

AGENDA

Wednesday, November 20, 2024

1:00 p.m.

[Click here to join the meeting](#)

Or call in (audio only)

[+1 719-733-3651,,780314814#](#)

- | | | |
|------------------|--|--|
| 1:00 p.m. | 1. Call to Order | Chair Donelson |
| 1:05 p.m. | 2. Invocation and Pledge of Allegiance | Chair Donelson |
| 1:10 p.m. | 3. Executive Session: Colorado River Issues Update
In accordance with City Charter art. III, § 3-60(d) and its incorporated Colorado Open Meetings Law, C.R.S. § 24-6-402(4)(b) and (e) and Utilities Board Bylaws Rules 10(c)(2) and 10(c)(6) the Utilities Board, in Open Session, is to determine whether it will hold a Closed Executive Session on one issue. The issue to be discussed involves conferences with the City Attorney's Office and outside counsel for the purpose of receiving legal advice and determining positions related to negotiations regarding the Colorado River.

The City Attorney's Office, on behalf of the Chair of the Utilities Board, shall poll the Utilities Board members, and, upon consent of two-thirds of the members present, may conduct a Closed Executive Session. In the event any Utilities Board member is participating electronically or telephonically in the Closed Executive Session, each Utilities Board member participating electronically or telephonically in the Closed Executive Session shall affirmatively state for the record that no other member of the public not authorized to participate in the electronic Closed Executive Session is present or able to hear the matters discussed as part of the Closed Executive Session. If consent to the Closed Executive Session is not given, the item may be discussed in Open Session or withdrawn from consideration. | Renee Congdon,
Utilities Division
Chief, City Attorney's
Office |
| 1:40 p.m. | 4. Colorado River Issues Update
<u>Informational presentation</u> on Colorado River issues. | David Robbins,
Hill & Robbins, P.C. |
| 2:10 p.m. | 5. Consent Calendar
These items will be acted upon as a whole unless a specific item is called for discussion by a Board Member or a citizen wishing to address the Utilities Board. (Any items called up for separate consideration shall be acted upon following Compliance Reports.) | Chair Donelson |

Approval of Oct. 16, 2024, Utilities Board meeting minutes

2:15 p.m.	6. Customer Comments	<ul style="list-style-type: none"> • During the customer comment period, comments are accepted for any topic not on the agenda. • Comments for specific agenda items will be taken following the presentation of the item and the Board’s discussion. • Comments will be limited to three minutes per speaker, per item. • Following the comments from customers who have signed up to speak, an announcement will be made seeking additional comments and the Board will accept all those wishing to comment. 	Chair Donelson
2:20 p.m.	7. Recognition	<ul style="list-style-type: none"> • 2024 Alice Darilek Water Conservation Award • American Public Power Association (APPA) award for the Utility Wise booklet 	<p>Abigail Ortega, General Manager, Infrastructure and Resource Planning</p> <p>Jay Anderson, Communications Manager</p>
2:50 p.m.	8. Compliance Reports:	<ul style="list-style-type: none"> • E-2.3 - 2024 Policy Governance Monitoring Report Frequency and Method • I-1 Pricing of Services G-5, G-6 • I-2 Financial Condition & Activities (Quarterly July-September) • P-1.2 2025 Annual Planning Calendar <p>E-2 CEO/Board Partnership Responsibilities</p> <ul style="list-style-type: none"> • Water Outlook • Electric Cost Adjustment / Gas Cost Adjustment Monitoring 	Travas Deal, Chief Executive Officer
3:00 p.m.	9. Items Called Off Consent Calendar		Chair Donelson
3:10 p.m.	10. Safety Improvement Focus	<p><u>Informational presentation</u> about an innovation in safety.</p>	<p>Mike Myers, Safety and Health Manager</p> <p>John Rombeck, Line Specialist</p> <p>Mario Sanchez, Line Specialist</p>
3:20 p.m.	11. G14: Wastewater Backup Assistance Program	<p><u>Vote</u> to approve the G-14, Wastewater Backup Assistance Guideline.</p>	Sommer Mese, Chief Operations Officer
3:25 p.m.	12. I-11 Compensation and Benefits Compliance Report Update	<p><u>Vote</u> to approve changes to the I-11 Compensation and Benefits Compliance Report.</p>	Renee Adams, Chief Human Resources Officer

3:30 p.m.	13. Open Access Transmission Tariff Update for Interconnections <u>Informational presentation</u> regarding proposed City Council approval of the Open Access Transmission Tariff (OATT).	Tristan Gearhart, Chief Planning and Finance Officer
3:45 p.m.	14. Project COPE Funding <u>Informational presentation</u> regarding funding for Project COPE.	Tristan Gearhart, Chief Planning and Finance Officer
3:55 p.m.	15. Real Estate Code Changes <u>Informational presentation</u> regarding proposed City Council approval to modify Real Estate Code Changes.	Jessica Davis, Technology and Facility Project Management Manager
4:10 p.m.	16. P-5.4 2024 Committee Accomplishments <u>Informational presentation</u> not requiring a vote.	Natalie Watts, Manager of Strategic Planning and Governance
4:20 p.m.	17. P-5.4 2025 Committee Work Plans <u>Vote</u> to approve the P-5.4 2025 Committee Work Plans.	Natalie Watts, Strategic Planning and Governance Manager
4:35 p.m.	18. Proposed 2025 Chief Executive Officer Performance Plan <u>Vote</u> to approve the 2025 CEO Performance Plan.	Natalie Watts, Strategic Planning and Governance Manager
4:50 p.m.	19. 2025 Strategic Plan Update <u>Vote</u> to approve the 2025 Strategic Plan.	Natalie Watts, Strategic Planning and Governance Manager
5:05 p.m.	20. Board Member Updates	Board of Directors
5:10 p.m.	21. Summary of Board Actions	Gail Pecoraro, Utilities Board Administrator
5:15 p.m.	22. Adjournment	Chair Donelson



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

Colorado River Issues

David Robbins, Legal Counsel

November 20, 2024

Colorado River Basin

Upper Colorado River Basin

- Colorado
- New Mexico
- Utah
- Wyoming

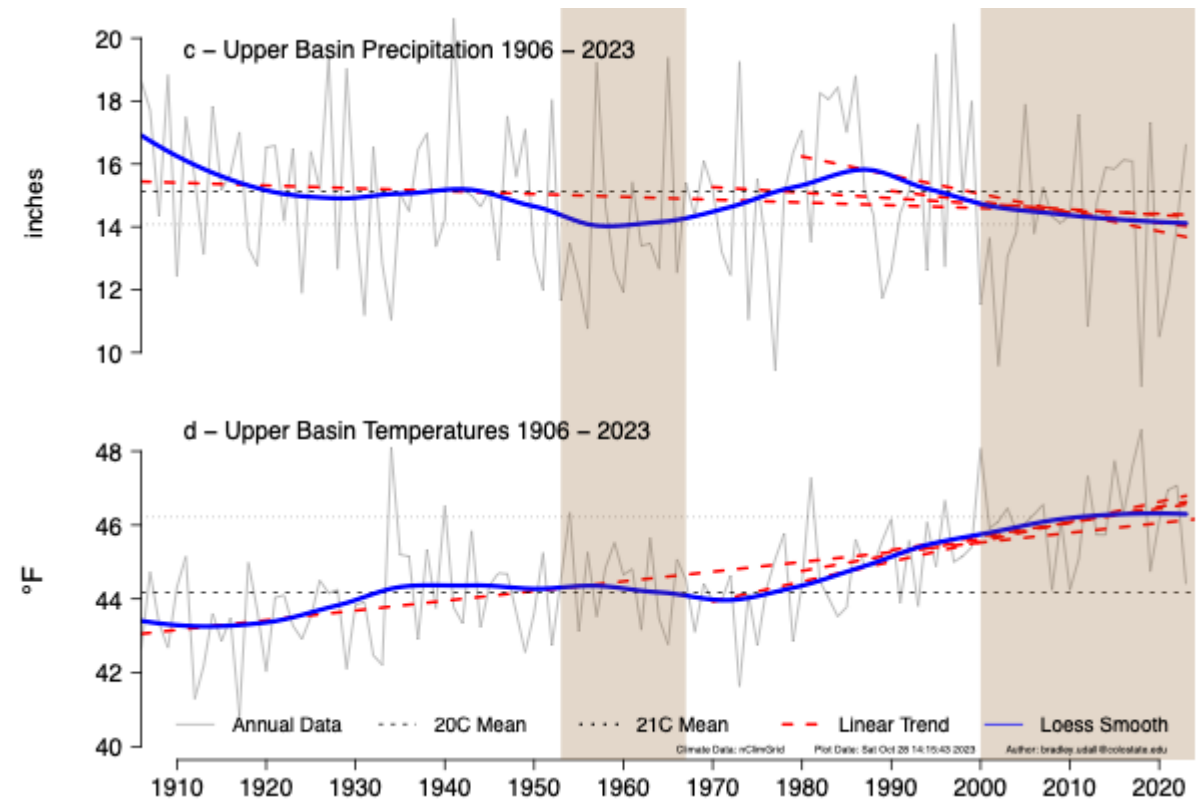
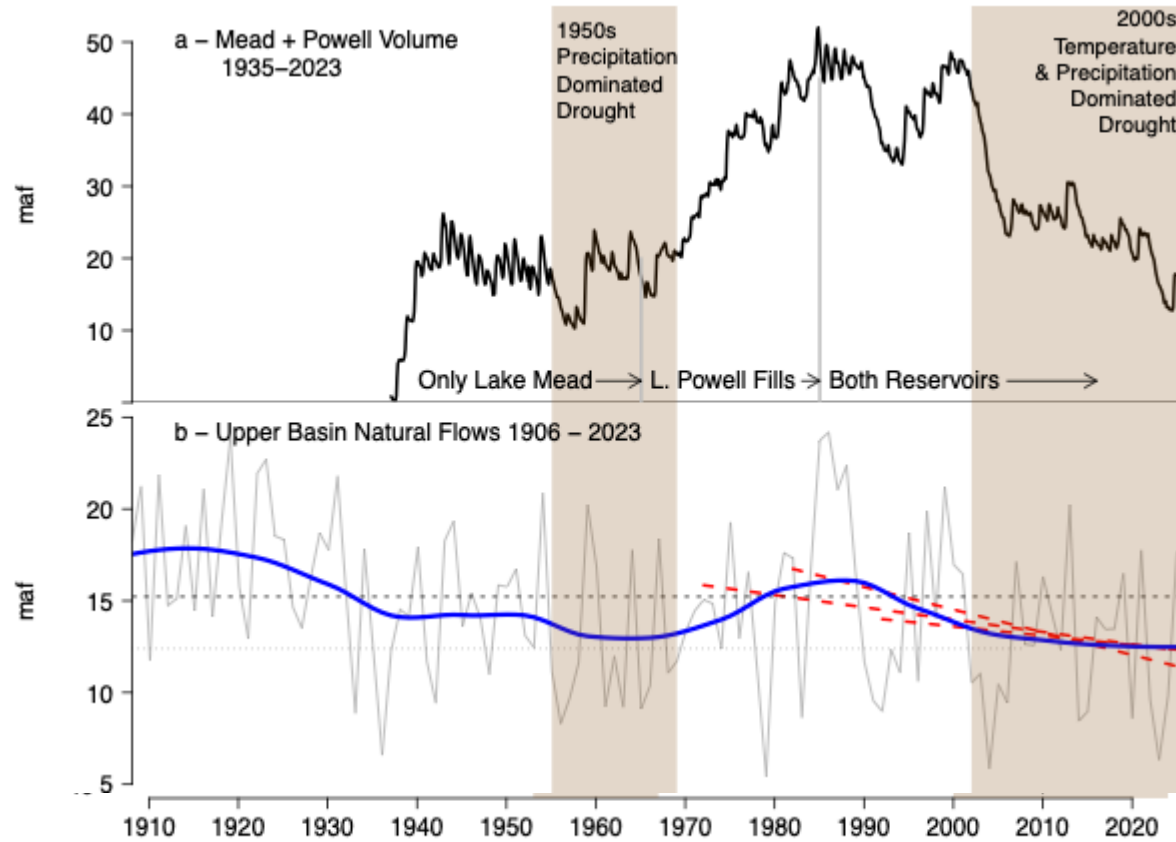
Lower Colorado River Basin

- Arizona
- California
- Nevada



Figure 1. The domain of the Colorado River Basin with adjacent areas that receive Colorado River water. Adapted from United States Geological Survey, 2012 (accessed online 11/14/2011; USBR, 2012).

Hydrologic Trends



“New plot using the nClimGrid data, which is a better source than PRISM for long-term trends... – Brad Udall, Coyote Gulch, Natural curtailment in the #ColoradoRiver Basin

MINUTES

Colorado Springs Utilities Board Meeting Monday, October 16, 2024

Utilities Board members present via Microsoft Teams or Blue River Conference Room:

Chair Dave Donelson, Vice Chair Yolanda Avila, Randy Helms, Nancy Henjum, David Leinweber, Mike O'Malley and Michelle Talarico

Utilities Board Members Excused:

Lynette Crow-Iverson and Brian Risley

Staff members present via Microsoft Teams or Blue River Conference Room:

Travas Deal, Renee Adams, Tristan Gearhart, and Somer Mese, Tyler Benton, Steve Berry, Jenny Bishop, Nathan Bloomfield, Connie Brown, Sorimar Brown, Becki Cadis, Thad Clardy, Erin Duran, Natalie Eckhart, Brian Fergen, AJ Fink, Jennier Franceschelli, Kim Girling, Jason Green, Kelly Guisinger, Lisa Halcomb, Diana Harmon, Adam Hegstrom, Eric Isaacson, Tyrone Johnson, Jennifer Jordan, Tara Kelley, Sabrina Kleinheitz, Brenda Koskey, Sarah LaBarre, Birgit Landon, Amy Lewis, Natalie Lovell, Mike Maksimowicz, Patrick Malone, Jared Miller, Angelia Mora, Christian Nelson, Danielle Nieves, Dan Norton, Jacqueline Nunez, Chris Olney, Abigail Ortega, Terrance Packard, David Padgett, Maria Pastore, Gail Pecoraro, David Reeve, Chris Robinson, Jeff Rowbotham, Bethany Schoemer, Scott Shirola, Leslie Smith, April Speake, Joshua Stroud, Matthew Thieme, Amy Trinidad, Jennifer Valdois, Natalie Watts, Michelle Wills-Hill, Connie Wilson, Kyle Wilson and Jane Zook

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

David Beckett, Chris Bidlack, Renee Congdon, Bria Cunningham, Travis Easton, Michael Gustafson, Elli Harris-Mevis, Michael Montgomery, Jacqueline Rowland, Alex Ryden and Timothy Scheiderer

Citizens present via Microsoft Teams or Blue River Conference Room:

Albert Badeau, Balu Bhayani, Will Brown, Charles Conser, William Landin, Steven Rodriguez, Clint Skelly, Scott Smith and Mark Valentine

1. Call to Order

Chair Donelson called the Utilities Board meeting to order at 1:04 p.m., and Ms. Gail Pecoraro, Utilities Board Administrator, called the roll.

2. Invocation and Pledge of Allegiance

Mr. Tristan Gearhart, Chief Planning and Financial Officer, delivered the invocation and Board Chair Donelson led the Pledge of Allegiance.

3. Consent Calendar

Approval of Aug. 21, 2024, Utilities Board meeting minutes

The Consent Calendar was unanimously approved.

4. Customer Comments

There were no customer comments.

5. Recognition

- **Recent Designation as StormReady Organization**

Ms. Somer Mese, Chief Operations Officer, introduced Ms. Erin Duran, Emergency Management Program Manager. Ms. Duran introduced Mr. Clint Skelly, Warning Coordination Meteorologist, and Mr. Steven Rodriguez, Science and Operations Officer with the National Weather Service, who presented the StormReady award to Springs Utilities for their certification as a StormReady organization. Springs Utilities is one of less than a dozen utility organizations to receive this designation.

Board Chair Donelson said that Springs Utilities ratepayers should rest easy with the organization's designation as StormReady.

Board Member Henjum asked what is the most significant improvement that has happened since the December 2021 windstorm. Ms. Duran said that a dedicated 24/7 command storm center has been designated to handle these types of incidents.

- **U.S. Postal Service (USPS) Excellence in Innovation Award**

Mr. Dan Norton, General Manager of Customer Services, explained that in collaboration with KUBRA (the online payment system for Springs Utilities customers), Springs Utilities was awarded the prestigious USPS Excellence in Innovation and Creativity Award. Springs Utilities' award-winning mail piece combined personalization with vibrant promotional elements, setting a new benchmark in print communication. Members of the team included Brian Fergen, Terrance Packard, Sabrina Kleinheit, Jeff Rowbotham and Eric Isaacson.

Board Member Henjum asked what drove the team. Mr. Fergen said the driving force was meeting customer needs and putting forth a great product.

Vice Chair Avila stated how proud she was of the team on this award.

Board Chair Donelson also congratulated and thanked the team.

6. Compliance Reports

The I-7 Water Supply Management, I-9 Treatment of Customers and Customer Information, I-10 Treatment of Staff, I-11 Compensation & Benefits G-9, and E-2.8

Emergency CEO Succession Compliance Reports were included in the meetings materials packet.

The Personnel Committee reviewed the I-11 compliance report at their most recent meeting. The committee is proposing changes to the instruction, which will be reviewed at the November Utilities Board meeting.

Board Member Henjum thanked the organization for their good governance practices in developing their reports.

- E-2 CEO / Board Partnership Responsibilities
 - Water Outlook
 - Electric Cost Adjustment / Gas Cost Adjustment Monitoring
- These reports were provided in the meeting packet and there were no questions.

7. Items Called Off Consent Calendar

There were none.

8. Naming of Miskel Reservoir

Ms. Abigail Ortega, General Manager of Infrastructure and Resource Planning, explained that staff is recommending renaming the Lower Williams Creek Reservoir after Mr. Harold Miskel. Mr. Miskel was employed by Colorado Springs Utilities from 1966 to 1999 and served as president of Colorado Water Congress in the 1980s. During his career he was an integral part of securing water for the growing Colorado Springs community. For more than half a century he has been an active voice at the state legislature, helping with the development of water law, writing many bills and amendments that are foundations for water development in Colorado. Following his retirement from Colorado Springs Utilities, Mr. Miskel remained active in the water community, serving on the Colorado Water Conservation Board, the Southeastern Colorado Water Conservancy District Board and in 2016 was named the Way N. Aspinall Water Leader of the Year by the Colorado Water Congress.

Ms. Henjum asked where the Miskel Reservoir is located. Ms. Ortega stated that the reservoir is being developed southeast of Colorado Springs, along the Williams Creek drainage.

Ms. Talarico asked how large the proposed reservoir is, Ms. Ortega stated it is proposed to be 20,000 acre feet. The timing of construction of this is within the next 20 - 25 years.

Mr. Leinweber asked if the Bostrom Reservoir is more of a holding tank. Ms. Ortega said it will be a holding tank feeding the organization's wastewater treatment plants.

Mr. Charles Conser gave his support for the naming of the Miskel Reservoir.

Vice Chair Avila said that naming the reservoir is well deserved; and she supports future naming opportunities for women. Mr. Travas Deal, Chief Executive Officer, clarified that naming opportunities come from outside the organization (the Board and residents in the community).

Mr. Balu Bhayani spoke in support of renaming the reservoir to the Miskel Reservoir.

After head nod approval, this item will move forward to the Dec. 10, 2024, regular council meeting.

9. 2025 Municipal Government Street Lighting

Mr. Scott Shirola, Pricing & Rates Manager, explained Colorado Springs Utilities assesses and collects a street lighting service charge from the City for the provision of street lighting services. Additionally, City Code requires Colorado Springs Utilities to annually prepare a revenue requirement setting forth the amount that must be recovered for street lighting. The total street lighting budget for 2025 is \$5,085,796, an increase of 7% from 2024. The next step is to bring this to City Council on Nov. 12, 2024.

Mr. Leinweber asked if this covers lifecycle replacement and energy efficiency upgrades. Mr. Shirola stated the organization does replacements with LED bulbs, which is currently at 30% replacement.

Mr. Leinweber asked what was learned in 2008 when every other streetlight was turned off. Mr. Shirola stated there were actual savings. Mr. Gearhart said that it was a small savings from a utilities standpoint.

Mr. Leinweber asked what the estimated timeline is for replacing all streetlights with LEDs. Mr. Gearhart stated that this analysis has not been done other than to replace individual fixtures as they burn out.

Mr. Leinweber asked about the feasibility of residents adopting a streetlight for naming rights, and City Attorney Renee Congdon stated that there are other concerns and risks to consider.

After head nod approval, this item will move forward to the Nov. 12, 2024 regular City Council meeting on consent.

10. Ordinance Approving Letter of Credit

Mr. Adam Hegstrom, Treasury and Finance Manager, stated that on Sept. 17, 2024, Springs Utilities entered into a Precedent Agreement to lease capacity on a natural gas pipeline to be constructed by a third party. Under this agreement, the organization is obligated to deliver a standby, irrevocable Letter of Credit. A Request for Proposal (RFP) process has been completed, and execution of this agreement requires authorization from City Council.

Mr. Deal stated that this is a yearly appropriation because the City Charter states that one City Council cannot obligate another City Council.

After head nod approval, the proposed ordinance will move forward to the Nov. 26, 2024, City Council meeting. The item will be on consent for first reading.

