

**AGENDA**

**Nov. 19, 2024**

**2:00 p.m. – 4:00 p.m.**

**Join on your computer, mobile app or room device**

[Click here to join the meeting](#)

**Or call in (audio only)**

[+1 719-733-3651,,15157314#](#)

<b>2:00 p.m.</b>	<p>Call to Order</p> <p>Pursuant to the Colorado Open Meetings Law and the City Charter, since three or more members of the Utilities Board may be attending this public meeting, it is noticed and open to the public. Pursuant to the Utilities Board Bylaws, this Committee of the Utilities Board has determined not to accept public comment at this meeting.</p>	Committee Chair Brian Risley
<b>2:05 p.m.</b>	<p>Review:</p> <p>Oct. 10, 2024, Strategic Planning Committee minutes</p>	Committee
<b>2:10 p.m.</b>	<p>Compliance Reports</p> <ul style="list-style-type: none"> <li>• E-2.3 Compliance Report Frequency and Method of Inspection</li> <li>• P-1.2 2025 Annual Planning Calendar</li> </ul>	Natalie Watts, Manager, Strategic Planning and Governance
<b>2:45 p.m.</b>	<p>2024 Strategic Planning Committee Accomplishments and 2025 Committee Workplan</p>	Natalie Watts, Strategic Planning and Governance Manager
<b>3:00 p.m.</b>	<p>Proposed 2025 Balanced Scorecard</p>	Natalie Watts, Strategic Planning and Governance Manager
<b>3:10 p.m.</b>	<p>2025 Strategic Plan Update</p>	Bethany Schoemer, Strategic Planning and Governance Specialist Sr.
<b>3:20 p.m.</b>	<p>Economic Development Update</p>	Jared Miller, Strategic Customer Account Manager
<b>3:35 p.m.</b>	<p>Plan Future Meeting: Jan. 21, 2025</p>	Committee Chair Brian Risley
<b>3:40 p.m.</b>	<p>Adjournment</p>	Committee Chair Brian Risley



**Minutes  
Strategic Planning Committee  
October 9, 2024**

**Committee members present in the Rosemont Conference Room or online:**

Dave Donelson, Nancy Henjum, David Leinweber and Brian Risley

**Utilities Board members present in the Rosemont Conference Room or online:**

None

**Staff members present in the Rosemont Conference Room or online:**

Renee Adams, Lisa Barbato, Mike Francolino, Tristan Gearhart, Jay Anderson, Joe Awad, Pattie Benger, Kevin Binkley, Jenny Bishop, Andy Colosimo, David Dalton, Matt Dudden, Natalie Eckhart, Kim Gortz, Jason Green, Jennifer Jordan, Chris LeLeux, Jared Miller, Daniel Norton, Jacqueline Nunez, Chris Olney, David Padgett, Gail Pecoraro, Bethany Schoemer, Mark Shea, Amy Trinidad, Lisa Walters, Natalie Watts and Al Wells

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

Sally Barber and Renee Congdon

**Citizens present via Microsoft Teams or Rosemont Conference Room:**

Charles Conser

**Call to Order**

Committee Chair Brian Risley called the meeting to order at 1:00 p.m. and read into the record the statement regarding the Colorado Open Meetings Law and the City Charter and noted that public comment would not be a part of the meeting.

**Minutes**

The minutes from the Aug. 20, 2024, Strategic Planning Committee meeting were approved for posting.

**Compliance Reports**

I-7 Water Supply Management

Ms. Lisa Barbato, Chief Systems Planning and Projects Officer, introduced Ms. Kim Gortz, Water Supply Resources Manager, who reviewed the I-7 Compliance report which was included in the meeting materials packet.

Board Member Henjum asked if the water ordinance needs to be revisited to address giving prioritization of residents within the boundaries of Colorado Springs, with the possibility of future annexations. Ms. Kim Gortz stated that future annexations would be prioritized with the water supply going to Colorado Springs residents and the possibility of water permits being denied for future annexations.

Ms. Barbato stated that the scope and timing for the Water Integrated Resource Plan (WIRP) for 2025-26 has already started. Once demand numbers are better known, that would be the time to see if the water ordinance needs to be changed.

Board Member Risley said he would like to see the Strategic Planning Committee be involved in the crafting of the IRP as decision makers that can provide a different perspective to the process. Mr. Risley further stated that all annexation does is give opportunity and control over how the region grows. Ms. Barbato committed to engaging the Board on the IRPs in early second quarter 2025.

Board Member Leinweber felt it would be beneficial to have a regional outlook perspective of what might happen. Ms. Gortz stated that the organization does participate in regional conversations and has regional contracts toward long-term sustainability. Board Member Henjum asked that from a policy perspective should the organization's commitment to the interdependence of Springs Utilities' system with other systems be included in the I-7. Ms. Gortz said perhaps not in the I-7, but in the IRP.

#### **I-9 Treatment of Customers and Customer Information**

Mr. Mike Francolino, Chief Customer Enterprise Services Officer, said that this compliance report was included in the meeting materials. No questions were asked.

#### **Regionalization of Water and Wastewater Services Agreements**

Ms. Gortz introduced Ms. Jenny Bishop, Water Resource Planning Engineer, who explained that City Charter Article X, Section 10-60 limits agreements to 25-year terms, unless they are for the purpose of economic development then they can be for 99-year terms. Board Instruction 7, 9.e allows for regional water and wastewater services but limits agreements to 25-year terms.

Regional entity feedback has shown concern about the 25-year agreement limitation and entering into an agreement that could potentially expire before the project is paid for (between 30 – 40 years). The 25-year lease limitation does not satisfy El Paso County development rule for water supplies. Ninety-nine year leases would help address infrastructure funding and may be a compromise with El Paso County water supply rules.

