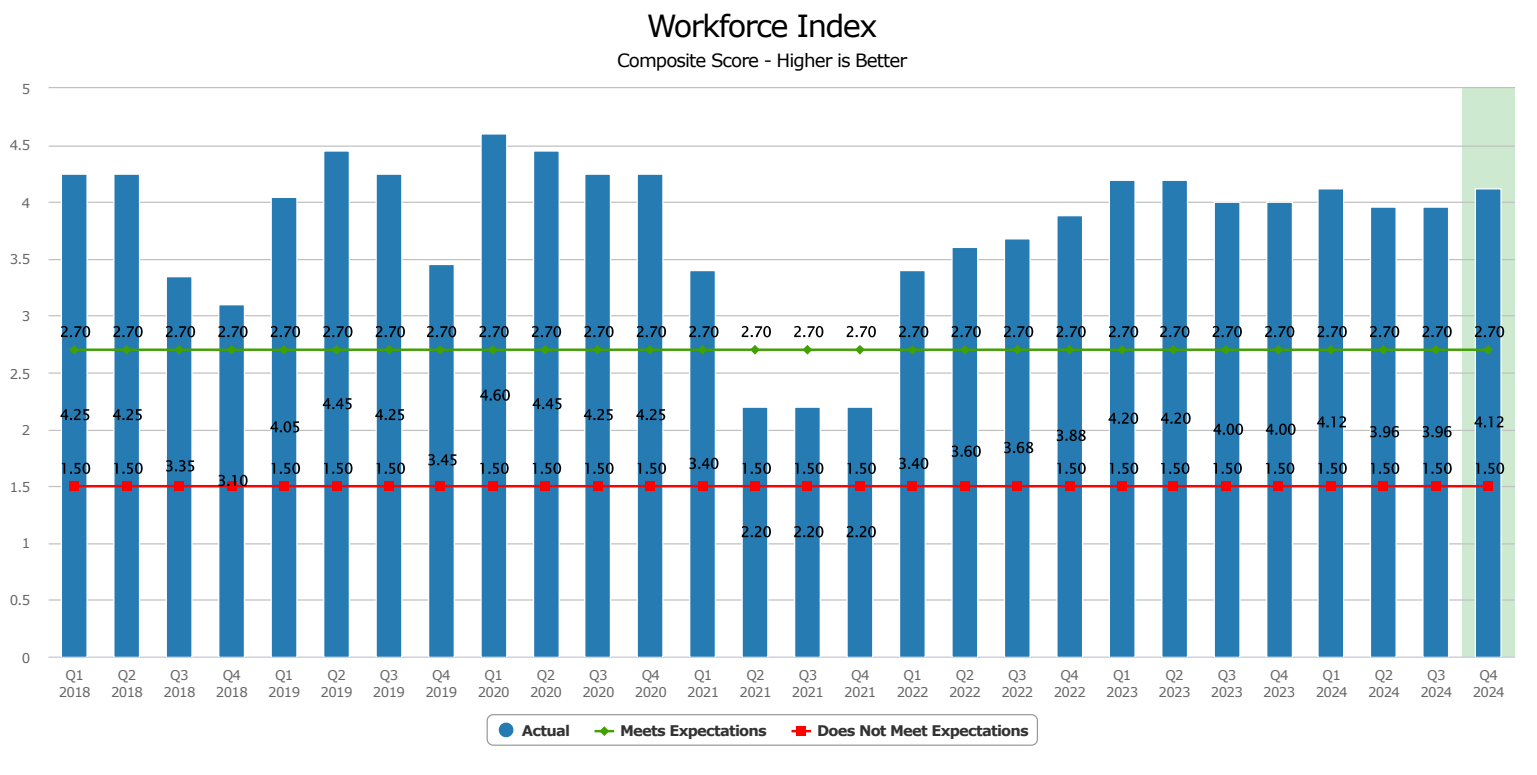
Reported as: Year-to-date

Target range: 2.70 – 3.49 (composite score)

MEASURE PERFORMANCE

The year-end 2024 result is 4.12.

TREND CHART



PERFORMANCE ANALYSIS

The overall Workforce Index is comprised of three components:

1. Quality of Hire for New Hires 20%

2. Total Turnover 40%

3. Compliance with Mandatory and Required Training 40%
- Quality of hire for new hires received a score of 3.0, which meets expectations.

• Total turnover received a score of 5.0, which far exceeds expectations.

• Compliance with mandatory and required training received a score of 3.8, which exceeds expectations.

Total Score: $(3.0 \times .2) + (5.0 \times .4) + (3.8 \times .4) = 4.12 = \text{Exceeds Expectations}$



2024 Enterprise Balanced Scorecard End of Year Results

Natalie Watts

Strategic Planning and Governance

2024 Year End Balanced Scorecard Results

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



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

7 Measures Rated Far Exceeds Expectations

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



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

6 Measures Rated Exceeds Expectations

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



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

7 Measures Rated Meets Expectations

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



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

3 Measures Rated Partially Meets Expectations

- Rates
 - Days Cash on Hand – Current Year
 - Adjusted Debt Service Coverage – 3-Year Average
- Relationships
 - Customer Satisfaction – Business



1 Does Not Meet Expectations	2 Partially Meets Expectations	3 Meets Expectations	4 Exceeds Expectations	5 Far Exceeds Expectations
48 of 104	2.00 - 2.99	3.00 - 3.74	3.75 - 4.49	>4.49

