

AGENDA
Wednesday, March 20, 2024
1:00 p.m.

Join on your computer or mobile app

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Or call in (audio only)

[+1 719-733-3651,,554061683#](tel:+17197333651554061683)

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. 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
	3a. Approval of Utilities Board Meeting Minutes: Feb. 21, 2024	
1:15 p.m.	4. 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 that 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
1:20 p.m.	5. Recognition: President's Volunteer Service Award	Renee Adams, Chief Administrative and Human Resources Officer

1:40 p.m.	6. Compliance Reports: I-4 Risk Management I-8 Asset Protection ER: 1-3 Utilities Board Expected Results Year End Performance Scorecard E-2 CEO Responsibilities <ul style="list-style-type: none"> • Water Outlook 	Travas Deal, Chief Executive Officer
2:10 p.m.	7. Items Called Off Consent Calendar	
2:15 p.m.	8. Fuel Related Rate Adjustments <i>Informational presentation regarding City Council approval of a fuel-related rate filing.</i>	Scott Shirola, Pricing and Rates Manager
2:35 p.m.	9. Park Vista Addition No. 10 Annexation <i>Vote to recommend approval of extending water service to annexing property known as Park Vista Addition No. 10 subject to its future annexation, if it complies with City Code section 13.4.305.</i>	Bryan English, Development Projects Manager
2:45 p.m.	10. Board Member Updates	Board of Directors
2:55 p.m.	11. Summary of Board Actions	Natalie Watts, Strategic Planning and Governance Manager
3:00 p.m.	12. Executive Session In accordance with City Charter art. III, § 3-60(d) and its incorporated Colorado Open Meetings Law, C.R.S. § 24-6-402(4)(f) and Utilities Board Bylaws Rule 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 is the 2023 year-end performance review of the Chief Executive Officer. 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	Renee Congdon, City Attorney’s Office – Utilities Division Chief

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.

- | | | |
|----------------------|--|----------------|
| 4:00
p.m. | 13. Chief Executive Officer Salary
<i>Vote to approve a new salary for the CEO. Board Policy UBA: 1-4 states that pursuant to City Code § 12.1.104, the Utilities Board has the following administrative authorities: Hire, set the salary, evaluate, and terminate the Chief Executive Officer.</i> | Chair Donelson |
| 4:15
p.m. | 14. Adjournment | Chair Donelson |

MINUTES
Colorado Springs Utilities Board Meeting
Wednesday, Feb. 21, 2024

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

Chair Dave Donelson, Vice Chair Yolanda Avila, Nancy Henjum, Lynette Crow-Iverson, Brian Risley, Mike O'Malley, Michelle Talarico and David Leinweber

Utilities Board Members Excused: Randy Helms

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

Travas Deal, Renee Adams, Somer Mese, Mike Francolino, Tristan Gearhart, Lisa Barbato, Jessica Davis, Todd Sturtevant, Bethany Schoemer, Nicole Means, Marcela Espinoza, Natalie Watts, Mike Myers, Jared Miller, Andy Colosimo and Jessica Thiel

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

Renee Congdon and Ryan Trujillo

Citizens present via Microsoft Teams or Blue River Conference Room:

1. Call to Order

Chair Donelson called the Utilities Board meeting to order at 1:00 p.m., and Ms. Nicole Means, Utilities Board Administrator, called the roll.

2. Invocation and Pledge of Allegiance

Mr. Mike Myer, Safety and Health Manger, delivered the invocation, and Vice Chair Avila led the Pledge of Allegiance.

3. Consent Calendar

3a. Approval of Utilities Board Meeting Minutes: Jan. 16, 2024 Joint Utilities Board and Utilities Policy Advisory Committee Meeting

3b. Approval of Utilities Board Meeting Minutes: Jan. 17, 2024 Utilities Board Meeting

Board Member Talarico moved approval of the Consent Calendar and Board Member Leinweber seconded the motion. The Consent Calendar was unanimously approved.

4. Customer Comments

Mr. Mark Gebhart, ratepayer, gave a presentation on the dewatering of the Pueblo Reservoir in March 2023 and the impact on the river. Colorado Springs Utilities staff passed Mr. Gebhart's presentation out to the board members. Board Member Leinweber asked a question about what makes Pueblo significant for fly fishing.

Mr. Patrick Schrod, ratepayer, discussed net metering. He expressed frustration with having an electric bill after paying \$15,000 to install solar to power his home. Mr. Schrod explained his generation powers his house and his neighbor's house. He expressed frustrated for only receiving a \$46 rebate at the end of the year.

Vice Chair Avila asked a clarifying question, and Board Member O'Malley commented on his desire to allow excess generation to be donated to Project COPE. Mr. Trivas Deal, Chief Executive Officer, explained the costs to the distribution system and the requirement for Springs Utilities to reserve power for customers that utilize solar. Additionally, he discussed the equity issue of people who can afford solar and those who cannot.

5. Compliance Reports

- I-4 Risk Management
- I-5 Economic Development
- I-13 Community Investment
- E-2 CEO Responsibilities
 - Water Outlook
 - ECA/GCA monitoring

Chair Donelson explained that compliance reports are on the agenda by exception and asked if there were any questions. The compliance reports were unanimously approved.

6. Items Called Off Consent Calendar

There were none.

7. A Resolution Authorizing the Approval of a Land Exchange of an Easement Located near the intersection of Delta Drive and Hancock Expressway and a Property located at the intersection of Marksheffel Road and Barnes Road to be used for the Kelker to South Plant Transmission Project

Ms. Jessica Davis, Land Resource Manager, reviewed the land exchange for the Kelker-South Plant Transmission Project. The project exists to ensure reliability of the system and support additional power generation to the downtown network. Ms. Davis reviewed the requirements for land exchanges as outlined in the City Real Estate Manual. She explained the location of the land exchange, the costs of both pieces of land and the property information.

Board Member O'Malley made a motion to move the item to City Council and Board Member Crow-Iverson seconded the motion. The Utilities Board unanimously approved the item to go to City Council on March 12, 2024 on consent.

8. Outside City Wastewater Service Agreement – Falcon Area Water and Wastewater Authority

Mr. Todd Sturtevant, System Extensions Manager, explained the wastewater service agreement. The Falcon Area Water and Wastewater Authority (FAWWA) has requested continued wastewater service for Sterling Ranch. Mr. Sturtevant explained the water is provided by Denver Basin groundwater. He reviewed a map of Sterling Ranch, including well and septic systems, Springs Utilities eligible land and forced main sewer property. Mr. Sturtevant gave an overview of the history of the request for wastewater service from Sept. 2018 to the present. He reviewed the agreement terms and conditions, including the timeframe, allowable flows, cost recoveries, fees and eligible reasons to terminate the agreement. Lastly, Mr. Sturtevant explained the rate and revenue of the agreement.

Board Member Risley asked what happens at the conclusion of the 25-year agreement and asked if the developer is responsible to construct and pay for the infrastructure. Board Member O'Malley asked to see the map of the location of the service request. Board Member Henjum asked Mr. Sturtevant to explain the impacts the agreement will have on extending wastewater service in the eastern part of the city.

Board Member O'Malley made a motion to move the agreement to City Council and Vice Chair Avila seconded the motion. The Utilities Board unanimously approved the item to go to City Council on March 26, 2024 on consent.

9. Excellence in Governance Policy Manual Revisions

Ms. Bethany Schoemer, Strategic Planning and Governance Specialist, discussed the changes to the Excellence in Governance Policy Manual, and explained the changes are mostly clean-up, rather than substantive changes to policy. She gave a brief overview of the Governance Manual timeline, including the 2015 governance study and implementation of the Excellence in Governance Manual in 2018.

Ms. Schoemer gave a summary of the revisions to the governance manual and explained the item went through the January Strategic Planning Committee. Ms. Schoemer explained the change to the C-2 evaluation removes the requirement for an annual evaluation and allows it to be more informal.

Board Member O'Malley made a motion to approve the revisions, and Board Member Crow-Iverson seconded the motion. The Utilities Board unanimously approved the changes to the Excellence in Governance Policy Manual.

10. Board Member Updates

Board Member Avila explained that Personnel Committee was cancelled due to committee member scheduling conflicts. The agenda items from February were moved to March Personnel Committee. She reminded Board Members of the upcoming CEO evaluation.

Board Member Talarico shared about the Monument Creek Stabilization Project tour and summarized the topics shared at the February Program Management Review Committee. The next tour will be at the Drake Power Plant.

Chair Donelson shared remarks about Keith King in remembrance of his service to Colorado Springs Utilities.

Mr. Deal expressed thankfulness for the commitment of Mr. King serving on the Utilities Board and the instrumental work he did on the governance structure of the organization. Mr. Deal announced the departure of Ms. Means and her movement to the Government Affairs department.

11. Adjournment

The meeting adjourned at 1:56 p.m.

Board Memo Agenda Item

Staff Report

Date: March 20, 2024
To: Utilities Board
From: Travas Deal, Chief Executive Officer
Subject: Presidential Service Awards Recognition

NARRATIVE:

Desired Action: Recognition

Executive Summary: To encourage and recognize outstanding volunteer service and inspire others to volunteer, the President's Council on Service and Civic Participation created the President's Volunteer Service Award in 2003. This Award honors those Americans who have made serving a central part of their life.

Twenty-nine Colorado Springs Utilities employees earned the award for their volunteer commitment of 100 plus hours to one or more nonprofit organizations in 2023 (these are volunteer hours outside of our Community Focus Fund (CFF) volunteer projects).

Each recipient will receive a certificate and either a bronze, silver or gold service pin.

Benefits: Supports Excellence in Governance Community Investment I-13

Board Policy: I-13, Community Investment I-1

Cost/Budget: All volunteering takes place outside of standard working hours so there is no cost associated with this.

Affected Parties: The entire community benefits from these hours of service.

Alternatives: N/A

Submitter: Kandy Drake

Email address: kdrake@csu.org

Division/ Public Affairs/ Community Relations

Phone number: 719-668-7375

Department:

Date submitted: Feb. 23, 2024

SPG Staff Use Only:

Yes

No

ITEM NO. 5

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



President's Volunteer Service Award

Colorado Springs Utilities encourages employees to get involved in the community by joining civic community groups, serving on nonprofit boards, participating in homeowners' associations, and serving as mentors, troop leaders, coaches and more.

To encourage and recognize outstanding volunteer service and inspire others to volunteer, the President's Council on Service and Civic Participation created the **President's Volunteer Service Award** in 2003. This Award honors those Americans who have made serving a central part of their life.

In 2023, 54 Employees volunteered 10,048 hours of their time.

Of these, 28 employees will receive a President's Volunteer Service Award Pin and congratulatory letter from the President of the United States.

Bronze level recipients who volunteered between 100 – 249 hours

- | | | |
|-------------------|--------------------|-------------------------|
| ❖ Andrew Borata | ❖ Imelda Ruiz | ❖ Shaun Guilfoil |
| ❖ Becki Cadis | ❖ Jared Harmon | ❖ Sherri Svendgard |
| ❖ Birgit Landin | ❖ Jeremy Taylor | ❖ Stephen Graham |
| ❖ Brian Wortinger | ❖ Jim Bagby | ❖ Tricia Timmons-Malsam |
| ❖ Carley Bogus | ❖ Joe Leach | ❖ Trisha Curtis |
| ❖ Doug Bursnall | ❖ Matthew Hennigan | ❖ Wendy Asay |
| ❖ Gwendy Hartsell | ❖ Michael Myers | |
| ❖ Heather Barbare | ❖ Qaz Ingham | |

Silver Level recipients who volunteered between 250 – 499 hours

- ❖ Luke Alexander

Gold Level recipients who volunteered 500 or more hours

- | | |
|---------------|--------------------|
| ❖ Dusty Smith | ❖ Kevin Shrewsbury |
| ❖ Jason Myles | ❖ Ricardo Renteria |
| ❖ Ken Rubel | |

A huge **thank you** to all employees who volunteer in our community on a regular basis – your quiet act of kindness makes a significant difference to the lives of those you serve.

- | | | | |
|------------------|--------------------|------------------|--------------------|
| ❖ Alex Paton | ❖ Jeff Rowbotham | ❖ Kim Swearingen | ❖ Scott Vermillion |
| ❖ Amy Trinidad | ❖ Joseph Rasmussen | ❖ Lisa Barbato | ❖ Sean Sant |
| ❖ Charles Harms | ❖ Justin Smith | ❖ Lisa Halcomb | ❖ Steve Duling |
| ❖ Dirk Lambert | ❖ Kelley Edwards | ❖ Molly Olson | ❖ Tammy Havens |
| ❖ Ivan Martinez | ❖ Kele Kaono | ❖ Pattie Bengner | ❖ Vincent Grossi |
| ❖ Jeannie Seetch | ❖ Kevin Weiner | ❖ Paul Gross | |
| | | ❖ Scott Caldwell | |

**Volunteers qualifying for the President's Volunteer Service Award are outside of the Community Focus Fund volunteer program.*



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

2023 President's Volunteer Service Award Recognition

Colorado Springs Utilities Board

March 20, 2024

Bronze Level Recipients:

Andrew Borata – Construction and Maintenance
Becki Cadis – Information Technology
Birgit Landin – Public Affairs
Brian Wortinger – System and Field Operations
Carley Bogus – Construction and Maintenance
Doug Bursnall – Infrastructure and Resource Planning
Gwendy Hartsell – Information Technology
Heather Barbare – Project and Program
Imelda Ruiz – Engineering and Design
Jared Harmon – Cyber Security
Jeremy Taylor – Infrastructure and Resource Planning

100-249 volunteer hours



Bronze Level Recipients:

Jim Bagby – System and Field Operations

Joe Leach – Operations Technical Services

Matthew Hennigan – Plants

Michael Myers – Safety and Health

Qaz Ingham – Network Transport Services Portfolio

Shaun Guilfoil – System and Field Operations

Sherri Svendgard – Operations Technical Services

Stephen Graham – Operations Technical Services

Tricia Timmons-Malsam – Planning and Finance

Trisha Curtis – Public Affairs

Wendy Asay – Plants

100-249 volunteer hours



Silver Level Recipients:

Luke Alexander – Construction and Maintenance

Michelle Wills-Hill – Project & Program Department

250-499 volunteer hours



Gold Level Recipients:

Dusty Smith – Plants

Jason Myles – System and Field Operations

Ken Rubel – Information Technology

Kevin Shrewsbury – Project and Program

Ricardo Renteria – System and Field Operations

500 or more volunteer hours



**We thank you for your
service!**



OFFICE OF THE CITY AUDITOR COLORADO SPRINGS, COLORADO

Jacqueline M. Rowland
City Auditor, CPA CFE PMP

24-06 Colorado Springs Utilities Board Instruction 4, Risk Management

March 2024

Purpose

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

Highlights

Based on our review we conclude that Colorado Springs Utilities (Utilities) and the Chief Executive Officer (CEO) were in compliance with Utilities Board Instructions to the Chief Executive Officer, Policy I-4, Risk Management (I-4) for the calendar year 2023.

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

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

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

Our audit included a review of the Risk Management Committee materials and written policies required by I-4. We interviewed Utilities personnel responsible for administering policies. Per the I-4, Utilities prepared semi-annual reports on Board instruction compliance results. We verified the accuracy and reliability of statements made in the August 16, 2023 and February 21, 2024 reports.

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

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



Date: March 20, 2024

To: Utilities Board

From: Travas Deal, Chief Executive Officer

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

Desired Action: Monitoring

Compliance: The CEO reports compliance with the instructions

INSTRUCTIONS			
Category:	Utilities Board Instructions to the Chief Executive Officer	Reporting Timeframe:	July 1, 2023 – December 31, 2023
Policy Title (Number):	Asset Protection (I-8)	Reviewing Committee:	Finance
Monitoring Type:	Internal; City Auditor	Monitoring Frequency:	Semi-Annual; Annual

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

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

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

	Frequency of Update	Last Updated	Planning Horizon	Responsible Division
Cyber Security:				Customer and Enterprise Services
Cyber Security Incident Response Plan	Every 5 years	2022	5 years	
Cyber Security Vulnerability Management Program	Every 3 years	2021	Ongoing	
Cyber Security (Risk Management) Framework	Every 3 years	2023	Ongoing	
Security Operations:				Operations
Physical Security Program	5 years	2021	10 years	
Physical Security for Rampart Dam and Reservoir and Tesla Hydro Plant	1 year	2023	Ongoing	
Emergency Management:				Operations
Emergency Operations Plan	3 years	2024	Ongoing	
Dam Emergency Action Plans	1 year	2023	Ongoing	
Water Resource Recovery Facility Flood Emergency Evacuation Plans	1 year	2023	Ongoing	
Facilities Management:				System Planning and Projects
Facilities Master Plan	5 years	2021	10 years	
Facilities Maintenance Program	Annual	2021	10 years	
Records and Information Management:				Human Resources and Administration
Records Retention Program provides ongoing records compliance and disposition review and support	Ongoing	2023	3 years	
Water Resources Management:				System Planning and Projects
Reporting of water use in accordance with decrees, permits and agreements	Ongoing	Ongoing	Ongoing; updated as needed	

Watershed Management Plans	Ongoing; updated as needed	Ongoing	Ongoing; updated as needed	
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2. *Allow real estate transactions that comply with the City of Colorado Springs Procedure Manual for the Acquisition and Disposition of Real Property Interests, Revised 2021.*

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

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

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

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

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

Colorado Springs Utilities strives to build and enhance the enterprise's public image through proactive communications, media relations, marketing communications and community relations. In 2023, the Public Affairs department conducted a brand and reputation survey that provided good data about the impact of our marketing and customer service efforts.



Date: March 20, 2024

To: Utilities Board

From: Travas Deal, Chief Executive Officer

Subject: **Excellence in Governance - Utilities Board Expected Results (ER: 1-3) Year-end 2023**

Desired Action: Monitoring

Compliance: Performance Measures: 3.82 = Exceeds Expectations
 Objectives Evaluation: 3.98 = Exceeds Expectations
 Competencies: 3.96 = Exceeds Expectations
 Overall Score: 3.90 = Exceeds Expectations

EXPECTATIONS			
Category:	Utilities Board/Chief Executive Officer Partnership Expectations	Reporting Timeframe:	As of December 31, 2023
Policy Title (Number):	Utilities Board Expected Results Balanced Scorecard (ER: 1-3)	Reviewing Committee:	Strategic Planning, Personnel
Monitoring Type:	Internal		
Monitoring Frequency:	Semi-annually		

The Utilities Board monitors organizational achievements through Utilities Board Expected Results. Measures and targets are approved each December for the following year.

The Board Expected Results elements are allocated as follows:

- 40% toward achieving performance measure targets related to the Utilities Board strategic focus areas of rates, reliability and relationships. The performance measures result is 3.82 on a scale of 1 to 5.
- 10% based on the Utilities Board evaluation of progress towards accomplishing strategic objectives. The strategic objectives evaluation result is 3.98 on a scale of 1 to 5.
- 50% based on the Utilities Board assessment of CEO leadership competencies. The CEO leadership competencies result is 3.96 on a scale of 1 to 5.
- The overall Board Expected Results score is 3.90 on a scale of 1 to 5.

The overall rating is based on the scale below.

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

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

5 FS1a Residential Electric Service - Front Range Comparison

Performance Measure Status: Far Exceeds Expectations

MEASURE DESCRIPTION

Strategic Objective Supported: Financial Accountability

Reported as: Average natural gas bill

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

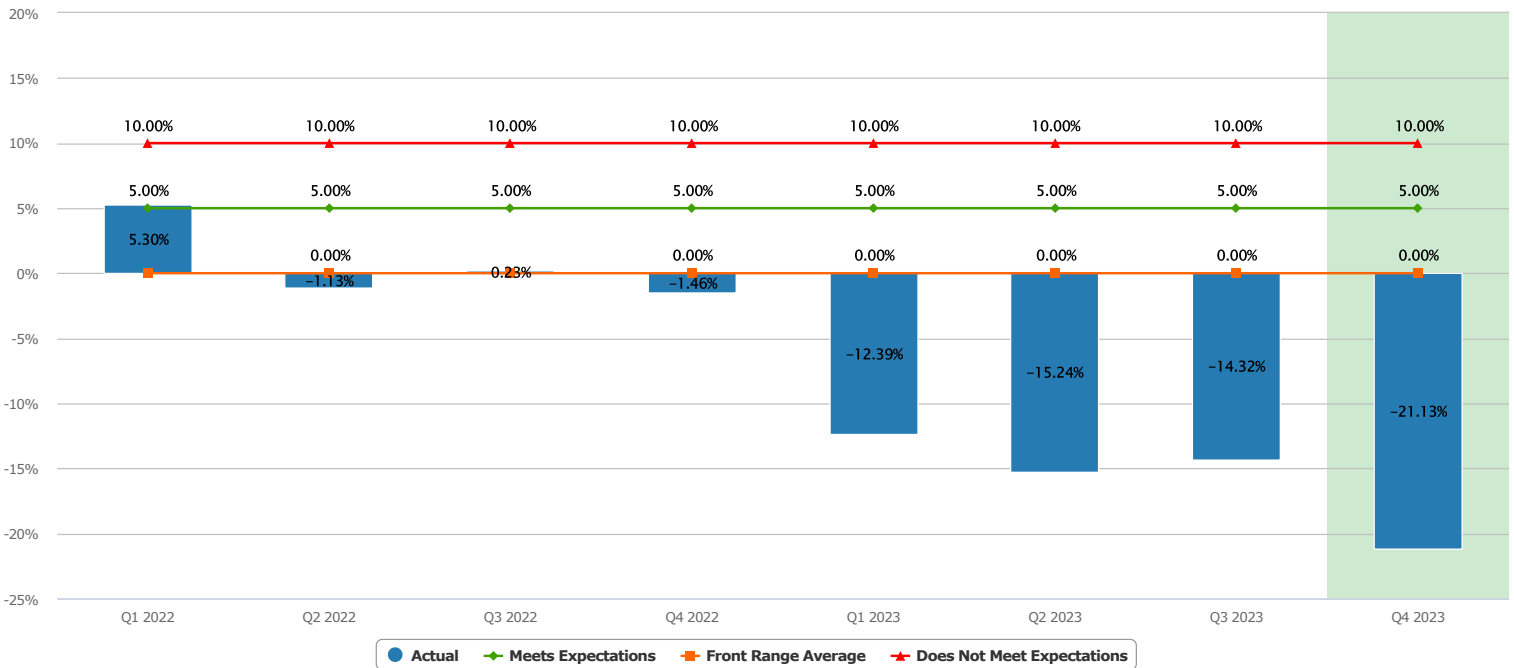
MEASURE PERFORMANCE

The year-end 2023 result is 21.13% below Front Range average.