11. Clear Creek Intergovernmental Agreement (IGA) Addendum

Mr. Tyler Benton, Water Resources Engineer, stated that in 2022, Springs Utilities entered into an IGA with the Pueblo Board of Water Works (PBWW) to investigate the feasibility of enlarging Clear Creek Reservoir. This reservoir is owned by PBWW and is located near Granite, CO, in Chafee County. The proposed IGA Addendum asks for continuation of investigations on the feasibility of an enlargement of the reservoir, including water quality monitoring. It sets forth respective rights and obligation of parties in the purchase of property and capital investments and adds options for developing wetland mitigation projects. The IGA Addendum clarifies the respective rights and obligations of the parties and corrects typographical errors. The Addendum will provide critical information to understand the feasibility of an expanded reservoir. The Addendum further authorizes the Chief Executive Officer (CEO) of Colorado Springs Utilities to sign the IGA Addendum and additional IGA addendums to be executed without requiring further approval by the Utilities Board and City Council.

Ms. Henjum asked how much space is used in the reservoir. Mr. Benton stated Springs Utilities currently uses no space in the Clear Creek Reservoir. This would require a 1041 permit.

After head nod approval, the Clear Creek IGA Addendum will move forward to the Oct. 22, 2024, City Council meeting on consent.

12. Drake Regulatory Asset

Ms. Natalie Lovell, Accounting Manager, stated this agenda item was discussed at the Finance Committee meeting Oct. 15, 2024. Ms. Lovell said Colorado Springs Utilities is seeing approval from City Council to increase the amount of the Martin Drake Power Plant regulatory asset that was established under Resolution 137-23 due to additional estimated costs for pollution remediation. These additional costs will be expensed over a 10-year period as they are incurred to help smooth the rate impact. With City Council approval, the proposed increase to the regulatory asset is \$3,000,000 for costs incurred in 2024 and continuing through 2025. The driver for this increase is the finding of asbestos.

After head nod approval, the Drake Regulatory Asset will move forward to the Dec. 10, 2024 City Council meeting on consent.

13. Board Member Updates

Board Member Helms gave an update on fiber installation on the north end of town. He said that repairs to landscaping have gone well. There have been no new issues.

Board Member Henjum said that she enrolled to participate in the pilot conservation program, and she had an audit two weeks ago. She will be making some irrigation changes in the future.

Vice Chair Avila provided an update from the October Personnel Committee meeting. She said that three compliance reports were reviewed. All reports indicate the CEO has complied with Board Instructions.

Board Member Talarico said the Program Review Committee start time has changed on Nov. 19. to 12:00 p.m.

Board Chair Donelson provided an update on the Oct. 2 UPAC meeting. Grant Public Utility District gave a presentation. The next meeting will be Nov. 6, 2024, with a planned presentation from the Utah Associated Municipal Power System (UAMPS). The December and January meetings have been set to develop recommendations for the Utilities Board.

Mr. Deal thanked Board Members for their continued support. Chair Donelson thanked Mr. Deal and the Officer Team for their work every day.

14. Summary of Board Actions

- Approval of the Utilities Board minutes from the Aug. 21, 2024, meeting.
- Naming of the Miskel Reservoir will move forward to the Dec. 10, 2024, regular City Council meeting.
- 2025 Municipal Government Street Lighting will move forward to the Nov. 12, 2024, regular City Council meeting.
- Ordinance Approving Letter of Credit will move forward to the Nov. 26, 2024, and Dec. 10, 2024, regular City Council meetings.
- Clear Creek Intergovernmental Agreement (IGA) Addendum will move forward to the Oct. 22, 2024, regular City Council meeting.
- Drake Regulatory Asset will move forward to the Dec. 10, 2024, regular City Council meeting.

15. Adjournment

The meeting adjourned at 2:16 p.m.

Board Memo Agenda Item

Staff Report

Date: (Date of Utilities Board Meeting)	November 20, 2024
To:	Utilities Board
From:	Travas Deal, Chief Executive Officer
Subject:	2024 Alice Darilek Water Conservation Award

NARRATIVE:

Desired Action: Choose only one	<input type="checkbox"/> Approval <input type="checkbox"/> Discussion <input checked="" type="checkbox"/> Information
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Executive Summary:	<p>Senior Conservation Specialist Diane Block won the 2024 Alice Darilek Water Conservation Award. The Alice Darilek Award recognizes an outstanding contributor to the water conservation field within the Rocky Mountain Section of the American Water Works Association (AWWA). It's named in honor of Alice Darilek whose dedicated work in New Mexico helped water conservation efforts throughout the region. The award is given annually to recognize a water conservation professional for exceptional performance and commitment to water conservation in the region.</p> <p>For more than seven years (19 total at Colorado Springs Utilities), Diane has been the guiding light in indoor water conservation. She has helped create some of the most exceptional, indoor programming we offer today. Her accomplishments include:</p> <ol style="list-style-type: none"> 1. A business customer assessment program to help customers learn why their water use doubled in a year (and fix the problem). 2. An affordable, multifamily retrofit program. By 2025, we will upgrade every affordable apartment complex in our service territory who desired support. 3. A submeter lending program to help strip malls learn the benefits of submetering before they take on the investment.
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Benefits:	Employee Engagement
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Board Policy: If this impacts one of the board policies, indicate that here.	N/A
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Cost / Budget: Include the projected cost or budget here.	N/A
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Affected Parties: This could include community groups, specific City Council Districts, other utilities, nonprofit organizations, certain neighborhoods, Colorado Springs Utilities employees, etc.	N/A
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Alternatives:	N/A
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Submitter:	Abigail Ortega	Email Address:	Ajortega@csu.org
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Division:	System Planning and Projects	Phone Number:	719.668.8748
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Department:	Infrastructure and Resource Planning	Date Submitted:	Sept. 23, 2024
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SPG Staff Use Only:	Consent Calendar <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	Item Number 7
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ITEMS SUBMITTED AFTER THE DEADLINE WILL BE POSTPONED UNTIL THE NEXT UTILITIES BOARD MEETING.

Board Memo Agenda Item Staff Report

Date: (Date of Utilities Board Meeting)	November 20, 2024
To:	Utilities Board
From:	Travas Deal, Chief Executive Officer
Subject:	American Public Power Association (APPA) award for Utility Wise booklet
NARRATIVE:	
Desired Action: Choose only one	<input type="checkbox"/> Approval <input type="checkbox"/> Discussion <input checked="" type="checkbox"/> Information
Executive Summary:	<p>Earlier this year, the Community Engagement team undertook the task of updating the informational packets for stakeholder tours. This involved collaborating with dozens of subject matter experts across all services, updating information, formatting, writing narratives, and creating a cohesive publication that tells the current story of Colorado Springs Utilities. The resulting book has been instrumental in enhancing community awareness and positioning us for success in public support.</p> <p>The effort extends beyond the 2024 version of the Utility Wise book. The files are designed for ongoing updates, ensuring our story remains accurate and transparent as we add more assets and evolve.</p> <p>This initiative required participation from employees across the Communications Section and the broader organization. Special recognition goes to the Community Engagement team, particularly Christian Nelson, Brittany Harrison, and Rebecca Kerrigan, for leading this effort.</p> <p>In October, the team received a Merit Award from the American Public Power Association’s “Excellence in Public Power Communications” program at their conference in Kentucky.</p> <p>This significant communications initiative has made our organization more successful and transparent, ultimately better serving our community.</p>
Benefits:	<p>This effort results in enhanced communication, transparency, and public advocacy for Springs Utilities.</p> <p>The book supports community understanding and advocacy among local leaders, leading to a compelling case for the five-year budget plan.</p>
Board Policy: If this impacts one of the board policies, indicate that here.	N/A
Cost / Budget: Include the projected cost or budget here.	N/A

Affected Parties: This could include community groups, specific City Council Districts, other utilities, nonprofit organizations, certain neighborhoods, Colorado Springs Utilities employees, etc.		Utilities Board, Employees, Community members	
Alternatives:		N/A	
Submitter:	Jay Anderson	Email Address:	jaanderson@csu.org
Division:	Administrative Services and Human Resources Division	Phone Number:	719-828-4598
Department:	Public Affairs Department	Date Submitted:	10/31/2024
SPG Staff Use Only:	Consent Calendar <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	Item Number 7	
ITEMS SUBMITTED AFTER THE DEADLINE WILL BE POSTPONED UNTIL THE NEXT UTILITIES BOARD MEETING			

GUIDELINES

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



Date: November 20, 2024

To: Utilities Board

From: Travas Deal, Chief Executive Officer

Subject: **Excellence in Governance Compliance Report
Pricing of Services (I-1)**

Desired Action: Compliance

Compliance: The CEO reports compliance with the instructions.

INSTRUCTIONS			
Category:	Utilities Board Instructions to the Chief Executive Officer	Reporting Timeframe:	November 1, 2023 – October 31, 2024
Policy Title (Number):	Pricing of Services (I-1)	Reviewing Committee:	Finance
Monitoring Type:	Internal	Monitoring Frequency:	Annual
Guidelines:	Rate Design (G-5); Electric and Gas Cost Adjustments (G-6)		

The Chief Executive Officer shall direct that pricing practices result in rates that are just, reasonable and not unduly discriminatory. Accordingly, the CEO shall:

- 1. Establish pricing practices that result in revenues that are sufficient to provide safe, reliable utility services to Springs Utilities citizens and customers.*

Springs Utilities prepares an annual revenue requirement for each separate regulated service to determine that revenue generated from current effective rates are sufficient to support all the budgeted expenses while maintaining strong financial metrics for the following year.

- 2. Establish pricing practices that maintain financial viability of each separate regulated service.*

All rate proceedings adhere to state statues and City Code utilizing industry accepted pricing principles and methodology that demonstrate just and reasonable pricing that is not unduly discriminatory. Non-fuel base rate adjustments are

submitted to City Council for approval and supported by cost-of-service studies forecasted to provide sufficient revenue to support non-fuel expense recovery. The cost adjustment and capacity charge rate structures establish rates sufficient to recover fuel related costs. Electric Cost Adjustment (ECA), Electric Capacity Charge (ECC), Gas Cost Adjustment (GCA) and Gas Capacity Charge (GCC) rate adjustments are submitted to City Council for approval and forecasted to provide sufficient revenue to support fuel expense recovery.



Date: November 20, 2024

To: Utilities Board

From: Travas Deal, Chief Executive Officer

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

Desired Action: Monitoring

Compliance: The CEO reports compliance with the instructions.

INSTRUCTIONS			
Category:	Utilities Board Instructions to the Chief Executive Officer	Reporting Timeframe:	July 1, 2024 – September 30, 2024
Policy Title (Number):	Financial Condition and Activities (I-2)	Reviewing Committees:	Finance; Program Management Review
Monitoring Type:	Internal; City Auditor	Monitoring Frequency:	Quarterly, Annually
Guidelines:	Local Vendor (G-7)		

The Chief Executive Officer shall direct that financial condition and activities and actual expenditures are consistent with Board Expected Results. Accordingly, the CEO shall:

1. *Operate within total appropriations for the fiscal year and inform the Utilities Board of:*
 - a. *Significant financial variances*
 - 2024 projected Total Use of Funds to be \$1.36 billion a decrease of \$(146.6) million or (9.7)% from the 2024 Approved Budget of \$1.50 billion.
 - Fuel expenses are projected to be \$160.2 million or 38% under the approved budget primarily due to lower actual and forecasted 2024 natural gas prices than those projected at the time of the 2024 budget appropriation.
 - Operating revenues are currently \$151.4 million or 12.9% under the approved budget due to a decrease in fuel costs that are being reflected in lower ECA / GCA revenue.
 - Capital expenses are projected to be \$4.6 million or 1% over the approved budget primarily related to the Sustainable Energy Plan (SEP).
 - Non-fuel operating expenses are projected to be \$8.3 million or 2% over approved budget primarily related to unplanned and unbudgeted projects and programs of work.
 - Debt Service, Surplus Transfers, and Franchise Fees are projected to be \$0.8 million or 0.3% over the approved budget

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

As of the end of the third quarter of 2024:

- Operating and maintenance expenses are projected to exceed the approved budget by \$0.4 million or 2% in Wastewater and \$3.3 million or 2% in Administrative and General
- Capital expenditures are projected to exceed the approved budget by \$13.4 million or 6% in Electric, \$5.8 million or 14% in Gas, and \$1.7 million or 2% in Water

- c. *Budget transfers and canceled major capital projects over \$500,000 in the Approved Budget or new major capital projects not funded in the Approved Budget.*

In the third quarter of 2024, there were nine canceled capital projects, eight in Electric and one in Common:

- Computer Maintenance Management System (596710) - \$5,251,433
- Sustainable Energy Plan (SEP) Electric Integrated Resource Plan (EIRP) implementation (193784) - \$4,754,000
- Patty Jewett Substation (194026) - \$1,630,000
- Flying Horse Substation - Add New Transformer, Switchgear, and Feeders (193780) - \$1,600,000
- Horizon Substation - Add New Feeder (194025) - \$1,558,000
- Santa Fe Substation (194029) - \$1,080,000
- Nixon ZD - All Softening Plant Vessels (193529) - \$1,000,000
- Fuller Substation - Add New Transformer, Switchgear, and Feeders (194033) - \$770,000
- Fontanero 115kV UG Reconfiguration (193933) - \$715,000

In the third quarter of 2024, there were four new capital projects, one in Electric and three in Water:

- Sustainable Energy Plan (SEP) - Horizon Power Plant (194144) - \$13,977,713
- Fort Lyon Canal Company (FLCC) Shares Acquisition (394807) - \$1,766,000
- Water Capital Improvements (394677) - \$800,609
- Lower Arkansas Water Management Association (LAWMA) Shares acquisition (394672) - \$512,468

2. *Inform the Utilities Board of contracts that have been issued over \$500,000.*

In the third quarter of 2024, there were 28 new contracts initiated over \$500,000.

Service	Description	Type	Contract Amount
Wastewater Service	LVSRRF Aeration Diffuser Replacement	STANDARD	\$11,445,222

Water Service	Homestake 72" In Line Valve On Discharge Line Construction	STANDARD	\$6,200,552
Electric Service	SEP Kelker Control Enclosure	STANDARD	\$5,755,662
Electric Service	Central Bluffs Substation Control Enclosure	STANDARD	\$3,038,751
Service	Description	Type	Contract Amount
Water Service	Garden of the Gods FWLAP	RELEASE	\$2,799,898
Electric Service	Front Range Power Plant Heat Recovery Steam Generator HRSG 1 Elevator installation	STANDARD	\$2,765,235
Multi Service	Smartnet Support and Maintenance - 3 Year Renewal	RELEASE	\$2,415,175
Electric Service	Front Range Power Plant Long Term Service Agreement	RELEASE	\$2,342,808
Multi Service	Mass Deployment Zones 20-24 Task Order 2024.001291	RELEASE	\$1,310,688
Multi Service	Landis+Gyr AMI Warehouse Stock Material Task Order 2023.001010	RELEASE	\$1,252,996
Electric Service	Cable & Wire Alliance - Held at Irby	RELEASE	\$1,008,008
Electric Service	Cable & Wire Alliance Held at Irby	RELEASE	\$947,208
Water Service	Half Moon Dr. Pipe Replacement Project	RELEASE	\$896,664
Multi Service	Information Technology Service Management Tool	RELEASE	\$873,232
Multi Service	Motorola Radio Purchase (NASPO)_NTS	RELEASE	\$872,007
Water Service	Cathodic Protection General Construction Airport Rd, Alley South of Platte, Friendship Ln	RELEASE	\$857,519
Electric Service	Consulting Services EIRP Far East	RELEASE	\$840,000
Electric Service	LYSC.AP	STANDARD	\$764,698
Water Service	Pipe Diver Pipeline Inspection - Homestake	RELEASE	\$709,035
Multi Service	Mass Deployment Zones 11-19 Task Order 2022.000535	RELEASE	\$700,836
Multi Service	Peak Innovation Py And Integration Lp Ph 3 And 4	RELEASE	\$670,294
Water Service	Purchase new end dumps	RELEASE	\$646,650
Electric Service	Horizon Substation	RELEASE	\$631,413
Water Service	Pipe Diver Pipeline Inspection - Homestake	RELEASE	\$615,285
Electric Service	2024 Renewal - S&P Global Platts Master Subscription Agreement	RELEASE	\$614,492
Electric Service	Cable & Wire Alliance Held at Irby	RELEASE	\$596,310
Multi Service	VMware license for VWware vSphere Foundation	RELEASE	\$584,270
Electric Service	Boiler and Associated Plant Repair Services Blanket Total Western	RELEASE	\$539,088

In the third quarter of 2024, there were four existing contracts increasing to over \$500,000.

Service	Description	Type	Contract Amount	
			Prior Qtr. Amount	Q2 Amount
Multi Service	2024 Blanket Caterpillar, Kubota & John Deere Repair & Maintenance	RELEASE	\$500,000	\$800,000
Wastewater Service	LVSRRF Sludge Pump Replacement Design	RELEASE	\$451,760	\$573,805
Electric Service	N12404 Boiler Chemical Cleaning	STANDARD	\$417,057	\$543,724
Multi Service	2024 Blanket Aerial Truck Repair & Maintenance	RELEASE	\$425,000	\$540,000

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

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

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

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

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

Days Sales Outstanding (DSO) is the average number of days receivables remain outstanding before being collected. At the end of the third quarter of 2024, there is 27.28 of DSO.

6. Settle payroll and debts in a timely manner.

These conditions have been achieved as of this monitoring report.

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

These conditions have been achieved as of this monitoring report.

- 8. Operate within the applicable sections of the Colorado State Procurement Code and Springs Utilities procurement policies and procedures assuring legal and fiscal compliance with competitive acquisition practices, conflict of interest, favoritism and procurement from local vendors.*

Colorado Springs Utilities maintains written purchasing regulations that assure legal and fiscal compliance with competitive acquisition practices, avoid conflicts of interest, avoid favoritism, and promote procurement from local vendors. Total spending associated with purchase orders and contracts with local area addresses is at 29.7% for the second quarter, with a target of 30%.

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

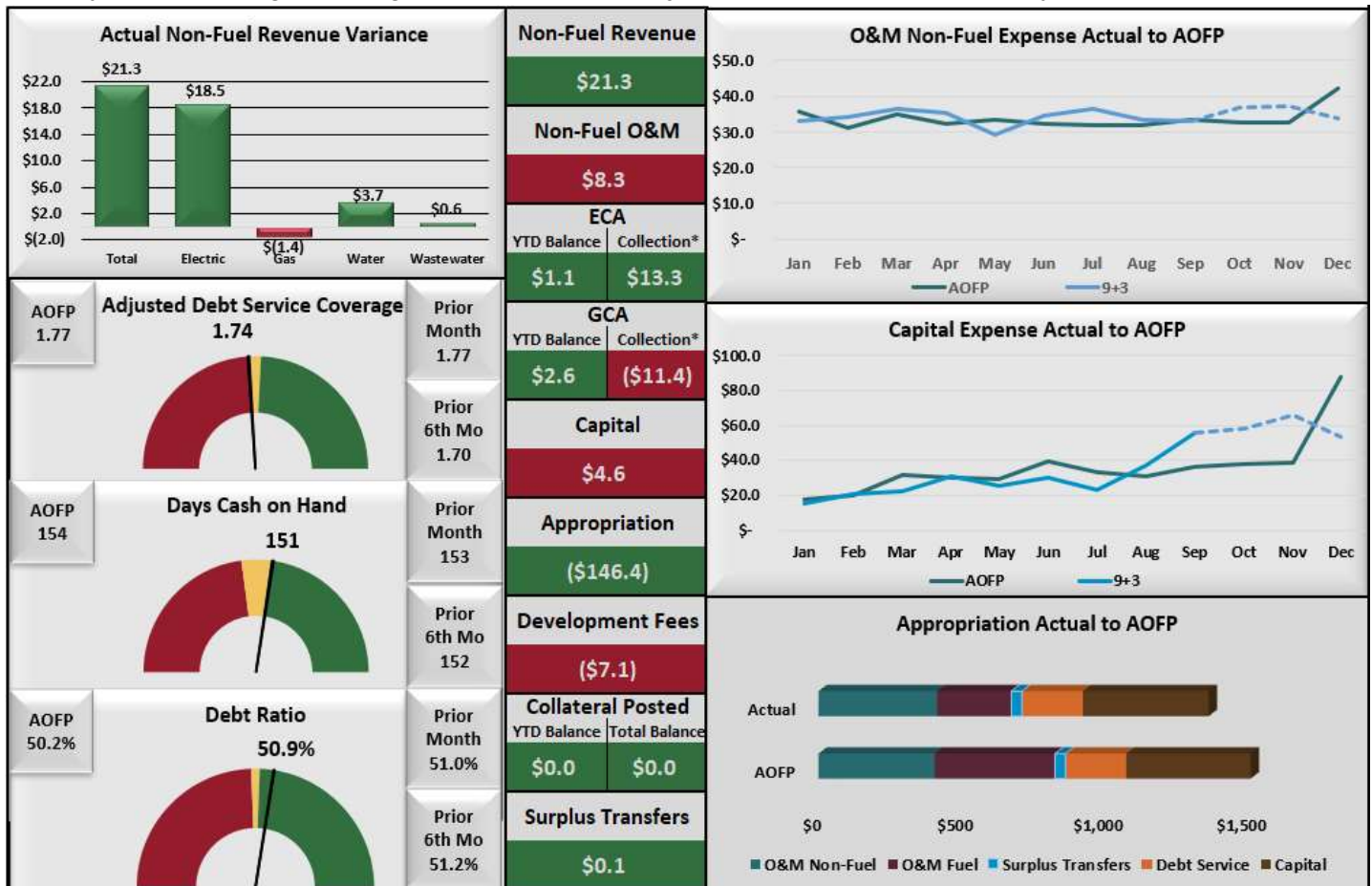
During the third quarter of 2024, there were no significant financial impacts on the Municipal Government.