1 Measure Rated Does Not Meet Expectations

- Rates
 - Adjusted Debt Service Coverage - Current Year



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

Next Steps

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





Colorado Springs Utilities

It's how we're all connected

2024 Colorado Springs Utilities CEO Performance Plan																
The Balanced Scorecard measures the organization's performance in achieving enterprise Strategic Objectives																
Overall Weight	Utilities Board Strategic Focus Weight	Strategic Objective	Performance Measure	Responsible Officer	Weight	1 Does Not Meet Expectations	2 Partially Meets Expectations	3 Meets Expectations	4 Exceeds Expectations	5 Far Exceeds Expectations	Result	Trend	Rating	Weighted Rating		
Enterprise Balanced Scorecard 50% of Results	Rates 40%	Financial Accountability	1. Residential Electric Service - Front Range Comparison	Tristan Gearhart	3.0	>10.0% higher than average	5.1 – 10.0% higher than average	+/- 5.0% of average	5.1 – 10.0% lower than average	>10.0% lower than average	-17.88%	—	5	0.15		
			2. Residential Natural Gas Service - Front Range Comparison		3.0	>10.0% higher than average	5.1 – 10.0% higher than average	+/- 5.0% of average	5.1 – 10.0% lower than average	>10.0% lower than average	-20.44%	—	5	0.15		
			3. Residential Water Service - Front Range Comparison		3.0	>25.0% higher than average	20.1 – 25.0% higher than average	10.1 – 20.0% higher than average	5.0 – 10.0% higher than average	<5.0% higher than average	12.01%	—	3	0.09		
			4. Residential Wastewater Service - Front Range Comparison		3.0	>10.0% higher than average	5.1 – 10.0% higher than average	+/- 5.0% of average	5.1 – 10.0% lower than average	>10.0% lower than average	-15.23%	—	5	0.15		
			5. Small Comm 4-Service Bill - Front Range Comparison		3.0	>10.0% higher than average	5.1 – 10.0% higher than average	+/- 5.0% of average	5.1 – 10.0% lower than average	>10.0% lower than average	-17.41%	—	5	0.15		
			6. Large Comm/Indust 4-Service Bill - Front Range Comparison		3.0	>10.0% higher than average	5.1 – 10.0% higher than average	+/- 5.0% of average	5.1 – 10.0% lower than average	>10.0% lower than average	-13.39%	—	5	0.15		
			7. Indust Electric-intensive Cust Bill - Front Range Comparison		1.0	>10.0% higher than average	5.1 – 10.0% higher than average	+/- 5.0% of average	5.1 – 10.0% lower than average	>10.0% lower than average	-21.50%	—	5	0.05		
			8. Industrial Electric - Nationwide Comparison		1.0	>10.0% higher than average	5.1 – 10.0% higher than average	+/- 5.0% of average	5.1 – 10.0% lower than average	>10.0% lower than average	-1.73%	—	3	0.03		
			9. Days Cash on Hand - Current Year		2.5	<140 days	140 - 150 days	151 - 160 days	161 - 180 days	>180 days	146	▼	2	0.05		
			10. Days Cash on Hand - 3 Year Average		2.5	<140 days	140 - 150 days	151 - 160 days	161 - 180 days	>180 days	152	—	3	0.08		
			11. Adjusted Debt Service Coverage - Current Year		2.5	< 1.75 times	1.75 - 1.79 times	1.80 - 1.90 times	1.91-1.95 times	> 1.95 times	1.59	—	1	0.03		
			12. Adjusted Debt Service Coverage - 3 Year Average		2.5	< 1.75 times	1.75 - 1.79 times	1.80 - 1.90 times	1.91-1.95 times	> 1.95 times	1.78	▼	2	0.05		
			13. Debt Ratio - Current Year		2.5	>56.3%	56.3 - 54.3%	54.2 - 50.2%	50.1 - 48.1%	<48.1%	50.9%	—	3	0.08		
			14. Debt Ratio - 3 Year Average		2.5	>56.3%	56.3 - 54.3%	54.2 - 50.2%	50.1 - 48.1%	<48.1%	50.3%	—	3	0.08		
			15. Bond Rating		5.0	Any 2 of the 3 ratings from the agencies less than AA (S&P)/Aa2 (Moody's)/AA (Fitch)	Any 1 of the 3 ratings from the agencies less than AA (S&P)/Aa2 (Moody's)/AA (Fitch)	Standard & Poors AA Moody's Investors Service: Aa2 Fitch Ratings : AA	Any 1 of the 3 ratings from the agencies greater than AA (S&P)/Aa2 (Moody's)/AA (Fitch)	Any 2 of the 3 ratings from the agencies greater than AA (S&P)/Aa2 (Moody's)/AA (Fitch)	4	—	4	0.20		
	Reliability 40%	Deliver Quality Utilities	16. Electric - SAIDI - Interruptions in minutes per year	Somer Mese	10.0	> 57.50 minutes	57.50 – 52.51 minutes	52.50 – 47.51 minutes	47.50 – 42.50 minutes	< 42.50 minutes	44.91	▲	4	0.40		
			17. Natural Gas - Failures per 100 miles of pipe		10.0	> 8.00 failures	8.00 - 6.01 failures	6.00 - 4.00 failures	3.99 - 2.00 failures	< 2.00 failures	3.96	▲	4	0.40		
			18. Water - Failures per 100 miles of mainline		10.0	> 14.00 failures	14.00 – 12.01 failures	12.00 – 10.00 failures	9.99 – 8.00 failures	< 8.00 failures	8.45	—	4	0.40		
			19. Wastewater - Failures per 100 miles of mainline		10.0	> 1.00 failures	1.00 - 0.76 failures	0.75 - 0.51 failures	0.50 - 0.25 failures	< 0.25 failures	0.55	▼	3	0.30		
		Relationships 20%	Focus on the Customer	20. Customer Satisfaction - Residential	Mike Francolino	3.0	< 1.50	1.50 - 2.49	2.50 - 3.49	3.50 - 4.49	> 4.49	2.51	—	3	0.09	
				21. Customer Satisfaction - Business		3.0	< 1.50	1.50 - 2.49	2.50 - 3.49	3.50 - 4.49	> 4.49	1.53	▼	2	0.06	
			Support our Community	22. Environmental Stewardship	Lisa Barbato	3.0	< 65.00	65.00 – 74.99	75.00 – 85.99	86.00 – 94.99	> 94.99	92.00	▼	4	0.12	
			Enable Employee Empowerment	23. Safety: Occupational Injuries and Illnesses Rate	Renee Adams	8.0	> 20% Above Benchmark	10.01 - 20% Above Benchmark	+/-10% of Benchmark	10.01 - 20% Below Benchmark	> 20% Below Benchmark	-68.00%	—	5	0.40	
				24. Skilled Workforce		3.0	< 1.50	1.50 - 2.69	2.70 - 3.49	3.50 - 4.60	> 4.60	4.12	—	4	0.12	
Performance Measure Total:											3.76					
CEO Leadership Competencies Evaluation 50% of Results	Balances Stakeholders Builds Effective Teams Drives Engagement Drives Results Strategic Mindset				Chief Executive Officer	Weight	Ratings assigned by the Utilities Board					CEO Competencies Average Rating				
							1 Does not Meet Expectations	2 Partially Meets Expectations	3 Meets Expectations	4 Exceeds Expectations	5 Far Exceeds Expectations					
							10.0	<2.00	2.00 - 2.99	3.00 - 3.74	3.75 - 4.49				>4.49	4.44
							10.0	<2.00	2.00 - 2.99	3.00 - 3.74	3.75 - 4.49				>4.49	4.56
							10.0	<2.00	2.00 - 2.99	3.00 - 3.74	3.75 - 4.49				>4.49	4.44
							10.0	<2.00	2.00 - 2.99	3.00 - 3.74	3.75 - 4.49				>4.49	4.33
	10.0	<2.00	2.00 - 2.99	3.00 - 3.74	3.75 - 4.49	>4.49	4.44									
As of 12/31/2024											Competencies Total:		4.44			
Trend Key																
▲ Favorable																
▼ Unfavorable																
— No Change																
Overall Score:													4.10			
Rating Scale																



OFFICE OF THE CITY AUDITOR COLORADO SPRINGS, COLORADO

Sally Barber
Acting City Auditor, CPA, CIA, CFE

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

March 2025

Purpose

The purpose of this high level review was to determine whether Colorado Springs Utilities complied with Utilities Board Instruction to the Chief Executive Officer, Policy I-4, Risk Management.

Highlights

Based on our review we conclude that Colorado Springs Utilities (Utilities) and the Chief Executive Officer (CEO) were in compliance with Utilities Board Instructions to the Chief Executive Officer, Policy I-4, Risk Management (I-4) for the calendar year 2024.

The Office of the City Auditor completed our review as directed by City Council acting in its capacity as the Utilities Board. Under the Excellence in Governance Policy Manual, Guidelines, Organizational Oversight (E-2.3), the Office of the City Auditor is required to monitor compliance with Policy I-4, Risk Management annually.

Policy I-4 states, "The Chief Executive Officer shall direct that the enterprise maintain enterprise risk management activities that identify, assess, and prudently manage a variety of risks including strategic, financial, operational, legal and hazard."

Under the I-4 Policy, the CEO is required to maintain a Risk Management Committee, operate under, and maintain an Enterprise Risk Management Plan to include Energy Risk Management, Investment, and Financial Risk Management Plans.

Our audit included a review of the Risk Management Committee materials and written policies required by I-4. We interviewed Utilities personnel responsible for administering policies. Per the I-4, Utilities prepared semi-annual reports on Board instruction compliance results. We verified the accuracy and reliability of statements made in the August 21, 2024, and February 19, 2025, reports.