PERFORMANCE MEASURE CHART(S)

Residential Electric Service

Front Range Comparison - Lower is Better



PERFORMANCE ANALYSIS

- January, April, July and October electric totals are taken from Colorado Association of Municipal Utilities (CAMU) survey for participating providers.
- The most recent rate computations have been estimated using tariffs rates publicly available on websites as of October 1, 2023 and assumed billing determinations.

5 FS1b Residential Natural Gas Service - Front Range Comparison

Performance Measure Status: Far Exceeds Expectations

MEASURE DESCRIPTION

Strategic Objective Supported: Financial Accountability

Reported as: Average bill

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

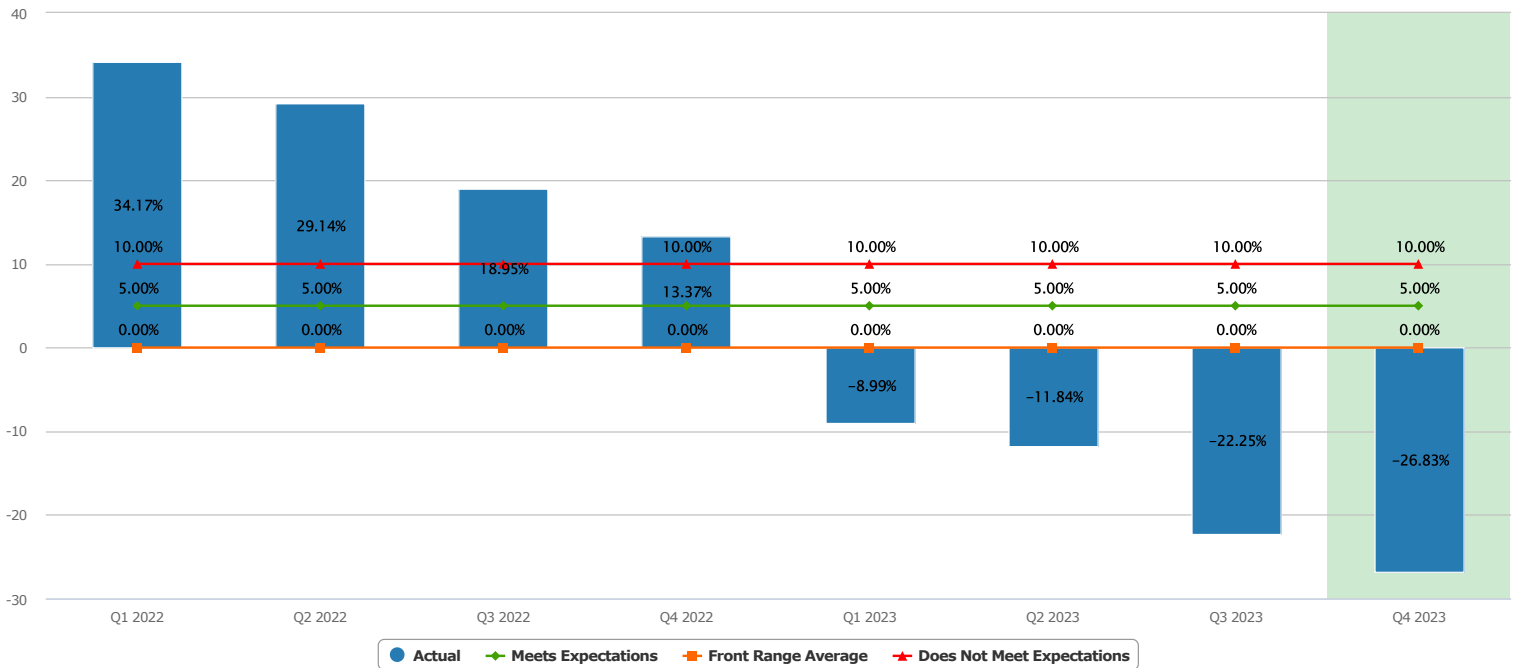
MEASURE PERFORMANCE

The year-end 2023 result is 26.83% below Front Range average.

PERFORMANCE MEASURE CHART(S)

Residential Natural Gas Service

Front Range Comparison - Lower is Better



PERFORMANCE ANALYSIS

- The most recent rate computations have been estimated using tariff rates publicly available on websites as of October 1, 2023 and assumed billing determinations.

MEASURE DESCRIPTION

Strategic Objective Supported: Financial Accountability

Reported as: Average bill

Target Range: 20.1 – 30.0% higher than Colorado Front Range average

MEASURE PERFORMANCE

The year-end 2023 result is 16.64% above Front Range average.

PERFORMANCE MEASURE CHART(S)

Residential Water Service

Front Range Comparison - Lower is Better



PERFORMANCE ANALYSIS

- Rate computations have been estimated using tariff rates publicly available on websites as of October 1, 2023 and assumed billing determinations.

5 FS1d Residential Wastewater Service - Front Range Comparison

Performance Measure Status: Far Exceeds Expectations

MEASURE DESCRIPTION

Strategic Objective Supported: Financial Accountability

Reported as: Average bill

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

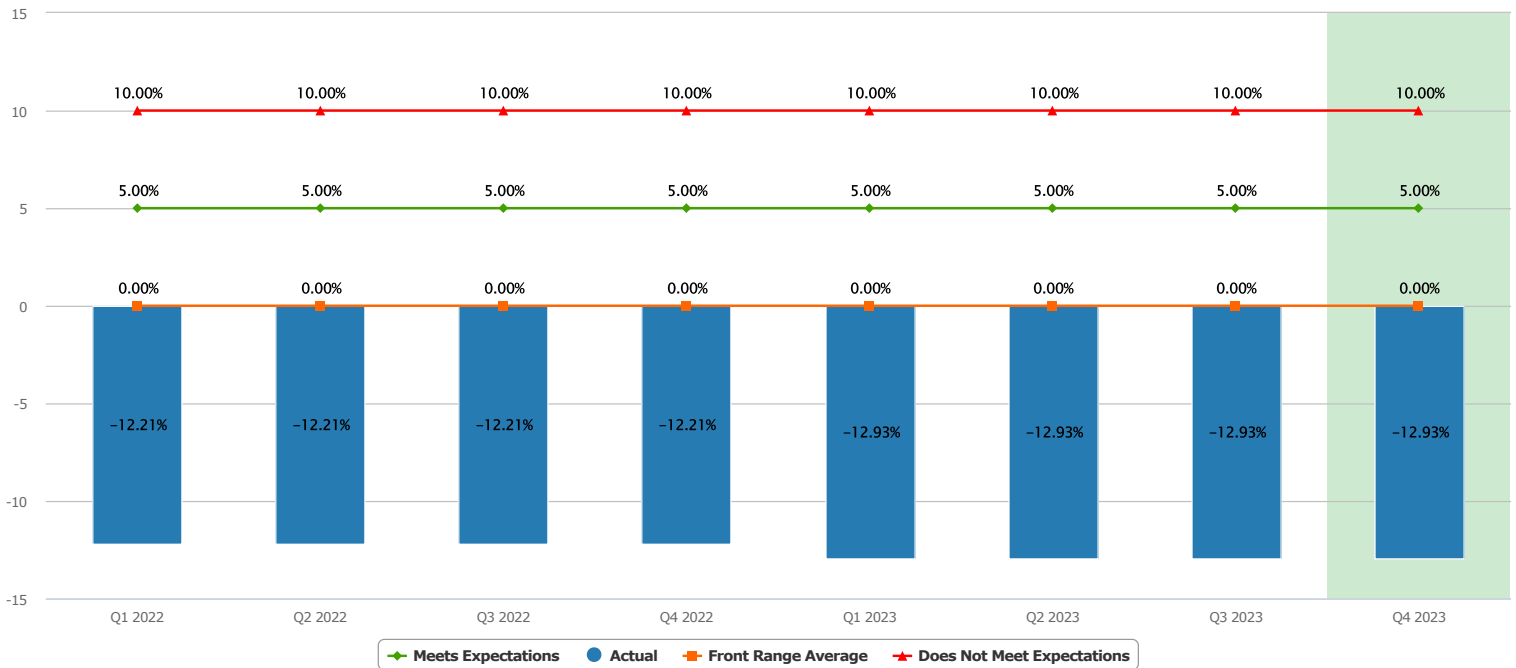
MEASURE PERFORMANCE

The year-end 2023 result is 12.93% below Front Range average.

PERFORMANCE MEASURE CHART(S)

Residential Wastewater Service

Front Range Comparison - Lower is Better



PERFORMANCE ANALYSIS

- Rate computations have been estimated using tariff rates publicly available on websites as of October 1, 2023 and assumed billing determinations.

5 FS1e Small Commercial 4 Service Bill - Front Range Comparison

Performance Measure Status: Far Exceeds Expectations

MEASURE DESCRIPTION

Strategic Objective Supported: Financial Accountability

Reported as: Average combined bill

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

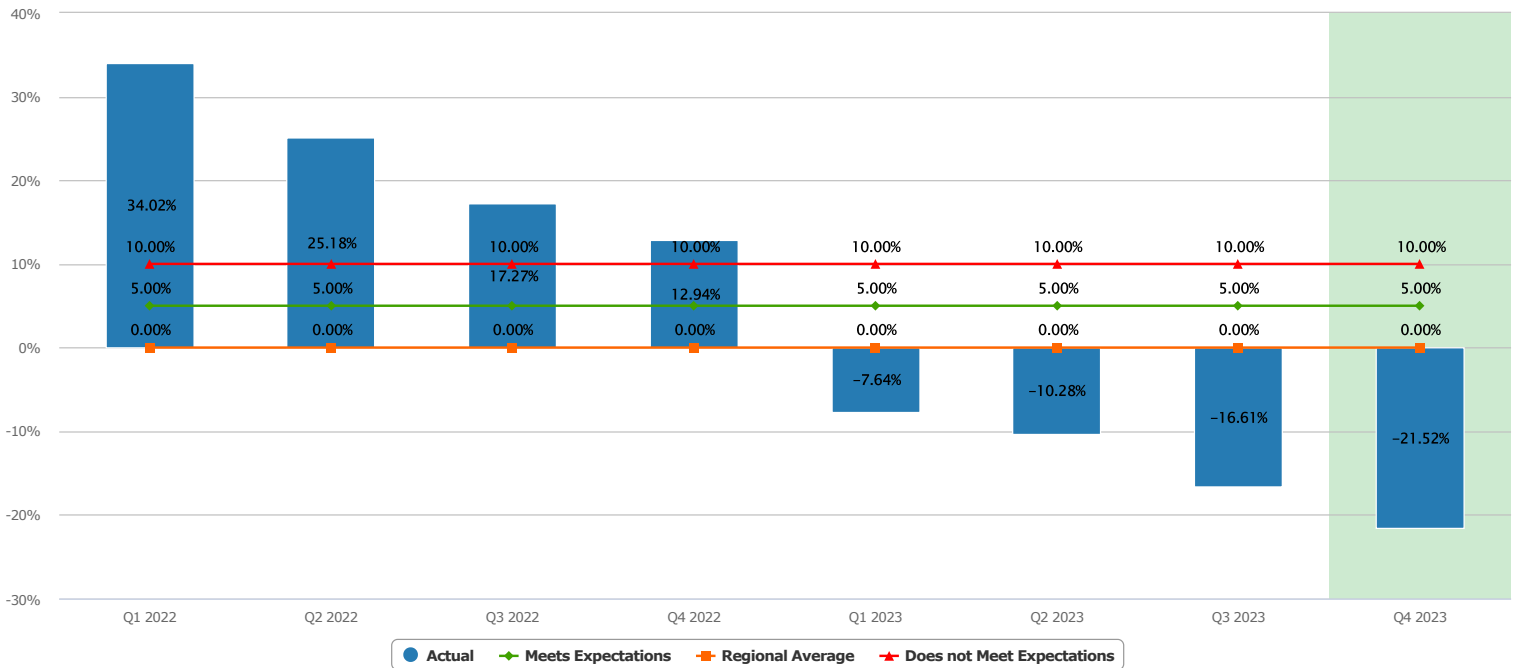
MEASURE PERFORMANCE

The year-end 2023 result is 21.52% below Front Range average.

PERFORMANCE MEASURE CHART(S)

Small Commercial 4 Service Bill

Front Range Comparison - Lower is Better



PERFORMANCE ANALYSIS

- January, April, July and October electric totals are taken from Colorado Association of Municipal Utilities (CAMU) survey for participating providers.
- The most recent rate computations have been estimated using tariff rates publicly available on websites as of October 1, 2023 and assumed billing determinations.

5 FS1f Large Commercial/Industrial 4 Service Bill - Front Range Comparison

Performance Measure Status: Far Exceeds Expectations

MEASURE DESCRIPTION

Strategic Objective Supported: Financial Accountability

Reported as: Average combined bill

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

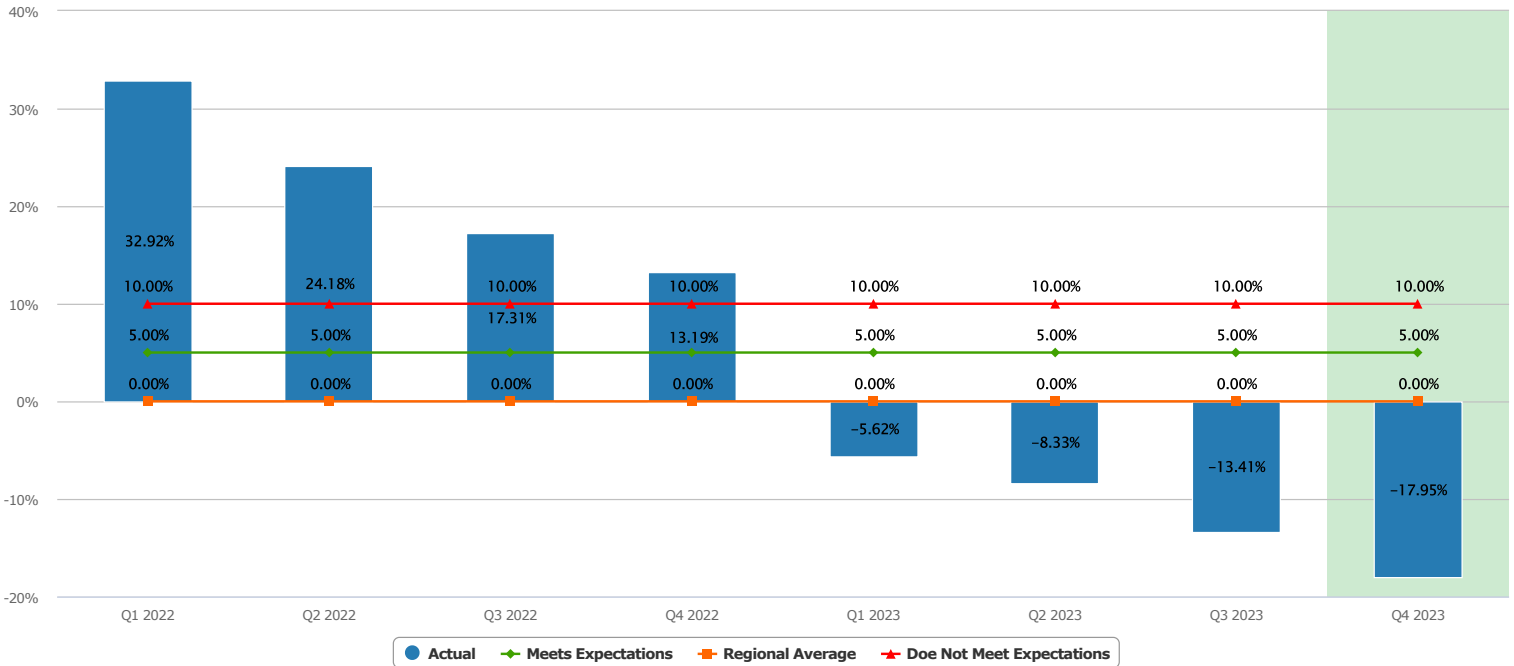
MEASURE PERFORMANCE

The year-end 2023 result is 17.95% below Front Range average.

PERFORMANCE MEASURE CHART(S)

Large Commercial/Industrial 4 Service Bill

Front Range Comparison - Lower is Better



PERFORMANCE ANALYSIS

- January, April, July and October electric totals are taken from Colorado Association of Municipal Utilities (CAMU) survey for participating providers.
- The most recent rate computations have been estimated using tariff rates publicly available on websites as of October 1, 2023 and assumed billing determinations.

5 FS1g Industrial Electric-Intensive Customer Bill - Front Range Comparison

Performance Measure Status: Far Exceeds Expectations

MEASURE DESCRIPTION

Strategic Objective Supported: Financial Accountability

Reported as: Average electric bill

Target Range: 10.0 to 15.0% lower than Colorado Front Range average

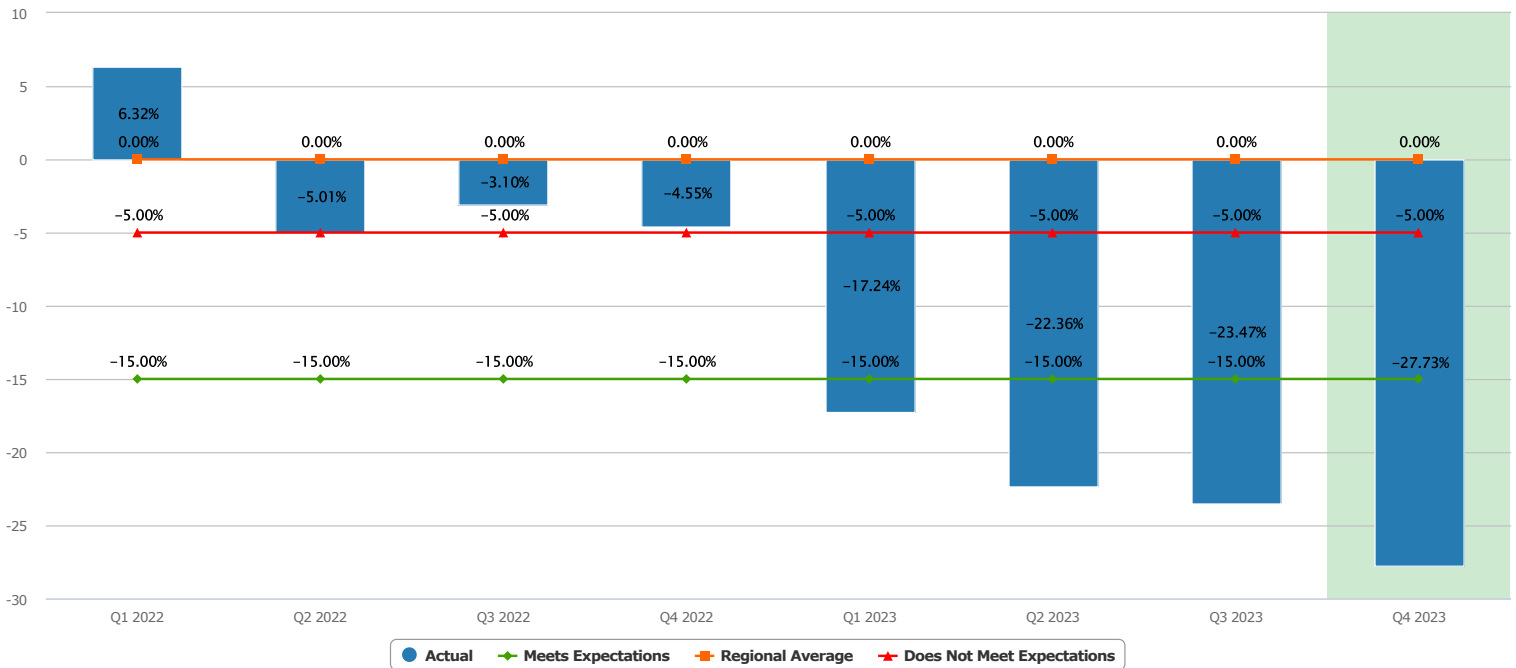
MEASURE PERFORMANCE

The year-end 2023 result is 27.73% below the Front Range average.