Colorado Springs Utilities Executive Summary - Variance Analysis For the 9+3 Projected Year-End December 31, 2024

The Executive Summary - Variance Analysis is intended to serve as an objective, easily readable analysis of the significant financial activities for the projected year-end December 31, 2024.

2024 Financial Forecast Dashboard (9+3)

This Financial Forecast Dashboard and analysis is provided to the Utilities Board Finance Committee monthly. The following is the high-level preview of projected financial results for the year end 2024:



- **Non-Fuel Revenue** - Projected Non-Fuel Revenue is \$21.3 million or 2.8% over the AAFP. Electric is over by \$18.5 million, Gas is under by \$1.4 million, Water is over by \$3.7 million, and Wastewater is over by \$0.6 million.
- **ECA & GCA** - Projected ECA over collection is \$13.3 million, GCA is forecasting an under collection of \$11.4.
- **Metrics** - Adjusted Debt Service Coverage is projected to be lower than AAFP targeted level of 1.77. Days Cash on Hand is projected to be under the AAFP target by 3 days. Debt Ratio is projected to be higher than AAFP by 0.7%.
- **Development Fees** - Projected development fees are under AAFP by \$7.1 million. This is due to lower tap permits due to high interest rates and economic conditions that have slowed building.
- **Surplus Payments to the City** - Surplus transfers projected to be over AAFP in 2024 by \$0.1M or 1.0%, this is within the +/- \$1.0 million.

Budget Summary (in thousands)

	2024 Approved Budget	2024 Year-end	Increase/ (Decrease)	% Change
Capital Projects	\$ 433,018	\$ 437,646	\$ 4,628	1.1%
Fuel Operations & Maintenance	418,721	258,530	(160,191)	-38.3%
Non-Fuel Operations & Maintenance	404,749	413,076	8,327	2.1%
Debt Service	211,061	211,772	710	0.3%
Surplus Payments to the City	36,381	36,458	77	0.2%
Franchise Fees	387	399	12	3.1%
Total Uses of Funds	\$ 1,504,318	\$ 1,357,881	\$(146,436)	-9.7%

The 2024 projected Total Uses of Funds is \$1.4 billion, a **decrease** of \$(146.4) million or (9.7)% from the 2024 Approved Budget. This **decrease** is a result of lower Fuel Operations & Maintenance.

Capital Projects

The 2024 projected Capital Projects expenditure is \$437.6 million, an **increase** of \$4.6 million or 1.1% from the 2024 Approved Budget. Capital Projects represent 32.2% of the total year spend and (3.2)% of the total year-end variance.

- \$43.2 million Sustainable Energy Plan (SEP) related to:
 - \$15.9 million Natural Gas Generators increases are twofold
 - \$15.0 million payment in September will require a future journal entry move to Horizon Power Plant. Natural Gas Generators activity was used during the planned Infor Accounting freeze.
 - \$0.9 million delays in procurement required shift from 2023 to 2024 to complete Preventative Maintenance (PM) plans.
 - \$14.0 million Horizon Power Plant increase for a slot reservation and down payment on the turbines and other long lead equipment. Power Plant needs to be fully commissioned in summer of 2028. A future \$15 million journal entry move required from Natural Gas Generators. A partial offset of \$4.8 million within EIRP Implementation project.
 - \$12.1 million Kelker Substation Rebuild-Expansion increase primarily due to changes to Kiewit's estimated yearly CMGC spend amounts. Now that the outages and construction sequencing schedules have been revised and we are getting closer to executing the Final GMP, their estimated yearly spend amounts were updated accordingly in the cost forecast with more informed input from the construction management team and in coordination with the PM, based on the work they plan to perform each year and final revisions to the Final GMP outage schedule after the delivery date for the control enclosure got pushed by several months due to contract delays.
 - \$5.7 million Horizon Sub (New) increase heavily driven by the continued control enclosure delays caused by Crown and subsequent disputes, which in turn pushed construction into Q2 of 2024 and shifted costs (Engineering, PoM Services and Kiewit CMGC) into 2024 that were previously planned for 2023. In addition, Kiewit has had several change orders issued, and there were also cost increases due to Utilities' new security lighting requirements.
 - \$3.6 million Jackson Fuller Energy Storage increase due to the timing of the project initiation and schedule/cost forecast buildout.

- \$2.0 million Kelker-South Plant New 115kV Transmission Line land acquisition delay from 2023 into 2024.
- \$(10.1) million net decreases, most significantly influenced by EIRP Implementation, Risk Tracking, Horizon Substation - Add New Feeder, Portfolio Management and New Gas Propane Air Plant. **EIRP IMPLEMENTATION** partially offsets the \$29 million slot reservation and down payment on the turbines and other long lead equipment for the Horizon Power Plant. **RISK TRACKING** contingency release required to cover portfolio level risk expenses identified within SEP. **HORIZON SUBSTATION - ADD NEW FEEDER** partially offsets Horizon Sub (New). **PORTFOLIO MANAGEMENT** contingency released to partially offset Horizon Sub (New). **NEW GAS PROPANE AIR PLANT** indefinitely delayed – decision memo approved.
- \$(32.3) million Operational Fiber Network due to underperforming Contractor (May 2024).
- \$(6.2) million net decreases, most significantly influenced by the cancelled CSRRRF Biogas Utilization Project.

Operations & Maintenance - Fuel

The 2024 projected Operations & Maintenance - Fuel is \$258.5 million, a **decrease** of \$(160.2) million or (38.3)% from the 2024 Approved Budget. Operations & Maintenance - Fuel represents 19.0% of the total year spend and 109.4% of the total year-end variance.

- \$(141.1) million contingency (budgeted 1 Standard Deviation (SD) due to price volatility in the fuels market).
- \$6.5 million Inter-Service Eliminations due to changes in fuel costs, Utilities pays these as well for internal operations, therefore eliminated higher inter-service revenue than planned.
- \$(25.6) million net decreases, most significantly influenced by price changes in the natural gas market.

Operations and Maintenance - Non-Fuel

The 2024 projected Operations & Maintenance - Non-Fuel is \$413.1 million, an **increase** of \$8.3 million or 2.1% from the 2024 Approved Budget. Operations & Maintenance - Non-Fuel represents 30.4% of the total year spend and (5.7)% of the total year-end variance.

- \$6.1 million emergency power plant outage and maintenance work.
- \$7.6 million net increases, most significantly influenced by legal fees and labor and benefits.
- \$(5.4) million net decrease on Inter-Service Eliminations.

2025 Utilities Board Agenda Planning Calendar

Utilities Board Meeting Date	Compliance Reports (CR) details	Other Reported Information
January 22, 2025	<p>C-2 Utilities Board Annual Evaluation (P) (Annually) – SPG Sr. Analyst/UB Administrator</p> <p>I-6 Infrastructure G-12 (SP) (Annual) – Strategic Planning and Governance Specialist</p> <p>E-2 UB/CEO Partnership Expectations – CEO Responsibilities (Monthly) - UB Administrator</p>	<p>ECA / GCA Quarterly Filing Discussion</p> <p>Updates as Needed: UPAC Assignments</p>
February 19, 2025	<p>I-4 Risk Management (F) (Semi-annual) – Strategic Planning and Governance Specialist</p> <p>I-5 Economic Development (F) (Annual) – Strategic Planning and Governance Specialist</p> <p>I-13 Community Investment (SP, F) (Annual) – Strategic Planning and Governance Specialist</p> <p>E-2 UB / CEO Expectations</p>	<p>Updates as needed: UPAC Assignments</p>
March 19, 2025	<p>ER:1-3 Utilities Board Expected Results Year End Performance – Scorecard (P) (Annual) – SPG Sr. Analyst</p> <p>I-4 Risk Management (F) (Annual City Auditor Report) – Strategic Planning and Governance Specialist</p> <p>I-8 Asset Protection (F) (Semi-annual) – Strategic Planning and Governance Specialist</p> <p>E-2 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>
April 16, 2025	<p>I-2 Financial Condition and Activities (to include Contracts Over \$500K**) G-7 (F) (Quarterly Oct-Dec) – Strategic Planning and Governance Specialist</p> <p>I-12 Environmental Stewardship (SP) (Annual) – Strategic Planning and Governance Specialist</p> <p>E-2 UB/CEO Partnership Expectations – CEO Responsibilities (Monthly) - UB Administrator</p>	<p>ECA / GCA Quarterly Filing Discussion</p> <p>Updates as Needed: UPAC Assignments</p>
May 21, 2025	<p>I-2 Financial Condition and Activities - Annual City Auditors Report G-7 (F) (Annual external) – SPG Public Affairs Specialist</p> <p>I-2 Financial Condition and Activities (to include Contracts Over \$500K**) G-7 (F) (Quarterly Jan-March) – SPG Public Affairs Specialist</p> <p>I-8 Asset Protection - Annual City Auditors Report (F) – Strategic Planning and Governance Specialist</p> <p>E-2 UB/CEO Partnership Expectations – CEO Responsibilities (Monthly) - UB Administrator</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
June 18, 2025	E-2 UB/CEO Partnership Expectations – CEO Responsibilities (Monthly) - UB Administrator	ECA / GCA Quarterly Filing Discussion ECA / GCA Annual Filing Discussion Updates as Needed: UPAC Assignments
July 16, 2025	I-3 Financial Planning & Budgeting G-8 (F) (Annual) – Strategic Planning and Governance Specialist E-2 UB/CEO Partnership Expectations – CEO Responsibilities (Monthly) - UB Administrator	Financial Planning / Budgeting Presentation Updates as Needed: UPAC Assignments
August 20, 2025	I-2 Financial Condition and Activities (to include Contracts Over \$500K**) G-7 (F) (Quarterly April-June) – SPG Public Affairs Specialist I-4 Risk Management (F) (Semi-annual) – Strategic Planning and Governance Specialist I-8 Asset Protection (F) (Semi-annual) – Strategic Planning and Governance Specialist E-2 UB/CEO Partnership Expectations – CEO Responsibilities (Monthly) - UB Administrator	Preliminary 2026 Budget and Rates Presentation Updates as Needed: UPAC Assignments
September 17, 2025	I-7 Water Supply Management (SP) (Annual) – SPG Public Affairs Specialist I-9 Treatment of Customers and Customer Information (SP) (Annual) – Strategic Planning and Governance Specialist ER:1-3 Utilities Board Expected Results – Mid-year Scorecard and CEO Performance Results G-4 (P) (Annual) – SPG Sr. Analyst E-2 UB/CEO Partnership Expectations – CEO Responsibilities (Monthly) - UB Administrator	ECA / GCA Quarterly Filing Discussion Mid-year CEO Performance Executive Session Updates as Needed: UPAC Assignments
October 22, 2025	I-10 Treatment of Staff (P) (Annual) – Strategic Planning and Governance Specialist I-11 Compensation & Benefits G-9 (P) (Annual) – Strategic Planning and Governance Specialist E-2.8 Emergency CEO Succession (P) (Annual) – Strategic Planning and Governance Specialist E-2 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

2025 Utilities Board Agenda Planning Calendar

Utilities Board Meeting Date	Compliance Reports (CR) details	Other Reported Information
November 19, 2025	I-2 Financial Condition and Activities (to include Contracts Over \$500K**) G-7 (F) (Quarterly July-Sep) – SPG Public Affairs Specialist E-2 UB/CEO Partnership Expectations – CEO Responsibilities (Monthly) - UB Administrator	ECA / GCA Quarterly Filing Discussion Updates as Needed: UPAC Assignments
December 17, 2025	I-1 Pricing of Services G-5, G-6 (F) (Annual) – Strategic Planning and Governance Specialist E-2.3 Organizational Oversight – Compliance Frequency and Method (SP) (Annual) – Strategic Planning and Governance Specialist P-1.2 2025 Annual Planning Calendar (SP) – UB Administrator P-5.4 2025 Committee Work Plans – UB Administrator P-5.4 2025 CEO Performance Plan – UB Administrator P-5.4 2025 BER Scorecard – SPG Sr. Analyst E-2 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



Date: November 20, 2024

To: Utilities Board

From: Travas Deal, Chief Executive Officer

Subject: **Excellence in Governance Monitoring Report
Utilities Board/Chief Executive Officer Partnership Expectations (E-2)**

Desired Action: Monitoring

EXPECTATIONS	
Category:	Utilities Board/Chief Executive Officer Partnership Expectations
Policy Number:	E: 2 (Chief Executive Officer Responsibilities)

The Utilities Board and the Chief Executive Officer work in partnership to achieve excellence in governance and operations to attain long-term organizational success and sustainability.

November 2024 Water Outlook using data as of October 31, 2024

Locally, temperatures were above average, and precipitation was below average in October. Demands were greater than last year at this time.

2024 Demands: October use averaged 68.8 million gallons per day (MGD), which was about 15.9% greater than last October. Temperatures in October were above the 30-year average at 57.5 degrees Fahrenheit, which was 6.8 degrees above normal. Total precipitation for October was 0.44 inches, which is below normal. Year-to-date precipitation is 13.91 inches, which is 91% of normal.

Current Reservoir Levels: Local storage is currently at about 40,815 acre-feet (62% of capacity). The 1991-2020 average is 66% of capacity. Rampart Reservoir is at 62% of capacity, and Pikes Peak storage is at 61% of capacity. System wide, total storage is about 204,600 acre-feet (79% of capacity). Last year at this time, total system wide storage was 87% of capacity. It was about 73% at this same time in 2022, about 74% of capacity in 2021, about 73% of capacity in 2020, about 81% of capacity in 2019, about 75% of capacity in 2018, about 88% of capacity in 2017, about 79% of capacity in 2016, and about 83% of capacity in 2015. The 1991-2020 average system wide storage for the end of October is 75% of capacity.

Water Supply Outlook: The U.S. Drought Monitor shows varying drought conditions throughout the United States with a majority of the country experiencing some level of abnormally dry or drought conditions. The Colorado drought monitor shows areas of

abnormally dry and or moderate drought conditions across Northern, Central, and Eastern Colorado, with pockets of severe drought primarily in North-Central and Eastern Colorado. Extreme drought conditions are limited to North-Central Colorado. The seasonal drought outlook predicts continuing drought conditions in Northern and Eastern Colorado with drought development likely in Southwest Colorado between now and Jan. 31, 2025. The three-month climate outlook shows normal chances for precipitation in Northern Colorado with increasing chances for below average precipitation across Central and Southern Colorado. The three-month outlook also indicates higher chances for above normal temperatures across Colorado with further increased chances in Southern Colorado.

Operational Notes: South Catamount Reservoir capacity remains restricted for planned dam maintenance. South Suburban Reservoir is drained for outlet work repairs. Total system storage is at 78.8% of capacity and holds about 3.0 years of demand, which is above average for the end of October. Local storage contains about 217 days of demand.

ECA/GCA

Electric Cost Adjustment (ECA)

On Sept. 24, 2024, City Council approved the ECA rate of \$0.0301 per kWh effective Oct. 1, 2024. As of Oct. 31, 2024, the ECA over collection balance was \$0.7 million. The over collection balance changed by \$0.4 million from the \$1.1 million over collection balance reported last month. Colorado Springs Utilities will continue to provide regular updates to the Utilities Board as appropriate.

Gas Cost Adjustment (GCA)

On Sept. 24, 2024, City Council approved the GCA rate of \$0.1725 per Ccf effective Oct. 1, 2024. As of Oct. 31, 2024, the GCA over collection balance was \$3.3 million. The over collection balance changed by \$0.7 million from the \$2.6 million over collection balance reported last month. Colorado Springs Utilities will continue to provide regular updates to the Utilities Board as appropriate.



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

Water Outlook

Nick Harris, P.E.

Water Resource Engineer, Water Resource Planning

November 1, 2024

Local Weather Conditions as of October 31, 2024

Precipitation (Inches of Moisture)

- October 2024 – 0.44 in. (57% of normal)
- 2024 YTD Total – 13.91 in. (91% of normal)

Average Temperature (Degrees F)

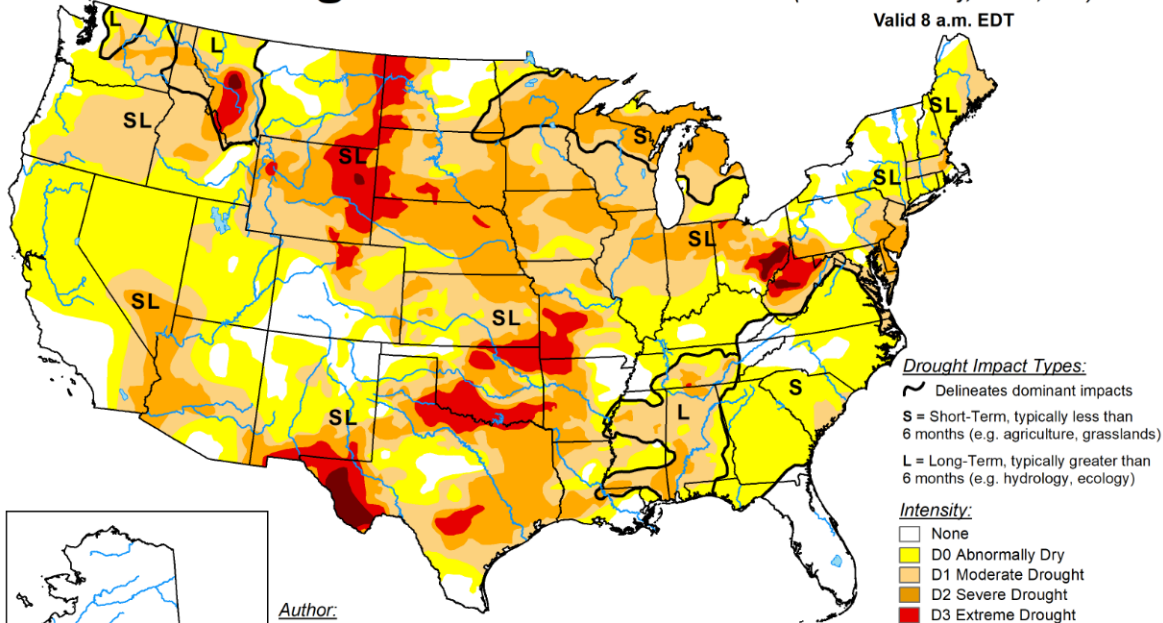
- October 2024 – 57.5 Deg. (6.8 deg. above normal)
- 2024 YTD Average – 55.7 Deg. (2.3 deg. above normal)



DROUGHT MONITOR

U.S. Drought Monitor

October 29, 2024
 (Released Thursday, Oct. 31, 2024)
 Valid 8 a.m. EDT



Drought Impact Types:
 ~ Delineates dominant impacts
S = Short-Term, typically less than 6 months (e.g. agriculture, grasslands)
L = Long-Term, typically greater than 6 months (e.g. hydrology, ecology)

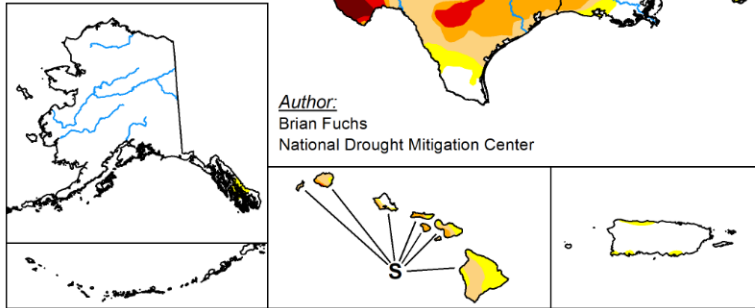
Intensity:
 None
 D0 Abnormally Dry
 D1 Moderate Drought
 D2 Severe Drought
 D3 Extreme Drought
 D4 Exceptional Drought

The Drought Monitor focuses on broad-scale conditions. Local conditions may vary. For more information on the Drought Monitor, go to <https://droughtmonitor.unl.edu/About.aspx>



droughtmonitor.unl.edu

Author:
 Brian Fuchs
 National Drought Mitigation Center

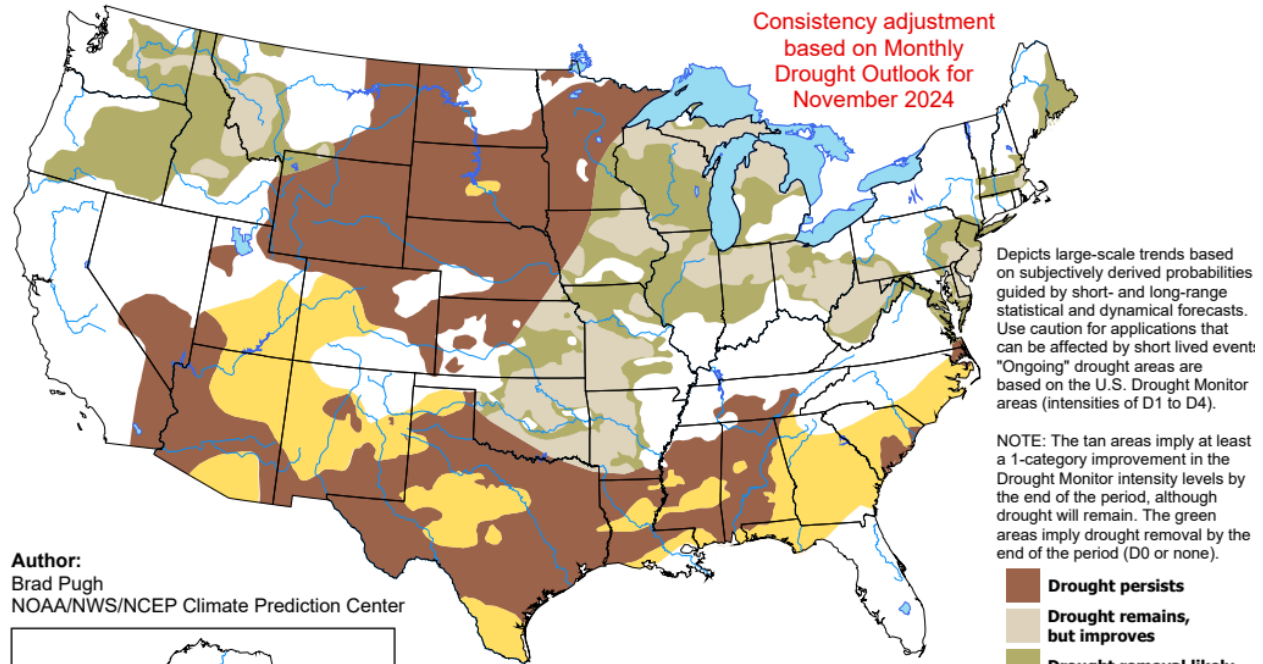


U.S. Seasonal Drought Outlook

Drought Tendency During the Valid Period

Valid for November 1, 2024 - January 31, 2025
 Released October 31, 2024

Consistency adjustment based on Monthly Drought Outlook for November 2024

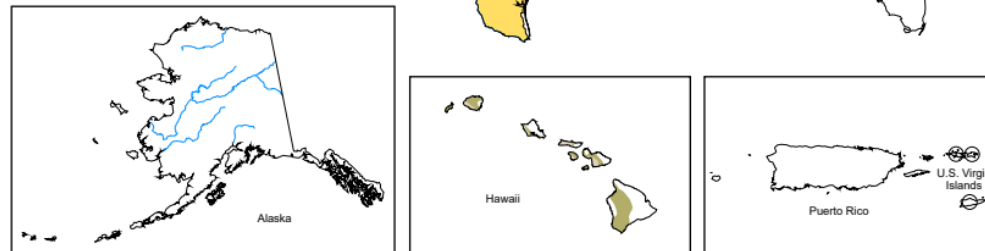


Depicts large-scale trends based on subjectively derived probabilities guided by short- and long-range statistical and dynamical forecasts. Use caution for applications that can be affected by short lived event: "Ongoing" drought areas are based on the U.S. Drought Monitor areas (intensities of D1 to D4).