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

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



Date: March 19, 2025

To: Utilities Board

From: Travas Deal, Chief Executive Officer

Subject: **Excellence in Governance Compliance Report
Asset Protection (I-8)**

Desired Action: Monitoring

Compliance: The CEO reports compliance with the instructions

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

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

- 1. Protect enterprise assets including, but not limited to, water rights, real property interests, physical assets, cyber assets, intellectual property, records and information from loss or significant damage.*

Plans and programs are in place that address and comply with the expectations of this policy to include, but are not limited to:

	Frequency of Update	Last Updated	Planning Horizon	Responsible Division
Cyber Security:				Customer and Enterprise Services
Cyber Security Incident Response Plan	Every 5 years	2024	5 years	No updates needed
Cyber Security Vulnerability Management Program	Every 3 years	2024	Ongoing	Will be updated in 2025
Cyber Security (Risk Management) Framework	Every 3 years	2023	Ongoing	No updates needed
Security Operations:				Operations
Physical Security Program	5 years	2021	10 years	
Physical Security for Rampart Dam and Reservoir and Tesla Hydro Plant	1 year	2023	Ongoing	
Emergency Management:				Operations
Emergency Operations Plan	3 years	2024	Ongoing	
Dam Emergency Action Plans	1 year	2023	Ongoing	
Water Resource Recovery Facility Flood Emergency Evacuation Plans	1 year	2024	Ongoing	
Facilities Management:				System Planning and Projects
Facilities Master Plan	5 years	2021	10 years	
Facilities Maintenance Program	Annual	2024	10 years	
Records and Information Management:				Human Resources and Administration
Records Retention Program provides ongoing records compliance and disposition review and support	Ongoing	2023	3 years	
Water Resources Management:				System Planning and Projects
Reporting of water use in accordance with decrees, permits and agreements	Ongoing	Ongoing	Ongoing; updated as needed	
Watershed Management Plans	Ongoing; updated as needed	Ongoing	Ongoing; updated as needed	

2. *Allow real estate transactions that comply with the City of Colorado Springs Procedure Manual for the Acquisition and Disposition of Real Property Interests, Revised 2021.*

Colorado Springs Utilities collaborates with the Real Estate Services Office to ensure compliance with all requirements of:

- City of Colorado Springs Procedure Manual for the Acquisition and Disposition of Real Property Interests, Revised 2021 which was approved by City Council by Resolution 39-21 on March 23, 2021.

3. *Only sell, dispose of or allow use of assets at fair market value, except for de minimis contributions to community-oriented organizations.*

Colorado Springs Utilities is in compliance with Colorado Springs City Code §1.5.205, which states that all sales of personal property which are obsolete and unusable shall, except as otherwise specifically provided in this part, be based whenever possible on competitive bids.

4. *Protect the enterprise's public image and reputation.*

Colorado Springs Utilities strives to build and enhance the enterprise's public image through proactive communications, media relations, marketing communications and community relations. In 2024, the Public Affairs department has invested more resources into producing educational campaigns. The department used a variety of multimedia formats to reach customers to explain growth, rate comparisons and the importance of building our systems to continue supporting our community. In 2024, we also conducted a brand and reputation survey that provided valuable information about the impact of our communications, marketing and customer service efforts.



Date: March 19, 2025

To: Utilities Board

From: Travas Deal, Chief Executive Officer

Subject: **Excellence in Governance Compliance Report
Environmental Stewardship (I-12)**

Desired Action: Monitoring

Compliance: The CEO reports compliance with the instructions except where noted with an asterisk (*).

INSTRUCTIONS			
Category:	Utilities Board Instructions to the Chief Executive Officer	Reporting Timeframe:	January 1, 2024 – December 31, 2024
Policy Title (Number):	Environmental Stewardship (I-12)	Reviewing Committee:	Working Planning
Monitoring Type:	Internal	Monitoring Frequency:	Annual

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

- 1. Provide customers with educational materials and solutions to promote energy and water conservation and renewable energy technologies.*

In 2024, a total of 563 water and energy education classes, tours, community events, and webinars took place for youth and adults in the community. We shared educational materials to promote energy and water conservation with 24,848 customers through in-person classes, events, tours, or live webinars; and 6,428 customers streamed recorded classes throughout the year.

A total of 9 water and energy rebate programs were offered for residential customers (including net metered solar) and 11 rebate programs for business customers. In partnership with the Energy Resource Center to reduce annual water and energy

consumption, Colorado Springs Utilities helped retrofit 124 homes through the Home Efficiency Assistance Program (HEAP). In addition to the work under the HEAP program, Colorado Springs Utilities programs distributed or installed 718 efficient toilets, 728 showerheads, 64 shower wands, 42 shower starts, 1,793 faucet aerators, 8,874 LED bulbs, 30 strings of holiday lights and 42 HELP kits containing water and energy efficiency measures for customers and other non-profit enterprises.

Irrigation rebate and retrofit programs distributed 12,343 high-efficiency sprinkler nozzles, 7,406 pressure-regulating sprinkler heads, 278 smart irrigation controllers, 20 flow sensors, and 34 rain sensors. Landscape transformation programs converted nearly 150,000 square feet of high water use turfgrass to low water use native grass.

Colorado Springs Utilities also provided indoor water use evaluations for 62 businesses, commercial irrigation evaluations covering nearly 5.8 million square feet of irrigated land, and high water use notifications to nearly 900 business customers.

Customer rebates, direct-install, wholesale promotional, low-income efficiency water use evaluations, and renewable energy programs resulted in an estimated total commodity savings of 59.6 million gallons of water, 49,674 million cubic feet of natural gas, 12,539 megawatt hours (MWh) of electricity consumption, and 2.3 incremental megawatts (MW) of electricity demand. An additional 2.5 to 14 MW of actively-controlled summer demand reduction was due to customers' enrollment of their smart thermostat in the Peak Energy Rewards demand response program. Water-wise Rules contributed nearly 4.6 million gallons of new annual water savings. Proactive potable water distribution system water loss control programs contributed an additional 13.1 million gallons of water savings.

In 2024, Colorado Springs Utilities expanded focus on natural gas decarbonization programs, in response to significant legislative mandates, electric resource mix changes, and significant changes in baseline equipment efficiencies. An extensive outreach campaign highlighted Clean Heat Plan-related programs across earned, paid, owned, and shared media including print, e-mail, web, radio, and streaming platforms.

In 2024, Colorado Springs Utilities continued to offer incentives for ENERGY STAR and cold-climate heat pumps and heat pump water heaters, both as direct-to customer rebates and through the Builder Incentive Program for installation in new homes. These provide efficient options for customers looking to decarbonize by electrifying their space and water heating needs. Additional rebate options were provided for ENERGY STAR gas boilers, combination boilers, and natural gas instantaneous water heaters. The Builder Incentive Program provided incentives directly to 38 participating home builders for construction of 840 new homes that are better than the minimum code standards. Colorado Springs Utilities also provides rebates for certain features such as ENERGY STAR smart thermostats, ENERGY STAR New Homes certification, and all-electric homes.

The Commercial Building Efficiency Program provided energy audits to more than 2.5 million square feet of large commercial buildings to help building owners discover and prioritize energy efficiency, decarbonization, and money-saving measures.

The Strategic Customer Relations group actively educates our strategic and mid-market commercial customers through various channels. These include:

- a. Email: Regular communication via email ensures that our customers stay informed about energy and water conservation programs, updates, and relevant initiatives.
- b. Face-to-Face Meetings: Our team conducts face-to-face meetings with customers to provide personalized education on energy and water conservation strategies. These interactions allow us to address specific concerns and tailor solutions to their unique needs.
- c. Multiple Large Customer Meetings: We organize large-scale customer meetings where we have content specifically on energy and water conservation programs. These gatherings serve as platforms for in-depth discussions, sharing best practices and fostering collaboration.

2. *Promote efficient energy and water consumption in new buildings and landscapes.*

Colorado Springs Utilities encourages efficient new construction, landscaping, and retrofits and promotes energy and water efficient buildings and landscapes through its ongoing educational efforts, and through the ReToolCOS zoning code update.