PERFORMANCE MEASURE CHART(S)

Industrial Electric-Intensive Customer Bill

Front Range Comparison - Lower is Better



PERFORMANCE ANALYSIS

- January, April, July and October electric totals are taken from Colorado Association of Municipal Utilities (CAMU) survey for participating providers.
- The most recent rate computations have been estimated using tariff rates publicly available on websites as of October 1, 2023 and assumed billing determinations.

3 FS1h Industrial Electric-Intensive Customer Bill-Nationwide Comparison

Performance Measure Status: Meets Expectations

MEASURE DESCRIPTION

Strategic Objective Supported: Financial Accountability

Reported as: Average electric bill

Target Range: 10.0 to 19.9% lower than national average

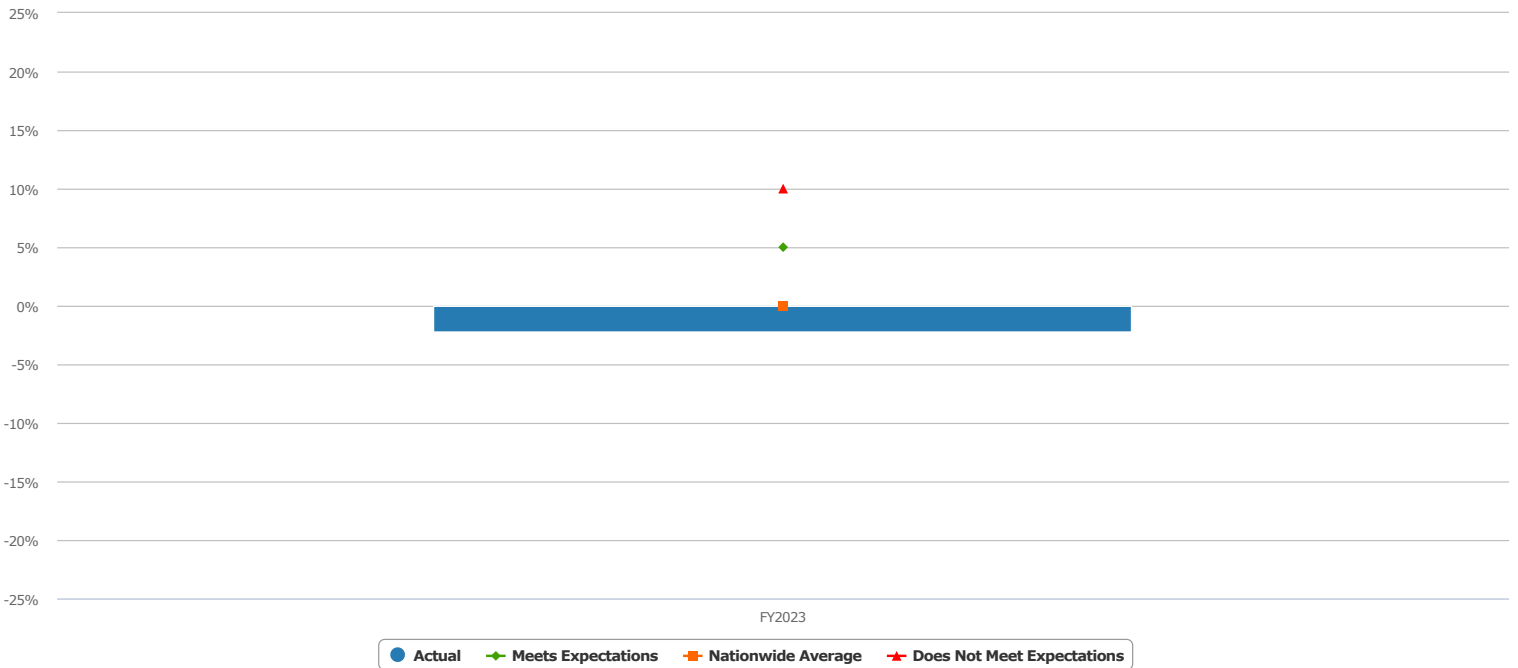
MEASURE PERFORMANCE

The year-end 2023 result is 2.17% below the Nationwide average.

PERFORMANCE MEASURE CHART(S)

Industrial Electric-Intensive Customer Bill

Nationwide Comparison - Lower is Better



PERFORMANCE ANALYSIS

- Electric totals are taken from U.S. Energy Information Administration (EIA)
- The survey period was 09/2022 – 08/2023

3 FS1i Days Cash on Hand - Current Year

Performance Measure Status: Meets Expectations

MEASURE DESCRIPTION

Strategic Objective Supported: Financial Accountability

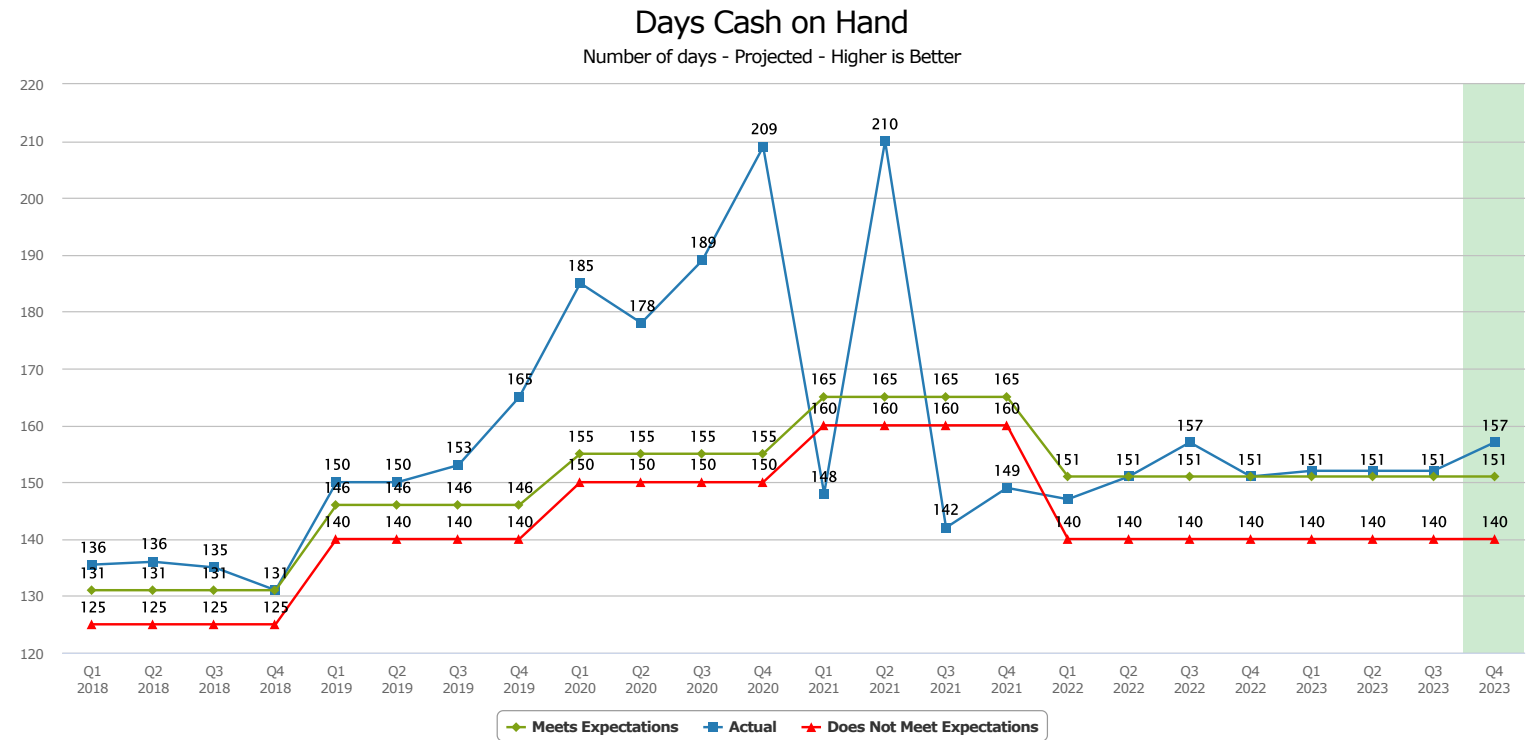
Reported as: year-end projection of actual result plus forecast

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

MEASURE PERFORMANCE

The year-end 2023 result is 157 days.

PERFORMANCE MEASURE CHART(S)



PERFORMANCE ANALYSIS

- Days Cash on Hand is 157 days, which meets expectations.

3 FS1j Days Cash on Hand - 3 Year Average

Performance Measure Status: Meets Expectations

MEASURE DESCRIPTION

Strategic Objective Supported: Financial Accountability

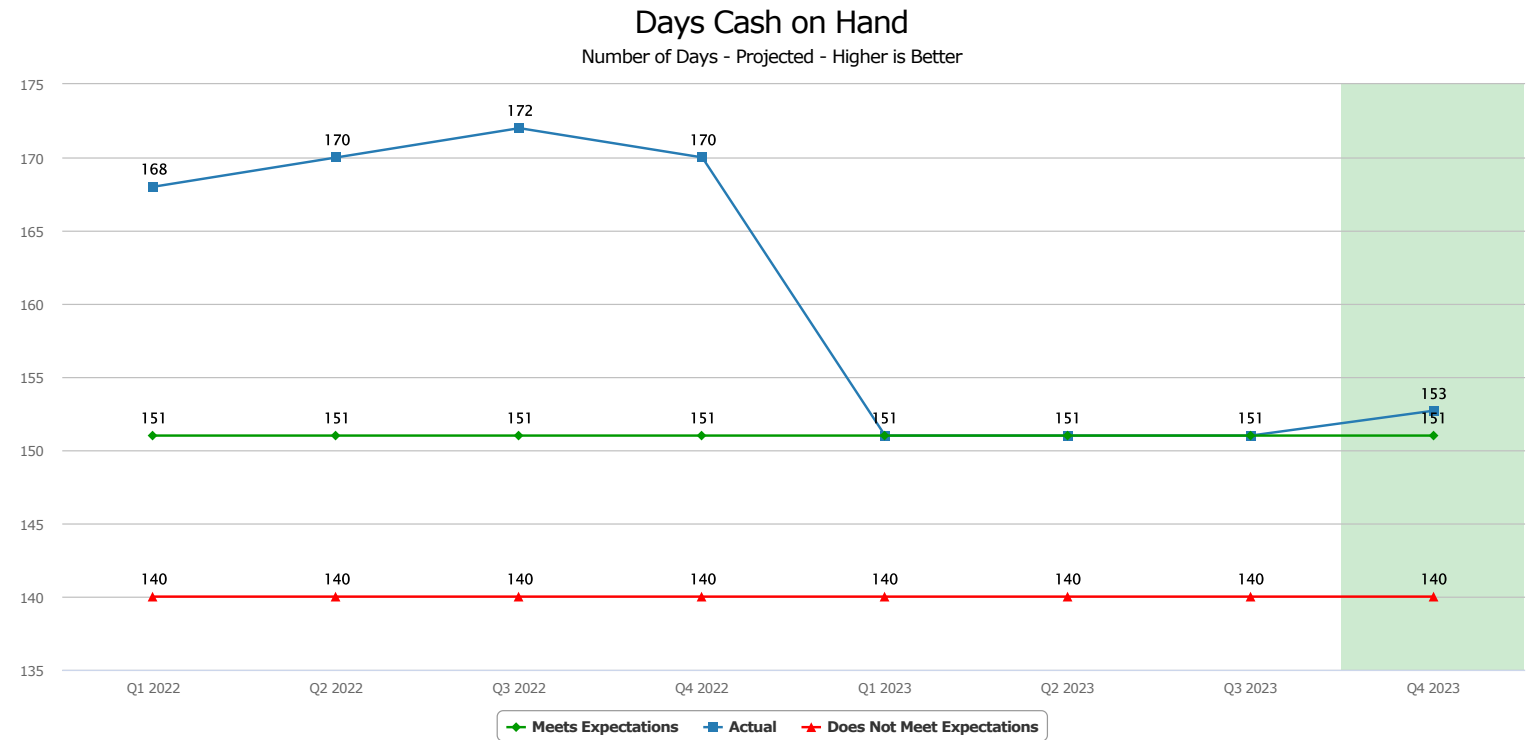
Reported as: Current year projection and the previous two years of history

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

MEASURE PERFORMANCE

The year-end 2023 3 year average result is 153 days.

PERFORMANCE MEASURE CHART(S)



PERFORMANCE ANALYSIS

- Days Cash on Hand (DCH) 3 year average meets expectations. DCH was 149 in 2021, 153 in 2022 and 157 in 2023.

1 FS1k Adjusted Debt Service Coverage - Current Year

Performance Measure Status: Does Not Meet Expectations

MEASURE DESCRIPTION

Strategic Objective Supported: Financial Accountability

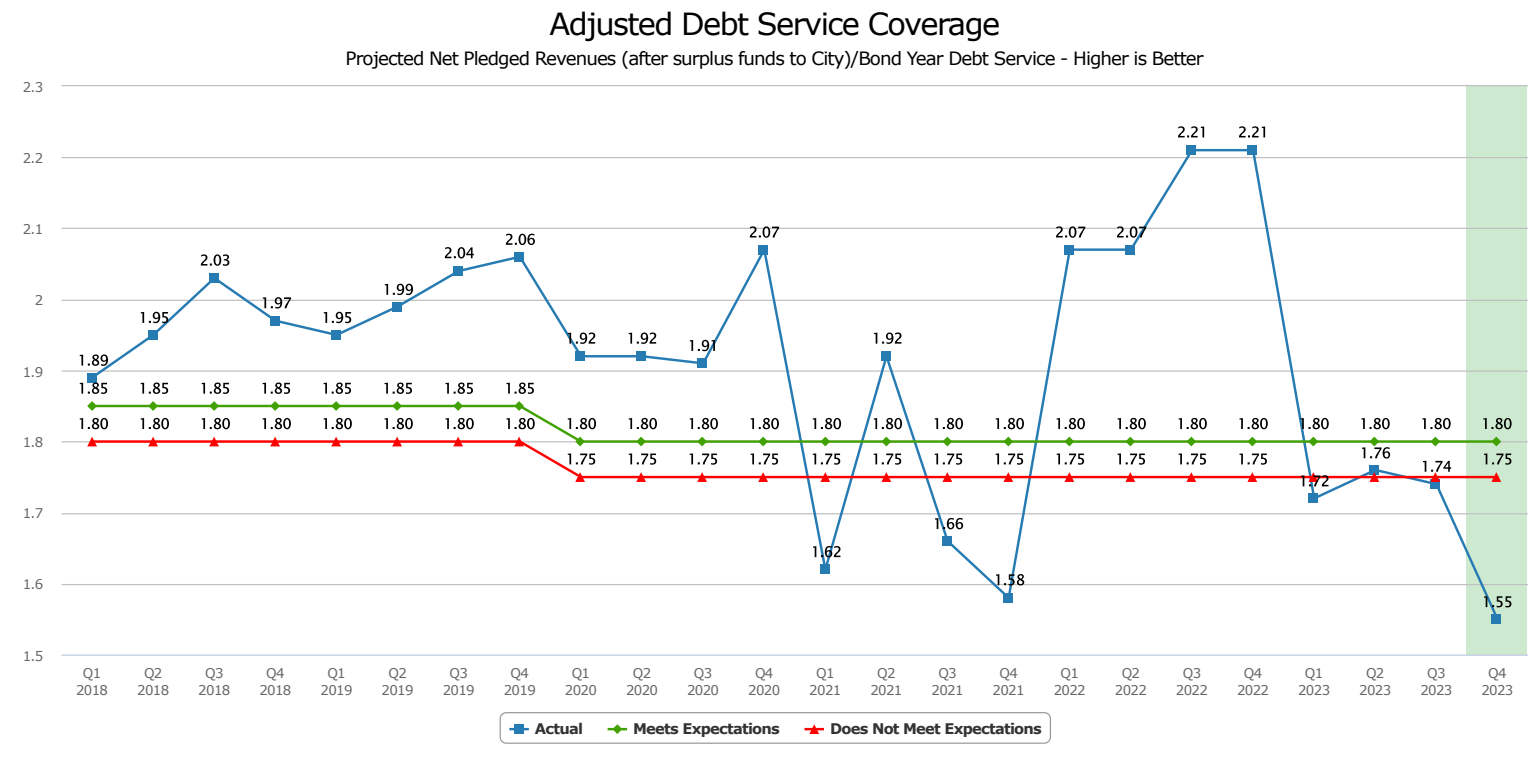
Reported as: Year-end projection of actual results plus forecast

Target Range: 1.80 – 1.90

MEASURE PERFORMANCE

The year-end 2023 result is 1.55.

PERFORMANCE MEASURE CHART(S)



PERFORMANCE ANALYSIS

- The primary drivers for this performance measure not meeting expectations were ECA/GCA over collection in 2022, which was refunded in 2023, and reduced water revenue do to above average precipitation.

MEASURE DESCRIPTION

Strategic Objective Supported: Financial Accountability

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

Target Range: 1.80 – 1.90

MEASURE PERFORMANCE

The year-end 2023 3 year average Adjusted Debt Service coverage is 1.78

PERFORMANCE MEASURE CHART(S)

Adjusted Debt Service Coverage - 3 Year Average

Projected Net Pledged Revenues (after surplus funds to City)/Bond Year Debt Service - Higher is Better



PERFORMANCE ANALYSIS

- The primary drivers for this performance measure not meeting expectations were ECA/GCA over collection in 2022, which was refunded in 2023, and reduced water revenue do to above average precipitation.

MEASURE DESCRIPTION

Strategic Objective Supported: Financial Accountability

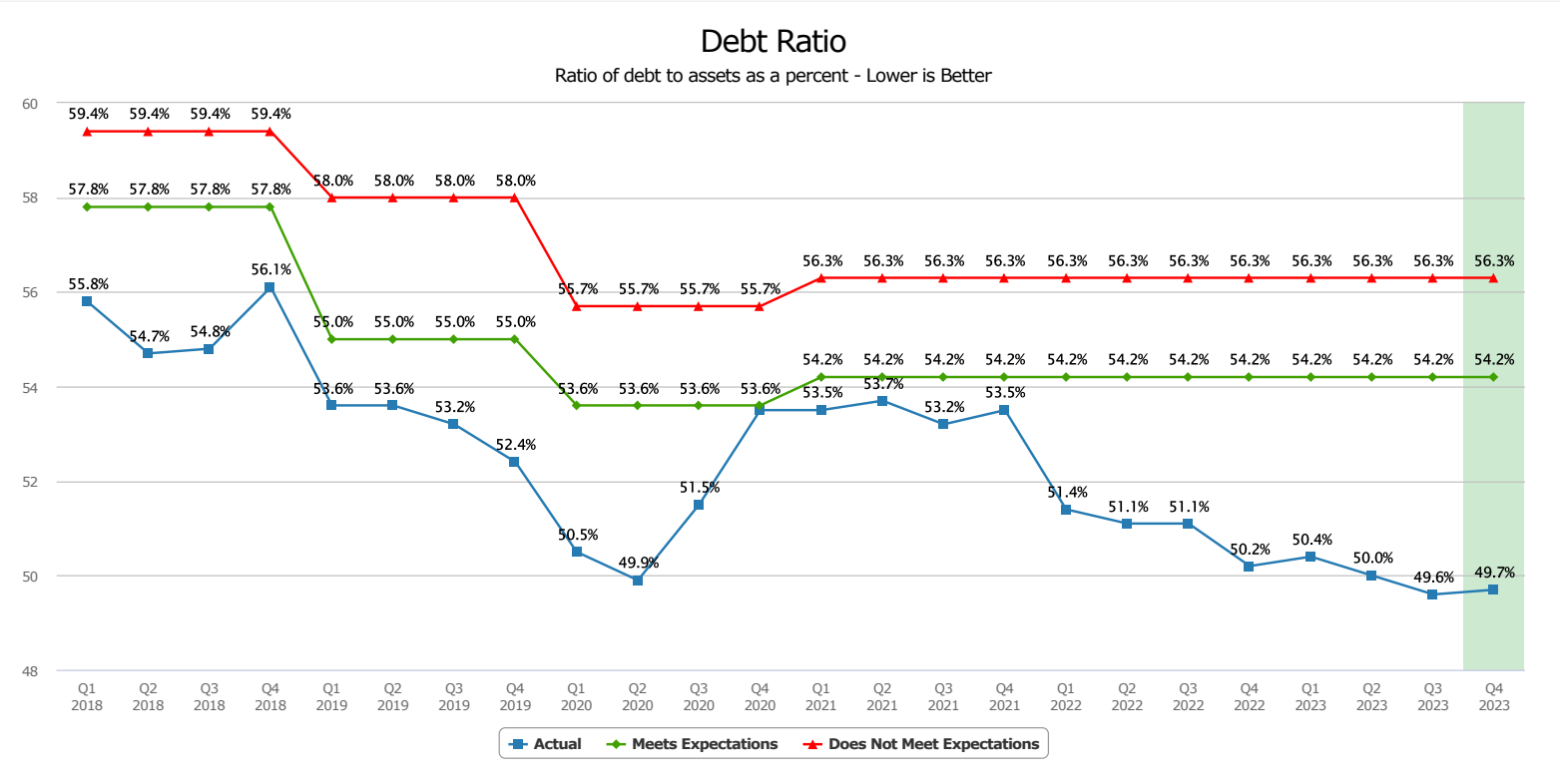
Reported as: year-to-date actual result

Target Range: 54.2 – 50.2%

MEASURE PERFORMANCE

The year-end 2023 result is 49.7%.

PERFORMANCE MEASURE CHART(S)



PERFORMANCE ANALYSIS

- The 2023 debt ratio result meets expectations.