NOTE: The tan areas imply at least a 1-category improvement in the Drought Monitor intensity levels by the end of the period, although drought will remain. The green areas imply drought removal by the end of the period (D0 or none).

- Drought persists
- Drought remains, but improves
- Drought removal likely
- Drought development likely
- No drought

Author:
 Brad Pugh
 NOAA/NWS/NCEP Climate Prediction Center



<https://go.usa.gov/3eZ7>

Colorado

Map released: Thurs. October 31, 2024

Data valid: October 29, 2024 at 8 a.m. EDT

Intensity

- None
- D0 (Abnormally Dry)
- D1 (Moderate Drought)
- D2 (Severe Drought)
- D3 (Extreme Drought)
- D4 (Exceptional Drought)
- No Data

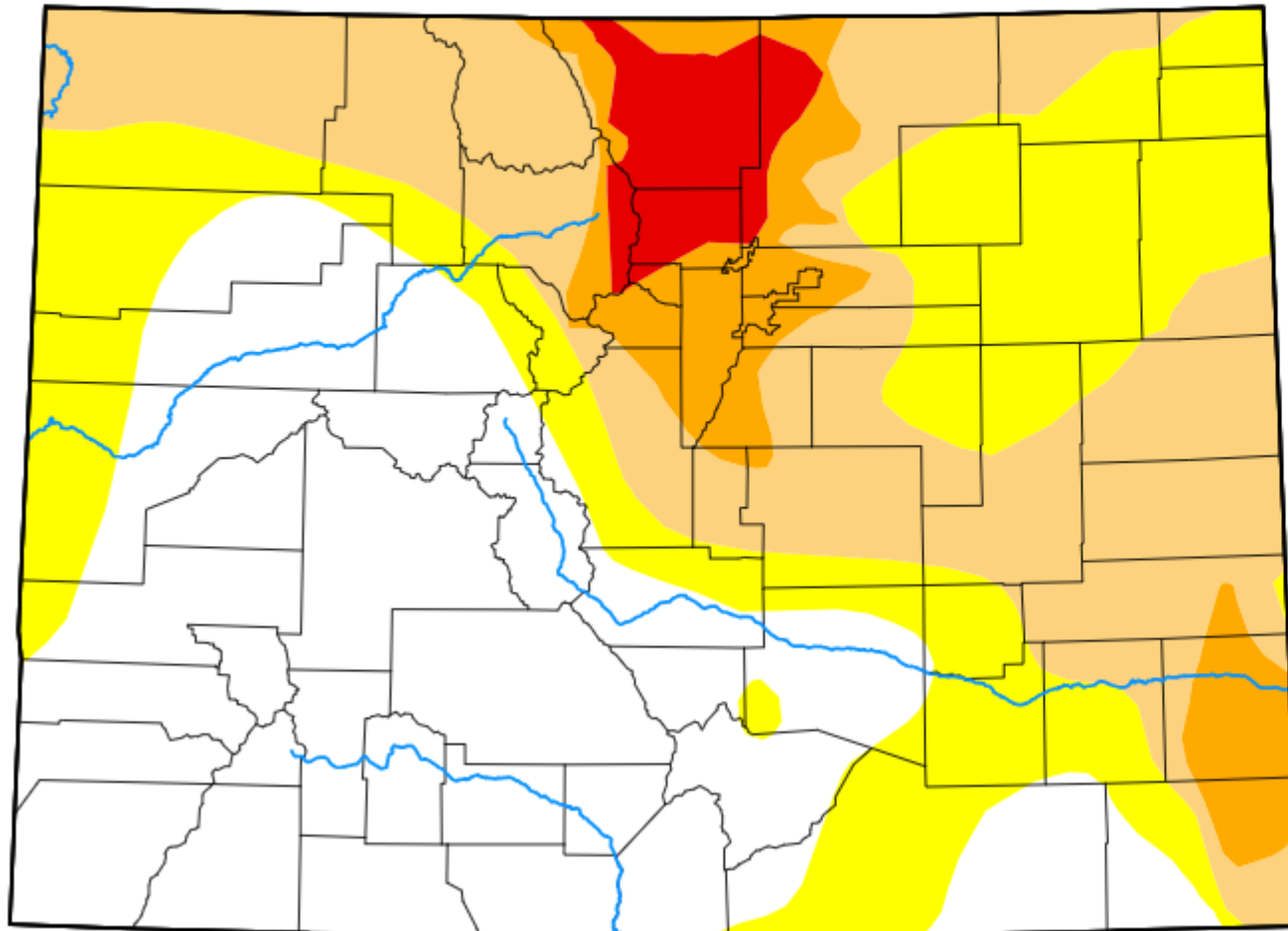
Authors

United States and Puerto Rico Author(s):

[Brian Fuchs](#), National Drought Mitigation Center

Pacific Islands and Virgin Islands Author(s):

[Richard Heim](#), NOAA/NCEI



2024 Demands

October

- Averaged 68.8 MGD
- 15.9% greater than October 2023

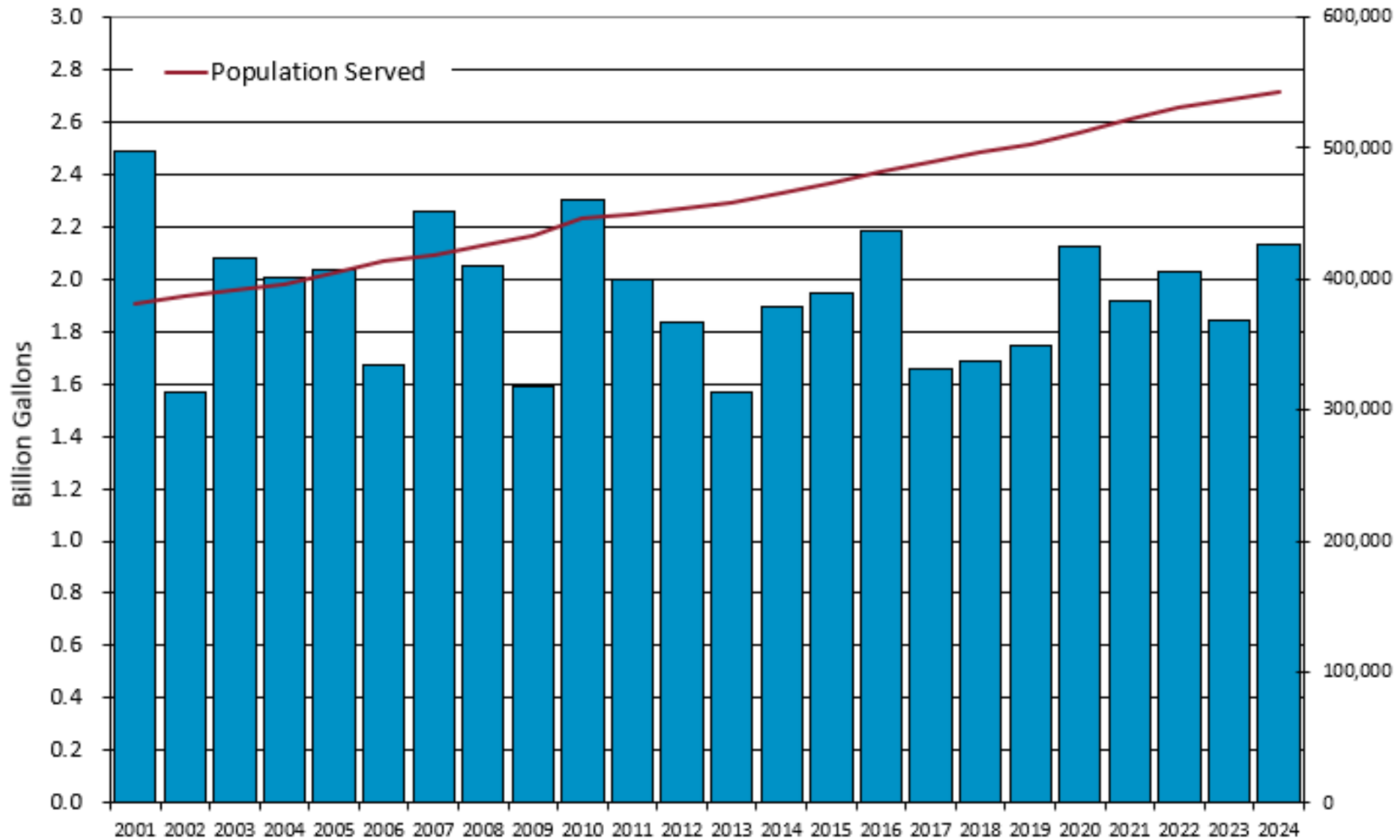
2024 Year to Date through October 31

- Averaging 68.5 MGD, 20.9 BG total
 - 10.2% more than October 2023
 - 1.9 Billion Gallons more than 2023

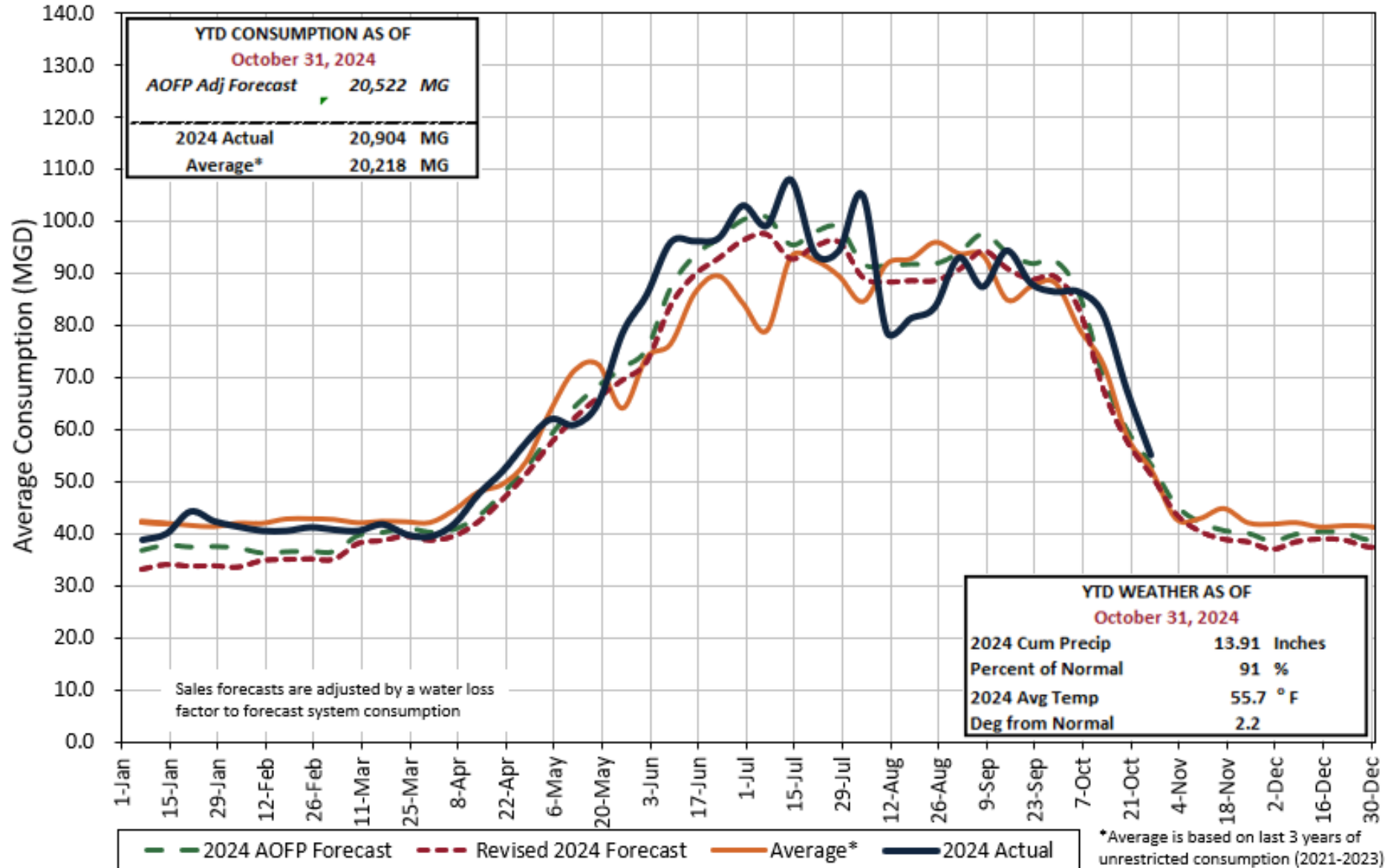


North Catamount Reservoir

Monthly Water Use for October



2024 Actual Consumption (Weekly Data)



Upper Blue Reservoir

Reservoir Levels

October 31, 2024

- Pikes Peak 61 %
 - 91-20 Avg. 67 %
- Rampart 62 %
 - 91-20 Avg. 65 %
- Local Total 62 %
 - 91-20 Avg. 66 %
- System Total 79 %
 - 91-20 Avg. 75 %



Colorado Springs' System Wide Storage:

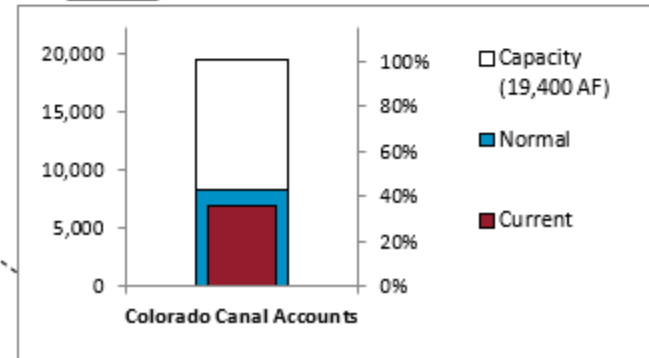
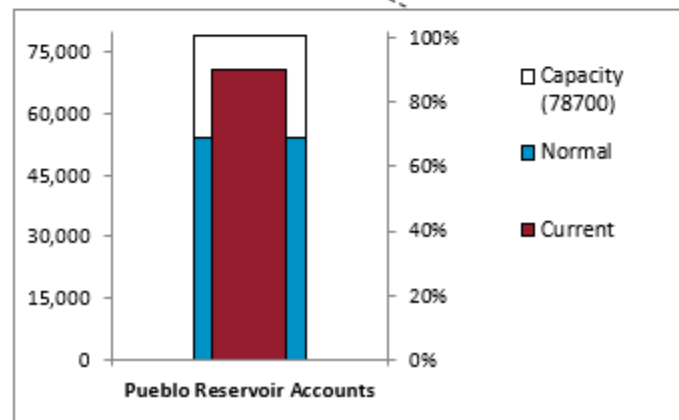
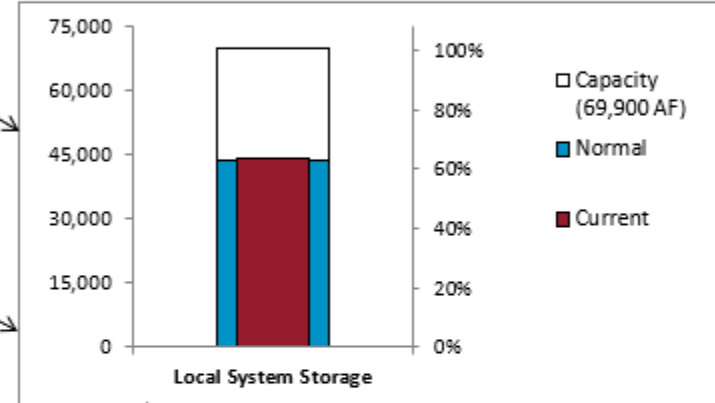
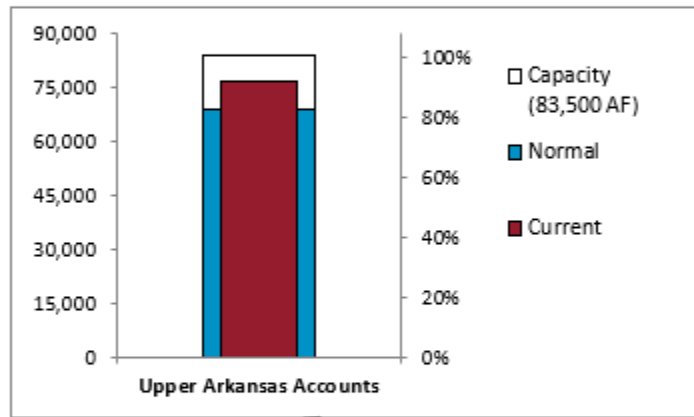
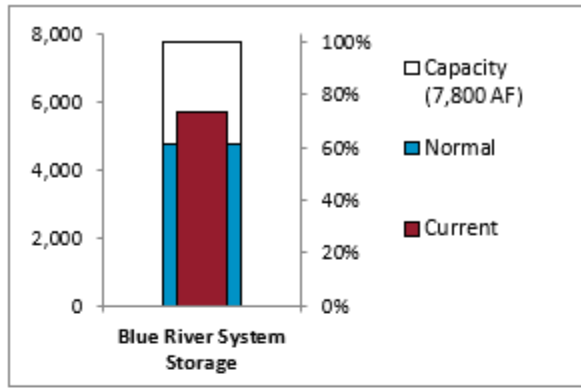
October 31, 2024 **204,600 af**

78.8 %

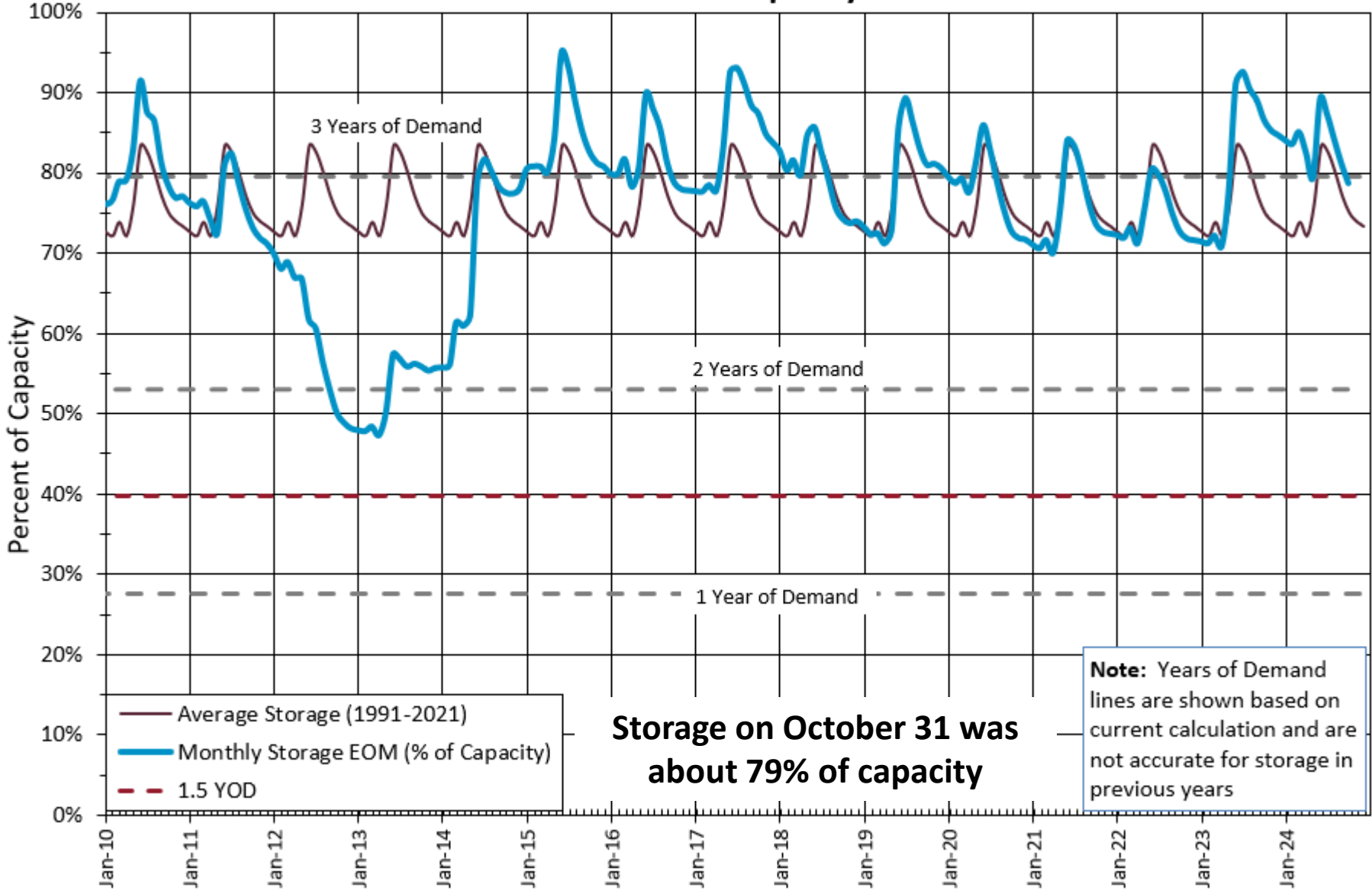
2001-2022 avg **179,800 af**

69.2 %

Average YTD Demand **68.5 MGD**



Monthly Storage Percent of Capacity



Water Outlook

- Situation Outlook Summary
 - System-wide storage is at 78.8% of capacity, about 4% above our long-term average
 - About 3.0 years of demand in storage, based on the past 3 years of demand
 - Have 217 days of demand in local storage
- Three-month outlook predicts
 - Higher chance for above normal temperatures across Colorado
 - Normal chances for precipitation in Northern Colorado with increasing chances for below average precipitation across Central and Southern Colorado
- We continue to monitor precipitation, demand and storage to maximize available water supply