The Mesa Conservation and Environmental Center (Center) entered its 21st year of operation and continues to showcase demonstration programs to promote energy efficiency and water conservation. The Water Wise Demonstration Garden is considered one of the finest in the country. The Center received 2,900 visitors in the building in 2024 and thousands more visited the garden without entering the building.

The ReToolCOS zoning code update limits turfgrass installation in new homes and businesses to no more than 25% of the irrigable landscape. This code change influenced nearly 145 acres of irrigated commercial landscapes and more than 2,300 homes, resulting in annual water savings of more than 1 million gallons.

3. *Ensure emissions from operations meet or surpass air quality regulations.*

Colorado Springs Utilities meets air quality expectations through a combination of effective operations and maintenance, pollution controls, fuel selection and use of renewable energy. Colorado Springs Utilities has a diverse portfolio of electric generating resources, including fossil fuel fired units, such as coal or natural gas, and renewables, such as hydroelectric, wind, or solar power. Between 2005 and 2024, annual emissions from Colorado Springs Utilities electric generating resources have been reduced by more than 95% for sulfur dioxide (SO₂), by more than 80% for nitrogen oxides (NO_x), and by more than

50%, for carbon dioxide (CO₂) largely through the retirement of the coal-fired generation from the Martin Drake Power Plant. The current fleet of alternative-fuel vehicles includes nine electric hybrid vehicles, 16 electric vehicles (EVs), 340 ethanol flex-fuel vehicles, and 43 compressed natural gas (CNG) vehicles.

* There were four (4) exceedances of Nixon CT3 NOx 1-hour limit and 44 six-minute opacity CAM Plan Excursions for Nixon, and two events of uncombusted biogas release at the Clear Spring Ranch Solids Handling and Disposal facility (one for 33 minutes, and one for 12 minutes).

4. *Ensure local ground and surface water discharges from operations meet or surpass surface water and groundwater quality standards.*

Discharges from Colorado Springs Utilities operations are of a quality that is consistent with permit requirements through the operation of advanced wastewater treatment technology and an industrial pretreatment program to control pollutants into the wastewater treatment system. Colorado Springs Utilities' power plants are designed for zero discharge or to discharge water to the wastewater treatment facility for treatment. The Las Vegas Street Water Resource Recovery Facility (LVSWRRF) has installed infrastructure and revised operational practices to meet permit limits for nutrients that became effective in 2020.

The JD Phillips (JDP) Water Resource Recovery Facility has been operating a demonstration project since 2019 to reduce nutrients for which a formal Site Location Amendment request has been made to the Colorado Department of Public Health and Environment (CDPHE) for the permanent process modification. The CDPHE Water Quality Control Division Engineering Review Unit notified Utilities in late December 2024 that it has begun review of the Service Level Agreement. This review will continue into 2025.

Colorado Springs Utilities continues its participation in the CDPHE's Policy 17-1 Voluntary Incentive Program, which encourages reductions in total phosphorous and total inorganic nitrogen and should provide for additional compliance time for future nutrient criteria. In 2024 the JDPWRRF experienced treatment issues that led to permit exceedances (as noted below) between June and July. As a result, the plant's flow was redirected to the LVSWRRF from July 31, 2024 to September 15, 2024 while the plant was recalibrated. Ongoing work in 2025 includes continuing the Studies and Alternatives Analysis (SAA) begun in 2024. There will be capital improvements that come out of the SAA to ensure that the JDPWRRF reliably meets current and future permit limits. The projected overall schedule has design/permitting from late 2025-mid 2027 with construction running from late 2027-mid 2029, depending on the alternatives that Utilities selects.

Rehabilitation of the diversion structure was completed in 2024. The diversion structure is upstream of the JDPWRRF and will allow for the "peaks" in diurnal flow and load to be diverted to the LVSWRRF. The diversion structure is expected to assist operations by limiting peak diurnal flows and loadings.

At Clear Spring Ranch, groundwater quality monitoring is regularly performed in association with the on-site placement of biosolids, coal combustion residuals, and water treatment residuals. The results are annually reported to the CDPHE.

*During 2024, JDPWRRF exceeded the phosphorous 95th percentile effluent permit limit, the total inorganic nitrogen 95th percentile limit and the ammonia 30-day average effluent permit limit resulting in a CDPHE Compliance Advisory for the ammonia 30-day average limit exceedance.

5. *Maintain or enhance the visual appeal of utility operations where cost effective.*

The provision of utility services necessitates the operation of extensive and highly visible infrastructure such as power plants, water and wastewater treatment facilities, pump stations, power lines, electric substations, and work centers. The location and design of these facilities can dramatically impact the vistas of an area. The overall impact can often be diminished or blended with the surroundings to make them less obtrusive. Colorado Springs Utilities strives to receive input from the community on any facility built or externally remodeled, including the addition of recreational amenities on properties with Colorado Springs Utilities operations, such as watersheds.

6. *Ensure the community receives a portion of its electric needs from renewable sources.*

Colorado Springs Utilities meets the Colorado Renewable Energy Standard, which obligates municipal utilities to obtain 10% of retail electricity from eligible energy resources. In 2024, 28.5% of Colorado Springs Utilities' overall generation mix (all energy produced or received to serve Colorado Springs Utilities' load and sales obligations) was generated from carbon-free resources. Colorado Springs Utilities' portfolio currently includes 290 MWs of solar energy generation that supplied 16.4% of energy, 110 MWs of hydro-electric generation that supplied 8.2% of energy, and 60 MWs of wind generation that supplied 3.9% of energy. These percentage totals are descriptive of Colorado Springs Utilities' generation portfolio, not of compliance with the Colorado Renewable Energy Standard or a claim to the environmental attributes generated from the resources. Colorado Springs Utilities purchases and sells Renewable Energy Certificates (RECs) from eligible energy resources to comply with the Colorado Renewable Energy Standard and generate revenue, which helps reduce electric costs for our customers.

Colorado Springs Utilities will bring 100MW of battery storage online at Fuller Substation in 2025. Horizon Power Plant, scheduled to meet commercial operation in mid-2028, accounts for 400 MW of natural gas generation.

7. *Strive to preserve and protect wildlife, wildlife habitat, and wetlands during construction and operation of facilities and infrastructure.*

Pre-construction environmental review processes identify potential wildlife and wetland issues, allowing for avoidance, minimization, and mitigation throughout the lifecycle of

construction projects. Operations actively protects avian wildlife through its Avian Protection Program, which includes but is not limited to annual avian safety trainings for electric operations crews, conducting pre-construction nest surveys, conducting removals of inactive nests from active facilities as necessary, and retrofitting electric systems to protect avian wildlife from potential interactions with those systems. It is a practice to retrieve injured or fledgling raptors that have fallen out of the nest within Colorado Springs Utilities infrastructure and transport them to the Pueblo Raptor Center for rehabilitation and release back to the wild when possible. Noxious weeds are identified and controlled on local and remote properties to promote healthier native ecosystems that support wildlife. Vegetation restoration processes are implemented on construction projects to establish native and desirable vegetation species and minimize noxious weed establishment in disturbed areas. Colorado Springs Utilities partners as needed with Colorado Parks and Wildlife to relocate orphaned bear cubs onto remote watershed properties and collaborates with the local community to conduct annual bird surveys and bird banding on our properties to gather data on bird populations, habitat status, and migration patterns.

8. *Strive to preserve and protect cultural and historic sites during construction and operation of facilities and infrastructure.*

Colorado Springs Utilities conducts cultural and historical research and surveys as part of property acquisitions and construction projects to ensure important resources are identified and preserved. Any significant cultural resources encountered during a project, including buildings or structures older than 50 years, and artifacts are evaluated by professional archaeologists to ensure the preservation of these cultural resources as required. Forest management activities on watershed properties are conducted in a manner that ensures protection of on-site cultural resources.