3 FS1n Debt Ratio - 3 Year Average

Performance Measure Status: Meets Expectations

MEASURE DESCRIPTION

Strategic Objective Supported: Financial Accountability

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

Target Range: 54.2 – 50.2%

MEASURE PERFORMANCE

The year-end 2023 3 year average result is 51.1%.

PERFORMANCE MEASURE CHART(S)

Debt Ratio - 3 Year Average

Lower is Better



PERFORMANCE ANALYSIS

- The 3 year average for Debt Ratio meets expectations. 2021 = 53.5%, 2022 = 50.2% and 2023 = 49.7%

MEASURE DESCRIPTION

Strategic Objective Supported: Financial Accountability

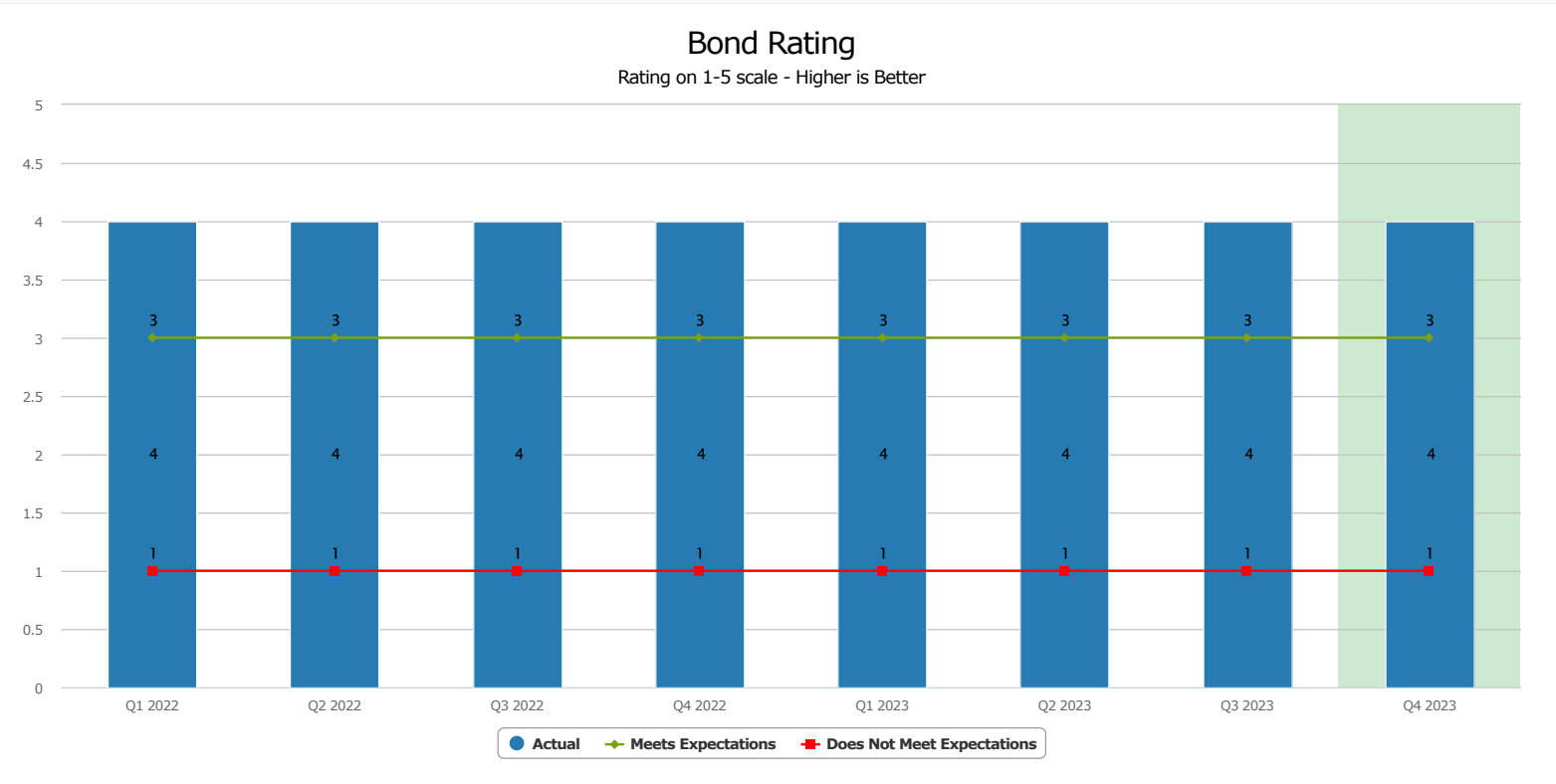
Reported as: Standard & Poor's, Moody's Investors Service, and Fitch Ratings

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

MEASURE PERFORMANCE

The year-end 2023 result is Standard & Poor's (AA+), Moody's (Aa2), and Fitch Ratings (AA), respectively.

PERFORMANCE MEASURE CHART(S)



PERFORMANCE ANALYSIS

- The long-term credit rating remains unchanged from the previous quarter for Standard and Poor's and Moody's.
- The rating increased from "meets expectations" to "exceeds expectations" in 2022 due to a Utilities Board approved change to the rating scale.
- In recent years, Colorado Springs Utilities made the business decision to no longer seek ratings coverage from Fitch Ratings. However, Fitch Ratings has reaffirmed AA stand-alone credit ratings on all previously issued, still outstanding Springs Utilities issuances; thereby remaining unchanged from the previous quarter.

4 C1a Electric System Average Interruption Duration Index (SAIDI)

Performance Measure Status: Exceeds Expectations

MEASURE DESCRIPTION

Strategic Objective Supported: Deliver Quality Utilities

Reported as: 12 month rolling average

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

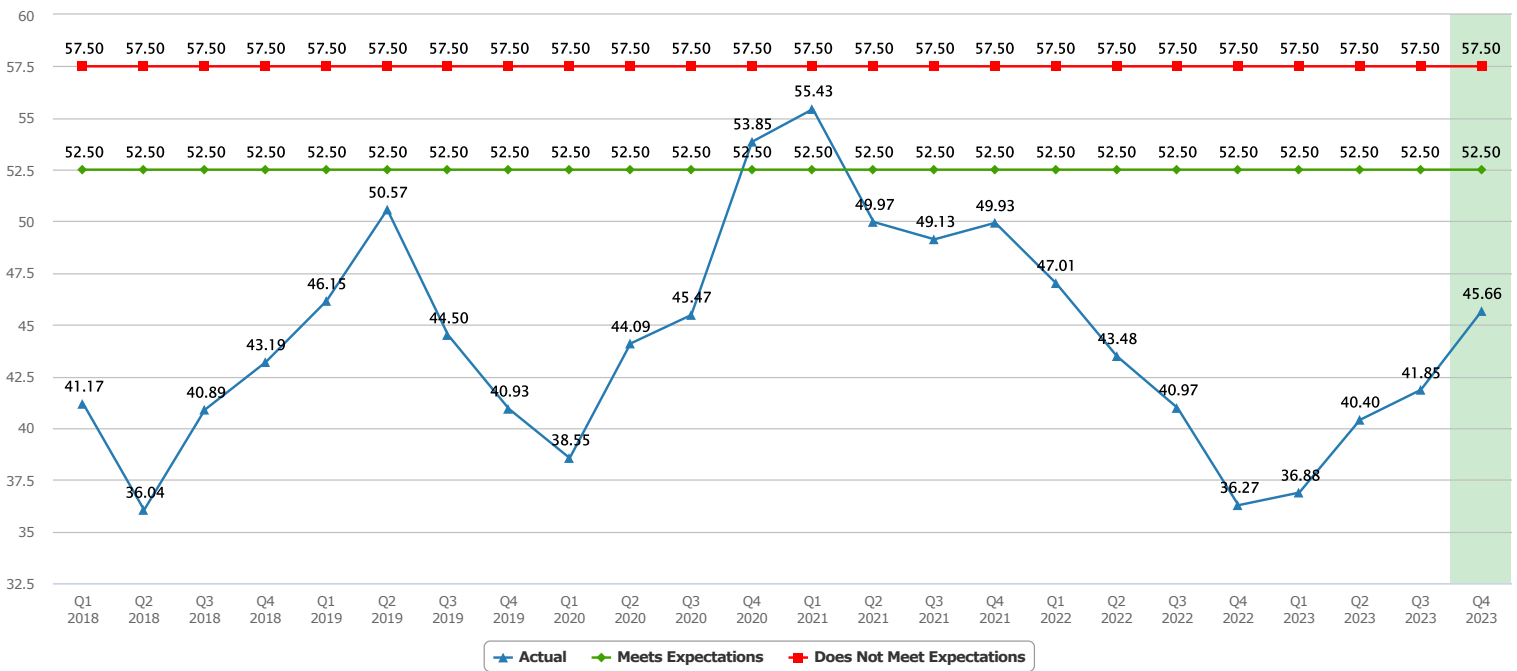
MEASURE PERFORMANCE

The year-end 2023 result is 45.66 minutes.

PERFORMANCE MEASURE CHART(S)

Electric System Average Interruption Duration Index (SAIDI)

In Minutes per Customer - Lower is Better



PERFORMANCE ANALYSIS

- There were 211 sustained outages in the fourth quarter of 2023.
- There were 1,062 sustained outages from January 2023 through December 2023.
- There were no Major Event Days (MED) during this period.
- According to the 2023 Institute of Electrical and Electronics Engineers (IEEE) Reliability Benchmark Survey (2022 data), Colorado Springs Utilities ranked fifth out of 74 survey participants for Electric SAIDI performance.

4 C1b Failures per 100 Miles of Natural Gas Pipe

Performance Measure Status: Exceeds Expectations

MEASURE DESCRIPTION

Strategic Objective Supported: Deliver Quality Utilities

Reported as: 12 month rolling average

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

MEASURE PERFORMANCE

The year-end 2023 result is 3.67 failures per 100 miles of pipe.

PERFORMANCE MEASURE CHART(S)

Failures per 100 Miles of Natural Gas Pipe

Number of Failures - Lower is Better



PERFORMANCE ANALYSIS

- There were 64 failures on the 5,692 miles of gas pipe that make up the gas infrastructure in Q4 2023.
- There were 209 failures from January 2023 through December 2023.
- $209 / 56.92 = 3.67$ (Exceeds Expectations)

4 C1c Failures per 100 Miles of Water Pipe

Performance Measure Status: Exceeds Expectations

MEASURE DESCRIPTION

Strategic Objective Supported: Deliver Quality Utilities

Reported as: 12 month rolling average

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

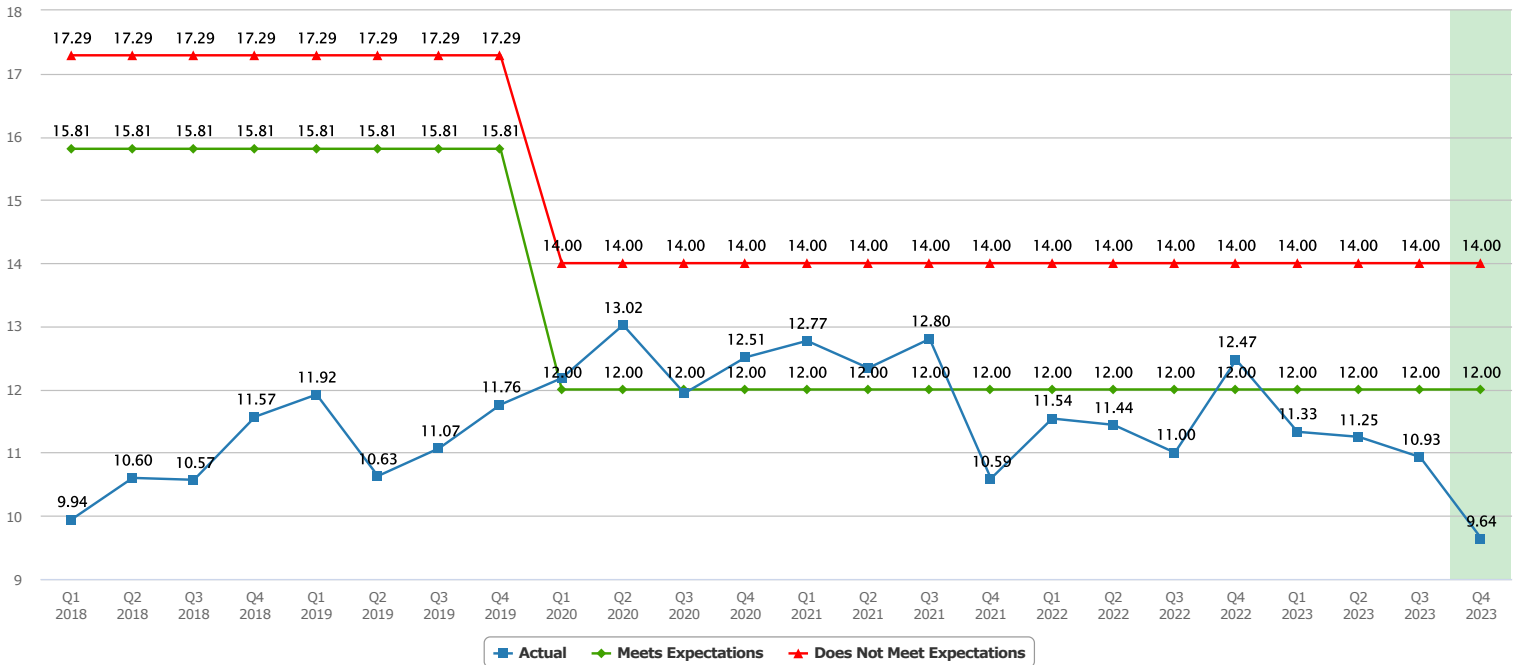
MEASURE PERFORMANCE

The year-end 2023 result is 9.64 failures per 100 miles of pipe.

PERFORMANCE MEASURE CHART(S)

Failures per 100 Miles of Water Pipe

Number of Failures - Lower is Better



PERFORMANCE ANALYSIS

- There were a total of 80 failures on 2,253 miles of pipe in Q4 2023. 49 of the failures were main breaks, 23 were main leaks, and 8 were valve leaks.
- A detailed analysis by System Planning and Projects Division shows that, at current funding levels for the capital program that addresses water main replacement, cathodic protection, and lining of water mains, a minimal increase in water main failures is expected over the next 5 years.
- The capital program prioritizes addressing high risk water mains, minimizing leaks under new pavement, and aligning with the City’s paving initiative.

4 C1d Failures per 100 Miles of Wastewater Pipe

Performance Measure Status: Exceeds Expectations

MEASURE DESCRIPTION

Strategic Objective Supported: Deliver Quality Utilities

Reported as: 12 month rolling average

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

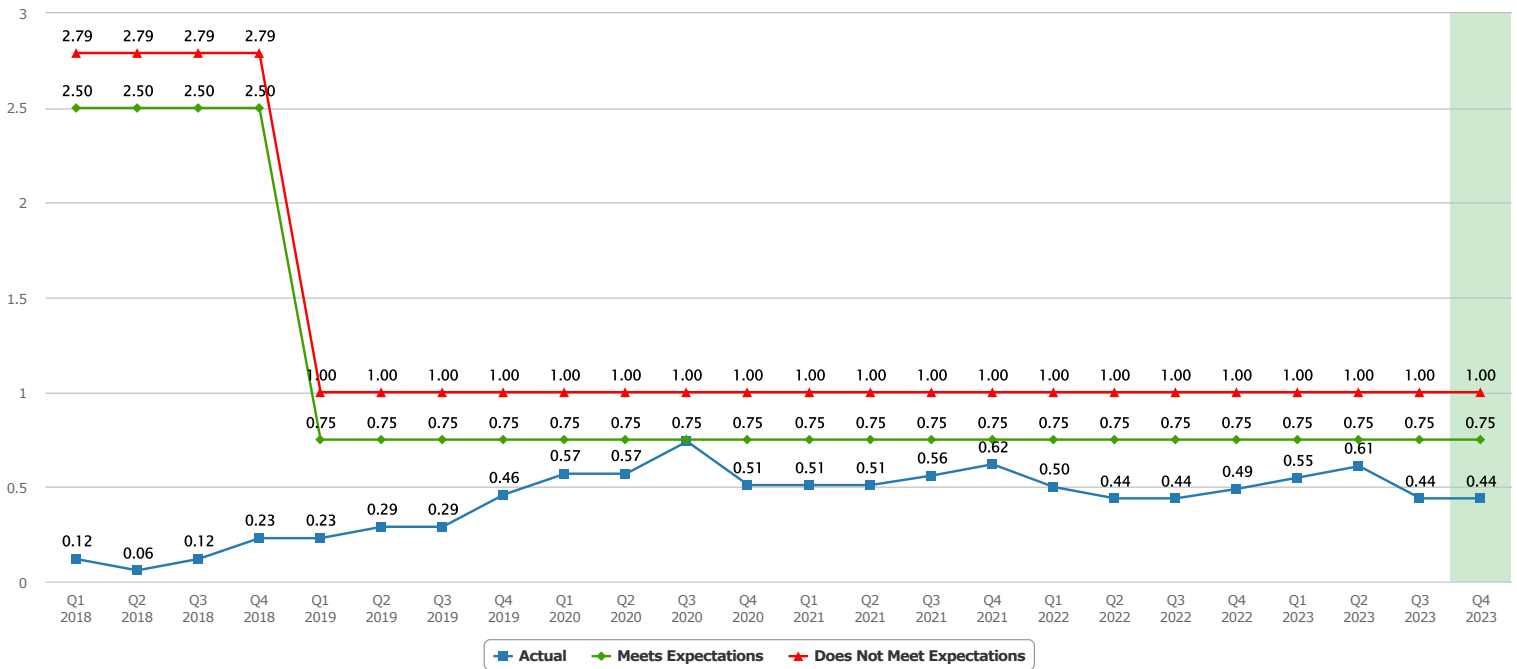
MEASURE PERFORMANCE

The year-end 2023 result is 0.44 failures per 100 miles of pipe.

PERFORMANCE MEASURE CHART(S)

Failures per 100 Miles of Wastewater Pipe

Number of Failures - Lower is Better



PERFORMANCE ANALYSIS

- The year-end 2023 12-month rolling average result of 0.44 is based on a total of 8 failure events from January 2023 through December 2023. In the fourth quarter of 2023 there were three failure events, all of which resulted from root blockages.
- There have been a total of eight failure events in 2023, two of which resulted in a reportable Sanitary Sewer Overflow (SSO), i.e., the discharge reached a water of the State. Six of the eight failure events were caused by root blockages. Through this same reporting period in 2022 (Q1–Q4) there were a total of nine failure events.

3 C1e Sustainable Energy Project Cost Performance Index (CPI)

Performance Measure Status: Meets Expectations

MEASURE DESCRIPTION

Strategic Objective Supported: Deliver Quality Utilities

Reported as: Cumulative Year-to-Date

Target Range: 0.95 – 1.05 (composite score)

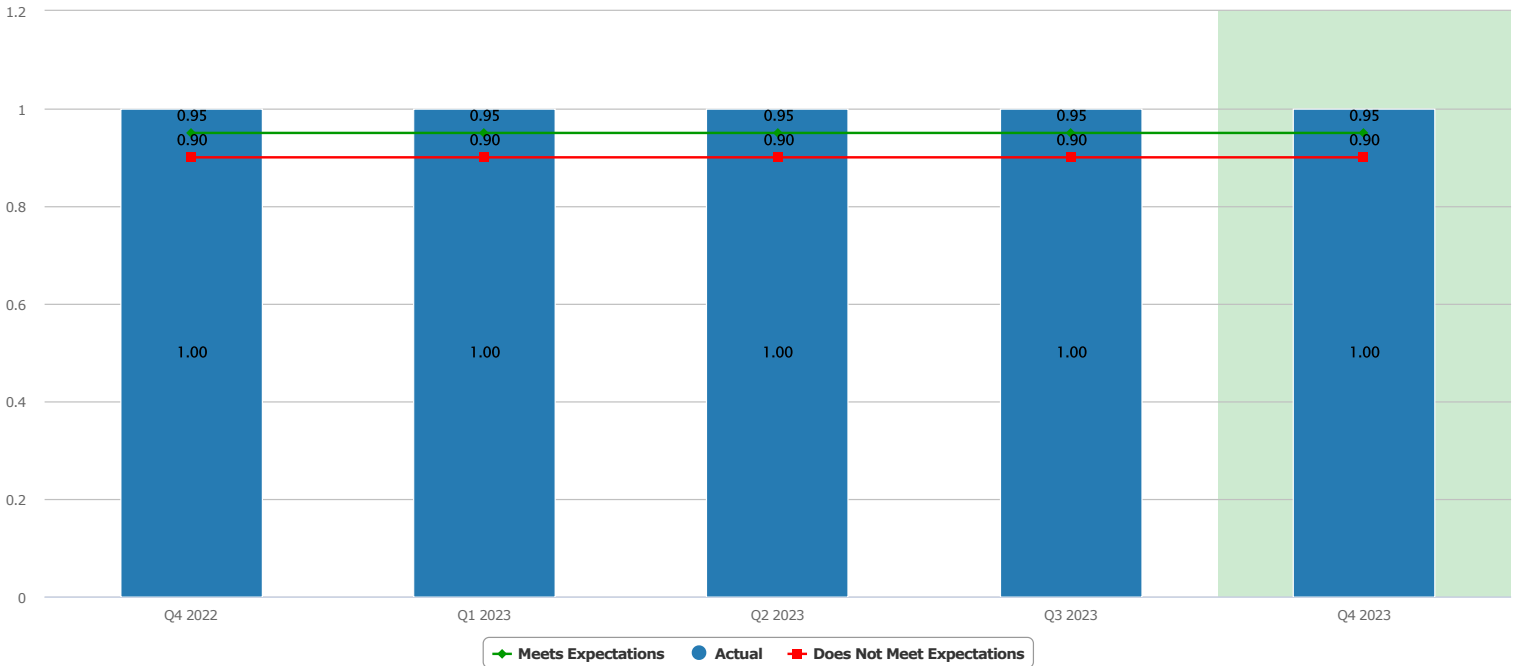
MEASURE PERFORMANCE

The year-end 2023 result is 1.00.