Operational Notes

Storage Conditions

- South Catamount Reservoir capacity remains restricted for planned dam maintenance
- South Suburban Reservoir is drained for outlet work repairs



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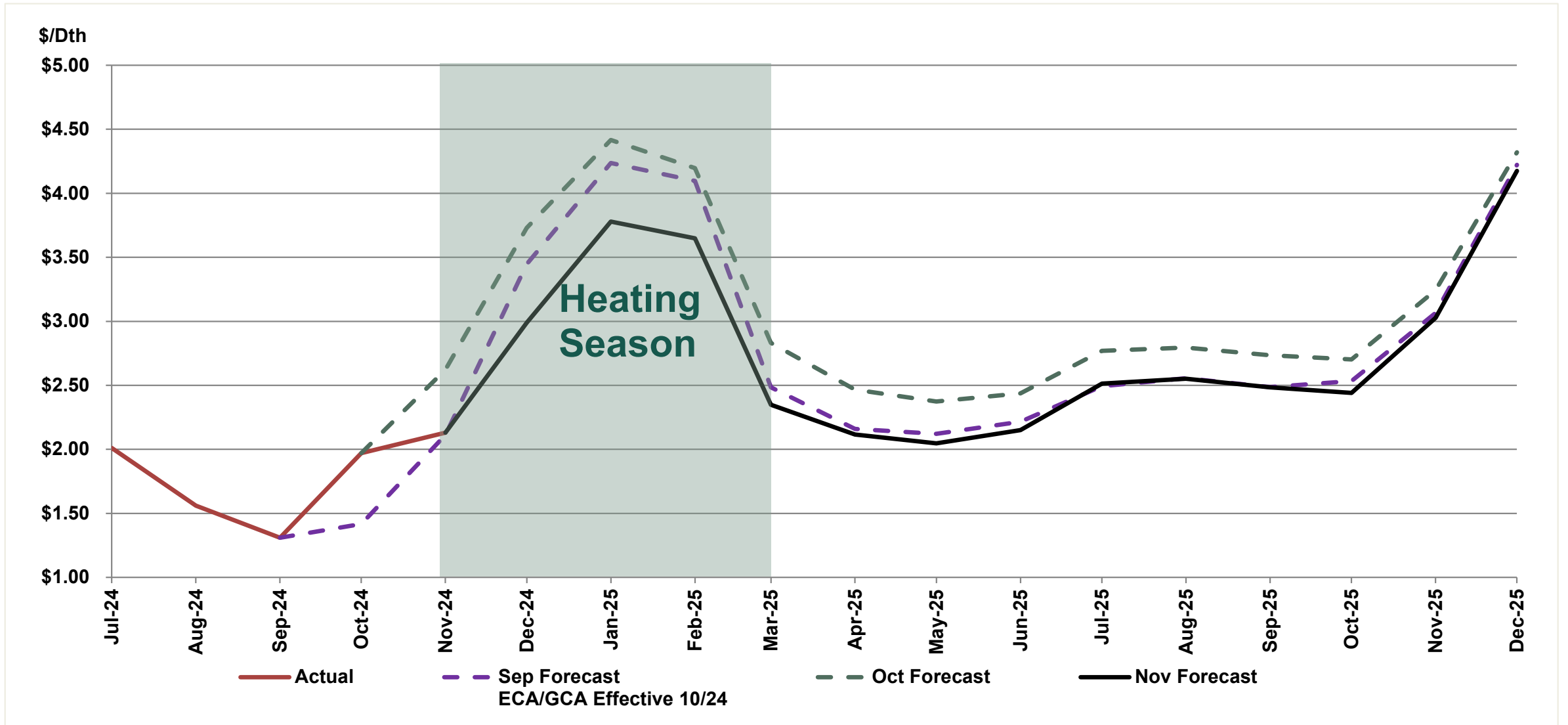
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Electric Cost Adjustment Gas Cost Adjustment

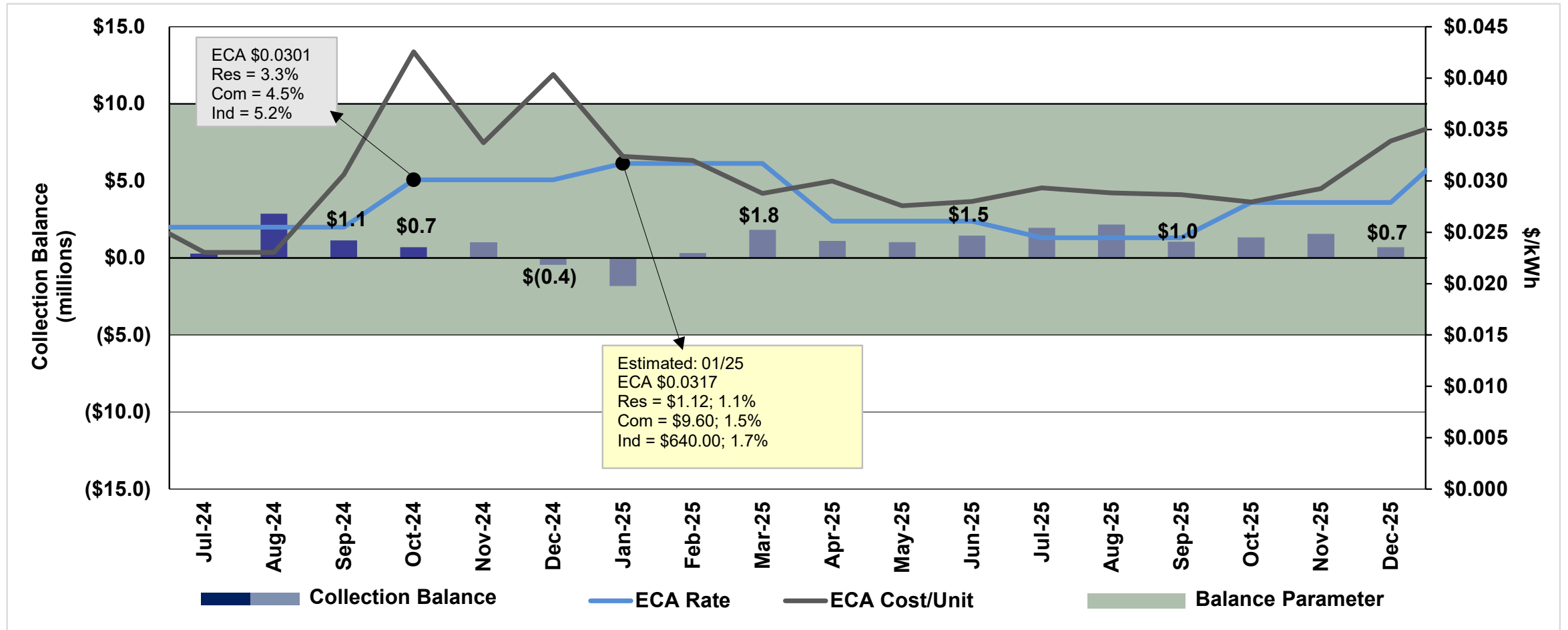
Scott Shirola, Pricing and Rates Manager

November 20, 2024

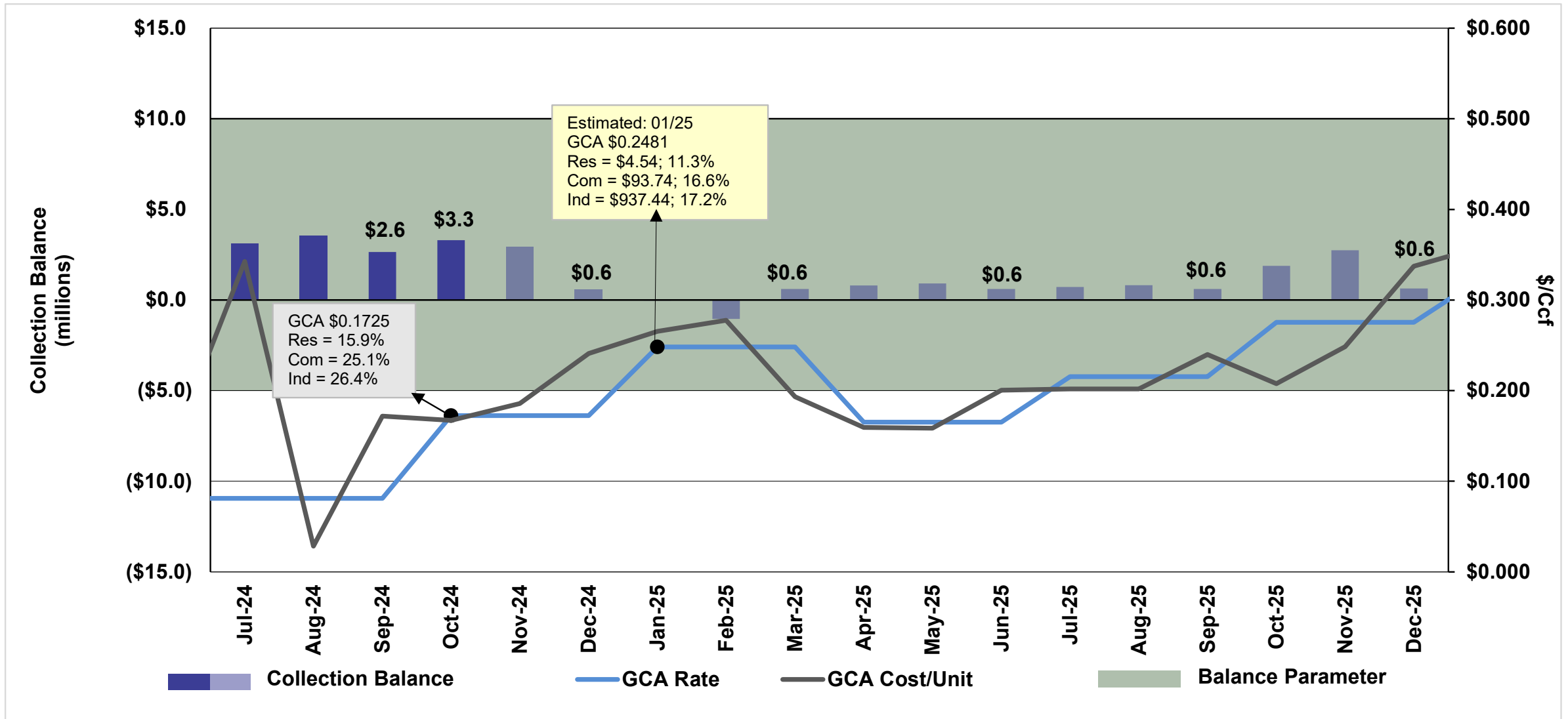
Natural Gas Prices as of November 1, 2024



ECA Projections November 2024



GCA Projections November 2024





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Board Memo Agenda Item Staff Report

Date: (Date of Utilities Board Meeting)	November 20, 2024		
To:	Utilities Board		
From:	Travas Deal, Chief Executive Officer		
Subject:	Safety Improvement Focus		
NARRATIVE:			
Desired Action: Choose only one	<input type="checkbox"/> Approval <input type="checkbox"/> Discussion <input checked="" type="checkbox"/> Information		
Executive Summary:	The Timpson Electrical and Aerial Services TTU2 Circuit Panel is a safety innovation improvement for Colorado Springs Utilities' electric line series employees. The Timpson TTU2 Circuit Panel allows employees to train with live energized equipment in a real-world environment with the proper safety fail stop.		
Benefits:	Currently, employees train for high-risk tasks in an environment free from any electrical current or voltage. By enhancing the training experience, the overall safety of the employees and the public is increased substantially. Tied to hazard recognition and task-specific training already in practice, the TTU2 Circuit Panel will also provide gained efficiencies for the training staff, electric line series employees, and the Safety and Health Department that supports the organization.		
Board Policy: If this impacts one of the board policies, indicate that here.	N/A		
Cost / Budget: Include the projected cost or budget here.	N/A		
Affected Parties: This could include community groups, specific City Council Districts, other utilities, nonprofit organizations, certain neighborhoods, Colorado Springs Utilities employees, etc.	Electric line employees		
Alternatives:	N/A		
Submitter:	Michael Myers	Email:	mmyers@csu.org
Division:	Administrative Human Resources (AHRD)	Phone Number:	719-668-8766
Department:	Safety and Health	Date Submitted:	Nov. 1, 2024
SPG Staff Use Only:	Consent Calendar <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		Item Number 8
ITEMS SUBMITTED AFTER THE DEADLINE WILL BE POSTPONED UNTIL THE NEXT UTILITIES BOARD MEETING			

Safety Innovation

The Timpson Training Unit (TTU-2)

**Electric Construction Training and Safety Specialists
John Rombeck & Mario Sanchez**

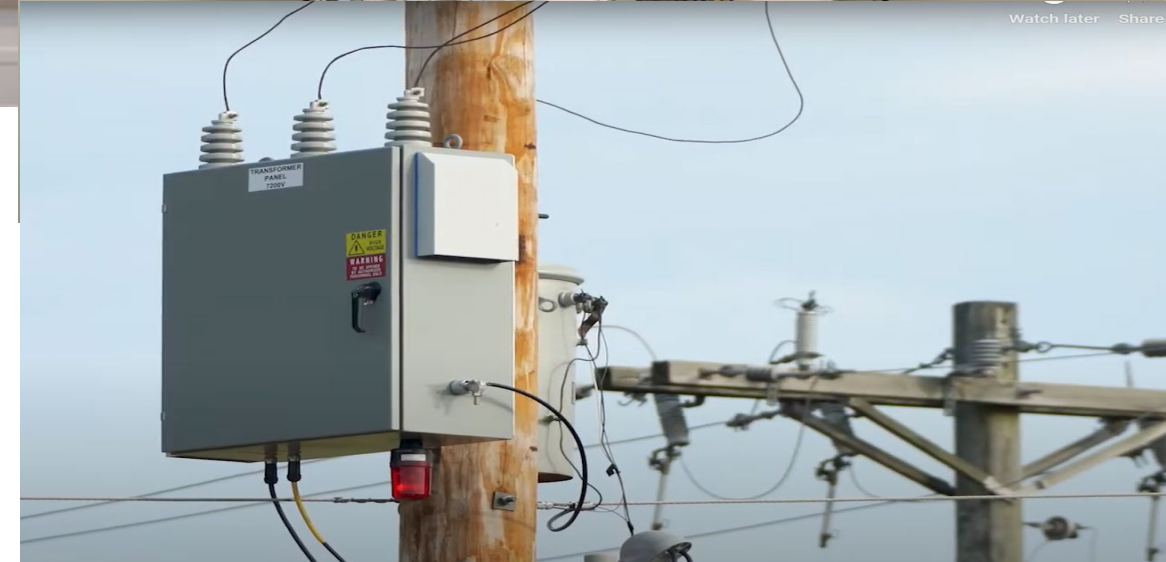
Safety & Health Manager Michael Myers

Timpson Training Unit (TTU-2)

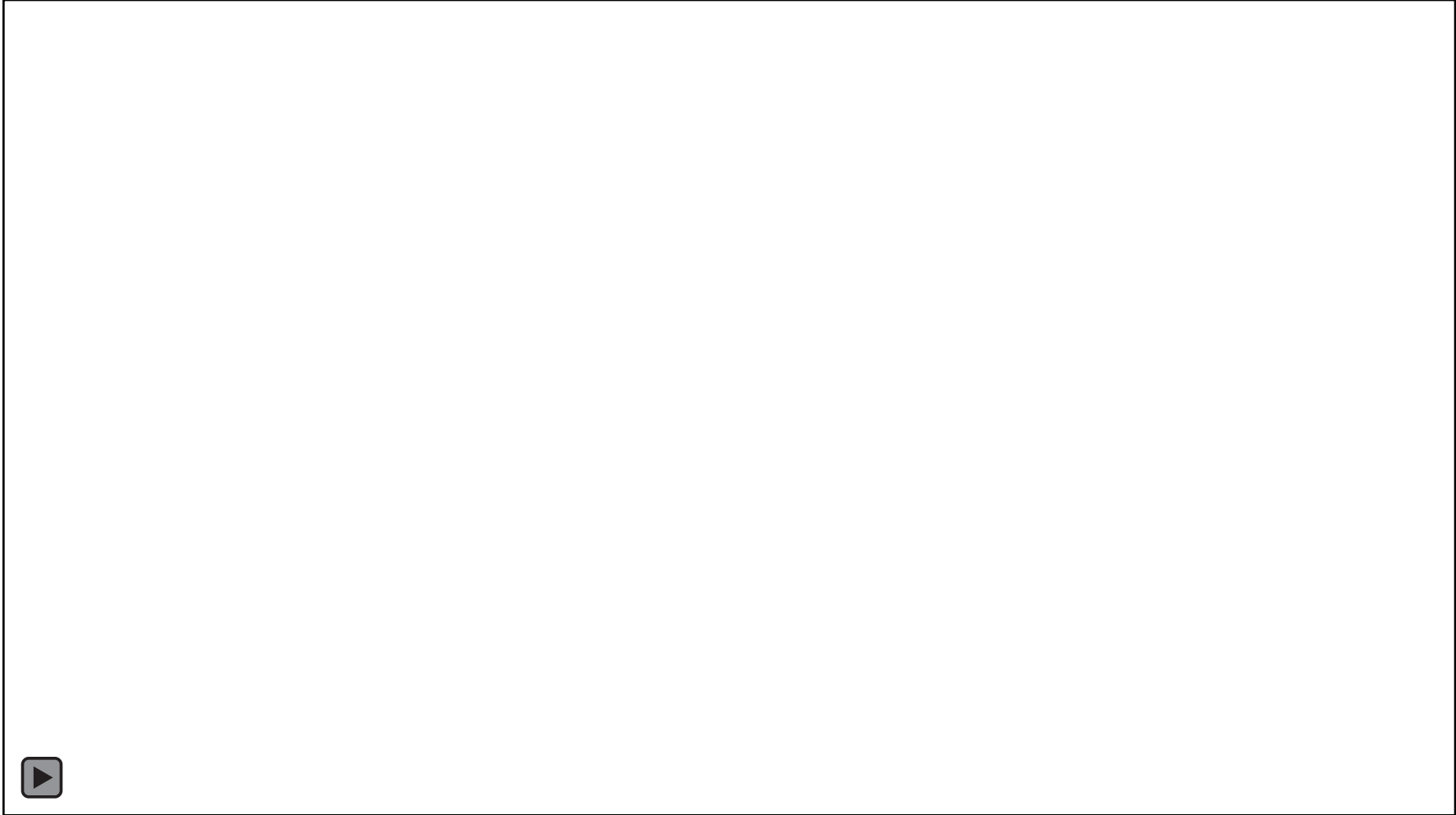


***“You play like you practice
and practice how you play.”***

Marcus Luttrell Navy Seal



Timpson Trainer



Benefits of the TTU-2

- Journey and apprentice line workers who are well-trained will create and sustain a strong safety culture.
- Skills include:
 - Performing high-risk, common tasks in a controlled environment
 - Energized/primary overhead hot work on an insulated platform
 - Underground primary switching & phasing
 - Energized transformer connections verifying secondary voltages





*Thank you, Colorado Springs Utilities
Leadership, for continuing to
innovate for a safer tomorrow!*

Board Memo Agenda Item Staff Report

Date: (Date of Utilities Board Meeting)	November 20, 2024		
To:	Utilities Board		
From:	Travas Deal, Chief Executive Officer		
Subject:	Wastewater Backup Assistance Program, New Board Guideline (G-14)		
NARRATIVE:			
Desired Action: Choose only one	<input checked="" type="checkbox"/> Approval <input type="checkbox"/> Discussion <input type="checkbox"/> Information		
Executive Summary:	<p>Colorado Springs Utilities seeks approval from City Council to create a new Board Guideline (G-14) which will authorize the Chief Executive Officer to implement a program to provide financial assistance to residential customers whose properties have been impacted by a wastewater backup. This guideline also provides that annual funding for the program will not exceed \$1,000,000, which will be funded through the normal operating budget and Colorado Springs Utilities' appropriation process.</p> <p>The proposed new program will update the current Voluntary Assistance Program for wastewater backups from monetary assistance of \$12,500 to a maximum of \$100,000 per event. The annual maximum funds allotted for this are not to exceed \$1,000,000 per year. The updated program will also allow up to \$20,000 of the maximum \$100,000 to be used for emergency assistance.</p> <p>A copy of the policy that the CEO intends to promulgate if this Guideline is adopted is included in the packet.</p>		
Benefits:	Provides residential customers assistance when a wastewater backup that Colorado Springs Utilities is not legally liable for causes damage to their property.		
Board Policy: If this impacts one of the board policies, indicate that here.	Community Investment (I-13)		
Cost / Budget: Include the projected cost or budget here.	Annual budget not to exceed \$1,000,000		
Affected Parties: This could include community groups, specific City Council Districts, other utilities, nonprofit organizations, certain neighborhoods, Colorado Springs Utilities employees, etc.			
Alternatives:	Approve, do not approve, modify		
Submitter:	Somer Mese	Email Address:	smese@csu.org
Division:	Operations	Phone Number:	719.668.8103
Department:		Date Submitted:	November 7, 2024
SPG Staff Use Only:	Consent Calendar <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		Item Number 11
ITEMS SUBMITTED AFTER THE DEADLINE WILL BE POSTPONED UNTIL THE NEXT UTILITIES BOARD MEETING.			