#### **Project Updates**

##### **Indirect Potable Reuse (IPR) Project**

Grant funding was received from the Colorado Water Conservation Board. Springs Utilities is continuing coordination with the Loop Water Authority.

##### **Northern Monument Creek Interceptor (NMCI)**

30% of the design has been completed. Commitment with partners is being reviewed. This project is currently coming in at \$93 million. Ms. Barbato said that this is actually at a go or no-go due to costs. The organization has already invested \$2 million.

Northern Delivery System (Triview and others) is now in operation. The next step is for the Utilities Board to direct staff to propose a solution and language that would allow for Springs Utilities to enter into 99-year leases for regional water and wastewater services.

Chair Risley asked how a 99-year lease would address El Paso County's 300-year water rule. City Attorney Renee Congdon said that we need to be mindful to tailor these resolutions to be mindful to the 99-year resolution economic development leases.

Board Member Donelson said that this decision should not be made at the committee level but should be brought before the full board. Chair Risley said that he would like for a conversation to happen with the county to ensure that changing to a 99-year lease would work for them as a partner. Ms. Barbato will have staff reach out to the county and come back to a future Strategic Planning Committee meeting for review, then the full Utilities Board for approval. Ms. Bishop stated that these contracts would be used on a limited basis. Ms. Congdon stated that other agreements may also need to be amended if the decision is made to move to 99-year leases.

### **Technology Roadmap**

Mr. Chris LeLeux, Information Technology General Manager, said that technology roadmaps have multiple tiers. These tiers include strategic objectives and initiatives, technology strategies, programs, projects, and day-to-day operations.

ServiceNow – Technology Road Mapping tool is a system that organizes and automates information technology (IT) service management used to manage technology requests, incidents, and changes. This automates routine tasks and frees up IT staff to focus on more strategic projects. It includes program / project management tools and a roadmap module.

Next steps involve complete ServiceNow implementation. This includes:

- Rolling out new technology intake processes
- Loading all technology data (systems, operational work, new requests, etc.)
- Technology teams moving to Service Now for intake and road mapping
- Linking all technology work to strategic objectives and initiatives

Mr. Francolino said that a lot of manual work is being performed currently, so it is important to implement new technology to become more efficient and streamlined.

Board Member Leinweber stated IT has to be one of the most difficult areas due to ongoing emerging technology.

### **Strategic Planning: Watershed Recreation Plan**

Ms. Barbato introduced Ms. Lisa Walters, Source Water Protection Project Manager.

Board Member Leinweber stated that he had a conflict of interest. He stated however, that he is a policy expert, and he would keep this to his realm of expertise and not to his business. Ms. Congdon said that if a conflict of interest is disclosed, the involved party should recuse himself and not participate in the discussion. Mr. Leinweber stated that his conflict is that he may at

some future date have a permit with the City to operate his business in the North Slope Recreation Area. Ms. Gortz stated that this is a framework discussion and policy will not be spoken about specifically today. Ms. Congdon said that Mr. Leinweber is taking on the risk of staying in the room during the conversation.

Ms. Walters said the purpose of the North Slope Recreation Access Planning is watershed protection and land management. Security and infrastructure has not been assessed since 1992 as it relates to recreational uses.

Policy considerations and related concerns include consideration of new/expanded uses (commercial guided tours, winter seasonal access), improved security for water system infrastructure related to vehicle access, the re-routing of trails away from critical infrastructure to improve security related to foot access, improving the Ring the Peak Trail routing to reduce conflicts, assess and adopt or decommission non-system trails, and develop a facilitated process with land managers and public stakeholders.

Ms. Gortz said the South Slope plan for recreational uses on municipal watershed lands approved in 2010 by City Council Resolution 46-10 specifically prohibits commercial uses based on stakeholder input and adaptive management tools to be responsive to issues and needs.

Recommendations are to prioritize North Slope planning and technical analysis in 2025, planning for adoption prior to the 2026 recreation season; provide technical input into regional recreation planning efforts; and develop South Slope scope (at the Utilities Board's direction). If the decision were made to develop the South Slope's scope, this would add budget in 2025 and 2026. Questions that need to be answered include should it address broader policy questions associated to current plan implementation, consider regional initiatives, commercial and special event uses and whether or not to conduct a public survey. Timing for this would be 2025-2026 or longer depending on scope.

Board Member Leinweber said the leadership of the state needs to be taken into consideration when decisions are being made, since future leadership may not be as supportive as current leadership.

Ms. Gortz will move forward with the prioritization of planning and technical analysis for the North Slope in 2025, and possibly arrange for subject matter experts to make a presentation at either an upcoming Lunch and Learn or Strategic Planning meeting on regional recreation planning efforts.

### **Changing Weighting of Board Focus Areas**

Ms. Natalie Watts, Strategic Planning and Governance Manager, explained that in August 2024, the Springs Utilities Board met for an annual retreat. During this retreat, robust conversation took place around the Board's three focus areas. No consensus was reached at that time, but the decision was made to discuss this at an upcoming Strategic Planning Committee meeting.

The Strategic Plan states the Utilities Board and CEO are responsible for setting the strategic direction of the enterprise. The Utilities Board is primarily and ultimately accountable for ensuring the benefits of local ownership and control to the citizens of Colorado Springs. The Utilities Board also has a responsibility to its current and future customers by balancing: Rates, Reliability and Relationships. The current breakout of these Strategic Focus Areas is Rates at 40%, Reliability is 40% and Relationships is 20%.

These percentages are reflected through the Enterprise Balanced Scorecard.