PERFORMANCE MEASURE CHART(S)

Sustainable Energy Project Cost Performance Index (CPI)

Composite Score - Higher is Better



PERFORMANCE ANALYSIS

- Cost Performance Index (CPI) is the Earned Value (EV) divided by the Actual Cost (AC). $CPI = EV / AC$
- Earned Value (EV) is the cost we ascribe to a body of work, activity, task, or deliverable. This establishes the “Rules of Credit” used for tracking the value received.
- Actual Cost (AC) is the actual or “real” cost incurred to accomplish a body of work, activity, task, or deliverable.
- When using a Lump Sum or Guaranteed Maximum Price (GMP) pricing structure, like what is being used on these Sustainable Energy Program (SEP) construction projects, $EV = AC$.

Project Name	Earned Value	Actual Value	CPI	Scorecard Rating
Briargate Substation New	\$1,046,268	\$1,046,268	1	3
Briargate New Transmission Line	\$718,599	\$718,599	1	3
Cottonwood – Fuller Uprate	\$218,157	\$218,157	1	3

3 C1f Infrastructure Coordination with City

Performance Measure Status: Meets Expectations

MEASURE DESCRIPTION

Strategic Objective Supported: Deliver Quality Utilities

Reported as: Cumulative Year-to-Date

Target Range: 0.94 – 1.06 (composite score)

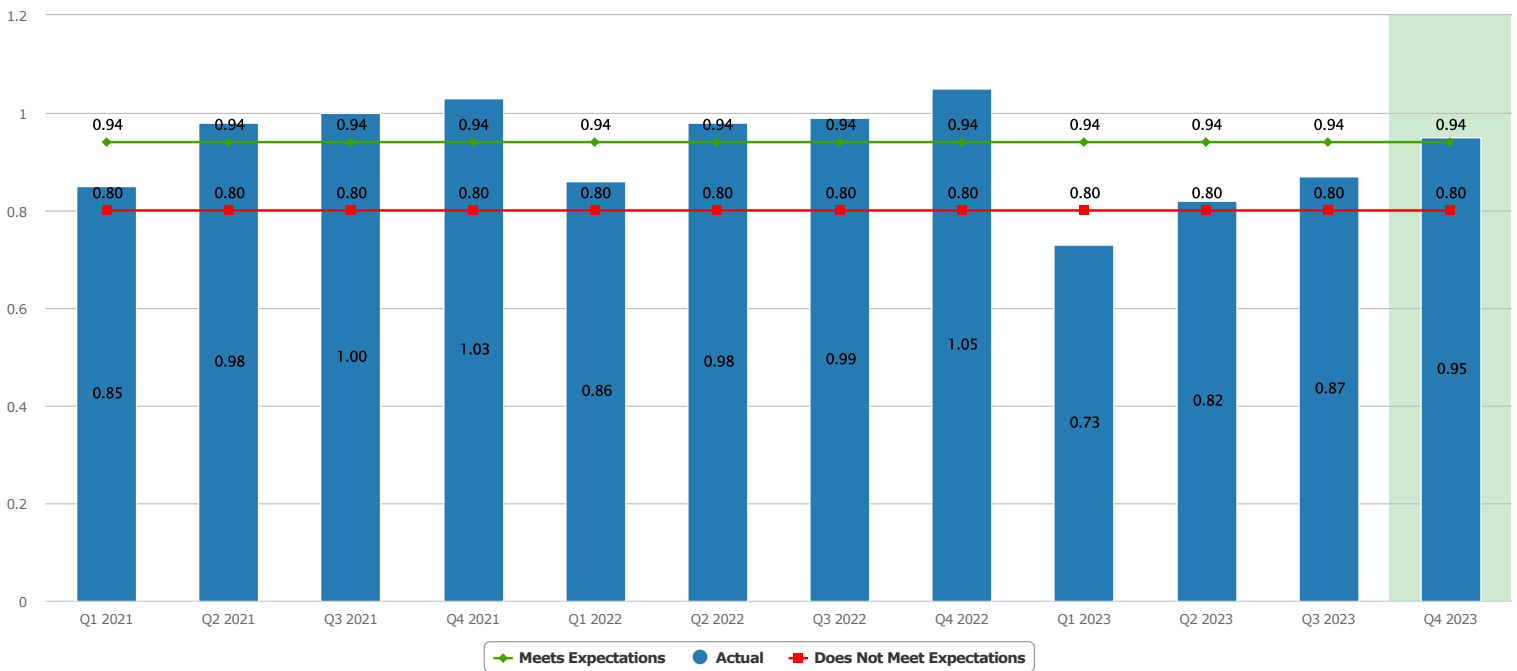
MEASURE PERFORMANCE

The year-end 2023 result is 0.95.

PERFORMANCE MEASURE CHART(S)

Infrastructure Coordination with City

Composite Score - Higher is Better



PERFORMANCE ANALYSIS

- The forecasted cumulative spend through Q4 2023 was \$18 million with an actual cumulative spend of \$18 million.
- Through Q4 2023, the Finished Water Linear Asset Program (FWLAP) had 84 projects planned and 68 completed that were in coordination with other City projects; the Sanitary Sewer Creek Crossing (SSCC) Program had three projects planned for completion which were each completed and/or closed out; the Public Improvements Program (PIP) had four project planned for completion in Q4 in partnership with the City (between water and wastewater) with each of the projects successfully completed by or before the end of 2023.
- During Q4 2023, no previously paved 2C city streets, under the five-year moratorium, were cut for planned Springs Utilities projects.
- The first half of the year typically produces a lower level of spend and increases in the third and fourth quarters of the year, with the largest significant increase in Q4 of each year. This is due to the majority of the work ramping up in the first half of the year and finishing out with completions during the second half of the year.
- The measure performance for the fourth quarter of 2023 was meets expectations.

MEASURE DESCRIPTION

Strategic Objective Supported: Deliver Quality Utilities

Reported as: cumulative year-to-date

Target Range: 0.95 – 1.05 (Composite Score)

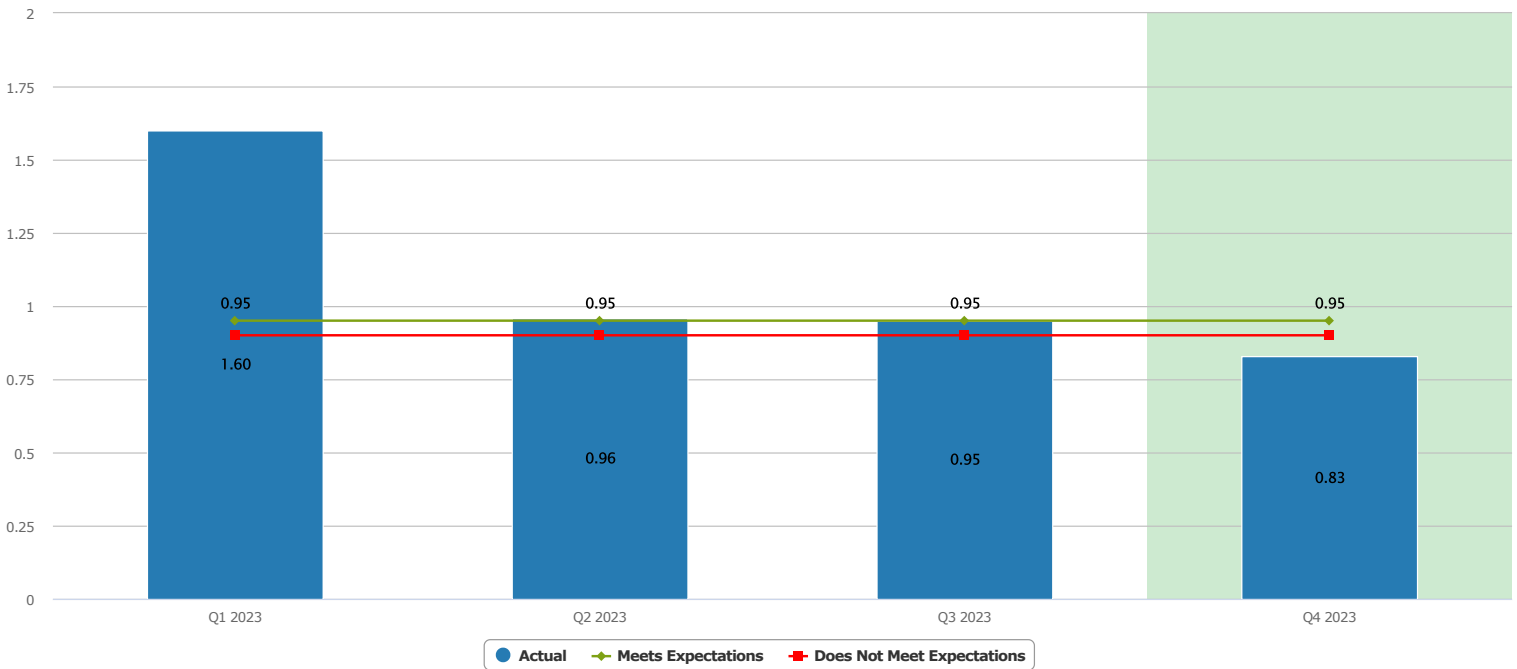
MEASURE PERFORMANCE

The year-end result is 0.83.

PERFORMANCE MEASURE CHART(S)

Fiber Network Expansion Program

Composite Score - Higher is Better



PERFORMANCE ANALYSIS

- The measure is an average of Cost Performance Index (CPI) and Schedule Performance Index (SPI).
- The 4th quarter cumulative CPI was 1.23
- The 4th quarter cumulative SPI was 0.42

Total Score: $(1.23+0.42)/2 = 0.83 = \text{Does Not Meet Expectations}$

- The primary reason for this measure not meeting expectations is the project is behind schedule.
- The contractor has failed over numerous portions of their contract deliverables.
- This is being rectified by sourcing additional resources to facilitate higher production rates and bring the schedule back in alignment.

3 C1h Gas Distribution Integrity Management Program Construction and Operations Implementation

Performance Measure Status: Meets Expectations

MEASURE DESCRIPTION

Strategic Objective Supported: Deliver Quality Utilities

Reported as: cumulative year-to-date

Target Range: 3.0 – 3.9 (composite score)

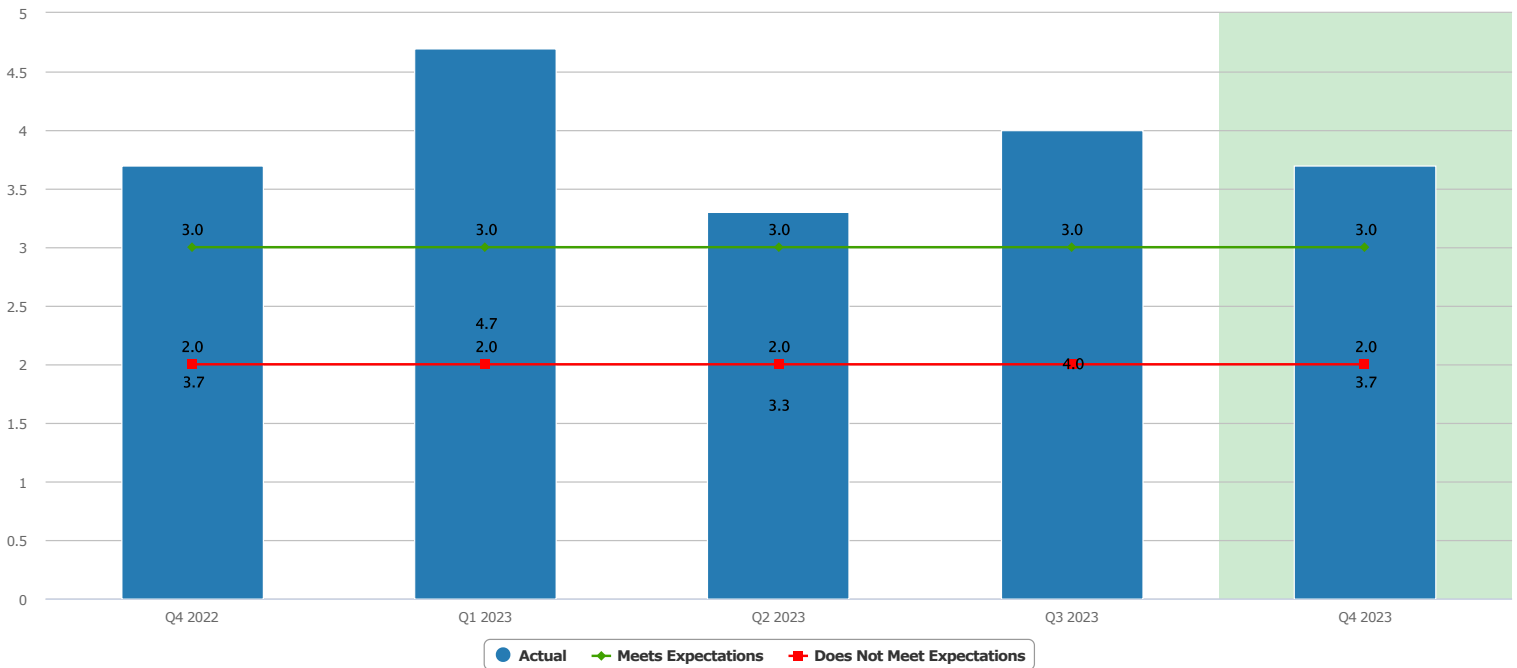
MEASURE PERFORMANCE

The year-end 2023 result is 3.7.

PERFORMANCE MEASURE CHART(S)

Distribution Integrity Management Program and Compliance Projects Implementation

Composite Score - Higher is Better



PERFORMANCE ANALYSIS

- This measure is weighted 70% schedule and 30% budget.
- Schedule is based on progress against DIMP-2023-01 Additional Performance Measure Targets Document.
- Schedule variance for 4th Quarter: 1.05 = 4.0 Exceeds Expectations.
- Cumulative Budget variance through 4th Quarter $\$15,249,684 / \$13,031,419 = 1.17 = 3.0$ Meets Expectations.

Total Score: $(4.0 \times .7) + (3.0 \times .3) = 3.7 =$ Meets Expectations

2 C2a Customer Satisfaction - Residential

Performance Measure Status: Partially Meets Expectations

MEASURE DESCRIPTION

Strategic Objective Supported: Focus on the Customer

Reported as: Numerical rating to two decimals

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

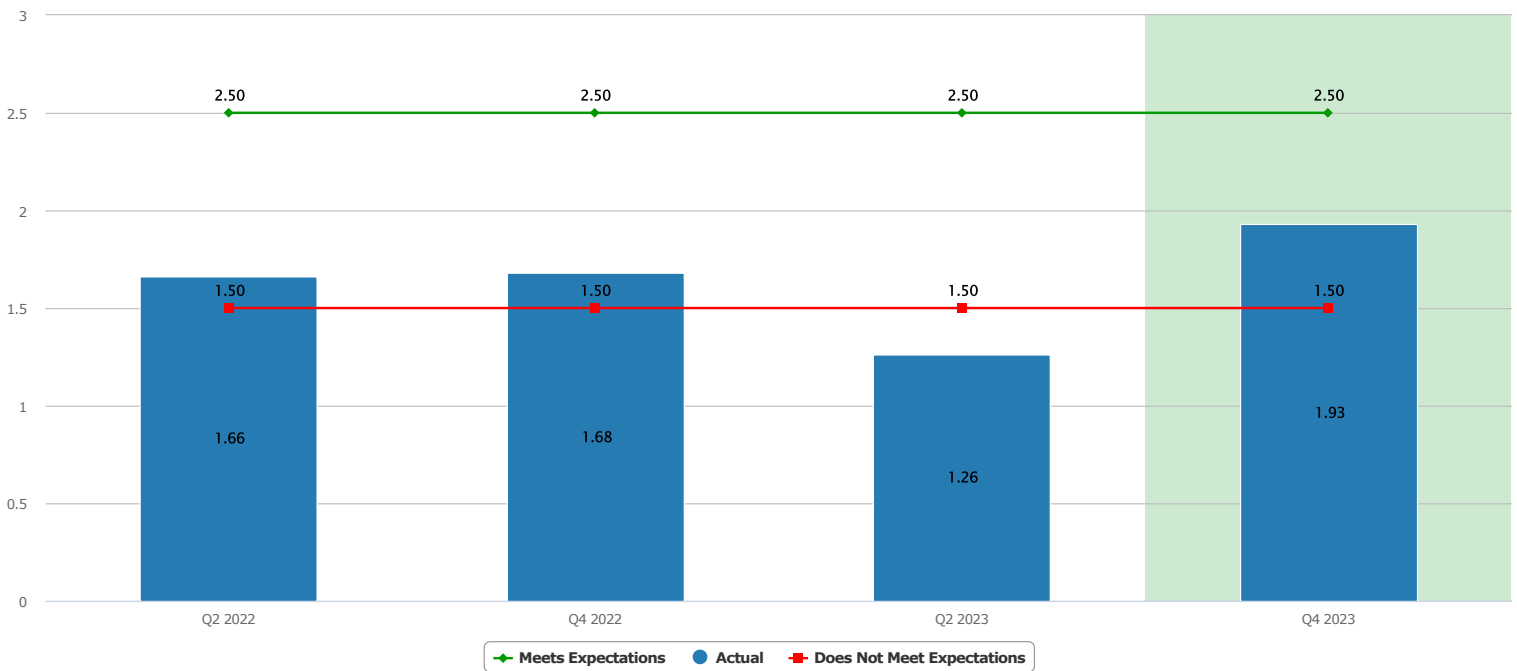
MEASURE PERFORMANCE

The year-end 2023 result is 1.93.

PERFORMANCE MEASURE CHART(S)

Customer Satisfaction - Residential

Composite Score - Higher is Better



- The J.D. Power and Associates Residential Customer Satisfaction result for year-end 2023 increased in rank to 81st in overall customer satisfaction among the 149 qualifying, participating utilities nationally. This is an industry rank of 54% compared to 80% for the same period in 2022 resulting in an index score of 1.0 on five-point scale and 20% of the overall index.
- The J.D. Power and Associates Overall Customer Satisfaction Index score increased 6 points, from 706 (on a 1,000-point scale) to 712 for an index score of 2.4 on a five-point scale and 20% of the overall index.
- The Escalent Cogent Study Customer Effort Index results for year-end 2023 declined 13 points from 701 (on a 1,000-point scale) to 688 for an index score of 1.0 on a five-point scale and 40% of the overall index.
- The in-house survey index is 8.59 (on a 1 to 10 scale) for transactional surveys captured January through December on transactions completed in Service Center phone interactions and Field Service appointments for an index score of 4.3 on a five-point scale and 20% of the overall index.

Total Score: $(1.0 \times .2) + (2.4 \times .2) + (1.0 \times .4) + (4.3 \times .2) = 1.93 = \text{Partially Meets Expectations}$

Situation Analysis:

- Industry performance improved from fourth quartile to third quartile as other utilities experienced challenges from inflationary pressure and rate increases.
- Reliability metrics improved in 2023 with an increase of customers experiencing perfect power due to milder weather trends.
- The mid-year CTM project launch had a relatively neutral impact to customer satisfaction. Digital care and billing/payment satisfaction remained consistent through the rollout. Phone care experienced a decline during launch and returned to normal levels after.
- Residential customers continue to experience financial hardship with inflation and cost of living expenses. ECA and GCA rate decreases in 2023 positively impacted rate perception. In 2023 Price satisfaction improved while it continued to decline across the industry.
- Budgeting pressure continues for customers and helping customers manage their usage through rate and consumption management programs remains an area of opportunity.