GUIDELINES

Guideline: **Wastewater Backup Assistance Program (G-14)**

Date of Adoption: November 20, 2024

Applicable Policy Title (Number): **Community Investment (I-13)**

Wastewater Backup Assistance Program

1. The Chief Executive Officer is authorized to implement a program and related policies which provides financial assistance to residential customers whose properties have been impacted by a wastewater backup. Any such program shall be subject to the following limitations and requirements and shall be consistent with the purpose of the program:
 - A. The program shall apply to Utilities' residential customers impacted by a wastewater backup that results in property damage caused by either (i) a verified stoppage in Utilities main line or (ii) intrusion of the wastewater system by a main water pipeline failure provided the intrusion is not the result of a storm or flood event.
 - B. Any assistance shall be subject to available and appropriated funding.
 - C. Assistance under the program is limited to \$100,000 per eligible residence per covered incident. Any such assistance will be reduced by amounts received under the customer's policies of insurance.
 - D. The determination of whether to provide assistance and in what amount, up to the applicable limit, shall be at the sole discretion of Springs Utilities, and no vested rights are or shall be created by such program.
 - E. No assistance will be paid without the recipient agreeing to release Springs Utilities from liability for the event and the damage to the residence. All such releases shall be subject to the approval of Springs Utilities.
 - F. Assistance shall be limited to property damage, timely emergency response and mitigation services, temporary housing, and temporary storage of personal property. Springs Utilities will not pay any assistance for indirect, consequential or punitive damages.
 - G. The program shall only be available to customers receiving services at an owner-occupied residential property that is an individual dwelling and where

not more than one dwelling unit is served through one water meter. The program shall not apply to rental property.

- H. A residential customer shall not be eligible for assistance under the program where the wastewater backup is caused in whole or in part by any negligent or intentional act of such residential customer.
 - I. The program shall not apply to a wastewater backup which is due to a catastrophic event that impacts several properties, such as an act of God or nature (like a major flood event), terrorism, or war.
2. The program may include immediate assistance to help offset the costs of emergency response services and mitigation services necessary to restore a property to habitability prior to the customer completing all prerequisites of the program, provided that such owner agrees to pay any immediate assistance back if the owner does not comply with the requirements of the program. The purpose of the program is to provide assistance for a defined class of customers and categories of damages relating to wastewater backups and the operation of the enterprise even though Springs Utilities likely has no legal liability for such damages. No net benefit will accrue to a customer as assistance will be limited to actual direct damages resulting from a wastewater backup. The program is consistent with and advances both customer and enterprise interest.
 3. Annual funding for the program will not exceed \$1,000,000, which will be funded through the normal operating budget and Utilities appropriation process.

Wastewater Backup Assistance Program

1) Overview

Under the Colorado Governmental Immunity Act, Colorado Springs Utilities (“Utilities”) is not responsible for damages resulting from a wastewater backup unless it is negligent in its operation and maintenance of the public wastewater facility or it negligently allows a dangerous condition to exist in the public wastewater facility, and such negligence was the cause of the damages. Utilities understands, however, that property owners are left in a challenging situation when Utilities is not legally liable for the backup. Utilities’ Wastewater Backup Assistance Program (the “program”) is intended to assist residential property owners in such situations.

2) Wastewater Backup Investigation and Claim Process

a) Investigation & Public Safety

- i) Colorado Springs Utilities’ primary goal is to ensure public safety.
- ii) Utilities first inspects its wastewater system within the pipe segment to which the customer’s residential property is connected in order to determine if the root cause of the backup is on Utilities’ wastewater system.
- iii) If Utilities finds that the cause of a backup is on its system, Utilities will take steps to correct the problem(s).

b) Cleanup Process

- i) There are several local businesses that specialize in the cleanup of wastewater backups. Due to the bacterial composition in wastewater, Utilities recommends that customers experiencing a wastewater backup use a business that specializes in wastewater clean up services. **For reference, contact the [Better Business Bureau](#) 719-636-1155**

c) Claims Process

- i) Utilities understands that damage from wastewater backups can be costly. A customer may have multiple options for recovery.
 - (1) Homeowner’s Insurance
 - (a) To qualify for Utilities’ Wastewater Backup Assistance Program, the customer must contact their insurance company to see if their homeowner’s policy covers wastewater backups.
 - (b) Some insurance companies offer wastewater backup coverage – some as part of a policy and some as additional endorsements. Every policy is different, so the customer will have to speak with their insurance agent to see if their damage is covered. The cause and location of the backup will likely play a factor in whether the claim is covered by insurance.
 - (2) City Claims Process
 - (a) If the backup is not caused by the service line or the customer’s negligence or intentional act, the customer should file a claim with the City Claims division of the City Risk Management Department.
 - (b) Upon submission of a claim, the customer may be asked to submit the following for the claim to be processed:
 - i) Proof of loss
 - ii) Proof that the amount of the claim is a reasonable estimate of the cost to restore property (this may include multiple estimates for repair)
 - iii) List of damaged personal property describing the item, age, condition and

- estimated actual cash value of the property
- iv) Cause of the wastewater backup, to the extent known by the customer
 - (c) To be eligible for Utilities' Wastewater Backup Assistance Program, the customer must file a claim with the City and must comply with all applicable policies and procedures of the City Claims Division and provide all documentation requested by the City Claims Division.
 - (d) For additional information about the City's claims process, contact the City Risk Management Department at **719-385-5125**.

3) Wastewater Backup Assistance Program

a) General Policy.

- i) Utilities' residential customers impacted by a wastewater backup that results in damage to the customer's residential property caused by either (1) a verified stoppage in Utilities' main wastewater line or (2) intrusion of the wastewater system by a main water pipeline failure, provided the intrusion is not the result of a storm or flood event, may be eligible for assistance under Utilities' Wastewater Backup Assistance Program.
- ii) This program does not apply to damage to or caused by wastewater service lines, which run from customers' homes to Utilities' main line, and damages caused by service line blockages. Wastewater service lines are owned and operated by the property owner and the property owner is responsible for the maintenance of its own service line and for any damage to or caused by such service line.
- iii) To be eligible for this program, the affected residence must be an owner-occupied individual dwelling and there must not be more than one dwelling unit served through one water meter. Rental properties, whether by commercial or residential lease, are not eligible for assistance under this program.
- iv) Assistance under this program is not available for residential properties where the wastewater backup is caused in whole or in part by any negligent or intentional act of the owner of the property.
- v) This program does not apply if the wastewater backup is due to a catastrophic event, such as an act of God or nature (like a major flooding event), terrorism, or war.
- vi) If Utilities is not liable for the damage and the damage is not caused by the service line or the customer's negligence or intentional act, customer will be notified of same and provided the opportunity to apply for assistance under this program.

b) Conditions and Limitations of Assistance Program.

- i) Any assistance is subject to available and appropriated funding.
- ii) Utilities may provide assistance to a customer under this program up to a maximum of \$100,000 for any one incident. Such amount will be reduced by the amount the customer receives under a policy of insurance and by any immediate assistance the customer may receive from Utilities or other sources.
- iii) If a customer has an insurance policy that provides coverage for wastewater backups with respect to any assistance which may be authorized under this program, the customer must submit a claim with the customer's insurance. Any amounts received via such insurance must be used first. The insurance coverage shall remain primary, and no assistance under this program shall be authorized for the insured loss. Funds distributed under this program are not intended to subrogate the insurance claim and will not be paid to insurance providers. Notwithstanding the foregoing, Utilities may provide assistance to cover related insurance

- deductibles.
- iv) The determination to provide assistance and qualifying amounts shall be at the sole discretion of Utilities.
 - v) No assistance will be paid without the customer agreeing to release Utilities from liability for the event, and such release must be in a form approved by Utilities.
 - vi) Utilities will not pay for indirect, consequential, or punitive damages.
 - vii) Customer must timely report a claim through the City Claims Process to be eligible for assistance under this program.
 - viii) Utilities may require that a customer install a backflow prevention device as a condition of assistance under this program. If required, the cost of the device and its installation shall be eligible for assistance under this program.
 - ix) Authorization for payment of assistance under this program for an amount up to and including \$50,000 shall be approved by the Chief Operations Officer. Authorization for payment of assistance under this program for an amount greater than \$50,000 shall be approved by the Chief Executive Officer.
- c) Assistance Authorized Under the Program. Payments under this program will be at the discretion of Utilities and will be limited to costs for emergency response services, mitigation services, restoration, uninsured personal property loss, and temporary losses as more fully described below. All such costs must be substantiated in accordance with City Claims processes and procedures.
- i) To be eligible for this program, customers experiencing a wastewater backup must immediately take steps to limit their damage, including conducting or contracting for the following emergency response services and mitigation services, as applicable.
 - (1) Emergency response services include, but are not limited to, pumping or vacuuming water out of the residence, removing debris, securing electric or gas lines, isolating water service and draining lines to prevent freezing, and removing hazards to make the premises safe for entry.
 - (2) Mitigation must be timely completed upon discovery to avoid additional damage. Mitigation services include, but are not limited to, drying out affected areas, removing impacted drywall, removing flooring/carpets, and repairing or replacing major appliances that are required for habitability (e.g., furnaces, water heaters, etc.), and if applicable, asbestos testing and remediation.
 - ii) Restoration
 - (1) Utilities may provide payment based on the estimated or actual cost of restoring damaged property to its pre-backup condition.
 - (2) Payments for restoring damaged property will be based upon estimates or invoices as required per the City Claims process.
 - iii) Uninsured Personal Property Loss
 - (1) Utilities may provide payment for the loss of uninsured personal property. Such payments will be based on an estimated property value and proof of damage per the City Claims process. The value of such property may be reduced in accordance with the City Claims processes and procedures.
 - iv) Temporary Losses
 - (1) Utilities may provide payment for temporary lodging when a residence is uninhabitable because of wastewater damage. Utilities may pay for up to 7 (seven) days of temporary lodging.
 - (2) In applicable circumstances, Utilities may also provide payment for the cost of storing personal property at a storage facility while mitigation and restoration are performed.

4) Immediate Assistance

a) General Policy and Terms.

- i) Upon a determination that the wastewater backup is not caused in whole or in part by any negligent or intentional act of the owner of the affected property (or any resident thereof) and the damage is not to or caused by a customer's wastewater service line, Utilities may provide one-time immediate assistance to a residential customer experiencing damage to the customer's owner-occupied residential property as a result of a wastewater backup ("immediate assistance"). The purpose of the immediate assistance under this program is to provide affected customers with funds to complete the emergency response services and the mitigation services necessary to make the affected residences habitable in a timely manner.
- ii) Immediate assistance is limited to \$20,000 per customer per incident.
- iii) A customer is not required to comply with the other requirements of Utilities' Wastewater Backup Assistance Program in order to receive immediate assistance; provided however, that if the customer fails to comply with the other requirements of the program within six (6) months of the wastewater backup incident, the customer will be required to reimburse the immediate assistance back to Utilities within six (6) months of receiving the immediate assistance.
- iv) The amount of immediate assistance that a customer receives will reduce the amount the customer may receive under any other provision of the Utilities' Wastewater Backup Assistance Program. The total amount that any customer may receive under Utilities' Wastewater Backup Assistance Program, including immediate assistance, together with the proceeds of policies of insurance, is limited to \$100,000 for any one incident, as determined by Utilities in its sole discretion.
- v) Any customer receiving immediate assistance under this program will be required to sign an agreement, in a form provided by Utilities, and consistent with this program document, describing the terms under which the immediate assistance is being provided.

Board Memo Agenda Item

Staff Report

Date: (Date of Utilities Board Meeting)	November 20, 2024		
To:	Utilities Board		
From:	Travas Deal, Chief Executive Officer		
Subject:	I-11 Compensation and Benefits Policy Update		
NARRATIVE:			
Desired Action: Choose only one	<input checked="" type="checkbox"/> Approval <input type="checkbox"/> Discussion <input type="checkbox"/> Information		
Executive Summary:	<p>Springs Utilities recommends policy clarification and modification to the Compensation and Benefits Instruction (I-11) in defining the requirements of comparably-sized utilities and collecting custom survey data when evaluating salaries for Officers and General Managers. Section 2 addresses the development of executive compensation plans (excluding CEO) and alignment with professional markets.</p> <p>The committee is proposing a change to Section 2.a. to remove specificity related to size of utilities and 2.d., specifically regarding the mix of custom market survey data and published survey data when evaluating executive positions. Historically, we have hired a third-party consultant to conduct a custom survey. Moving forward, we aim to evaluate executive positions internally, without needing an external consultant. Our staff has the compensation expertise and access to survey data for both published survey sources and custom data sources, eliminating the necessity for a third-party consultant.</p>		
Benefits:	<p>The recommended policy change eliminates the need to hire a third-party consultant for an expensive custom survey, potentially saving the organization \$30,000 to \$60,000. Utilities Human Resources can use existing custom surveys. For instance, Utilities participates in the annual Large Public Power Council (LPPC) survey and receives these results annually, which satisfies the requirement of I-11 to provide a mix of published salary survey data and custom survey data.</p>		
Board Policy: If this impacts one of the board policies, indicate that here.	Compensation and Benefits (I-11)		
Cost / Budget: Include the projected cost or budget here.	N/A		
Affected Parties: This could include community groups, specific City Council Districts, other utilities, nonprofit organizations, certain neighborhoods, Colorado Springs Utilities employees, etc.	Colorado Springs Utilities Human Resources staff		
Alternatives:	N/A		
Submitter:	Renee Adams	Email Address:	radams@csu.org
Division:	Administrative and Human Resources Division	Phone Number:	719-668-7325

Department:	Human Resources	Date Submitted:	November 20, 2024
SPG Staff Use Only:	Consent Calendar <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	Item Number 12	
ITEMS SUBMITTED AFTER THE DEADLINE WILL BE POSTPONED UNTIL THE NEXT UTILITIES BOARD MEETING			

INSTRUCTIONS

Category:	Utilities Board Instructions to the Chief Executive Officer	Date of Adoption:	May 16, 2018
Policy Title (Number):	Compensation and Benefits (I-11)	Revision Date:	<u>November 20, 2024</u>
Monitoring Type:	Internal	Revision Number:	<u>1</u>
Monitoring Frequency:	Annual		
Guidelines:	At-Will Senior Management Severance (G-9)		

The Chief Executive Officer shall direct that employee compensation plans address individual accountability, reward for job performance, encourage organizational flexibility and responsiveness and are consistent with the geographic and professional markets for the job duties performed. Accordingly, the CEO shall:

1. Communicate an administrative procedure to employees which allows them to appeal the methodologies followed that result in the annual salary and benefits proposed for the upcoming year.
2. Develop executive compensation plans that are consistent with professional markets and include:
 - A. Data sources that include similar local, regional and national utilities of comparable size and annual revenue.
 - B. Multi-service utilities.
 - C. An appropriate balance of public and private organizations.
 - D. A mix of available custom survey data and published survey sources.
3. Provide severance to Officers and General Managers in the event of involuntary separation without cause in accordance with approved Utilities Board guidelines and at the discretion of the Chief Executive Officer in accordance with the At-Will Senior Management Severance Guideline.
4. Provide severance to any other employees only with Utilities Board approval.

Deleted: from

Deleted:

Deleted: comparably sized utilities that typically fall within the range of one-half to two times Springs Utilities' employee population and annual revenue.

Deleted: market

Board Memo Agenda Item Staff Report

Date: (Date of Utilities Board Meeting)	November 20, 2024		
To:	Utilities Board		
From:	Travas Deal, Chief Executive Officer		
Subject:	Open Access Transmission Tariff Update for Interconnections		
NARRATIVE:			
Desired Action: Choose only one	<input type="checkbox"/> Approval <input checked="" type="checkbox"/> Discussion <input type="checkbox"/> Information		
Executive Summary:	<p>On Dec. 10, 2024, Springs Utilities anticipates filing a rate case to update certain terms and conditions of its Open Access Transmission Tariff (OATT) and requesting a Public Rate Hearing date of Jan. 14, 2025. The Preliminary Filing summarizes certain changes to the OATT that reform and improve the generator interconnection procedures and agreements. These changes will streamline the process for evaluating interconnection requests and negotiating interconnection agreements and will mandate interconnecting generators meet additional technical requirements to better ensure system reliability. After the Rate Hearing, City Council will review the Decision and Order with a decision at the Regular City Council meeting on Jan. 28, 2025.</p>		
Benefits:	Enhances the implementation of Springs Utilities' Sustainable Energy Plan		
Board Policy: If this impacts one of the board policies, indicate that here.	Pricing of Services (I-1), Financial Planning and Budgeting (I-3), Rate Design (G-5)		
Cost / Budget: Include the projected cost or budget here.	N/A		
Affected Parties: This could include community groups, specific City Council Districts, other utilities, nonprofit organizations, certain neighborhoods, Colorado Springs Utilities employees, etc.	Generators that seek to interconnect to Springs Utilities' system in the future.		
Alternatives:	Do not update the OATT.		
Submitter:	Jeff Hanson and David Beckett	Email Address:	jhanson@csu.org
Division:	Systems Planning and Projects	Phone Number:	719-668-8125
Department:	Infrastructure & Resource Planning	Date Submitted:	11/04/2024
SPG Staff Use Only:	Consent Calendar <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		Item Number 13
ITEMS SUBMITTED AFTER THE DEADLINE WILL BE POSTPONED UNTIL THE NEXT UTILITIES BOARD MEETING			



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Colorado Springs Utilities' Open Access Transmission Tariff (OATT) Revision

Tristan Gearhart, Chief Planning and Financial Officer

November 20, 2024

OATT Background

- Colorado Springs Utilities is a transmission provider offering non-discriminatory wholesale high voltage service.
 - Federal Energy Regulatory Commission (FERC)
 - Customers are outside of Colorado Springs Utilities' service territory or receive service under Contract Service – Military Wheeling (ECW)
- Enables participation in wholesale power market to the benefit of Colorado Springs Utilities' customers.
- Colorado Springs Utilities OATT: 2000 (initial) with revisions in 2005, 2009, 2018, 2019, 2022, and 2023.

OATT Background Continued

- FERC manages the nationwide OATT.
- Colorado Springs Utilities is not regulated by FERC; thus, not required to adopt the FERC OATT verbatim, but rather uses it as a guide.
- Over the last several years FERC made updates that affect future interconnecting generators.
- Implementation of Colorado Springs Utilities' Sustainable Energy Plan is enhanced by adoption of many of these updates.
- No impact to Colorado Springs Utilities current OATT customers, including the military customers.

Summary of OATT Revisions

- Revise the Colorado Springs Utilities OATT to adopt FERC updates regarding:
 - The Evolving Bulk Power System (Order No. 842)
 - Reform of Generator Interconnection Procedures & Agreements (Order No. 845/845-A)
 - Improvements to Generator Interconnection Procedures & Agreements (Order Nos. 2023/2023-A)
- OATT Large and Small Generator Interconnection Procedures (LGIP/SGIP) Revisions
 - Enable Financial Consideration for Interconnections
 - Established More Robust Processes and Procedures for Interconnection

OATT Filing Calendar

- Utilities Board Communication
 - 11/20/2024: Utilities Board
- Regulatory Procedure at City Council
 - 12/10/2024: Rate Filing and Request for Hearing Date
 - 01/14/2025: Rate Hearing
 - 01/28/2025: Decision and Order
 - 02/01/2025: Changes Effective



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Board Memo Agenda Item Staff Report

Date: (Date of Utilities Board Meeting)	November 20, 2024		
To:	Utilities Board		
From:	Travas Deal, Chief Executive Officer		
Subject:	Project COPE funding		
NARRATIVE:			
Desired Action: Choose only one	<input type="checkbox"/> Approval <input type="checkbox"/> Discussion <input checked="" type="checkbox"/> Information		
Executive Summary:	<p>Due to anticipated increase in the demand for Project COPE utility assistance and flat customer donations, it is recommended that Colorado Springs Utilities focus all efforts and resources purely on activities that support our core mission of providing safe and affordable utilities to rate payers.</p> <p>The \$256,000 previously used for Community Focus Fund (CFF) granting to non-profit organizations shall be redirected to the Colorado Springs Utilities Foundation for the Project COPE program.</p>		
Benefits:	Additional funds for Project COPE will allow us to meet increased demands for utility assistance.		
Board Policy: <small>If this impacts one of the board policies, indicate that here.</small>	I-13 Community Investment and G-11 Community Support		
Cost / Budget: <small>Include the projected cost or budget here.</small>	\$256,000 additional funding going to Project COPE		
Affected Parties: <small>This could include community groups, specific City Council Districts, other utilities, nonprofit organizations, certain neighborhoods, Colorado Springs Utilities employees, etc.</small>	Colorado Springs Utilities customers in need of Project COPE utility assistance.		
Alternatives:	<p>Alternative 1: We continue using the money to provide grants to local nonprofit organizations.</p> <p>Alternative 2: If the money is not used to support Project COPE, then fewer customers will be helped.</p>		
Submitter:	April Speake	Email Address:	aspeake@csu.org
Division:	AHRD	Phone Number:	668-3836
Department:	Public Affairs	Date Submitted:	November 8, 2024
SPG Staff Use Only:	Consent Calendar <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		Item Number 14

ITEMS SUBMITTED AFTER THE DEADLINE WILL BE POSTPONED UNTIL THE NEXT UTILITIES BOARD MEETING.