Ms. Watts stated that this could be discussed at a future Lunch and Learn for increased participation. Mr. Leinweber stated that now may not be the time to change the weighting with board changes in early second quarter 2025.

### **Economic Development Update**

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

In 2024, there have been 33 prospects, with 4,270 job impacts. The estimated capital investment is \$5.214 billion.

#### Potential revenue by industry (from the 23 prospects)

\$343.4 million – Technology

\$134.5 million – Manufacturing

\$11.7 million – Food and Beverage

\$600,000 – Office

\$400,000 – Government

\$200,000 – Retail

Board Member Leinweber asked if there was an advantage to having a data center closer. Mr. Miller stated there are two types of data centers, hyperscale big AI data centers and enterprise data centers. There is more benefit to having data centers at different locations.

### **Naming of Miskel Reservoir**

Ms. Barbato spoke to renaming the Lower Williams Creek Reservoir to the Miskel Reservoir after Mr. Harold Miskel, who worked for Colorado Springs Utilities from 1966 – 1999. Since his retirement he has had a continued commitment to the water community by serving on the Colorado Water Conservation Board and the Southeastern Colorado Water Conservancy District Board. Additionally, he was the recipient of the Colorado Water Congress Aspinall Award and is an honorary life member of the Colorado Water Congress.

Next steps include a City Council resolution on Dec. 10, 2024, a recognition event date to be determined, and reservoir development.

### **Plan for Future Meeting**

Chair Risley said the next meeting is scheduled for Nov. 19, 2024.

It was suggested to start the meeting earlier in the day for more participation. Ms. Watts suggested moving the Program Management Meeting earlier so the Strategic Planning Meeting could begin earlier in the day. Staff will follow-up with scheduling changes.

**Adjournment**

The meeting adjourned at 3:06 p.m.

## GUIDELINES

Guideline:	<b>Compliance Report Frequency and Method (G-3)</b>	Date of Adoption:	<b>December 19, 2016</b>
Applicable Policy Title (Number):	<b>Organizational Oversight (E-2.3)</b>	Revision Date:	<b>Feb. 21, 2024</b>
		Revision Number:	

### Compliance Report Frequency and Method

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



## 2025 Utilities Board Agenda Planning Calendar

Utilities Board Meeting Date	Compliance Reports (CR) details	Other Reported Information
<b>January 22, 2025</b>	<p><b>C-2</b> Utilities Board Annual Evaluation (P) (Annually) – SPG Sr. Analyst/UB Administrator</p> <p><b>I-6</b> Infrastructure G-12 (SP) (Annual) – Strategic Planning and Governance Specialist</p> <p><b>E-2</b> UB/CEO Partnership Expectations – CEO Responsibilities (Monthly) - UB Administrator</p>	<p>ECA / GCA Quarterly Filing Discussion</p> <p>Updates as Needed: UPAC Assignments</p>
<b>February 19, 2025</b>	<p><b>I-4</b> Risk Management (F) (Semi-annual) – Strategic Planning and Governance Specialist</p> <p><b>I-5</b> Economic Development (F) (Annual) – Strategic Planning and Governance Specialist</p> <p><b>I-13</b> Community Investment (SP, F) (Annual) – Strategic Planning and Governance Specialist</p> <p><b>E-2</b> UB / CEO Expectations</p>	<p>Updates as needed: UPAC Assignments</p>
<b>March 19, 2025</b>	<p><b>ER:1-3</b> Utilities Board Expected Results Year End Performance –Scorecard (P) (Annual) – SPG Sr. Analyst</p> <p><b>I-4</b> Risk Management (F) (Annual City Auditor Report) – Strategic Planning and Governance Specialist</p> <p><b>I-8</b> Asset Protection (F) (Semi-annual) – Strategic Planning and Governance Specialist</p> <p><b>E-2</b> UB/CEO Partnership Expectations – CEO Responsibilities (Monthly) - UB Administrator</p>	<p>Year-end CEO Performance Executive Session</p> <p>Updates as Needed: UPAC Assignments</p>
<b>April 16, 2025</b>	<p><b>I-2</b> Financial Condition and Activities (to include Contracts Over \$500K**) G-7 (F) (Quarterly Oct-Dec) – Strategic Planning and Governance Specialist</p> <p><b>I-12</b> Environmental Stewardship (SP) (Annual) – Strategic Planning and Governance Specialist</p> <p><b>E-2</b> UB/CEO Partnership Expectations – CEO Responsibilities (Monthly) - UB Administrator</p>	<p>ECA / GCA Quarterly Filing Discussion</p> <p>Updates as Needed: UPAC Assignments</p>
<b>May 21, 2025</b>	<p><b>I-2</b> Financial Condition and Activities - Annual City Auditors Report G-7 (F) (Annual external) – SPG Public Affairs Specialist</p> <p><b>I-2</b> Financial Condition and Activities (to include Contracts Over \$500K**) G-7 (F) (Quarterly Jan-March) – SPG Public Affairs Specialist</p> <p><b>I-8</b> Asset Protection - Annual City Auditors Report (F) – Strategic Planning and Governance Specialist</p> <p><b>E-2</b> UB/CEO Partnership Expectations – CEO Responsibilities (Monthly) - UB Administrator</p>	<p>Updates as Needed: UPAC Assignments</p>
<b>June 18, 2025</b>	<p><b>E-2</b> UB/CEO Partnership Expectations – CEO Responsibilities (Monthly) - UB Administrator</p>	<p>ECA / GCA Quarterly Filing Discussion</p> <p>ECA / GCA Annual Filing Discussion</p> <p>Updates as Needed: UPAC Assignments</p>