In 2024, Colorado Springs Utilities conducted cultural resource surveys associated with north slope watershed wildland fire mitigation work to ensure protection of identified Native American cultural resources and historic resources from the time of construction of North Catamount Reservoir.

9. *Engage the community in Utilities Board decisions on Colorado Springs Utilities' operations that affect the environment.*

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. The inaugural State of the Utility was also held in June of 2024. In total, 31,276 customer connections were made, and 563 events were attended.

A total of 97 Raptor Protection Program presentations were made to teach the community about powerline safety for birds, and our environmental stewardship efforts around utility services.

10. Strive to minimize or reuse waste generated by Colorado Springs Utilities to reduce impact on the environment.

In 2024, Colorado Springs Utilities' e-waste recycling program sent 33 tons of electronic waste components and 8,310 mercury-containing lamps to be recycled.

In addition, 13,148 gallons of used oil, 616 gallons of antifreeze, and over 575 tons of steel, aluminum, copper, brass, iron, and tin was recycled.

In 2024, 10,200 tons of fly ash was beneficially re-used for liquid waste solidification, and 2,500 tons of bottom ash was sold for cement.

Nearly 62,000 tons of construction debris (including over 4,818 tons of asphalt and 7,317 tons of concrete removed from job excavation activities) was accepted for recycling at the Sand Creek Recycling Center. After separation, the soil is re-used locally as construction fill and the asphalt and concrete are crushed and re-used locally.



Electric Cost Adjustment Gas Cost Adjustment

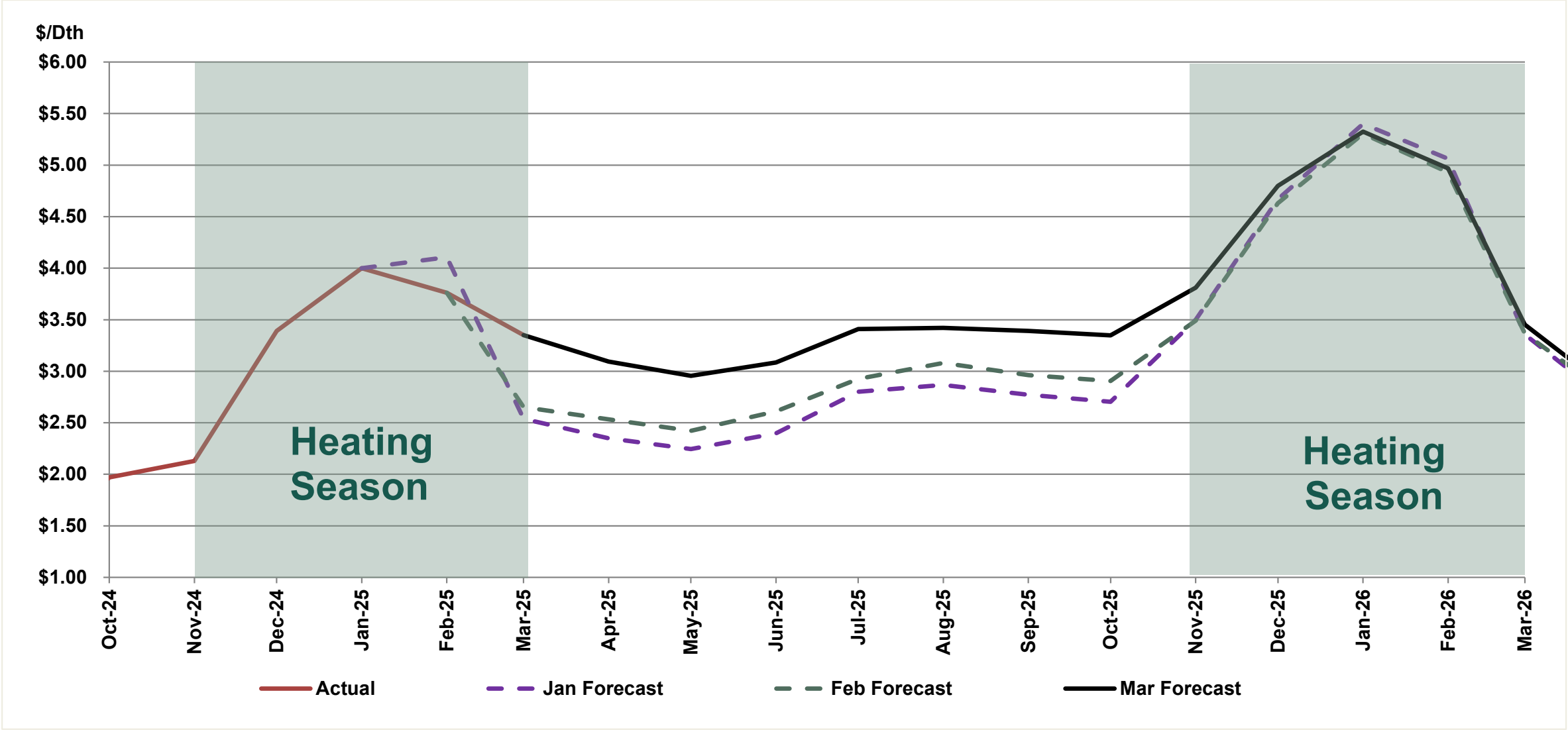
Scott Shirola, Pricing and Rates Manager

March 17, 2025

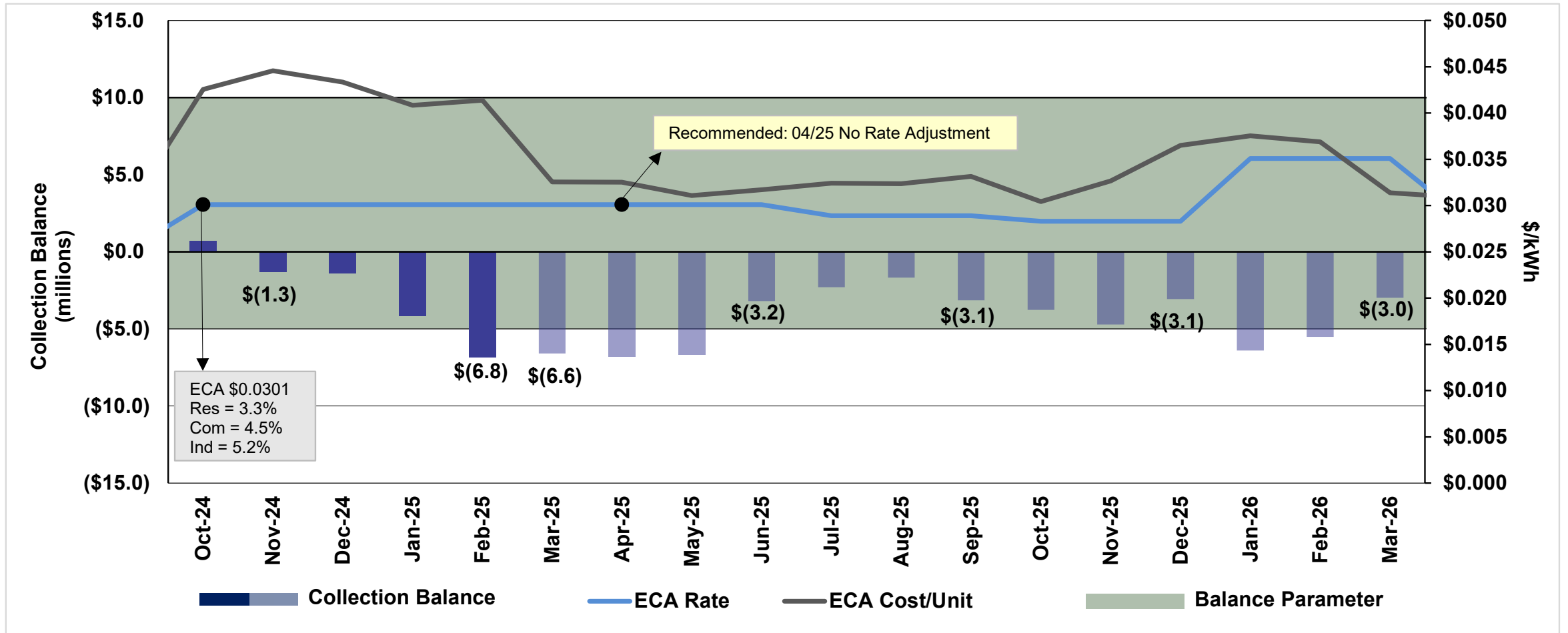
Electric and Gas Cost Adjustment Summary