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2025 Project COPE Information

Tristan Gearhart – Chief Planning and Financial Officer

November 20, 2024

Project COPE Overview

COPE Information

- Citizens Option to Provide Energy (COPE) was established in 1983 by Utilities field workers
- Project COPE is administered by the Colorado Springs Utilities Foundation
- The Foundation's purpose is to find funding and provide Utilities bill assistance to residential customers
- 2023 January to October Stats: 1,658 customers assisted, totaling \$1.07 million in bill assistance
- 2024 January to October Stats: 2,378 customers assisted, totaling \$1.72 million in bill assistance

COPE Funding Info

COPE Funding

- Charitable donations come from our community (philanthropic giving, Utilities customers, Utilities employees, etc.)
- Colorado Springs Utilities Matching Contributions
 - Utilities Board Guideline G-11 on community investment instructs Colorado Springs Utilities to match donations to Project COPE up to \$500,000 annually
- Community Focus Fund (CFF)
 - Guideline G-11 further instructs 100% of funding for CFF granting be donated to non-profit organizations
- Utilities will direct the \$256,000 in the annual budget for CFF be directed to the Colorado Springs Utilities Foundation in support of Project COPE
- Effectively this will increase the Utilities contribution to Project COPE from \$500,000 to \$756,000 annually

Questions



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Board Memo Agenda Item

Staff Report

Date: (Date of Utilities Board Meeting)	November 4, 2024
To:	Utilities Board
From:	Travas Deal, Chief Executive Officer
Subject:	Real Estate Code Changes
NARRATIVE:	
Desired Action: Choose only one	<input checked="" type="checkbox"/> Approval <input type="checkbox"/> Discussion <input checked="" type="checkbox"/> Information
Executive Summary:	<p>Utilities Board is being asked to approve one ordinance amending Chapter 12 of the City Code and two related ordinances, each amending a different chapter of City Code. The first ordinance amends City Code Chapter 12 (Utilities). This amendment will authorize the CEO to issue licenses for the use of Utilities-controlled property and will clarify that permits are only used for specialized Utilities-controlled property, such as watersheds and poles. Currently, the Code authorizes the CEO to issue permits for use of all Utilities-controlled property, but that is inconsistent with Utilities current practice which is to use licenses for non-specialized property.</p> <p>The second ordinance amends City Code Chapter 3 (Public Property and Public Works). This amendment clarifies who has the authority to issue licenses and permits for the use of City property and under what circumstances the City will use a license versus a permit. The changes proposed in this ordinance relate to the changes in the first ordinance.</p> <p>The third ordinance amends City Code Chapter 6 (Neighborhood Vitality/Community Health) with respect to the relocation process. City Code provides that when persons or businesses are relocated from real property as the result of a City program or project those persons and businesses are entitled to relocation assistance in accordance with the Uniform Relocation and Assistance Policies. As part of that process, if a party is aggrieved because they believe that the City has failed to properly consider the person's application for relocation assistance, they may file an appeal. The proposed ordinance changes who will hear a final administrative appeal under this part of the City Code. Currently final administrative appeals are heard by a panel consisting of the Mayor, the CEO of Utilities, and the Chief Executive Officer of MHS Enterprise. The proposed ordinance would provide that final administrative appeals will be heard by a hearing office appointed by the City Attorney pursuant to City Code section 1.2.409. Relocations generally occur on Utilities' projects and Public Works projects.</p>
Benefits:	The changes to Chapters 12 and 3 will make City Code consistent with practice. The change to Chapter 6 will vest the authority to oversee a relocation assistance appeal in the proper group.
Board Policy: If this impacts one of the board policies, indicate that here.	N/A
Cost / Budget: Include the projected cost or budget here.	N/A

Affected Parties: This could include community groups, specific City Council Districts, other utilities, nonprofit organizations, certain neighborhoods, Colorado Springs Utilities employees, etc.		Community, Utilities, City	
Alternatives:		Do not recommend approval or place on Council agenda	
Submitter:	Jessica Davis	Email Address:	jedavis@csu.org
Division:		Phone Number:	
Department:		Date Submitted:	November 4, 2024
SPG Staff Use Only:	Consent Calendar <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		Item Number 15
ITEMS SUBMITTED AFTER THE DEADLINE WILL BE POSTPONED UNTIL THE NEXT UTILITIES BOARD MEETING.			



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Real Estate Related City Code Changes

Utilities Board, November 20, 2024

Jessica Davis, Manager, Colorado Springs Utilities

Gayle Sturdivant, City Engineer/Deputy Public Works Director

Kellie Billingsley, Real Estate Services Manager

Agenda

1. Chapter 12: licenses and permits
2. Chapter 3: licenses and permits
3. Chapter 6: relocation appeals
4. Request

Chapter 12 (Utilities)

Chapter 12 (Utilities)

The first ordinance amends City Code Chapter 12 (Utilities):

- Authorizes CEO to issue licenses for the use of Utilities-controlled property
- Clarifies that permits are only used for specialized Utilities-controlled property
 - Specialized property: watersheds, poles
- Makes consistent with actual practice

Chapter 3 (Public Property and Public Works)

Chapter 3 (Public Property and Public Works)

The second ordinance amends City Code Chapter 3 (Public Property and Public Works):

- Clarifies who has the authority to issue licenses and permits for the use of City property and under what circumstances the City will use a license versus a permit.
- The changes proposed in this ordinance consistent with the first ordinance.
- Makes consistent with actual practice

Chapter 6 (Neighborhood Vitality/Community Health)

Chapter 6 (Neighborhood Vitality/ Community Health)

The third ordinance amends City Code Chapter 6 (Neighborhood Vitality Community Health):

- Relocation assistance provided when City project results in relocation of persons or businesses
- Relocation generally occurs in Utilities and Public Works projects
- Parties may appeal
- Ordinance changes panel that hears appeal

Chapter 6 (Neighborhood Vitality/ Community Health)

The third ordinance amends City Code Chapter 6 (Neighborhood Vitality Community Health):

- Ordinance changes panel that hears appeal
 - FROM: Mayor, CEO Utilities and CEO of MHS
 - TO: Hearing Officer appointed by CAO

Request

- Ordinances to December 10, 2024 City Council Regular Meeting
- Consent agenda



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ORDINANCE NO. 24-_____

AN ORDINANCE AMENDING SECTION 104 (APPEALS) OF ARTICLE 13 (RELOCATION POLICY AND PROGRAM) OF CHAPTER 6 (NEIGHBORHOOD VITALITY/COMMUNITY HEALTH) OF THE CODE OF THE CITY OF COLORADO SPRINGS 2001, AS AMENDED, PERTAINING TO RELOCATION APPLICATION APPEALS

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF COLORADO SPRINGS:

Section 1. Section 104 (Appeals) of Article 13 (Relocation Policy and Program) of Chapter 6 (Neighborhood Vitality/Community Health) of the Code of the City of Colorado Springs 2001, as amended, is amended to read as follows:

6.13.104: APPEALS

* * *

B. Final Administrative Appeal: An appellant aggrieved by the decision of the written determination resulting from an administrative appeal may **seek a final administrative appeal of** that decision ~~to a final administrative appeal panel (the "panel")~~ by filing a written notice of appeal with the Administrator of the City's real estate assets within ten (10) days of the date of mailing of the written determination resulting from the administrative appeal hearing. The City shall consider the written notice of appeal regardless of form.

1. The Administrator shall forward the notice to the **City Attorney who** ~~panel~~ which shall set a hearing not less than thirty (30) nor more than sixty (60) days from the date of the appeal. The **City Attorney shall appoint a Hearing Officer per City Code section 1.2.409 to hear the appeal.** ~~panel shall consist of the Mayor, the Executive Director of Utilities and the Chief Executive Officer of MHS Enterprise, or their designees, none of whom~~ **The Hearing Officer** shall have had **no** any prior involvement in the relocation.

2. The appellant may, at the appellant's expense, be represented by legal counsel or another person at the final administrative appeal hearing.

3. The **Hearing Officer** ~~panel~~ shall review the relocation file, the justification and material presented at the administrative hearing and the resulting written determination. The **Hearing Officer** ~~panel~~, in its sole discretion, may receive additional information, documents or other material necessary to ensure a fair and full review of the appeal or to assist the **Hearing Officer** ~~panel~~ in determining whether the City failed to properly consider the application for assistance under

section 6.13.102 of this article, including, but not limited to, eligibility for, or the amount of, a required relocation payment. The final administrative appeal hearing shall be recorded and the appellant, at the appellant's option and expense, may request a transcript of the recorded hearing.

4. Within ten (10) days of the conclusion of the final appeal hearing, the **Hearing Officer** ~~panel~~ shall issue a final written determination on the appeal, including an explanation of the basis on which the decision was made, and provide a copy to the appellant. If the full relief requested is not granted, the written determination shall advise the appellant of the right to seek judicial review of the **Hearing Officer's** ~~panel's~~ decision.

* * *

Section 2. This ordinance shall be in full force and effect from and after its final adoption and publication as provided by Charter.

Section 3. Council deems it appropriate that this ordinance be published by title and summary prepared by the City Clerk and that this ordinance be available for inspection and acquisition in the office of the City Clerk.

Introduced, read, passed on first reading and ordered published this ____ day of _____, 2024.

Finally passed: _____

Council President

Mayor's Action:

- Approved on _____.
- Disapproved on _____, based on the following objections:

Mayor

Council Action After Disapproval:

- Council did not act to override the Mayor's veto.
- Finally adopted on a vote of _____, on _____.
- Council action on _____ failed to override the Mayor's veto.

Council President

ATTEST:

Sarah B. Johnson, City Clerk

Board Memo Agenda Item

Staff Report

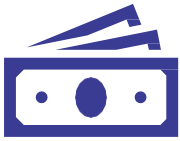
Date: (Date of Utilities Board Meeting)	November 20, 2024		
To:	Utilities Board		
From:	Travas Deal, Chief Executive Officer		
Subject:	(P-5.4) 2024 Utilities Board Committee Accomplishments		
NARRATIVE:			
Desired Action: Choose only one	<input type="checkbox"/> Approval <input checked="" type="checkbox"/> Discussion <input type="checkbox"/> Information		
Executive Summary:	Provided are 2024 accomplishments for each Utilities Board Committee: <ul style="list-style-type: none"> • Finance Committee • Personnel Committee • Program Management Review (PMR) Committee • Strategic Planning Committee 		
Benefits:	N/A		
Board Policy: <small>If this impacts one of the board policies, indicate that here.</small>	(P-1.5) Committee Purpose, Structure and Operation (G-2)		
Cost / Budget: <small>Include the projected cost or budget here.</small>	N/A		
Affected Parties: <small>This could include community groups, specific City Council Districts, other utilities, nonprofit organizations, certain neighborhoods, Colorado Springs Utilities employees, etc.</small>	Colorado Springs Utilities Board and employees		
Alternatives:	N/A		
Submitter:	Gail Pecoraro	Email Address:	gpecoraro@csu.org
Division:	Strategic Planning and Governance	Phone Number:	719.668.7317
Department:	Public Affairs	Date Submitted:	10.25.2024
SPG Staff Use Only:	Consent Calendar <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		Item Number 16

ITEMS SUBMITTED AFTER THE DEADLINE WILL BE POSTPONED UNTIL THE NEXT UTILITIES BOARD MEETING.



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2024 Committee Accomplishments



Finance Committee

2024 Accomplishments

Nancy Henjum, Lynette Crow-Iverson and Dave Donelson

- 10-year Financial Plans Reviewed
- Joint Strategic Planning Finance Committee Meeting (May 2024)
- Successful Infor Software System Implementation Go-live
- Strategic Rate Design (Energy Wise Rates) Reviewed and Presented in Rate Case
- Service Line Extensions Developer Fees Revised and Presented in Rate Case
- Successful Execution of Annual Plan of Finance and 2024 Financing Activities
- Annual Budget Reviewed (June, July and August meetings)
- 5-year Rate Case Presented
- Sales and Load Forecasts Reports Reviewed
- Excellence in Governance Policy Compliance Reports Reviewed
- ECA/GCA Quarterly Monthly Updates and Filings Presented



Personnel Committee

2024 Accomplishments

Yolanda Avila, Randy Helms, Michelle Talarico and Dave Donelson

- Employee Climate Survey Results
- Labor and Benefits Monitoring and Planning
- 2025 CEO Competencies and 2025 CEO Scorecard Measures
- CEO Mid-Year Performance and Year-End Review
- Affirmative Action Plan, Workforce Updates and Selection Process
- Strategic Initiatives Updates:
 - Total Worker Health
 - Diversity, Equity and Inclusion—DELTA Team
 - Employee Volunteer Program and Community Focus Fund
 - Workforce Development and Training
 - Safety Maturity
- Excellence in Governance Policy Compliance Reports:
 - Board Expected Results—Scorecard (ER-1:1-3)
 - Treatment of Staff (I-10)
 - Compensation and Benefits (I-11)
 - Emergency CEO Succession (E-2.8)



Program Management Review Committee 2024 Accomplishments

Michelle Talarico (Chair), Randy Helms, Dave Donelson, David Leinweber

- **Detailed review (Safety, Scope, Schedule/Financial Status, and Areas of Concern)**
 - Sustainable Energy Portfolio
 - Gas Distribution Integrity Management Program (DIMP) and Compliance Projects
 - Eastern Wastewater System Expansion Project
 - Fiber Optics/Communications Network
- **Dashboard review of 50+ additional high-profile projects/programs from the 2024 Annual Operating Financial Plan (AOFP)**
- **Tours:** Monument Creek Stabilization and Mesa Water Treatment Plant





Strategic Planning Committee

2024 Accomplishments

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

- 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)



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Board Memo Agenda Item

Staff Report

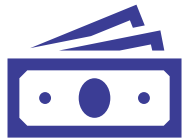
Date: (Date of Utilities Board Meeting)	November 20, 2024		
To:	Utilities Board		
From:	Travas Deal, Chief Executive Officer		
Subject:	P-5.4 2025 Committee Work Plans		
NARRATIVE:			
Desired Action: Choose only one	<input checked="" type="checkbox"/> Approval <input type="checkbox"/> Discussion <input type="checkbox"/> Information		
Executive Summary:	<p>The Utilities Board Strategic Planning Committee, Finance Committee, Personnel Committee and Program Management Review (PMR) Committee 2024 work plans were approved by the Utilities Board in 2023.</p> <p>The draft 2025 committee work plans were reviewed by each committee in October and November. Committees do not have approval authority over operations or activities but are authorized to provide information and recommendations to the Utilities Board.</p>		
Benefits:	The Utilities Board directs the work plans of each Board committee.		
Board Policy: If this impacts one of the board policies, indicate that here.	P 1-5 Committee Purpose, Structure and Operation G-2		
Cost / Budget: Include the projected cost or budget here.	N/A		
Affected Parties: This could include community groups, specific City Council Districts, other utilities, nonprofit organizations, certain neighborhoods, Colorado Springs Utilities employees, etc.	Colorado Springs Utilities Board and employees		
Alternatives:	Approve or modify the 2025 Utilities Board committee work plans		
Submitter:	Gail Pecoraro	Email Address:	gpecoraro@csu.org
Division:	Strategic Planning and Governance	Phone Number:	719.668.7317
Department:	Public Affairs	Date Submitted:	October 29, 2024
SPG Staff Use Only:	Consent Calendar <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		Item Number 17

ITEMS SUBMITTED AFTER THE DEADLINE WILL BE POSTPONED UNTIL THE NEXT UTILITIES BOARD MEETING.



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2025 Committee Work Plans



Finance Committee 2025 Work Plan

Nancy Henjum; Lynette Crow-Iverson; Dave Donelson

Focus Areas

- New Committee Member Onboarding
- Southwest Power Pool (SPP)/Regional Transmission Organization (RTO) Updates
- I-2 Report Review and Revisions
- Energy Wise Rates Go-Live
- Water Budget Rates Intro

Ongoing

- Sales and Load Forecasts
- Annual Budget: Financial Outlook and Rate Case
- 10-year Financial Plan
- Monthly Financial Forecast
- Water Revenue Report

Ongoing

- ECA/GCA Quarterly Filings, Annual ECC/GCC Update
- Annual Plan of Finance and 2025 Financing Activity
- Enterprise Risk Management Report
- Excellence in Governance Policy Compliance Reports:
 - Pricing of Services (I-1)
 - Financial Conditions and Activities (I-2)
 - Financial Planning and Budgeting (I-3)
 - Risk Management (I-4)
 - Asset Protection (I-8)
 - Community Investment (I-13)
 - ECA/GCA Monitoring (E-2)



Personnel Committee 2025 Work Plan

Yolanda Avila, Randy Helms, Michelle Talarico and Dave Donelson

Focus Areas

- Employee Climate Survey Action Planning Efforts and Results
- CEO Year-End and Mid-Year Performance Reviews
- Affirmative Action Plan and Workforce Demographics
- DELTA team update on diversity, equity and inclusion
- Strategic Initiative: Enable Employee Empowerment
 - Safety Maturity
 - Total Worker Health
- Labor and Benefits Monitoring and Planning
- Leader Development, Workforce and Succession Planning
- Onboard new Utilities Board Members
- Implement Employee Climate Survey results

Ongoing

- Excellence in Governance Policy
Compliance Reports:
 - Board Expected Results–Scorecard (ER-1:1-3)
 - Treatment of Staff (I-10)
 - Compensation and Benefits (I-11)
 - Emergency CEO Succession (E-2.8)



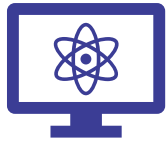
Program Management Review Committee

2025 Work Plan

Michelle Talarico (Chair), Randy Helms, Dave Donelson, David Leinweber

2025 Focus Areas

- **Select projects/programs including fiber, Distribution Integrity Management Program (DIMP) and supply chain updates.**
 - Significant projects by service
 - Unique projects
 - High-public visibility
 - Risk impact to organization
 - Regulatory project schedule
- **Dashboard review of 50+ additional high-profile projects/programs from the Annual Operating Financial Plan (AOFP)**
- **Committee tours**



Strategic Planning Committee 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?

Board Memo Agenda Item

Staff Report

Date: (Date of Utilities Board Meeting)		November 20, 2024	
To:		Utilities Board	
From:		Travas Deal, Chief Executive Officer	
Subject:		2025 Chief Executive Officer (CEO) Performance Plan	
NARRATIVE:			
Desired Action: Choose only one		<input checked="" type="checkbox"/> Approval <input type="checkbox"/> Discussion <input type="checkbox"/> Information	
Executive Summary:		<p>The Excellence in Governance Manual guideline G-4, Evaluation of the Chief Executive Officer's Performance, outlines that the Chief Executive Officer and Personnel and Strategic Planning committees, partner to review and to recommend performance indicators, targets, leadership competencies and weightings to the Utilities Board in the fourth quarter of the current year for adoption by the Utilities Board for the following year.</p> <p>The Utilities Board will use the approved performance plan to evaluate the CEO's performance annually in February or March of each year. The proposed Balanced Scorecard has been reviewed by the Strategic Planning Committee and the CEO leadership competencies were reviewed by the Personnel Committee. Highlights are in the attached presentation.</p>	
Benefits:		The Board Expected Results and competencies assist the Utilities Board in evaluating the performance of the organization and the CEO.	
Board Policy: If this impacts one of the board policies, indicate that here.		Utilities Board/Chief Executive Officer Partnership Expectations (E-1.2)	
Cost / Budget: Include the projected cost or budget here.		N/A	
Affected Parties: This could include community groups, specific City Council Districts, other utilities, nonprofit organizations, certain neighborhoods, Colorado Springs Utilities employees, etc.		Utilities Board members, Utilities Policy Advisory Committee members and Colorado Springs Utilities staff who support these two bodies.	
Alternatives:		Modify the details of the CEO Performance Plan.	
Submitter:	Natalie Watts	Email Address:	nwatts@csu.org
Division:	Administrative and Human Resources	Phone Number:	719-668-8327
Department:	Public Affairs	Date Submitted:	October 24, 2024
SPG Staff Use Only:	Consent Calendar <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		Item Number 18

ITEMS SUBMITTED AFTER THE DEADLINE WILL BE POSTPONED UNTIL THE NEXT UTILITIES BOARD MEETING.