**Reviewing Committees:** SP = Strategic Planning, F = Finance, P = Personnel, PMR = Program Management Review

## 2025 Utilities Board Agenda Planning Calendar

Utilities Board Meeting Date	Compliance Reports (CR) details	Other Reported Information
<b>July 16, 2025</b>	<b>I-3</b> Financial Planning & Budgeting G-8 (F) (Annual) – Strategic Planning and Governance Specialist <b>E-2</b> UB/CEO Partnership Expectations – CEO Responsibilities (Monthly) - UB Administrator	Financial Planning / Budgeting Presentation  Updates as Needed: UPAC Assignments
<b>August 20, 2025</b>	<b>I-2</b> Financial Condition and Activities (to include Contracts Over \$500K**) G-7 (F) (Quarterly April-June) – SPG Public Affairs Specialist <b>I-4</b> Risk Management (F) (Semi-annual) – Strategic Planning and Governance Specialist <b>I-8</b> Asset Protection (F) (Semi-annual) – Strategic Planning and Governance Specialist <b>E-2</b> UB/CEO Partnership Expectations – CEO Responsibilities (Monthly) - UB Administrator <b>ER:1-3</b> Utilities Board Expected Results – Mid-year Scorecard and CEO Performance Results G-4 (P) (Annual) – SPG Manager	Preliminary 2026 Budget and Rates Presentation  Updates as Needed: UPAC Assignments  Mid-year CEO Performance Executive Session
<b>September 17, 2025</b>	<b>I-7</b> Water Supply Management (SP) (Annual) – SPG Public Affairs Specialist <b>I-9</b> Treatment of Customers and Customer Information (SP) (Annual) – Strategic Planning and Governance Specialist <b>E-2</b> UB/CEO Partnership Expectations – CEO Responsibilities (Monthly) - UB Administrator	ECA / GCA Quarterly Filing Discussion  Updates as Needed: UPAC Assignments
<b>October 22, 2025</b>	<b>I-10</b> Treatment of Staff (P) (Annual) – Strategic Planning and Governance Specialist <b>I-11</b> Compensation & Benefits G-9 (P) (Annual) – Strategic Planning and Governance Specialist <b>E-2.8</b> Emergency CEO Succession (P) (Annual) – Strategic Planning and Governance Specialist <b>E-2</b> UB/CEO Partnership Expectations – CEO Responsibilities (Monthly) - UB Administrator	Updates as Needed: UPAC Assignments
<b>November 19, 2025</b>	<b>I-2</b> Financial Condition and Activities (to include Contracts Over \$500K**) G-7 (F) (Quarterly July-Sep) – SPG Public Affairs Specialist <b>E-2</b> UB/CEO Partnership Expectations – CEO Responsibilities (Monthly) - UB Administrator	ECA / GCA Quarterly Filing Discussion  Updates as Needed: UPAC Assignments
<b>December 17, 2025</b>	<b>I-1</b> Pricing of Services G-5, G-6 (F) (Annual) – Strategic Planning and Governance Specialist <b>E-2.3</b> Organizational Oversight – Compliance Frequency and Method (SP) (Annual) – Strategic Planning and Governance Specialist <b>P-1.2</b> 2025 Annual Planning Calendar (SP) – UB Administrator <b>P-5.4</b> 2025 Committee Work Plans – UB Administrator <b>P-5.4</b> 2025 CEO Performance Plan – UB Administrator <b>P-5.4</b> 2025 BER Scorecard – SPG Sr. Analyst <b>E-2</b> UB/CEO Partnership Expectations – CEO Responsibilities (Monthly) - UB Administrator	Updates as Needed: UPAC Assignments

**Reviewing Committees:** SP = Strategic Planning, F = Finance, P = Personnel, PMR = Program Management Review



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# **2024 Committee Accomplishments and Draft 2025 Work Plan**

**Natalie Watts**

**Manager – Strategic Planning and Governance**

# Purpose of Strategic Planning Committee

The Excellence in Governance and Policy Manual defines the work of the Strategic Planning Committee:

“The Strategic Planning Committee reviews performance and compliance with UB policies and guidelines and recommends the Strategic Plan and vision and Board Expected Results, developed jointly with the CEO and the Utilities Board.”





# Strategic Planning Committee

## 2024 Accomplishments

Brian Risley, Dave Donelson, Mike O'Malley, David Leinweber and Michelle Talarico

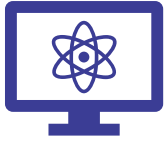
### Focus Areas Completed

- ✓ Completed a joint meeting with the Finance Committee in May
- ✓ Governance Manual revisions & UPAC Bylaws changes
- ✓ Watershed Policy: North Slope Recreation Area
- ✓ Update on the Customer Experience Strategic Initiative
- ✓ Water and wastewater system extension policy
- ✓ Economic development activity updates
- ✓ Gov. Polis' stance on green energy & its impact on Colorado Springs Utilities
- ✓ Integrated resource plan (IRP) true ups and schedules
- ✓ 5-year summary and prioritization
- ✓ Financial considerations for the 2025 budget
- ✓ Undergrounding discussion
- ✓ Scorecard results
- ✓ Technology roadmap
- ✓ Regionalization of water and wastewater services
- ✓ Watershed recreation plan
- ✓ Naming of the Miskel Reservoir

### • **Excellence in Governance Policy**

#### **Compliance Reports:**

- Policy Governance Monitoring Report Frequency and Method (E-2.3)
- Annual Board Agenda Planning Calendar (P-1.2)
- Economic Development (I-5)
- Infrastructure (I-6)
- Annual Board Evaluation (C-2)
- Water Supply Management (I-7)
- Treatment of Customers and Customer Information (I-9)
- Environmental Stewardship (I-12)
- Community Investment (I-13)