MEASURE DESCRIPTION

Strategic Objective Supported: Focus on the Customer

Reported as: Numerical rating to two decimals

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

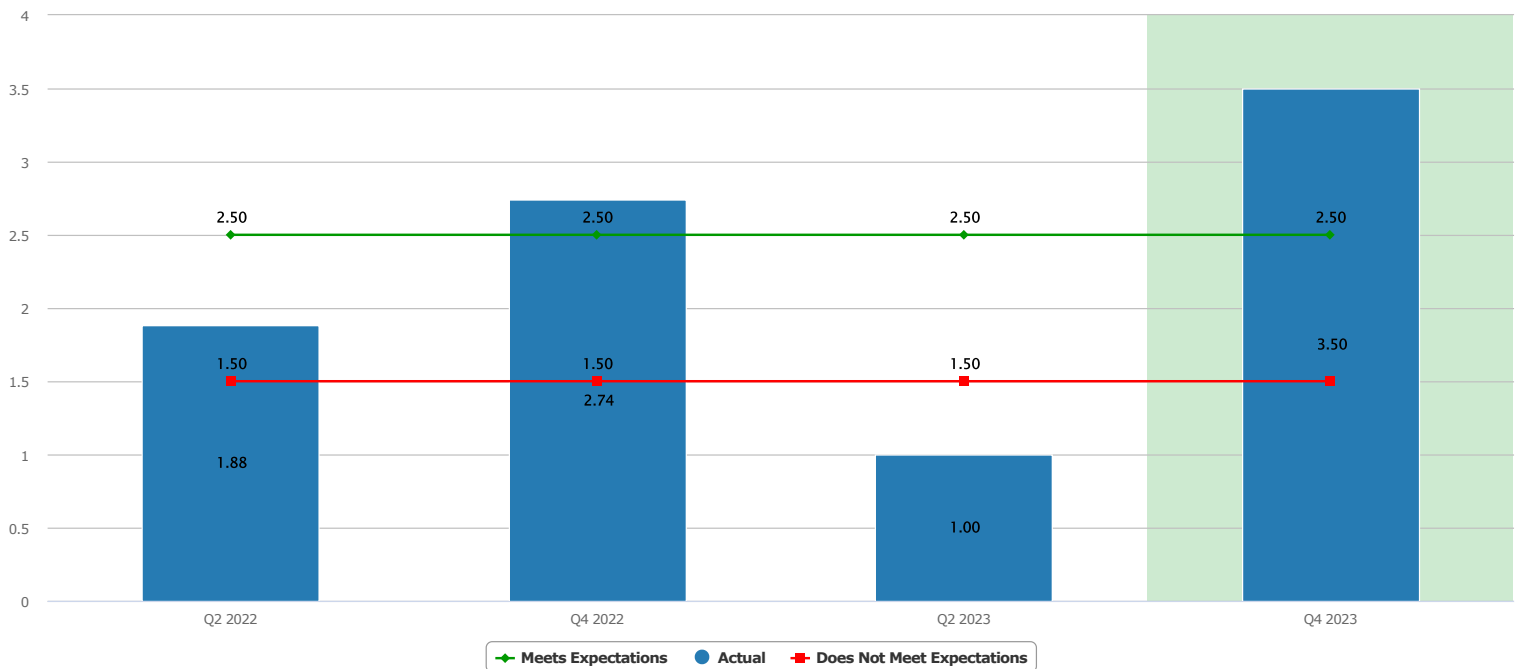
MEASURE PERFORMANCE

The year-end 2023 result is 3.5.

PERFORMANCE MEASURE CHART(S)

Customer Satisfaction - Business

Composite Score - Higher is Better



- The Escalent Cogent Business Customer Satisfaction result for year-end 2023 increased in rank to 35th in overall customer satisfaction among the 81 qualifying, participating utilities nationally. This is an industry rank of 43% compared to 98% for 2022 resulting in an index score of 1.5 on five-point scale and 20% of the overall index.
- The Escalent Cogent Engaged Customer Relationship Index score increased 61 points, from 716 (on a 1,000-point scale) to 777 for an index score of 5.0 on a five-point scale and 20% of the overall index.
- The Escalent Cogent Study Customer Effort Index result for year-end 2023 increased by fifty points from 736 (on a 1,000-point scale) to 786 for an index score of 4.4 on a five-point scale and 40% of the overall index.
- The in-house survey index is 6.9 (on a 1 to 10 scale) for transactional surveys captured January through December on transactions completed in Service Center phone interactions for an index score of 2.1 on a five-point scale and 20% of the overall index.
- Total Score: $(1.5 \times .2) + (5.0 \times .2) + (4.4 \times .4) + (2.1 \times .2) = 3.5 = \text{Exceeds Expectations}$

Situation Analysis:

Customer Trends:

- Business community support measures had the greatest increase over 2022. Our business customers show increased awareness of community feedback gathering and believe we are putting effort into partnering with them on the success of their business.
- Overall business customers reported significantly fewer outages (short or long) in 2023, with an associated increase in reliability scores due to milder weather trends.
- Communication recall is up over 2022 among business customers. And they're recalling more messages.
- Businesses experienced difficulties during the CTM transition related to online service interactions.
- Small businesses are looking for consumption management and rate programs to help manage energy use and control their bill.

MEASURE DESCRIPTION

Strategic Objective Supported: Support Our Community

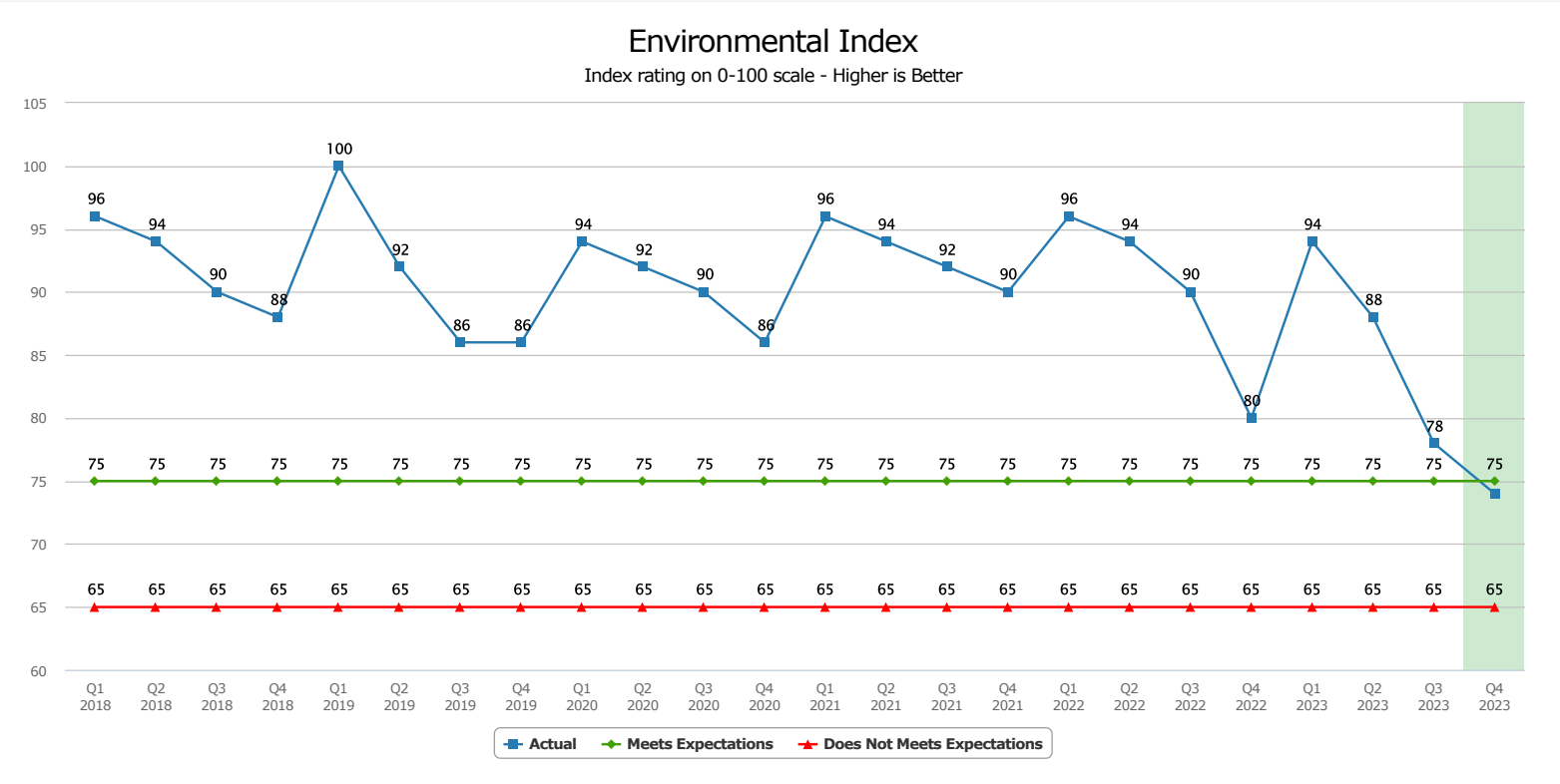
Reported as: year-to-date score

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

MEASURE PERFORMANCE

The year-end result is 74 on a scale of 0–100.

PERFORMANCE MEASURE CHART(S)



4th Quarter and Year-end 2023

The year-end result is 74. There was one deduction in the Minor Violation category in Q4 and one additional Q3 deduction in this category. The Q4 deduction was the result of a failed Whole Effluent Toxicity (WET) test from the Las Vegas Street Water Resource Recovery Facility (LVSRRF) effluent. The additional Q3 deduction was the result of an accidental release of turbine lube oil from the Nixon Power Plant. The total number of minor violations for 2023 was thirteen, eight of which were related to the JDP Water Resource Recovery Facility issues previously discussed in Q1–Q3 reporting.

There were three regulatory agency inspections in Q4 conducted at four facilities. Two of the inspections were conducted by units of the Air Pollution Control Division of the Colorado Department of Public Health and Environment at the Propane Air Plant (air permit compliance) and at the Nixon Power Plant (radioactive materials license compliance). The third inspection was conducted by the Colorado Department of Agriculture at the LVSRRF for compliance with pesticide applicator regulations. There has been a total of eleven regulatory agency inspections at nine different facilities in 2023.

There were no reportable sanitary sewer overflows (SSOs) in Q4 and no deductions in the *Major Violation* category. There was one air emissions exceedance event in Q4 on Drake Unit A3 resulting from two consecutive exceedances of the 4-hour rolling nitrogen oxides (NO_x) limit caused by a computer application malfunction. For the year, there were two reportable SSOs and the one air emissions exceedance event in Q4.

5 F1a Safety: Occupational Injuries and Illnesses Rate

Performance Measure Status: Far Exceeds Expectations

MEASURE DESCRIPTION

Strategic Objective Supported: Enable Employee Empowerment

Reported as: Percentage above or below benchmark

Target Range: +/-10% of Benchmark

MEASURE PERFORMANCE

The year-end 2023 result is 78% below benchmark.

PERFORMANCE MEASURE CHART(S)

Safety: Occupational Injuries and Illnesses Rate

Lower is better



- This measure is based on the number of injuries or illnesses with days away from work beyond the date of injury or onset of illness.
- The measure is benchmarked to the North American Industry Classification System (NAICS) Code 22 for utility incidents. The NAICS is the standard used by the Bureau of Labor Statistics to classify data on Occupational Injuries and Illnesses by industries.
- The score for this measure is based on Springs Utilities 6-month Lost Time Incident Rate compared to the previous years' NAICS rate.
 - Far Exceeds Expectations = > 20% Below Benchmark
 - Exceeds Expectations = 10.01–20% Below Benchmark
 - Meets Expectations = +/-10% of Benchmark
 - Partially Meets Expectations= 10.01 – 20% above Benchmark
 - Does Not Meet Expectations= > 20% above Benchmark
- There were 9 Lost Time incidents and 87 Lost Days through Q4 2023.



MEASURE DESCRIPTION

Strategic Objective Supported: Enable Employee Empowerment

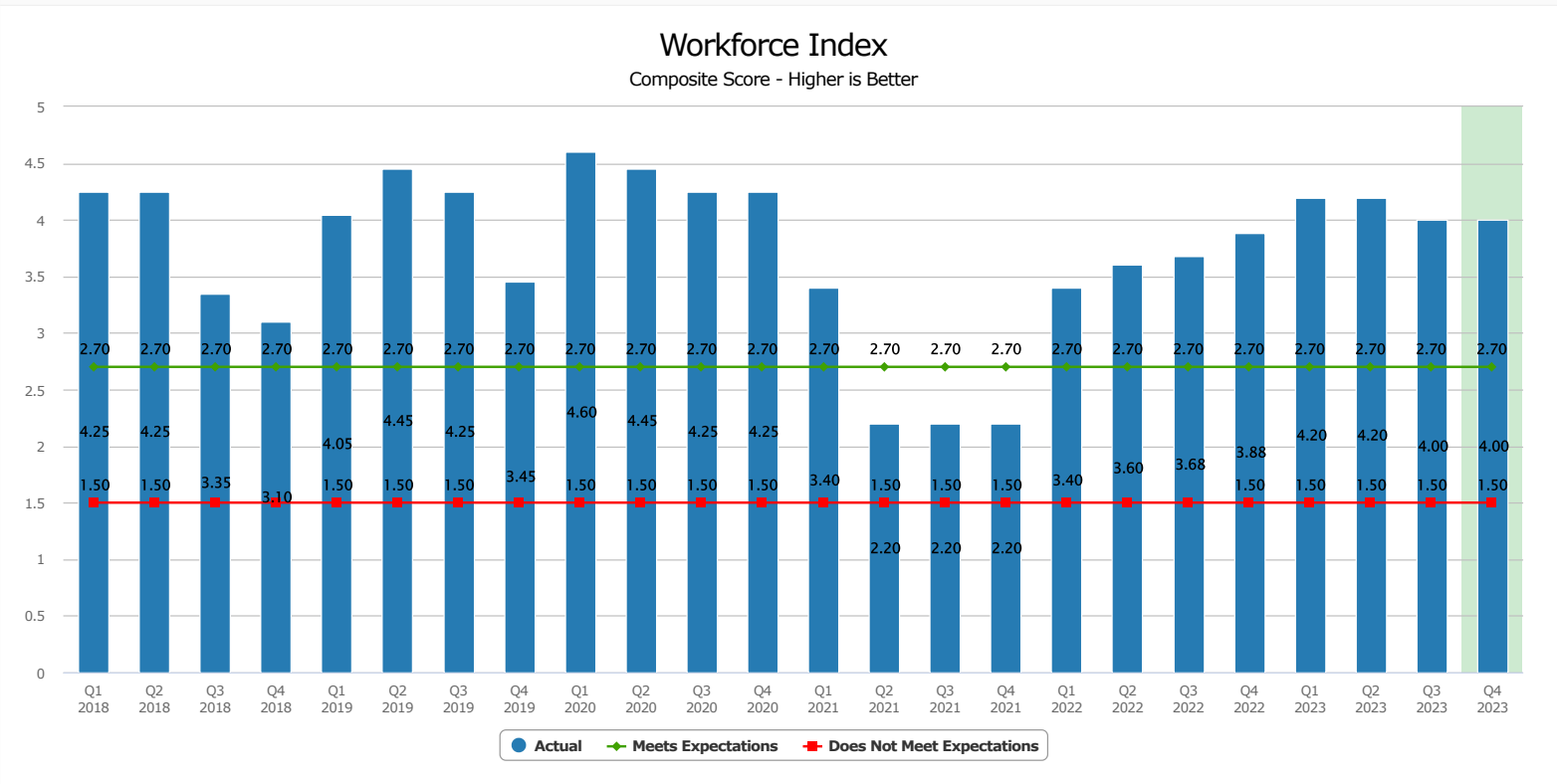
Reported as: Year-to-date

Target range: 2.70 – 3.49 (composite score)

MEASURE PERFORMANCE

The year-end 2023 result is 4.00.

PERFORMANCE MEASURE CHART(S)



PERFORMANCE ANALYSIS

The overall Workforce Index is comprised of three components:

1. Quality of Hire for New Hires 20%
2. Total Turnover 40%
3. Compliance with Mandatory and Required Training 40%
 - Quality of hire for new hires received a score of 2, which partially meets expectations.
 - Total turnover received a score of 5, which far exceeds expectations.
 - Compliance with mandatory and required training received a score of 4, which exceeds expectations.

Total Score: $(2 \times .2) + (5 \times .4) + (4 \times .4) = 4.00 = \text{Exceeds Expectations}$

2023 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	Result	Trend	Rating	Weighted Rating		
						Does Not Meet Expectations	Partially Meets Expectations	Meets Expectations	Exceeds Expectations	Far Exceeds Expectations						
Enterprise Balanced Scorecard 40% of Results	Rates 40%	Financial Accountability	1. Residential Electric Service - Front Range Comparison	Tristan Gearhart	4.5	>10.0% higher than average	5.1 – 10.0% higher than average	+/- 5.0% of average	5.1 – 10.0% lower than average	>10.0% lower than average	-21.13%	▲	5	0.23		
			2. Residential Natural Gas Service - Front Range Comparison		4.5	>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	-26.83%	▲	5	0.23		
			3. Residential Water Service - Front Range Comparison		4.5	>35.0% higher than average	30.1 – 35.0% higher than average	20.1 – 30.0% higher than average	15.0 – 20.0% higher than average	<15.0% higher than average	16.64%	—	4	0.18		
			4. Residential Wastewater Service - Front Range Comparison		4.5	>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	-12.93%	—	5	0.23		
			5. Small Comm 4-Service Bill - Front Range Comparison		4.5	>10.0% higher than average	5.1 – 10.0% higher than average	+/- 5.0% of average	5.1 – 10.0% lower than average	>10.0% lower than average	-21.52%	▲	5	0.23		
			6. Large Comm/Indust 4-Service Bill - Front Range Comparison		4.5	>10.0% higher than average	5.1 – 10.0% higher than average	+/- 5.0% of average	5.1 – 10.0% lower than average	>10.0% lower than average	-17.95%	▲	5	0.23		
			7. Indust Electric-intensive Cust Bill - Front Range Comparison		2.0	<5.0% lower than average	5.0 - 9.9% lower than average	10.0 – 15.0% lower than average	15.1 – 20.0% lower than average	>20.0% lower than average	-27.73%	▲	5	0.10		
			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	-2.17%	N/A	3	0.03		
			9. Days Cash on Hand - Current Year		1.0	<140 days	140 - 150 days	151 - 160 days	161 - 180 days	>180 days	157 days	▲	3	0.03		
			10. Days Cash on Hand - 3 Year Average		1.0	<140 days	140 - 150 days	151 - 160 days	161 - 180 days	>180 days	153 days	▲	3	0.03		
			11. Adjusted Debt Service Coverage - Current Year		1.0	< 1.75 times	1.75 - 1.79 times	1.80 - 1.90 times	1.91-1.95 times	> 1.95 times	1.55 times	▼	1	0.01		
			12. Adjusted Debt Service Coverage - 3 Year Average		1.0	< 1.75 times	1.75 - 1.79 times	1.80 - 1.90 times	1.91-1.95 times	> 1.95 times	1.78 times	▼	2	0.02		
			13. Debt Ratio - Current Year		1.0	>56.3%	56.3 - 54.3%	54.2 - 50.2%	50.1 - 48.1%	<48.1%	49.7%	—	4	0.04		
			14. Debt Ratio - 3 Year Average		1.0	>56.3%	56.3 - 54.3%	54.2 - 50.2%	50.1 - 48.1%	<48.1%	51.1%	—	3	0.03		
			15. Bond Rating		4.0	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)	Standard & Poors AA+ Moody's Investors Service: Aa2 Fitch Ratings : AA	—	4	0.16		
	Reliability 40%	Deliver Quality Utilities	16. Electric - SAIDI - Interruptions in minutes per year	Somar Mese	5.0	> 57.50 minutes	57.50 – 52.51 minutes	52.50 – 47.51 minutes	47.50 – 42.50 minutes	< 42.50 minutes	45.66 minutes	▼	4	0.20		
			17. Natural Gas - Failures per 100 miles of pipe		5.0	> 8.00 failures	8.00 - 6.01 failures	6.00 - 4.00 failures	3.99 - 2.00 failures	< 2.00 failures	3.67 failures	▲	4	0.20		
			18. Water - Failures per 100 miles of mainline		5.0	> 14.00 failures	14.00 – 12.01 failures	12.00 – 10.00 failures	9.99 – 8.00 failures	< 8.00 failures	9.64 failures	▲	4	0.20		
			19. Wastewater - Failures per 100 miles of mainline		5.0	> 1.00 failures	1.00 - 0.76 failures	0.75 - 0.51 failures	0.50 - 0.25 failures	< 0.25 failures	0.44 failures	—	4	0.20		
		Major Projects														
		Focus on the Customer	20. Sustainable Energy Project Cost Performance Index (CPI)	Lisa Barbato	5.0	<0.90	0.90 - 0.94	0.95 - 1.05	1.06 - 1.10	>1.10	1.00	—	3	0.15		
			21. Infrastructure Coordination with City		5.0	<0.80	0.80 - 0.93	0.94 - 1.06	1.07 - 1.20	>1.20	0.95	▲	3	0.15		
			22. Fiber Network Expansion Program	Somar Mese	5.0	<0.90	0.90 - 0.94	0.95 - 1.05	1.06 - 1.10	>1.10	0.83	▼	1	0.05		
	23. Gas Distribution Integrity Management Program Construction and Operations Implementation		5.0		<2.0	2.0-2.9	3.0-3.9	4.0-4.9	>4.9	3.70	▼	3	0.15			
	Relationships 20%	Focus on the Customer	24. Customer Satisfaction - Residential	Mike Francolino	3.0	< 1.50	1.50 - 2.49	2.50 - 3.49	3.50 - 4.49	> 4.49	1.93	▲	2	0.06		
			25. Customer Satisfaction - Business		3.0	< 1.50	1.50 - 2.49	2.50 - 3.49	3.50 - 4.49	> 4.49	3.50	▲	4	0.12		
		Support our Community	26. Environmental Stewardship	Lisa Barbato	3.0	< 65.00	65.00 – 74.99	75.00 – 85.99	86.00 – 94.99	> 94.99	74.00	▼	2	0.06		
		Enable Employee Empowerment	27. 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	78 % below benchmark	▲	5	0.40		
28. Skilled Workforce			3.0		< 1.50	1.50 - 2.69	2.70 - 3.49	3.50 - 4.60	> 4.60	4.00	—	4	0.12			

								Performance Measure Total:	3.82			
Strategic Objectives Evaluation 10% of Results					Weight	Rating assigned by the Board						
						<2.00	2.00 - 2.99	3.00 - 3.74	3.75 - 4.49	>4.49		
					1	2	3	4	5			
					Does not Meet Expectations	Partially Meets Expectations	Meets Expectations	Exceeds Expectations	Far Exceeds Expectations			
Strategic Objectives Evaluation				Chief Executive Officer	10.0						Objectives Evaluation Total:	3.98
CEO Leadership Competencies Evaluation 50% of Results					Weight	Ratings assigned by the Utilities Board						
						<2.00	2.00 - 2.99	3.00 - 3.74	3.75 - 4.49	>4.49		
						1	2	3	4	5		
						Does not Meet Expectations	Partially Meets Expectations	Meets Expectations	Exceeds Expectations	Far Exceeds Expectations		
							CEO Competency Average Rating					
	Board Interaction		Chief Executive Officer	10.0		<2.00	2.00 - 2.99	3.00 - 3.74	3.75 - 4.49	>4.49	3.89	
	Leadership		Chief Executive Officer	10.0		<2.00	2.00 - 2.99	3.00 - 3.74	3.75 - 4.49	>4.49	4.00	
Cultivates Innovation and Strategic Mindset		Chief Executive Officer	10.0	<2.00	2.00 - 2.99	3.00 - 3.74	3.75 - 4.49	>4.49	3.67			
Balances Internal/External Stakeholders		Chief Executive Officer	10.0	<2.00	2.00 - 2.99	3.00 - 3.74	3.75 - 4.49	>4.49	3.78			
Safety		Chief Executive Officer	10.0	<2.00	2.00 - 2.99	3.00 - 3.74	3.75 - 4.49	>4.49	4.44			
								Competencies Total:	3.96			
								Overall Score:	3.90			

Result as of 12/31/2023

Trend Key
▲ Favorable
▼ Unfavorable
— No Change

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



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2023 Enterprise Balanced Scorecard End of Year Results

Natalie Watts

Strategic Planning and Governance

2023 Year End Balanced Scorecard Results

- The year-end overall score is **3.82** on a 1-5 scale.
- This translates to a rating of **“exceeds expectations.”**
- There are a total of 28 measures on our scorecard.