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Proposed 2025 Chief Executive Officer Performance Plan

Natalie Watts

Manager – Strategic Planning and Governance

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



Proposed 2025 CEO Competencies – No changes recommended

- Competencies comprise 50% of CEO Performance Plan
- Evaluated by the Board semi-annually (2x/yr)
- Five CEO leadership competencies with equal weight (10% each)
- Reviewed at Personnel Committee
- Proposed 2025 (same as 2024)
 - Builds Effective Teams
 - Ensures Accountability
 - Drives Engagement
 - Balances internal/external stakeholders
 - Strategic mindset



Balances Stakeholders

Definition:

Anticipating and balancing the needs of multiple stakeholders. Creates flexibility in the organization that is needed to respond to varied stakeholder needs. Demonstrates foresight about how stakeholder priorities will change and evolve.

Optimizes decisions across the varied needs of internal and external stakeholders. Serves as a role model for considering cultural and ethical factors in balancing the needs of stakeholders.



Builds Effective Teams

Definition:

Building strong-identity teams that apply their diverse skills and perspectives to achieve common goals. Builds a cohesive leadership team that drives the goals and success of the organization.

Creates a culture with systems and processes that enable cross-functional teamwork. Instills a common mindset and team spirit across the organization. Models teamwork by working effectively with other leaders throughout the organization.



Drives Engagement

Definition:

Creating a climate where people are motivated to do their best to help the organization achieve its objectives. Motivates others by appealing to deeply held values and goals.

Creates a climate that makes work gratifying and enjoyable. Ensures that people in the organization feel their contributions are valued. Energizes the organization by clarifying the broader purpose and importance of the work.



Drives Results

Definition:

Consistently achieving results, even under tough circumstances. Creates an organization that pushes forward in difficult circumstances. Eliminates obstacles that affect organizational performance. Gets results that have a clear, positive, and direct impact on business performance. Drives the organization to achieve results.



Strategic Mindset

Definition:

Seeing ahead to future possibilities and translating them into breakthrough strategies. Leverages the organization's key differentiators to develop a viable long-term strategy. Explores future scenarios and possibilities to help the organization respond to change and shape the future.

Revisits and updates business strategies in response to evolving market dynamics and organizational needs. Develops and integrates organizational strategies to achieve and sustain competitive advantage.



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 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



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	<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		
								Builds Effective Teams	10.0	<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
										10.0	<2.00	2.00 - 2.99	3.00 - 3.74	3.75 - 4.49	>4.49



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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
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. 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)
Reliability 40%	Operational Excellence	14. 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
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	Support our Community	20. Environmental Index	Lisa Barbato	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		Renee Adams	8.0	> 20% Above Benchmark	10.01 - 20% Above Benchmark	+/-10% of Benchmark	10.01 - 20% Below Benchmark
Enable Employee Empowerment	22. Workforce Index	3.0	< 1.50		1.50 - 2.69	2.70 - 3.49	3.50 - 4.60	> 4.60	

Board Memo Agenda Item

Staff Report

Date: (Date of Utilities Board Meeting)	November 20, 2024		
To:	Utilities Board		
From:	Travas Deal, Chief Executive Officer		
Subject:	2025 Strategic Plan Update		
NARRATIVE:			
Desired Action: Choose only one	<input checked="" type="checkbox"/> Approval <input type="checkbox"/> Discussion <input type="checkbox"/> Information		
Executive Summary:	<p>The Utilities Board is responsible for setting the strategic direction of the organization. The Utilities Board and Chief Executive Officer work jointly to establish approved measures, targets and focus areas to monitor organizational performance through the strategic plan.</p> <p>The strategic plan components include Utilities Board focus areas, mission, vision, values, strategic objectives, strategic initiatives and the enterprise scorecard.</p> <p>The proposed 2025 strategic plan update has been reviewed and is recommended for approval by the Strategic Planning Committee.</p> <p>Highlights of the proposed strategic plan update are in the attached presentation.</p>		
Benefits:	The strategic plan and enterprise scorecard ensure responsible oversight of the enterprise to residents.		
Board Policy: If this impacts one of the board policies, indicate that here.	Utilities Board/Chief Executive Officer Partnership Expectations (E-1.2)		
Cost / Budget: Include the projected cost or budget here.	N/A		
Affected Parties: This could include community groups, specific City Council Districts, other utilities, nonprofit organizations, certain neighborhoods, Colorado Springs Utilities employees, etc.	Utilities Board members, Colorado Springs CEO and Colorado Springs Utilities Executive Leadership Team.		
Alternatives:	Modify the details of the enterprise scorecard or Utilities Board Focus Areas or do not accept the changes proposed.		
Submitter:	Natalie Watts	Email Address:	nwatts@csu.org
Division:	Administrative and Human Resources	Phone Number:	719-668-8327
Department:	Public Affairs	Date Submitted:	October 24, 2024
SPG Staff Use Only:	Consent Calendar <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		Item Number 19

ITEMS SUBMITTED AFTER THE DEADLINE WILL BE POSTPONED UNTIL THE NEXT UTILITIES BOARD MEETING.



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2025 Strategic Plan Update

Natalie Watts, Strategic Planning and Governance Manager

Utilities Board Partnership Expectations



Colorado Springs Utilities

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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
- Proposing two minor changes



TODAY WE WORK
— FOR —
TOMORROW

STRATEGIC PLAN
EFFECTIVE JAN. 1, 2023



Colorado Springs Utilities Strategy Map



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

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

Next Steps

- Vote to approve or not approve the 2025 Strategic Plan as presented to you today.





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**Colorado Springs Utilities
Strategic Plan**

Effective January 1, 2025

Table of Contents

Letter from the CEO

Strategic Foundation – Mission, Vision, Values

Strategic Focus

Strategy Map

Strategic Objectives

Strategic Initiatives

Enterprise Balanced Scorecard

Appendix

Glossary

Letter from the CEO

Throughout our century of service, we have overcome obstacles and adapted to change while delivering reliable utilities to our customers. Our strategic plan for 2025 and beyond sets us up for success as we look to continue that tradition into our next century of service.

I am incredibly proud of the significant achievements from the past year, which include passing a five-year rate case, launching a new volunteer program and establishing strong leadership development programs. These milestones are a testament to our dedication to excellence and our ability to adapt and thrive in a dynamic environment.

Our strategic objectives for the coming years are clear:

Operational excellence

Focus on the customer

Financial accountability

Support our community

Enable employee empowerment

We have a lot of work on the horizon and need to be more strategic than ever. Our employees are our greatest asset, and I encourage all teams to align their goals and priorities with these objectives. By using this enterprise-level framework we've established, we can ensure that our efforts are cohesive and efficient.

I am excited about the future and confident in our ability to achieve great things. Together, we will continue to build on our legacy of service, innovation and community support. Thank you for your dedication and hard work. Let's make 2025 a year of remarkable achievements.

In service,

Travas Deal, CEO

Strategic Focus

The Utilities Board is primarily and ultimately accountable for ensuring the benefits of local ownership and control to the residents of Colorado Springs. The Utilities Board also has a responsibility to its current and future customers by balancing: Rates, Reliability and Relationships.

Rates

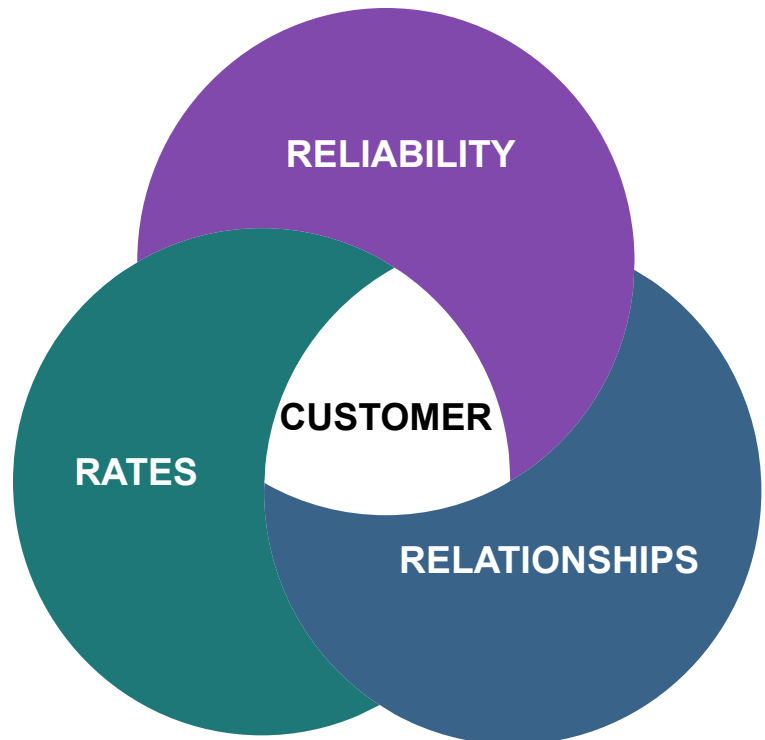
- Financial sustainability
- Resources used responsibly
- Customer value

Reliability

- On-demand energy and water service
- System resiliency
- Trusted community service provider

Relationships

- Safe, satisfied and loyal customers
- Safe, engaged, innovative and customer-focused employees
- Valued stakeholders
- Vibrant regional economy



Strategic Foundation

The Strategic plan focuses the organization on delivering the mission and vision and achieving a competitive position in each of the Utilities Board's strategic focus areas of rates, reliability and relationships.

Our Mission

Provide safe, reliable, and competitively-priced utilities to our customers.

Our Vision

Ready for today, prepared for a sustainable future.

Our Values

Every employee is accountable for upholding the values of the organization.

People

We promote and foster an inclusive work environment in which everyone is treated with dignity and respect.

Trust

We demonstrate the highest standards of integrity, competence, transparency and professionalism.

Responsibility

We are committed to fiscal and environmental stewardship of all resources.

Collaboration

We develop cooperative goals, share information and foster relationships.

Continuous Improvement

We innovate, optimize and adapt to serve customers today and in the future.

Safety

We are passionately committed to no one getting hurt.

Strategy Map

The Strategy Map provides a visual overview of the components of our strategic plan. It is a visual snapshot to help communicate how we will continue to provide service and value and achieve our enterprise goals.

Colorado Springs Utilities Strategy Map



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

OUR MISSION	Provide safe, reliable, and competitively-priced utilities to our customers.				
OUR VISION	Ready for today, prepared for a sustainable future.				
OUR VALUES	Safety, People, Trust, Responsibility, Collaboration, Continuous Improvement				
STRATEGIC OBJECTIVES	Operational Excellence	Focus on the Customer	Financial Accountability	Support our Community	Enable Employee Empowerment
2025 STRATEGIC INITIATIVES	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

Strategic objectives are continuous improvement activities designed to address business and performance gaps and leverage organizational strengths. They are our high-level 3-5 year goals that are going to help us achieve our mission and vision. These objectives are designed to guide the organization's efforts and resources toward desired outcomes. Strategic objectives make strategy actionable by involving all employees in operationalizing the organization's goals; aligning day-to-day work, projects, programs and initiatives.

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.*

Focus on the Customer

Serve by anticipating and exceeding customer expectations.

Why it matters: Our customers are at the center of every decision we make. We need to go beyond the basics and ensure they have a positive experience while doing business with us.

What it entails:

- Anticipate and meet customer preferences
- Enhance internal and external customer relationships
- Provide innovative customer solutions and options
- Reduce business barriers for residential, commercial, and industrial customers

Financial Accountability

Ensure we are all responsible stewards of customer resources.

Why it matters: We all play a role in the financial health of the organization and to best serve our customers, we need to be vigilant when making financial decisions.

What it entails:

- Create a long-term enterprise financial plan
- Maintain a fair and equitable rate structure
- Maintain a strong bond rating

- Manage revenue volatility
- Mitigate financial risk
- Explore additional revenue generation streams
- Responsibly use resources at a division, department, and section level

Support the Community

Contribute to the growth, vitality and quality of life in the Pikes Peak Region.

Why it matters: As a locally-owned utility, we are an integral part of the business and residential communities, and it is our responsibility to be a collaborative partner.

What it entails:

- Maintain and update long-term integrated resource plans
- Contribute to the retention and growth of local businesses through efficiencies in service
- Contribute to the growth and vitality of our community by being a cooperative community partner

Enable Employee Empowerment

Create an environment where employees feel valued, have autonomy to complete their work, and are supported.

Why it matters: Our employees are the most important and essential asset of our organization.

What it entails:

- Foster a culture that embraces continuous improvement
- Strive for an incident-free workplace
- Adopt a safety mindset in everything we do
- Provide market-competitive compensation and benefits
- Develop future leaders aligned with the organization's values
- Build internal talent pipeline for targeted jobs
- Encourage professional development and training opportunities
- Recognize, appreciate, and value employees
- Promote an inclusive, respectful and engaged workforce

Strategic Initiatives

Strategic Initiatives are new or continuing projects and actions designed to improve performance of one or more strategic objectives. They help the organization achieve its long-term goals and are directly tied to the mission and vision.

1. **Strategic Initiative:** Promote Safety Maturity Excellence as Exhibited by a “High Performing” Level of Safety Maturity Model
Strategic Objective Alignment: Enable Employee Empowerment
Definition: Safety is the highest priority for Colorado Springs Utilities employees, contractors and the community. Promoting safety maturity excellence focuses on transforming the organization from a safety culture of compliance to a culture of commitment. This will be accomplished by supporting and empowering employees to utilize the organizational safety programs, policies, procedures and best practices in everything they do. Health, safety and environment (HSE) will take priority over productivity and workforce will be engaged with continually improving HSE. This initiative will be completed by 2029.

Key Milestones:

1. Form an enterprise Safety Leadership Network to help drive best practices related to safety maturity throughout the organization.
2. Initiate a Management of Change (MOC) process to review and update the Safety Onboarding program.
3. Present the 13 Elements of Excellence throughout the organization to all division, department, and workgroups by the end of 2025.
4. Develop and implement Injury Illness Prevention Plans (I/I) at the division/department levels.

How will we measure success?

Development of Injury and Illness Prevention Plans at the division/department level and retraining of all employees to the updated Safety Onboarding program will be our measures of success.

2. **Strategic Initiative:** Optimize Business Processes
Strategic Objective Alignment: Operational Excellence
Definition: As we plan and execute the huge amount work ahead of us, it’s imperative that we have the correct systems in place to effectively support our efforts. With this initiative, we will identify new strategies and leverage technologies to improve current processes. In accomplishing this initiative, we will increase organizational efficiency by developing a consistent and documented approach to maintaining assets over their lifecycle. This initiative will be completed by 2027.

Key milestones that will be completed in 1-2 years?

1. Implement an asset management strategy and plan for a multi-year implementation.
2. Implement a framework for business management systems.

How will we measure success?

Retrievable process documents for major delivery milestones will be created and implemented. Establish a scope of work and allocate resources to accomplish strategy.

3. **Strategic Initiative:** Enhance Outage Management Communication

Strategic Objective Alignment: Focus on the Customer

Definition: Enhancing outage management communication aims to improve customer experience, optimize resource allocation, and foster community trust by providing timely and transparent information during service disruptions. The completion of this initiative will lead to faster restoration times, increased customer satisfaction, better resource allocation, proactive outage prevention, reduced call center strain. We anticipate this project to be completed by January 2026.

Key Milestones:

1. Evaluate and Select: Assess current communication processes and choose effective tools.
2. Engage and Train: Involve stakeholders and train staff on new systems.
3. Implement and Test: Launch new channels, conduct pilot tests, and gather feedback.
4. Monitor and Improve: Continuously assess effectiveness and make adjustments.

How will we measure success?

Improve residential and small business customer satisfaction score.

4. **Strategic Initiative:** Align Long-Term Financial Plans with Business Needs and Future Resource Growth

Strategic Objective Alignment: Financial Accountability

Definition: Ensure that the financial impact of the organization's vast and complex future plans are adequately calculated, communicated, prioritized, funded, and managed in a safe and responsible manner. Completion of this initiative will result in long-term financial health for the organization.

Key Milestones:

1. Design and define a comprehensive enterprise financial planning framework.
2. Create and publish a thorough 10-year financial plan.
3. Formalize consistent O&M and capital charge request, approval and reporting processes.

How will we measure success?

Initiative completion percentage, continuous tracking of financial metric performance and uniform spending variance reporting.

5. Strategic Initiative: Develop Enterprise Prioritization Framework

Strategic Objective Alignment: Operational Excellence

Definition: Create a framework to evaluate and rank the most impactful and strategically aligned projects and activities. Acknowledge resource constraints and properly account for the human resources necessary to accomplish the prioritized projects and programs as well as the core business day-to-day work. When this initiative is completed, it will ensure investments are aligned with the enterprise vision and provide the most value to the organization through use of a common evaluation framework. This initiative will be completed by 2027.

Key Milestones:

1. Define Objectives: Establish clear goals aligned with business strategy.
2. Identify and Evaluate Projects: Compile and assess potential projects based on impact and resource needs.
3. Select and Apply a Framework: Choose a prioritization method and rank projects accordingly.
4. Implementation and Monitoring: Develop an execution plan and continuously assess project effectiveness.

How will we measure success?

All projects and programs that require funding will have an assigned strategic alignment score for prioritization.

6. Strategic Initiative: Implement Energy Wise

Strategic Objective Alignment: Support our Community

Definition: Our energy future is transforming. To meet state requirements, and the needs of a growing community, we must all work together to use energy responsibly. Customers are part of the transformation. With energy-wise time-of-day rates, customers pay different rates for electricity based on the time of day it is used. Rates are lowest on weekdays before 5 p.m. and after 9 p.m., on weekends, and on holidays. These times are called "off-peak." Rates are highest during weekdays (M-F) from 5 p.m. to 9 p.m. These are called "on-peak" times. These rates give customers more control over their bill since they can shift electricity use to times when it costs less. Rates will be higher in summer when demand is highest (June-September) and lower in winter (October-May). The rate will go into effect in October 2025. Residential and business customers with smart meters (i.e., Automated Metering Infrastructure or AMI meters) will be eligible.

Key Milestones:

1. Phased communication plan.

2. October 2025 rollout to eligible customers with full rollout expected by December 2025-April 2026.

How will we measure success?

Lower energy usage during peak demands.

Enterprise Balanced Scorecard

The balanced scorecard measures the organization’s performance in achieving Strategic Objectives. Updated and reviewed throughout the year, the balanced scorecard helps identify gaps, trends and opportunities for improvements.

The Balanced Scorecard measures the organization's performance in achieving enterprise Strategic Objectives							
Utilities Board Strategic Focus Weight	Performance Measure	Weight	1 Does Not Meet Expectations	2 Partially Meets Expectations	3 Meets Expectations	4 Exceeds Expectations	5 Far Exceeds Expectations
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	19. Customer Satisfaction - Business	3.0	< 1.50	1.50 - 2.49	2.50 - 3.49	3.50 - 4.49	> 4.49
	20. Environmental Index	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	8.0	> 20% Above Benchmark	10.01 - 20% Above Benchmark	+/-10% of Benchmark	10.01 - 20% Below Benchmark	> 20% Below Benchmark
	22. Workforce Index	3.0	< 1.50	1.50 - 2.69	2.70 - 3.49	3.50 - 4.60	> 4.60

Glossary

Balanced Scorecard	An integrated strategic planning and performance management system that communicates with clarity an organization's vision, mission and strategy to employees and other stakeholders; aligns day-to-day work to vision and strategy; provides a framework for prioritizing programs and projects; and uses strategic performance measures and targets to measure progress.
Mission	The organization's purpose, including who is served and what products, programs and services are provided to customers and stakeholders.
Organizational Alignment	The existence of a consistently clear understanding of the organization's mission, vision and strategy throughout an entire organization. An aligned organization is one where everyone understands how what they do contributes to the aspirations of the organization and it is clear how business units, supports units, and employees interact to create value for the organization's customers and connects to the organization's vision.
Performance Measure	Performance measures provide objective evidence of progress toward a strategic goal and are an analytical basis for decision making.
Strategic Initiative	New or continuing projects and actions designed to improve performance of one or more strategic objectives. Strategic initiatives should be accomplished in 1-2 years.
Strategic Objectives	The specific continuous improvement activities designed to fill gaps. They are 3–5-year goals that help us achieve our mission and vision. Strategic objectives make strategy actionable by involving all employees in operationalizing the organization's goals.
Strategic Plan	The document used to communicate with an organization the organizational goals, the actions needed to achieve those goals and all of the other critical elements developed during the planning exercise.
Strategic Planning	An organizational management activity that is used to set priorities, focus energy and resources, strengthen operations, ensure that employees and other stakeholders are working toward common goals, establish agreement around intended outcomes/results, and assess and adjust the organization's direction in response to a changing environment. It is a disciplined effort that produces fundamental decisions and actions that shape and guide what an organization is, who it serves, what it does, and why it does it, with a focus on the future. Effective strategic planning articulates not only where an organization is going and the actions needed to make progress, but also how it will know if it is successful. The result of the planning process is a strategic plan.

Strategic Focus Area	Focus areas that build on the customer value proposition to define the organization’s high-level business strategy, break down the vision and mission into action, and focus energy on desired strategic results. Colorado Springs Utilities’ focus areas are rates, reliability and relationships.
Strategy	The positioning choices made and the actions taken, from many choices and actions that are potentially available, to move the organization from its current state to some desirable future state. How an organization intends to accomplish its vision; an approach, or “game plan”.
Strategy Map	A graphic that shows a snapshot of the organization’s strategy and all of them elements of the strategic plan.
Values	The organization’s beliefs and principles that articulate the culture of the organization. These are the standards that describe how employees and the organization are expected to behave internally and externally. They serve as the basis for decision-making and influence actions in everyday situations.
Vision	A vivid, emotionally inspiring, time-specific picture of a future to which the organization aspires.