# Strategic Planning Committee

## Draft 2025 Work Plan

Brian Risley, Dave Donelson, Mike O'Malley, David Leinweber and Michelle Talarico

### Focus Areas

- Integrated resource planning (IRP) updates for all four services
  - I-7 Water Supply Management policy update
- 2026 Enterprise Balanced Scorecard
- 2026 Strategic Plan
- Watershed recreation policy
- Joint workshop with Finance Committee
- Comprehensive planning efforts
- Nuclear site certification
- Strategic sourcing strategy

### Ongoing

- UPAC nuclear generation assignment
- Aging infrastructure funding and reliability
- Economic development updates
- Strategic initiatives updates
  - Enhance outage management communications

**QUESTIONS?**

Meeting Date	Topics
January 21	Compliance Reports: <ul style="list-style-type: none"> <li>• I-6 Infrastructure</li> </ul> Presentations: <ul style="list-style-type: none"> <li>• 2025 Detailed Work Plan Review</li> <li>• Electric Integrated Resource Plan &amp; Schedule</li> <li>• Economic Development</li> </ul>
February 18	Compliance Report: <ul style="list-style-type: none"> <li>• I-13 Community Investment</li> </ul> Presentation: <ul style="list-style-type: none"> <li>• UPAC update</li> <li>• Nuclear Site Certification</li> <li>• Customer Experience Roadmap</li> <li>• I-7- Water Supply Management Policy</li> <li>• Economic Development</li> </ul>
March 18	Compliance Reports <ul style="list-style-type: none"> <li>• ER: 1-3 Board Expected Results Scorecard: 2024 Balanced Scorecard Metrics Review</li> </ul> Presentation: <ul style="list-style-type: none"> <li>• Strategic Sourcing Strategy</li> <li>• Economic Development</li> </ul>
April 15	Compliance Reports: <ul style="list-style-type: none"> <li>• I-12 Environmental Stewardship</li> </ul> Presentation: <ul style="list-style-type: none"> <li>• Water Integrated Resource Plan &amp; Schedule</li> <li>• Economic Development</li> </ul>
May (TBD)	Presentation: <ul style="list-style-type: none"> <li>• Joint SPC/Finance Committee Workshop</li> </ul>
June 17	Presentation: <ul style="list-style-type: none"> <li>• Watershed Recreation Policy</li> <li>• Economic Development</li> </ul>
July 15	Presentation: <ul style="list-style-type: none"> <li>• Provide Overview of Utilities Comprehensive Planning Effort</li> <li>• Economic Development</li> </ul>
August 19	Compliance Reports:



Meeting Date	Topics
	<ul style="list-style-type: none"> <li>• ER: 1-3 Board Expected Results Scorecard: 2025 Balanced Scorecard Mid-Year Results</li> </ul> Presentation: <ul style="list-style-type: none"> <li>• Water Supply</li> <li>• Aging Infrastructure Funding &amp; Reliability</li> <li>• Economic Development</li> </ul>
September 16	No meeting due to Chamber and EDC's DC Fly In
October 21	Compliance Reports: <ul style="list-style-type: none"> <li>• I-7 Water Supply Management</li> <li>• I-9 Treatment of Customers and Customer Information</li> </ul> Presentation: <ul style="list-style-type: none"> <li>• IT Roadmap</li> <li>• Artificial Intelligence (AI)</li> <li>• Economic Development</li> </ul>
November 18	Compliance Reports: <ul style="list-style-type: none"> <li>• ER: 1-3 2026 CEO Performance Plan and Board Expected Results Scorecard</li> <li>• E-2.3 Compliance Report Frequency and Method of Inspection</li> <li>• P-1.2 2026 Annual Planning Calendar</li> <li>• P-5.4 2025 Committee Work Plan</li> </ul> Presentation: <ul style="list-style-type: none"> <li>• Draft 2026 Enterprise Balanced Scorecard</li> <li>• UPAC update</li> <li>• Economic Development</li> </ul>
December 16	No meeting unless topics identified



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# Proposed 2025 Balanced Scorecard

Natalie Watts

# CEO Performance Plan

## Background

- Combination of CEO leadership competencies + enterprise Balanced Scorecard (BSC)
- An agreement between the CEO and the Utilities Board (UB) outlining the CEO's priorities and outcomes
- Measures enterprise and CEO performance
- BSC results reported quarterly to CEO Leadership Team and semi-annually to the UB
- CEO leadership competencies rated semi-annually by UB
- Approved by the UB in November for the coming year



# Approach to Updating the Balanced Scorecard

- Gauge the appropriate measures
- Use mix of leading versus lagging indicators
- Determine what or who is best to measure against
- Make targets achievable yet challenging
- Review and input
  - September-October 2024:
    - Colorado Springs Utilities leadership
  - November 2024:
    - Strategic Planning Committee
    - Utilities Board



# Proposed 2025 Balanced Scorecard

- 50% of CEO Performance Plan
- A key element of the Kaplan Norton Balanced Scorecard strategic planning model
- Supports Board's strategic focus on rates, reliability and relationships
- Measures performance in achieving Strategic Objectives
- Results reported to Utilities leadership quarterly
- Results reported to Utilities Board semi-annually