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

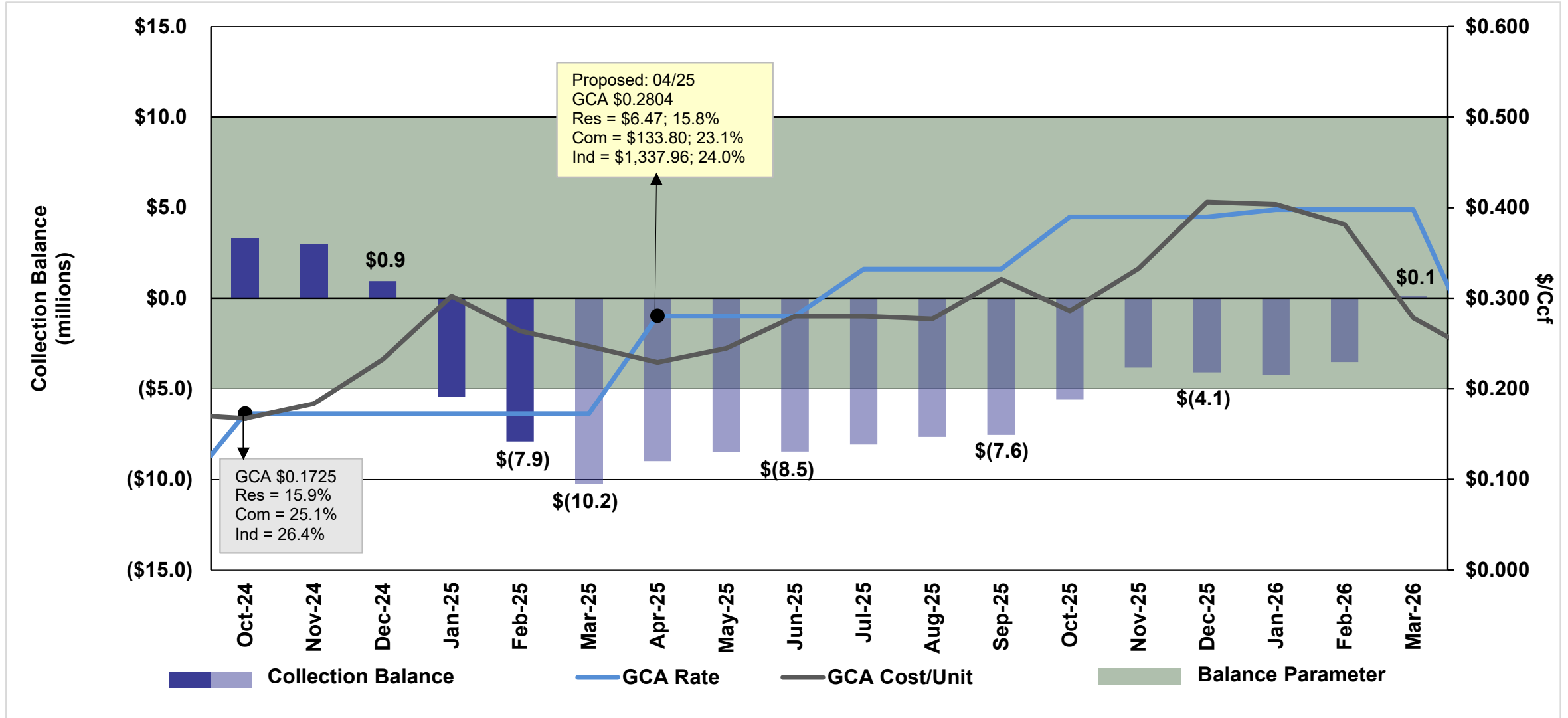
Natural Gas Prices as of March 1, 2025



ECA Projections March 2025



GCA Projections March 2025



Sample Total Service Bill

(Proposed Effective January 1, 2025)



SAMPLE BILL CALCULATIONS ASSUME:

- 30 Day Billing Period
- 700 kWh Electric
- 60 Ccf Natural Gas
- 1,100 cf Water inside city limits
- 700 cf Wastewater inside city limits

Sample Residential Monthly Bill

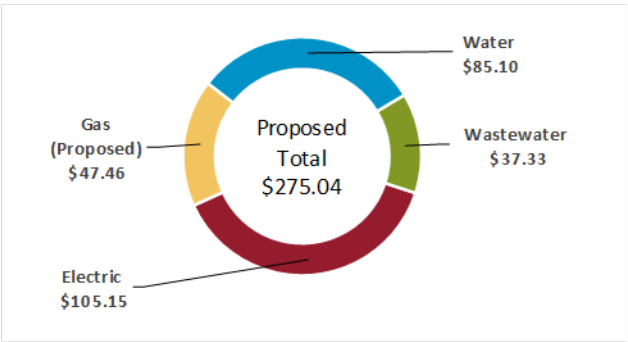
Proposed Residential Changes (Sample Bill)

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

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

Sample Total Residential Monthly Bill

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



Front Range Bill Comparison – As of January 1, 2025

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

Notes:
Residential bill based on 30 day billing period, 700 kWh (electric), 60 CCF (gas), 1,100 cf (water), and 700 cf (wastewater).
Front Range communities include Aurora, Denver, Fort Collins, Fountain, Monument, and Pueblo.
Rate computations are estimated using assumed billing determinants, tariff rates publicly available on websites effective January 1, 2025 and Colorado Springs Utilities proposed rates effective April 1, 2025.

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

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

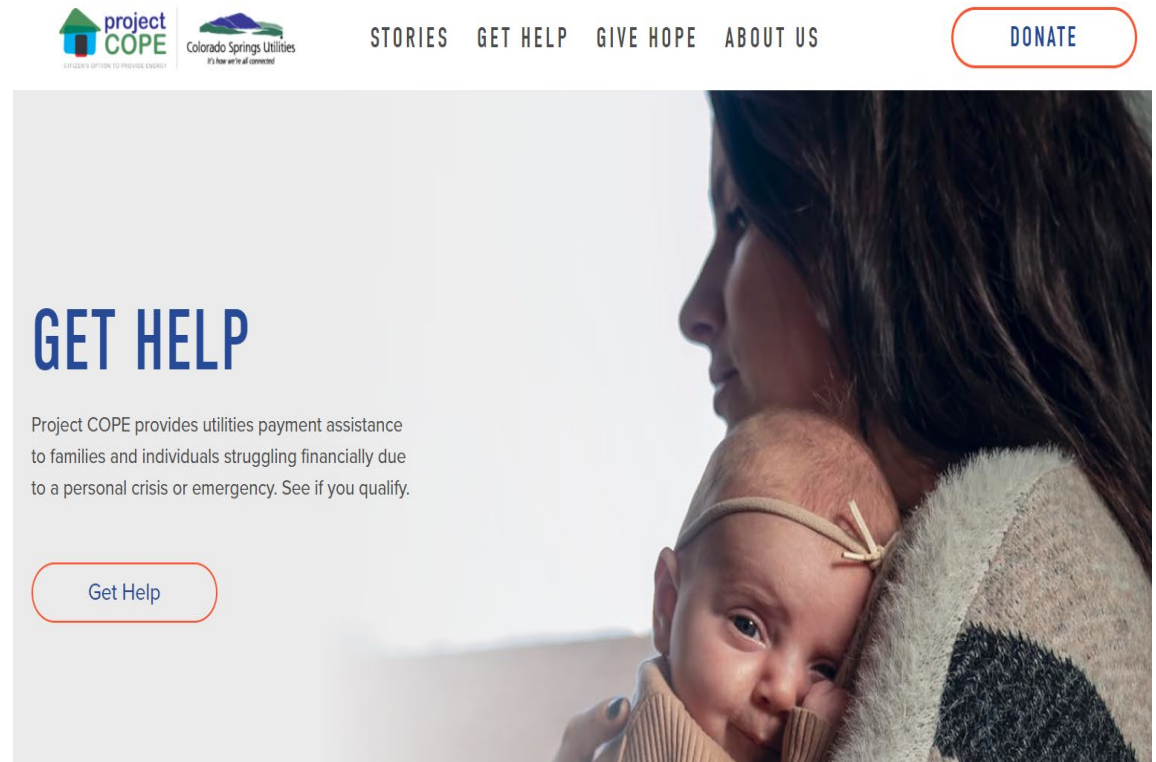
Sample Total Monthly Bill calculations for current and proposed rates assume:

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

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

Helping Customers Today

- Bill assistance
 - Low-Income Energy Assistance Program (LEAP) Nov – Apr
 - Project COPE
- Payment options
 - Payment plans
 - Pick my payment date
- Contact information
 - 2-1-1 for customer assistance
 - 719-448-4800 for billing questions



Long-term Assistance

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



Next Steps

- March 19, 2025 Utilities Board Meeting
 - Included on Consent Agenda
 - Approval of this item by Utilities Board does not constitute approval to change or establish rates
- March 25, 2025 City Council Regular Meeting
 - Propose change to the GCA rate
 - If approved by City Council, GCA rate of \$0.2804 per Ccf will be effective April 1, 2025



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Colorado Springs Utilities
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Streetlight Maintenance Request Tool

Alex Trefry

Public Affairs Specialist

Agenda

1. Background
2. Current process
3. New process
4. Demonstration

Background

- City of Colorado Springs partnership
 - Paid \$4 million annually to operate and maintain more than 30,000 streetlights
- Small but effective streetlights team
- Responds to more than 500 streetlights issues per month
- Night runs on 25 major arterial routes twice per year
- Public reporting is critical to knowing our streetlight maintenance needs



Current process



New process



Estimated savings: ~700 hours/year

Demonstration



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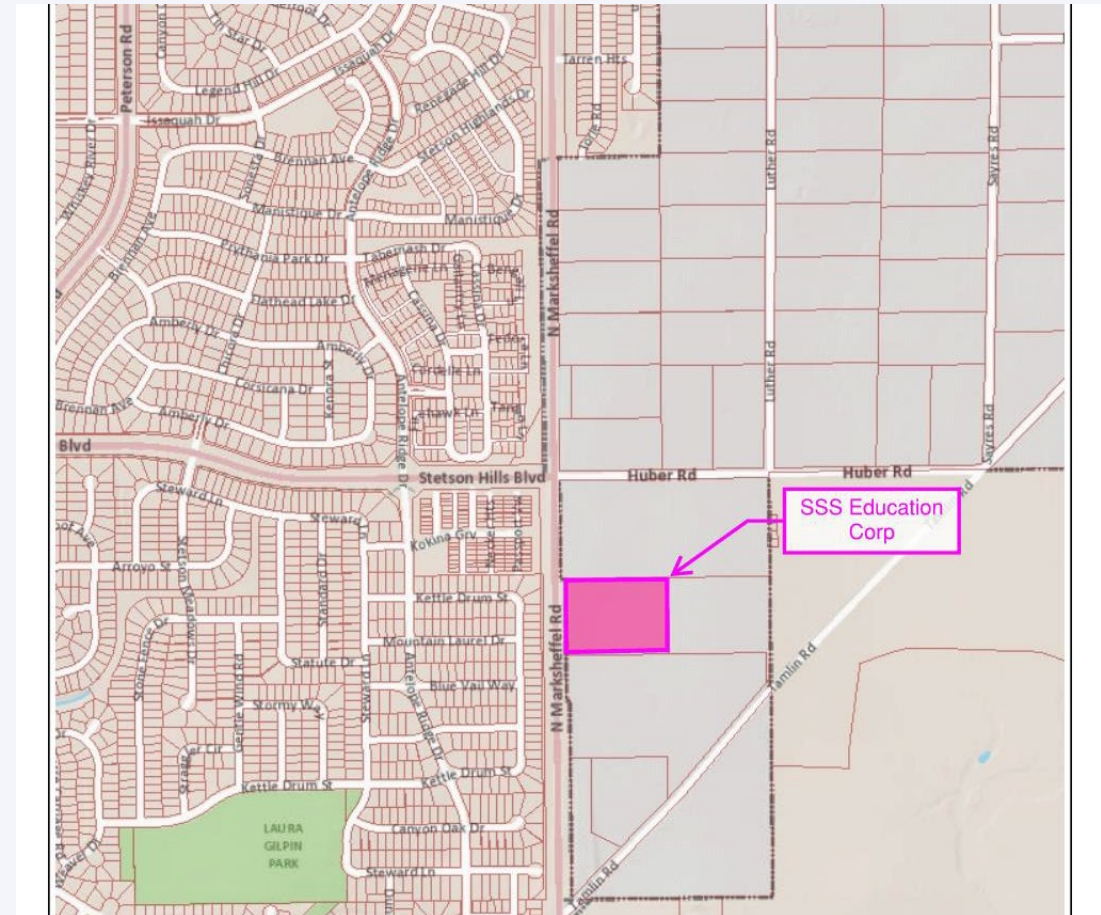