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

7 measures with results of “far exceeds expectations”

- Residential Electric Service - Front Range Comparison
- Residential Natural Gas Service - Front Range Comparison
- Residential Wastewater Service Bill - Front Range Comparison
- Small Commercial 4 Service Bill - Front Range Comparison



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

7 measures with results of “far exceeds expectations”

- Large Comm/Indust 4-Service Bill - Front Range Comparison
- Indust Electric-intensive Customer Bill - Front Range Comparison
- Safety: Occupational Injuries and Illnesses Rate



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

9 measures with results of “exceeds expectations”

- Residential Water Service - Front Range Comparison
- Debt Ratio - Current Year
- Bond Rating
- Electric - SAIDI - Interruptions in minutes per year
- Natural Gas - Failures per 100 miles of pipe



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

9 measures with results of “exceeds expectations”

- Water - Failures per 100 miles of mainline
- Wastewater - Failures per 100 miles of mainline
- Customer Satisfaction – Business
- Workforce Index



1	2	3	4	5
Does Not Meet Expectations	Partially Meets Expectations	Meets Expectations	Exceeds Expectations	Far Exceeds Expectations
0.00 - 1.99	2.00 - 2.99	3.00 - 3.74	3.75 - 4.49	>4.49

7 measures with results of “meets expectations”

- Industrial Electric - Nationwide Comparison
- Days Cash on Hand - Current Year
- Days Cash on Hand - 3 Year Average
- Debt Ratio – 3 Year Average



1	2	3	4	5
Does Not Meet Expectations	Partially Meets Expectations	Meets Expectations	Exceeds Expectations	Far Exceeds Expectations
0.00 - 1.99	2.00 - 2.99	3.00 - 3.74	3.75 - 4.49	>4.49

7 measures with results of “meets expectations”

- Sustainable Energy Project Cost Performance Index (CPI)
- Gas Distribution Integrity Management Program
- Infrastructure Coordination with City



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

3 measures with results of “partially meets expectations”

- Adjusted Debt Service Coverage - 3 Year Average
- Customer Satisfaction – Residential
- Environmental Index



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

2 measures with results of “does not meet expectations”

- Adjusted Debt Service Coverage - Current Year
- Fiber Network Expansion Program



1 Does Not Meet Expectations	2 Partially Meets Expectations	3 Meets Expectations	4 Exceeds Expectations	5 Far Exceeds Expectations
66 of 120	2.00 - 2.99	3.00 - 3.74	3.75 - 4.49	>4.49

Next Steps: Partially meets expectations

Customer Satisfaction – Residential

- Established a cross functional team to continue improving this measure (Customer Steering Committee).
- Goal: Improve the “Programs and offerings make us easier to do business with” measure by 2% by December 2024.
 1. Complete Program Review and Prioritization by March 2025.
 2. Complete the Program Execution by January 2029.
 3. Complete a customer improvement listening tour.



Next Steps: Partially meets expectations

- Environmental index
 - Proactively discontinued discharging from JD Philips with bypass to Las Vegas Plant
 - Hired consulting firm to assist with troubleshooting
 - Implemented operational changes
 - Performing engineering studies and design to meet current and future permit limit



Next Steps: Does not meet expectations

- Adjusted Debt Service Coverage - Current Year
 - Colorado Springs received above-average precipitation, which brought water revenue in lower than projected.
 - ECA/GCA over collected in 2022, which was refunded in 2023.



Next Steps: Does not meet expectations

- Fiber Network Expansion Program
 - The project is behind schedule.
 - Sourcing additional resources to facilitate higher production rates and bring the schedule back in alignment.



Conclusion

- This concludes the 2023 Balanced Scorecard information.
- The 2024 mid-year scorecard results will be presented to the Board in September.





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Date: March 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.

March 2024 Water Outlook using data as of February 29, 2024

Locally, temperatures were above average, and precipitation was above average in February. Demands were less than last year at this time.

2024 Demands

February use averaged 40.7 million gallons per day (MGD), which was about 2.7% less than last February. Temperatures in February were above the thirty-year average at 38.7 degrees Fahrenheit, which was 5.2 degrees above normal. Total precipitation for February was 1.37 inches, which is above normal. Year to date precipitation is 1.99 inches, which is 326% of normal.

Current Reservoir Levels

Local storage is currently at about 51,628 acre-feet (78% of capacity). The 1991-2020 average is 75% of capacity. Rampart Reservoir is at 85% of capacity, and Pikes Peak storage is at 68% of capacity. System wide, total storage is about 217,700 acre-feet (84% of capacity). Last year at this time, total system wide storage was 71% of capacity. It was about 72% at this same time in 2022, about 71% of capacity in 2021, about 79% of capacity in 2020, about 72% of capacity in 2019, about 80% of capacity in 2018, about 78% of capacity in 2017, about 80% of capacity in 2016, and about 78% of capacity in 2015. The 1991-2021 average system wide storage for the end of February is 72% of capacity.

Water Supply Outlook

The U.S. Drought Monitor shows pockets of moderate/severe drought conditions throughout the U.S. The Colorado drought monitor shows some areas of moderate/severe drought in the southern part of the state, with abnormally dry conditions across a large portion of western Colorado. The eastern portion of the state is free from drought conditions. The seasonal drought outlook predicts drought will persist in parts of western and southern Colorado between now and May 31, 2024. The three-month climate outlook shows equal chances for above-average and below-average temperatures and precipitation across the entire state. We continue to monitor runoff, demand, and storage to maximize available water supply.

Operational Notes

South Catamount Reservoir capacity remains restricted for planned dam maintenance. The South Slope system pipeline to Tollefson Water Treatment Plant has been removed from service until spring of 2024 for normal winter operations. Total system storage is at 84% of capacity and holds about 3.2 years of demand, which is above average for the end of February. Local storage contains about 274 days of demand.



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Water Outlook

Katie Garrett (Mazurowski), P.E.

Water Resource Engineer, Water Resource Planning

March 20, 2024

Local Weather Conditions as of March 14, 2024

Precipitation (Inches of Moisture)

- March 2024 – 1.24 in. (157% of normal)
- 2024 YTD Total – 3.23 in. (351% of normal)

Average Temperature (Degrees F)

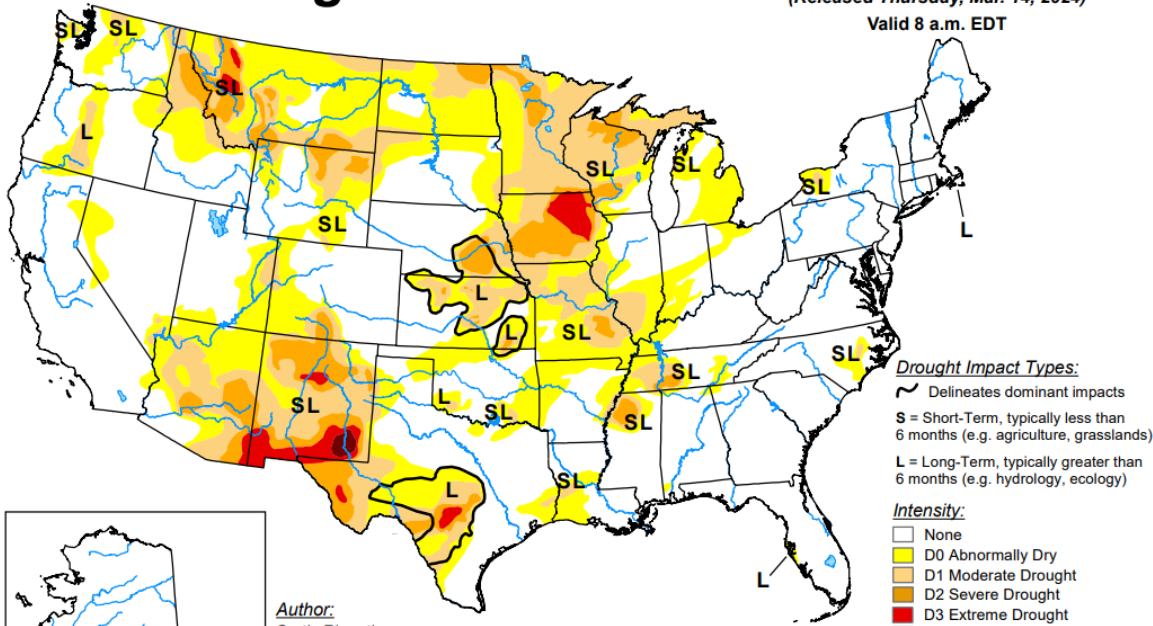
- March 2024 – 41.5 Deg. (0.3 deg. above normal)
- 2024 YTD Average – 35.5 Deg. (0.1 deg. above normal)



DROUGHT MONITOR

U.S. Drought Monitor

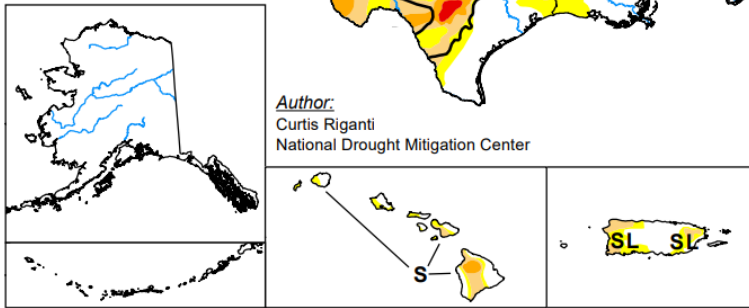
March 12, 2024
 (Released Thursday, Mar. 14, 2024)
 Valid 8 a.m. EDT



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>



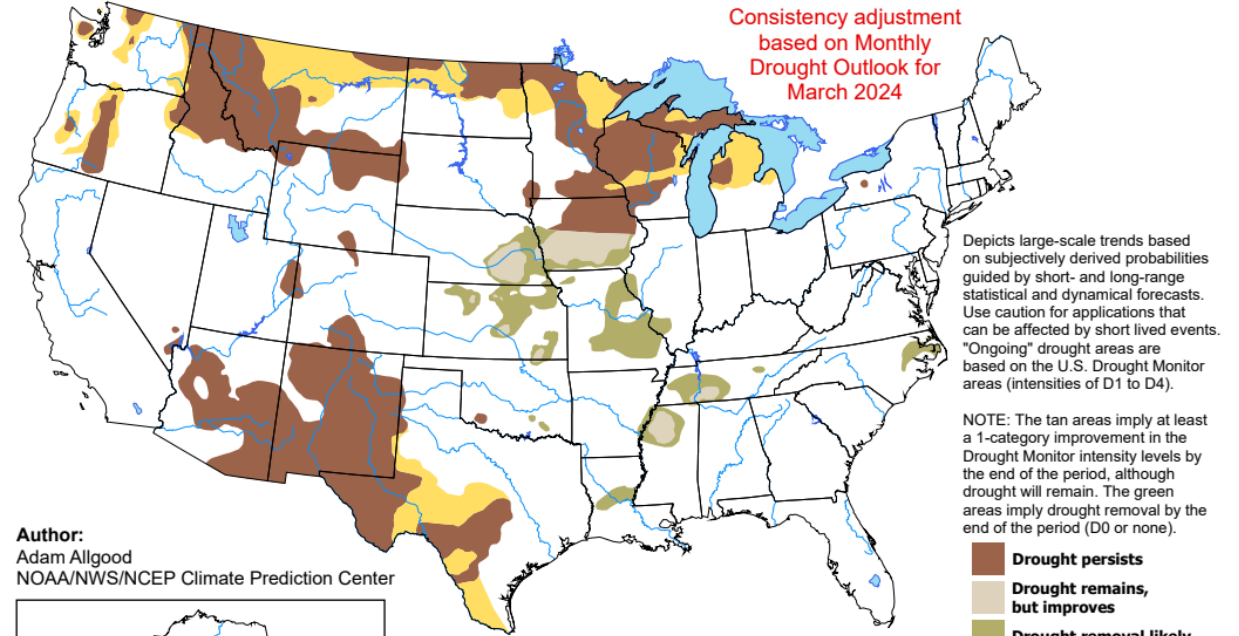
Author:
 Curtis Riganti
 National Drought Mitigation Center

U.S. Seasonal Drought Outlook

Drought Tendency During the Valid Period

Valid for March 1 - May 31, 2024
 Released February 29, 2024

Consistency adjustment
 based on Monthly
 Drought Outlook for
 March 2024

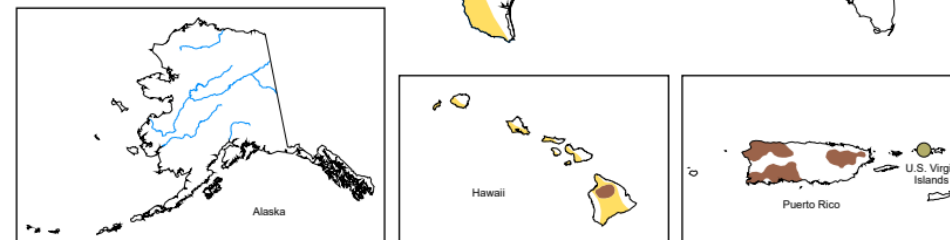


Depicts large-scale trends based on subjectively derived probabilities guided by short- and long-range statistical and dynamical forecasts. Use caution for applications that can be affected by short lived events. "Ongoing" drought areas are based on the U.S. Drought Monitor areas (intensities of D1 to 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:
 Adam Allgood
 NOAA/NWS/NCEP Climate Prediction Center




<https://go.usa.gov/3eZ73>

Colorado

Map released: Thurs. March 14, 2024

Data valid: March 12, 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

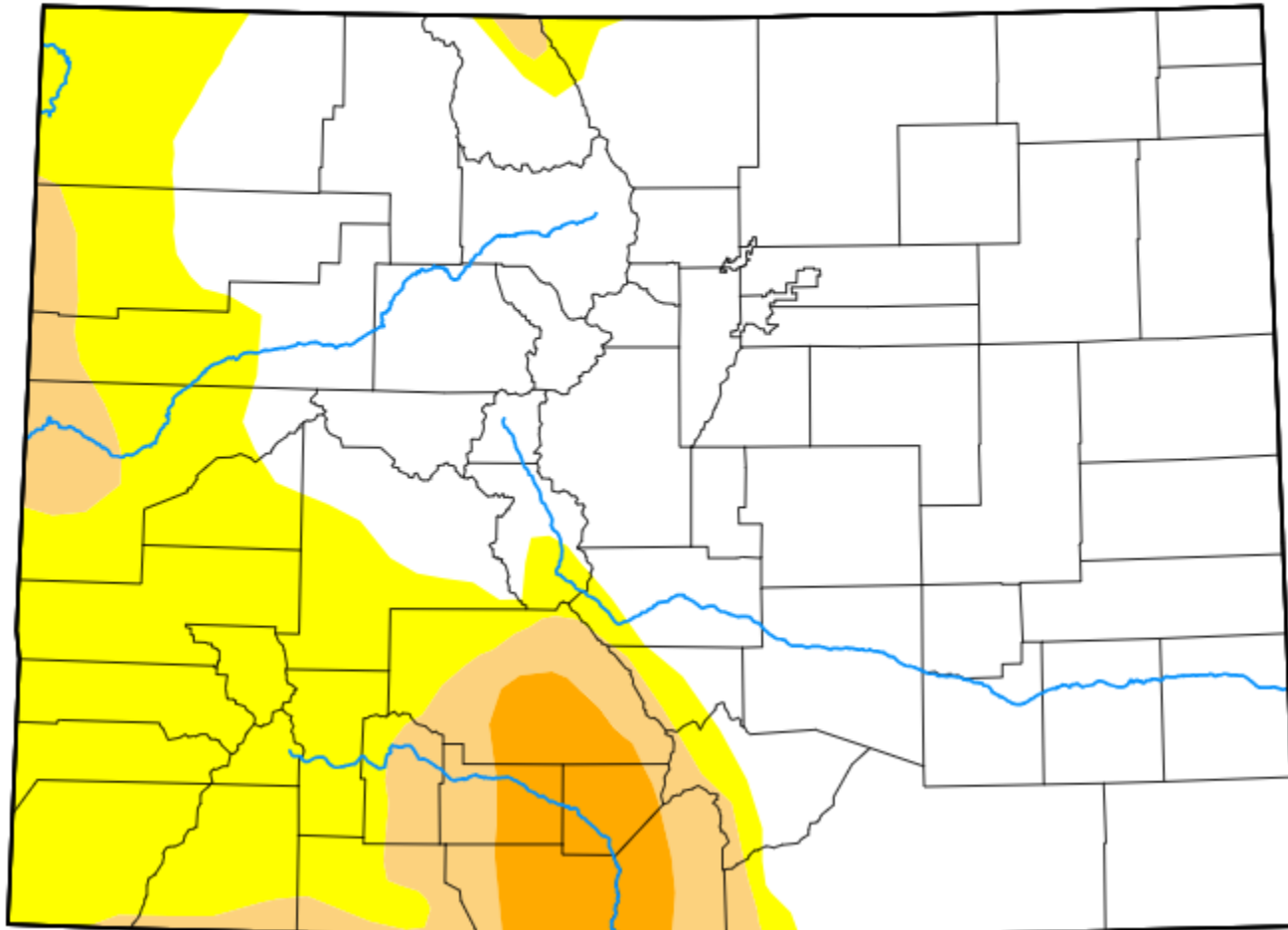
Authors

United States and Puerto Rico Author(s):

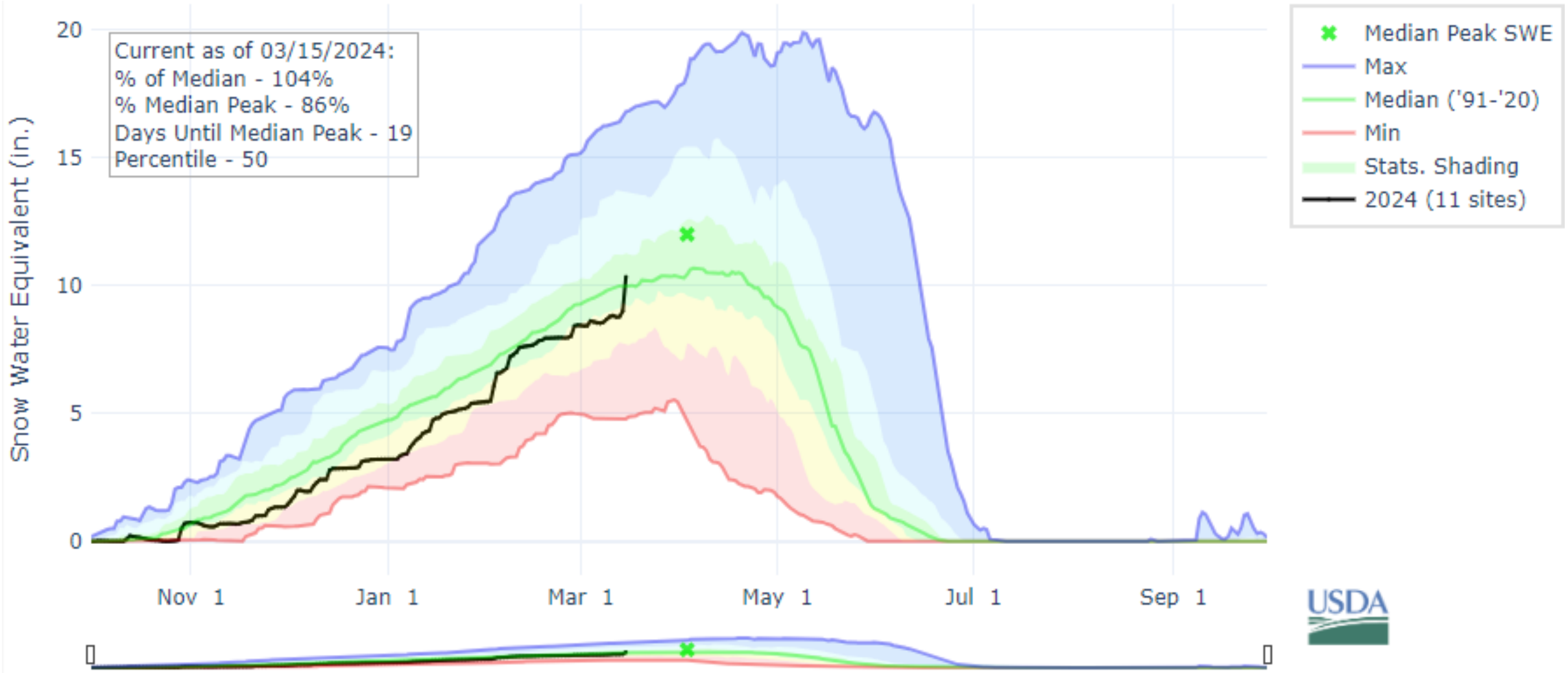
[Curtis Riganti](#), National Drought Mitigation Center