# Proposed 2025 CEO Performance Plan

Proposed 2025 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	2	3	4	5		
						Does Not Meet Expectations	Partially Meets Expectations	Meets Expectations	Exceeds Expectations	Far Exceeds Expectations		
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		
			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		
			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		
			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		
			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		
			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		
			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		
			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		
			9. Days Cash on Hand - Current Year		2.5	<140 days	140 - 150 days	151 - 160 days	161 - 180 days	>180 days		
			10. Days Cash on Hand - 3 Year Average		2.5	<140 days	140 - 150 days	151 - 160 days	161 - 180 days	>180 days		
			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		
			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		
			13. Debt Ratio - Current Year		2.5	>66.3% >61.1%	56.3 – 54.3% 61.0 - 59.6%	54.2 – 50.2% 59.5 - 55.0%	50.1 54.9 - 48.1%	<48.1%		
			14. Debt Ratio - 3 Year Average		2.5	>66.3% >61.1%	56.3 – 54.3% 61.0 - 59.6%	54.2 – 50.2% 59.5 - 55.0%	50.1 54.9 - 48.1%	<48.1%		
	15. Bond Rating	5.0 7.0	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)					
	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		
			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		
			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		
			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		
	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		
			21. Customer Satisfaction - Business		3.0	< 1.50	1.50 - 2.49	2.50 - 3.49	3.50 - 4.49	> 4.49		
		Support our Community	22. Environmental Index	Lisa Barbato	3.0	< 65.00	65.00 – 74.99	75.00 – 85.99	86.00 – 94.99	> 94.99		
			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
					24. Workforce Index		3.0	< 1.50	1.50 - 2.69	2.70 - 3.49	3.50 - 4.60	> 4.60
CEO Leadership Competencies Evaluation 50% of Results			Balances Stakeholders	Chief Executive Officer	10.0	Ratings assigned by the Utilities Board						
						Strategic Mindset	10.0	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
								<2.00	2.00 - 2.99	3.00 - 3.74	3.75 - 4.49	>4.49
								<2.00	2.00 - 2.99	3.00 - 3.74	3.75 - 4.49	>4.49
<2.00	2.00 - 2.99	3.00 - 3.74	3.75 - 4.49	>4.49								
Drives Results	10.0	<2.00	2.00 - 2.99	3.00 - 3.74	3.75 - 4.49	>4.49						
		<2.00	2.00 - 2.99	3.00 - 3.74	3.75 - 4.49	>4.49						
Builds Effective Teams	10.0	<2.00	2.00 - 2.99	3.00 - 3.74	3.75 - 4.49	>4.49						
		<2.00	2.00 - 2.99	3.00 - 3.74	3.75 - 4.49	>4.49						
Drives Engagement	10.0	<2.00	2.00 - 2.99	3.00 - 3.74	3.75 - 4.49	>4.49						
		<2.00	2.00 - 2.99	3.00 - 3.74	3.75 - 4.49	>4.49						

# Proposed 2025 CEO Competencies – No changes recommended

- 50% of CEO Performance Plan
- Evaluated by the Board semi-annually
- Recommend no changes to CEO Competencies
- Five competencies with equal weight (10% each)
- Proposed 2025 (same as 2024)

- Builds Effective Teams
- Ensures Accountability
- Drives Engagement
- Balances internal/  
external stakeholders
- Strategic mindset



# Proposed 2025 Enterprise Balanced Scorecard

## Strategic Focus Areas Weighting (no change)

- Rates - 40%
- Reliability - 40%
- Relationships - 20%

## Rates

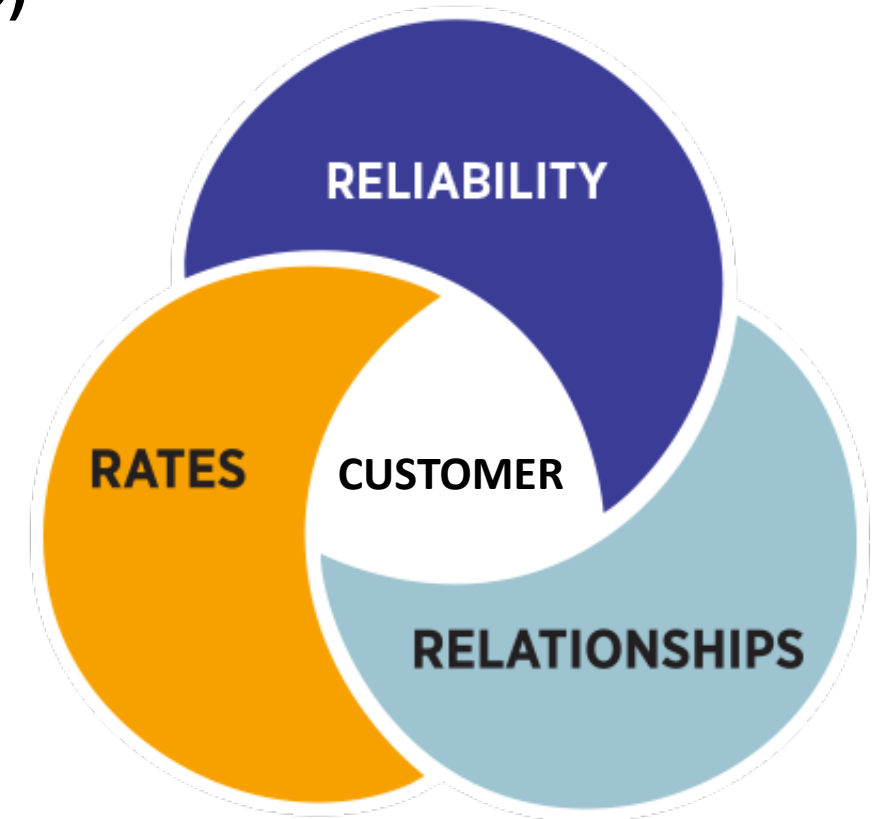
- Proposed changes on next slide

## Reliability Focus Area

- No proposed changes

## Relationships Focus Area

- No proposed changes





# Proposed 2025 Enterprise Balanced Scorecard: Rates

## Rates Focus Area

- Remove Industrial Electric-Intensive Customer Bill – Front Range Comparison measure
- Remove Industrial Electric - Nationwide Comparison measure
- Re-allocate those points to the Bond Rating measure increasing from 5% to 7%
- Adjust target and ratings for Current Year and 3-year Average Debt Ratio measures due to planned changes in bond funding strategy for capital projects