Purchase of Finished Water Easement with Public Works' Project

Jessica Davis
Land Resource Manager
March 19, 2025

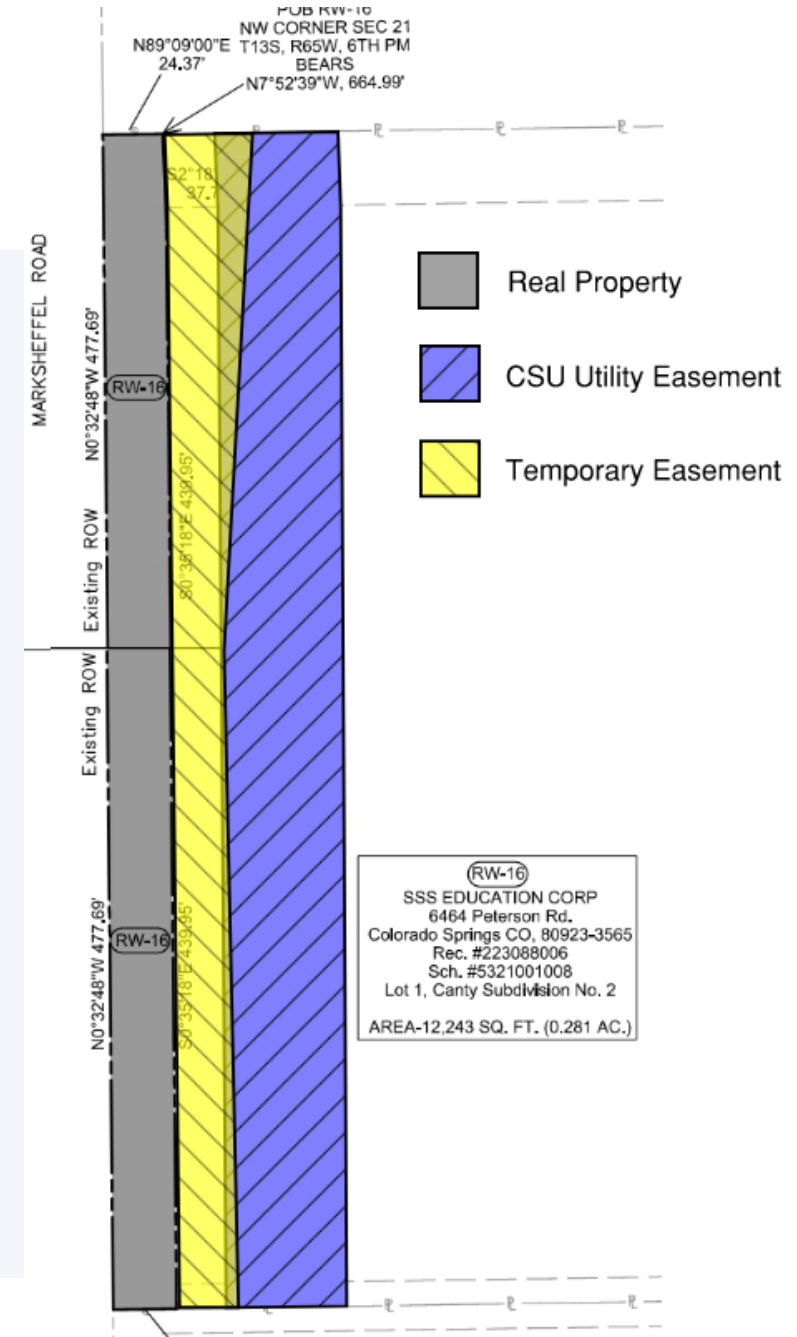
Background

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



Acquisition

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



Next Steps

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



Colorado Springs Utilities[®]

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Economic Development Update & Large Commercial Customers

Mike Francolino

Chief Customer and Enterprise Services Officer

March 17, 2025

Background

Chamber & EDC launched Economic Development Target Industry Study in Q1 2023.

Key target industries identified:

- Aerospace and Defense
- Cybersecurity & Software Development
- Advanced Manufacturing & Semiconductor Technology
- Medical Equipment & Supplies Manufacturing
- Hardware & Springs Manufacturing
- Finance & Insurance



Executive Agreement (EA)

- Asked by City for shovel ready plan for Peak Innovation Park.
- Introduced Executive Agreement in Q4 2024 to the City of Colorado Springs Airport and Peak Innovation Park.
 - Shared financial responsibility for critical infrastructure
 - Construct substation
 - Construct transmission infrastructure



Infrastructure Investment – Cost Sharing

Airport Responsibilities:

- 15MW: New 12.5kV and 34.5kV Distribution Lines
- 57-150MW: Horizon Substation Transformers and Appurtenances
- 151-600MW: New Switching Substation
- **Total Responsibility: \$58M**
- Airport Deposit: 5% (\$2.9M)

Utilities Responsibilities:

- 15MW: New 12.5kV and 34.5kV Distribution Lines
- 57-150MW: Claremont Substation Upgrades
- 151-600MW: New Switching Substation
- **Total Responsibility: \$165M**

*Costs are estimates based on market conditions and work performed.
Airport payment schedule in accordance with construction schedule.*



Economic Development & Stewardship

Stewardship of Utility Resources:

- Prioritize energy and water resources for normal growth
- Invest in future growth
- Address unplanned large increases in energy and water load demands

Data Center Impact



Not fitting current attraction model due to large energy and water consumption and lack of high-paying jobs



If considered, must adhere to strict sustainability measures



Market purchases of energy resources.



Water Usage & Implementation of water re-use systems

Water Usage

Prospect	Data Center Electric Load (mw)	Water Usage Gallons Per Day	Water Usage Gallons Annually	Water Usage Acre Feet Annually	Household Equivalent
A	100	1,100,000	401,500,000	1,232	6,211
B	150	1,650,000	602,250,000	1,848	9,317
C	200	2,200,000	803,000,000	2,464	12,422
D	250	2,750,000	1,003,750,000	3,080	15,528
Actual Customer	Data Center Electric Load (mw)	Water Usage Gallons Per Day	Water Usage Gallons Annually	Water Usage Acre Feet Annually	Household Equivalent
Customer #1	5	54,254	19,802,823	61	306
Customer #2	1	9,251	3,376,615	10	52
Customer #3	4	46,123	16,834,895	52	260
Customer #4	6	66,892	24,415,697	75	378

Alignment Needed

- Allocation of utility resources and creation of employment opportunities.
- Utility costs associated with large commercial accounts are funded by the prospect.
- No cost impact to existing customer base.



Colorado Springs Utilities

It's how we're all connected



Strategic Sourcing Methodology

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General Manager – Supply Chain

March 17, 2025

Strategic Sourcing – What is it?

- The concept of strategic sourcing started in the late 1980s.
- Initially adopted by Fortune 500 companies to quantify and increase supplier return on investment (ROI).
- Strategic sourcing is a process that aims to find the best possible value in the marketplace.
- It involves **data collection, spend analysis, market research**, negotiation, contracting and implementation.
- It helps organizations align their procurement decisions with their business goals and strategy.

Strategic Sourcing – Market Intelligence

1. **Identifying Reliable Suppliers:** Identifying suppliers who are dependable and capable of meeting performance requirements.
2. **Cost Optimization:** Negotiate better prices and terms, leading to cost savings.
3. **Risk Management:** Identifies potential supply chain disruptions and develop strategies to mitigate these risks.
4. **Improving Negotiations:** Detailed knowledge of the market and supplier capabilities, aides in negotiations.
5. **Enhancing Procurement Efficiency:** Ensures that procurement strategies are data-driven and aligned with business objectives, leading to more efficient procurement processes.

Strategic Sourcing - Benefits

- 1. Cost Reduction:** Leads to cost savings by identifying opportunities to consolidate suppliers and negotiate better pricing.
- 2. Improved Quality:** Enhances the quality of procured items by selecting suppliers that meet high standards and performance criteria.
- 3. Increased Efficiency:** Streamlines procurement processes, making them more efficient and effective.
- 4. Innovation:** Encourages innovation by working closely with suppliers to develop new products and solutions.
- 5. Supplier Performance:** Regularly measures and improves supplier performance.

Strategic Sourcing – Springs Utilities Adoption

- Historically Colorado Springs Utilities has approached capital and operational programs of work as independent sourcing projects. Example: Substation Engineering and Construction Projects.
- We developed and implemented Strategic Sourcing at Springs Utilities in 2021.
- Leveraged the strategic sourcing methodology to drive better business decisions and support the 5-year financial plan.

Strategic Sourcing – Springs Utilities Adoption

- Accomplished by:
 - Combining similar programs of work (bundling), leveraging spend, into one sourcing event that allows us to align with a supply base that will drive continuous improvement and drive down total cost of ownership.
 - Market intelligence outreach to new market entrants to submit proposals - **Increasing competition.**
 - Improving the Sourcing process via new checkpoints to ensure team alignment regarding the overall strategy.
 - Alignment on the construction delivery model (i.e., EPC), evaluation criteria, team make-up and sourcing strategy.
 - Ensuring leadership sign-off.

Strategic Sourcing – Bundling Example

Category	From	To	Reduction
Water Distribution 1 (Pump Station Projects)	4	1	3
Wastewater Treatment 1 (Largely Las Vegas Projects)	12	1	11
Wastewater Treatment 2 (JD Phillips Projects)	7	1	6
Major Wastewater Collection (EWSE Projects)	3	1	2
Water Treatment 1 (Tollefson and Intake Projects)	2	1	1
Water Distribution 2 (Larger Pipeline Projects)	3	1	2
Water Distribution 3 (Tank Projects)	2	1	1
Total Sourcing Events	33	7	26
			79%

Strategic Sourcing – Category Examples



Questions