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## Proposed 2025 Colorado Springs Utilities Enterprise Balanced Scorecard

The Balanced Scorecard measures the organization's performance in achieving enterprise Strategic Objectives

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
<b>Rates 40%</b>	<b>Financial Accountability</b>	1. Residential Electric Service - Front Range Comparison	<b>Tristan Gearhart</b>	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
		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
		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
		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
		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
		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
		7. Days Cash on Hand - Current Year		2.5	<140 days	140 - 150 days	151 - 160 days	161 - 180 days	>180 days
		8. Days Cash on Hand - 3 Year Average		2.5	<140 days	140 - 150 days	151 - 160 days	161 - 180 days	>180 days
		9. 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
		10. 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
		11. Debt Ratio - Current Year		2.5	>61.1%	61.0 - 59.6%	59.5 - 55.0%	54.9 - 48.1%	<48.1%
		12. Debt Ratio - 3 Year Average		2.5	>61.1%	61.0 - 59.6%	59.5 - 55.0%	54.9 - 48.1%	<48.1%
		13. Bond Rating		7.0	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)
<b>Reliability 40%</b>	<b>Operational Excellence</b>	14. Electric - SAIDI - Interruptions in minutes per year	<b>Somer Mese</b>	10.0	> 57.50 minutes	57.50 – 52.51 minutes	52.50 – 47.51 minutes	47.50 – 42.50 minutes	< 42.50 minutes
		15. 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
		16. 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
		17. 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
<b>Relationships 20%</b>	<b>Focus on the Customer</b>	18. Customer Satisfaction - Residential	<b>Mike Francolino</b>	3.0	< 1.50	1.50 - 2.49	2.50 - 3.49	3.50 - 4.49	> 4.49
		19. Customer Satisfaction - Business		3.0	< 1.50	1.50 - 2.49	2.50 - 3.49	3.50 - 4.49	> 4.49
	<b>Support our Community</b>	20. Environmental Index	<b>Lisa Barbato</b>	3.0	< 65.00	65.00 – 74.99	75.00 – 85.99	86.00 – 94.99	> 94.99
		21. Safety: Occupational Injuries and Illnesses Rate		<b>Renee Adams</b>	8.0	> 20% Above Benchmark	10.01 - 20% Above Benchmark	+/-10% of Benchmark	10.01 - 20% Below Benchmark
<b>Enable Employee Empowerment</b>	22. Workforce Index	3.0	< 1.50		1.50 - 2.69	2.70 - 3.49	3.50 - 4.60	> 4.60	



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# 2025 Strategic Plan Update

Bethany Schoemer, Strategic Planning and Governance

# Utilities Board Partnership Expectations



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## EXCELLENCE IN GOVERNANCE POLICY MANUAL

Revised: June 18, 2024

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

1. The Utilities Board, in its discretion, is empowered to adopt written governance policies and guidelines for the Chief Executive Officer.
2. The Utilities Board and the Chief Executive Officer work in partnership to achieve excellence in governance to attain long-term organizational sustainability. They work jointly to set the strategic direction and vision for the enterprise.

# Colorado Springs Utilities Strategic Plan

- The strategic plan outlines our organization's focus areas, mission, vision, values, strategic objectives, strategic initiatives and enterprise scorecard.
- There was a significant update to the enterprise strategic plan in 2023.
- It is best practice to review the strategic plan annually to ensure it continues to align with the direction of the organization.



TODAY WE WORK  
— FOR —  
TOMORROW

**STRATEGIC PLAN**  
EFFECTIVE JAN. 1, 2023

# Colorado Springs Utilities Strategy Map



## Utilities Board Focus Areas: *Rates, Reliability, Relationships*

<b>OUR MISSION</b>	<b>Provide safe, reliable, and competitively-priced utilities to our customers.</b>				
<b>OUR VISION</b>	<b>Ready for today, prepared for a sustainable future.</b>				
<b>OUR VALUES</b>	<b>Safety, People, Trust, Responsibility, Collaboration, Continuous Improvement</b>				
<b>STRATEGIC OBJECTIVES</b>	<b>Operational Excellence</b>	<b>Focus on the Customer</b>	<b>Financial Accountability</b>	<b>Support our Community</b>	<b>Enable Employee Empowerment</b>
<b>2025 STRATEGIC INITIATIVES</b>	Optimize business processes  Develop enterprise prioritization framework	Enhance outage management communication	Align long-term financial plans	Implement Energy Wise	Promote safety maturity excellence

# Strategic Objectives

## Current Objectives

- Deliver quality utilities
- Focus on the customer
- Support our community
- Financial accountability
- Enable employee empowerment



## Proposed Changes to Objectives

- **Operational excellence**
- Focus on the customer
- Support our community
- Financial accountability
- Enable employee empowerment



# Operational Excellence

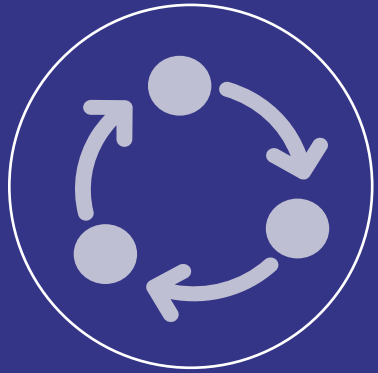
*Uphold a culture of service reliability and create a standard of excellence focused on continuous improvement and organizational efficiency.*

**Why it matters:** This objective is the core of our business and mission.

**What it entails:**

- Provide reliable water, wastewater, gas and electric services to our customers.
- Invest in infrastructure improvements to ensure sustainability.
- Adopt innovative technologies and manage our utilities' assets.
- Commit to prudent environmental stewardship.
- Create the greatest value by optimizing resources and improving productivity.





### Optimize Business Processes

Strategic Objective:  
Operational Excellence



### Enhance Outage Management Communication

Strategic Objective:  
Focus on the Customer



### Promote Safety Maturity Excellence

Strategic Objective:  
Enable Employee Empowerment



### Align Long-Term Financial Plans

Strategic Objective:  
Financial Accountability



### Develop Enterprise Prioritization Framework

Strategic Objective:  
Operational Excellence



### Implement Energy Wise

Strategic Objective:  
Support our Community

## Enterprise Strategic Initiatives

# Next Steps



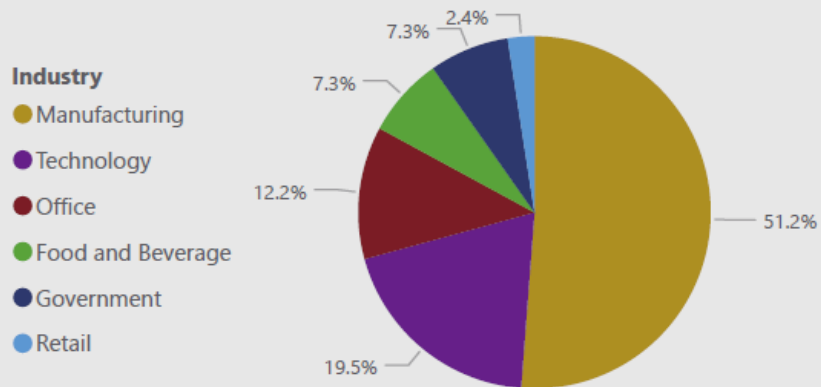
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# Economic Development Program Dashboard (January - October 2024)

## Opportunities by Industry

Prospect Total - 41

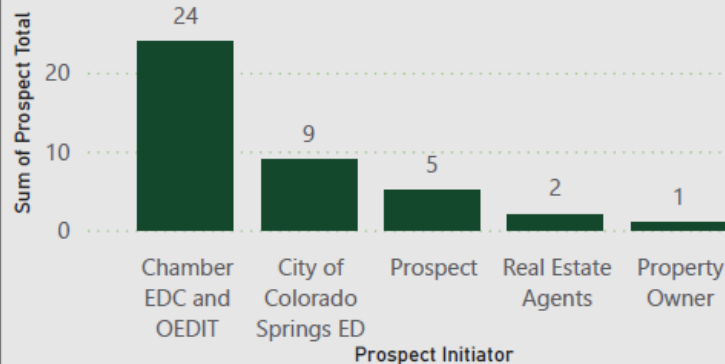


## Prospects Summary

2024 Prospects - 41  
 Estimated Job Impacts - 5088  
 Estimated Capital Investment - \$5.694 Billion  
 Carryover Prospects 2021 - 2023 - 4  
 Carryover Prospects Job Impacts - 785  
 Carryover Projects Capital Investment - \$1.7 Billion

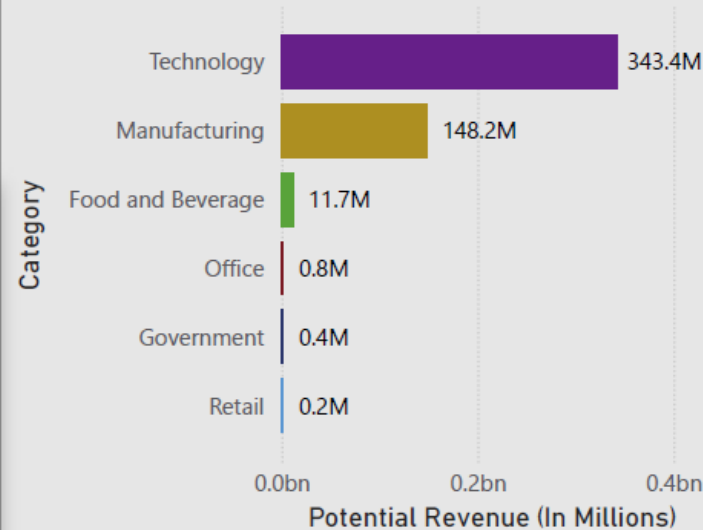
## Prospect Total by Initiator

Prospect Total - 41



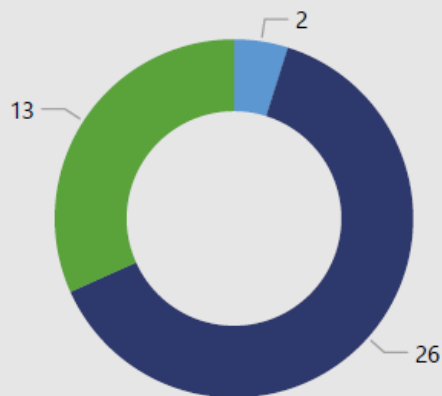
## Potential Revenue by Industry

Prospect Total - 41



## Opportunities by Type

Greenfield Prospects, Infill Prospects, and Customer Expansions



## Business Retention Visits

In-Person Meetings - 66  
 Virtual Meetings - 84

## Economic Development Results

Rapid Response and Announcements



## Potential Megawatts by Industry

Prospect Total - 41