Pacific Islands and Virgin Islands Author(s):

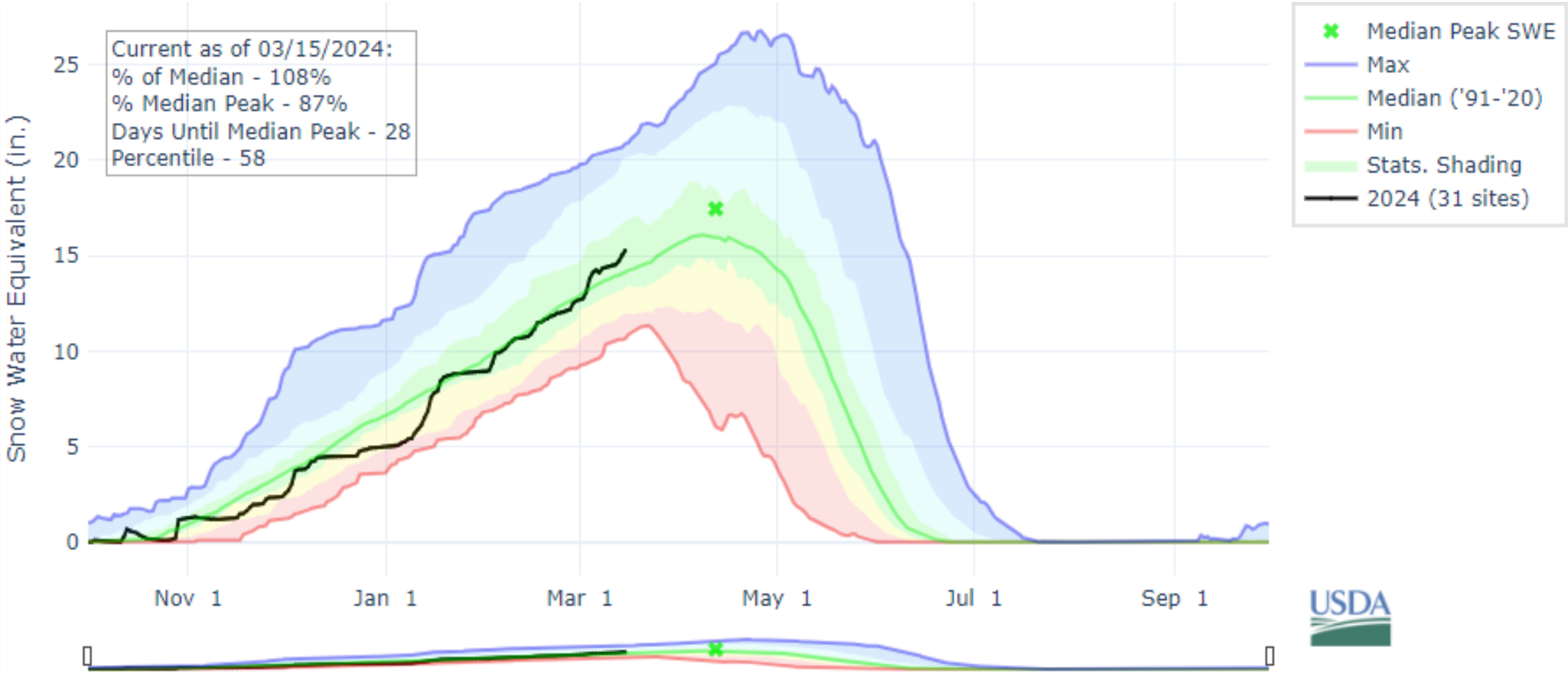
[Denise Gutzmer](#), National Drought Mitigation Center



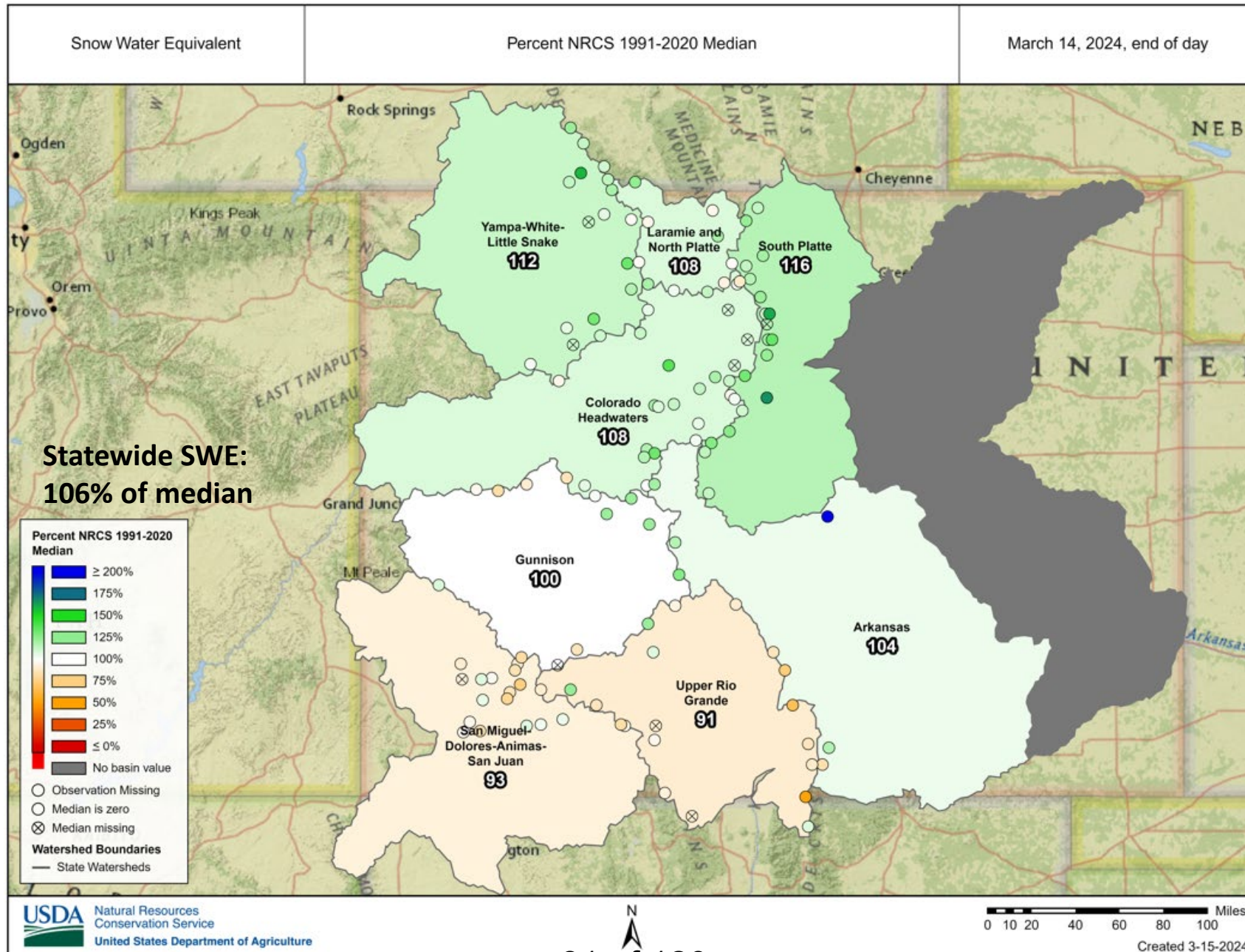
Snowpack in the Arkansas River Basin is 104% of normal



Snowpack in the Colorado River Headwaters Basin is 108% of normal



Colorado SNOTEL Current Snow Water Equivalent (SWE) % of Normal



SNOTEL sites – March 14

Hoosier Pass (Blue River system)

127% of median

Independence Pass (Twin Lakes system)

101% of median

Fremont Pass (Homestake system)

103% of median

Homestake snow course 107% of median (February 29)

Glen Cove (Pikes Peak)

263% of median

2024 Demands

February

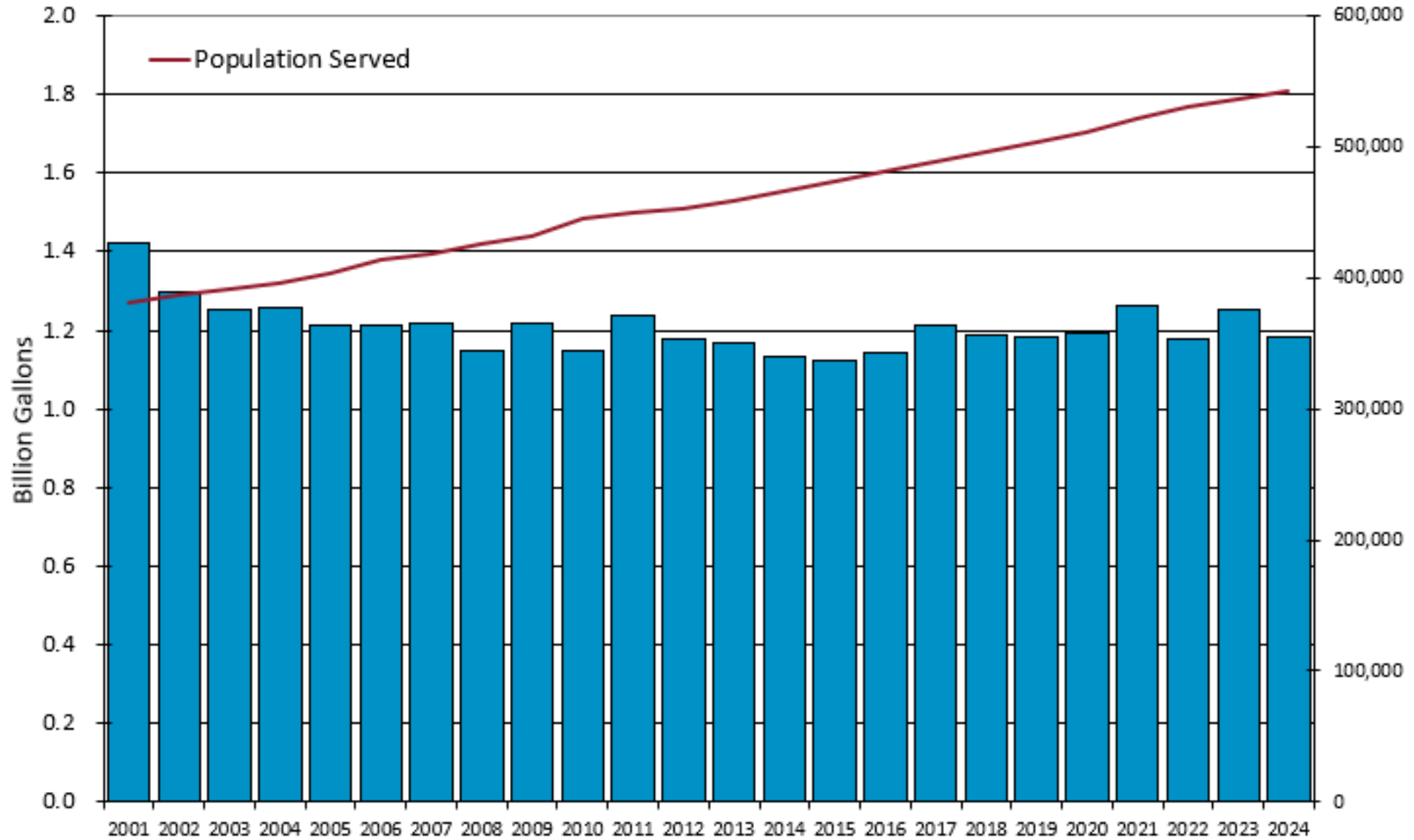
- Averaged 40.7 MGD
- 2.7% less than February 2023

2024 Year to Date through February 29

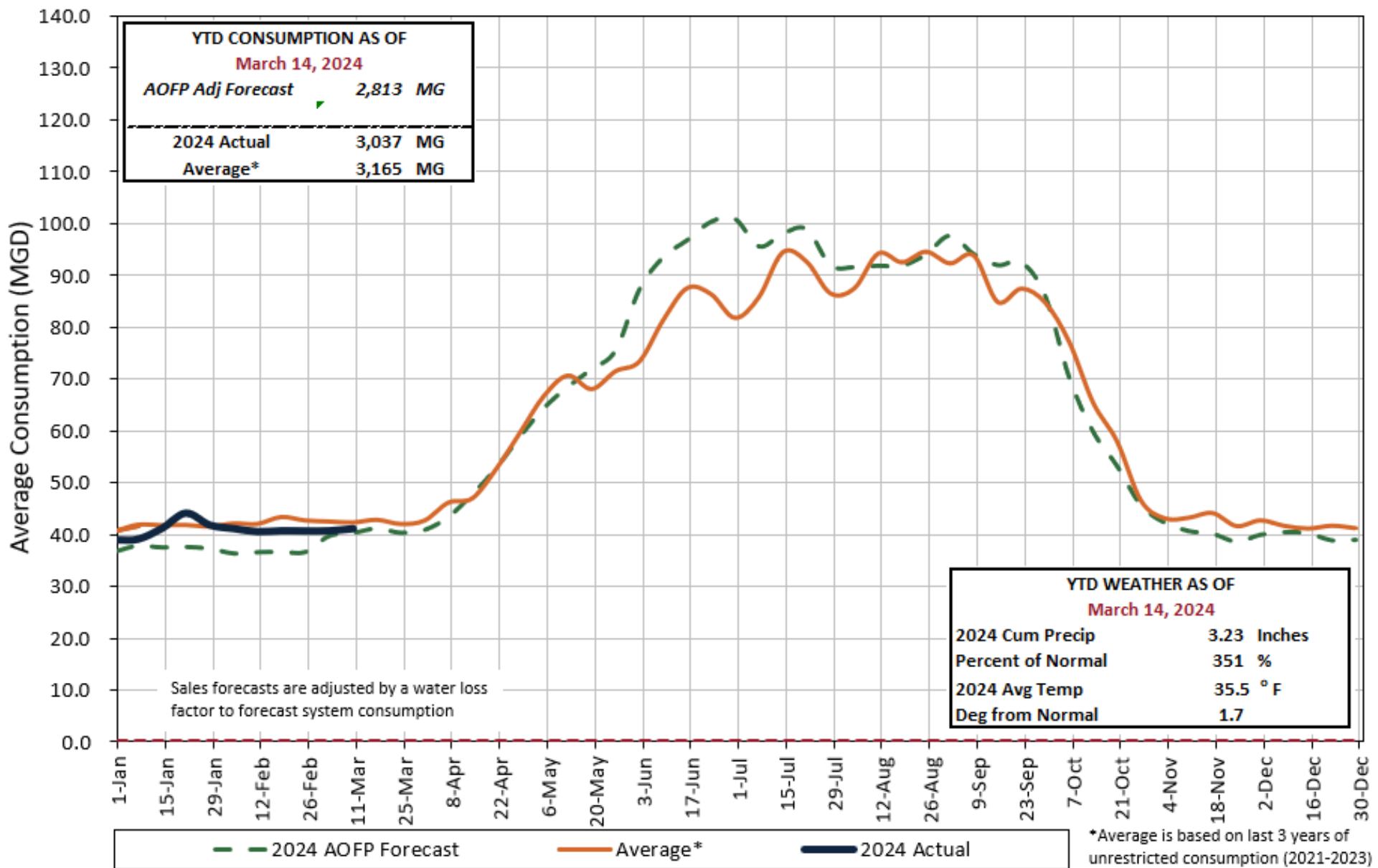
- Averaging 41.1 MGD, 2.5 BG total
 - 3.6% less than 2023
 - 0.09 Billion Gallons less than 2023



Monthly Water Use for February



2024 Actual Consumption (Weekly Data)



Reservoir Levels

March 14, 2024

- Pikes Peak 68 %
 - 91-20 Avg. 67 %
- Rampart 86 %
 - 91-20 Avg. 86 %
- Local Total 79 %
 - 91-20 Avg. 79 %
- System Total 84 %
 - 91-20 Avg. 74 %



Colorado Springs' System Wide Storage:

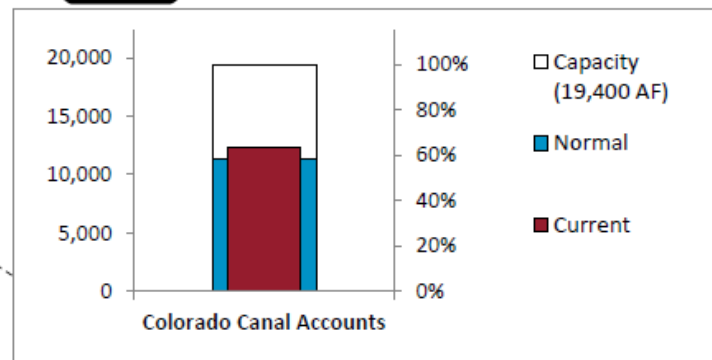
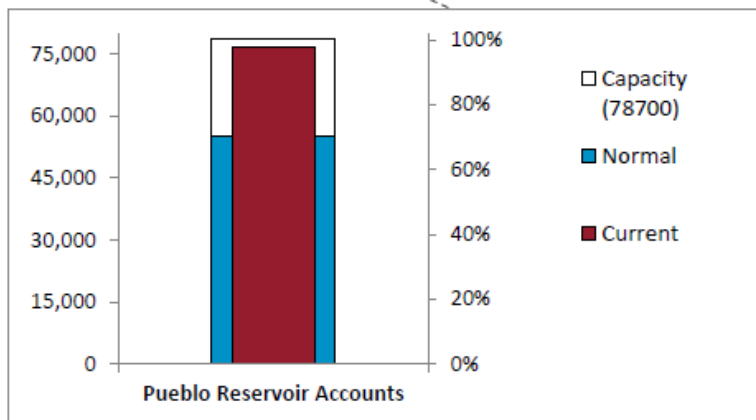
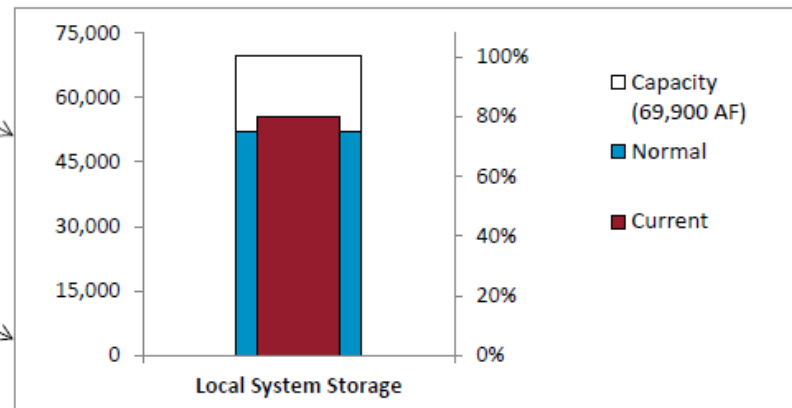
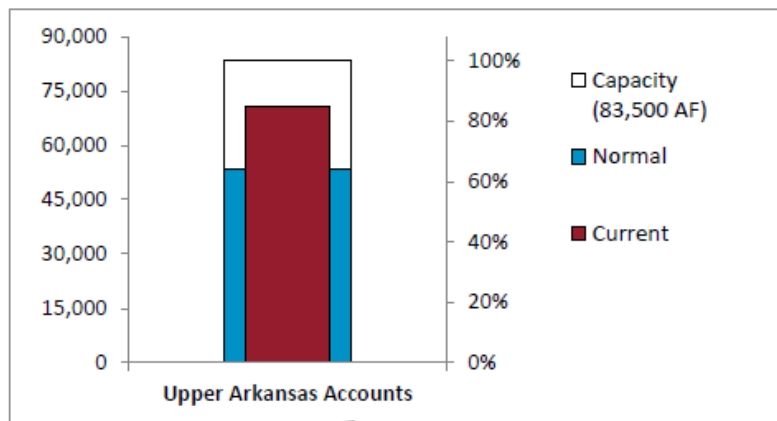
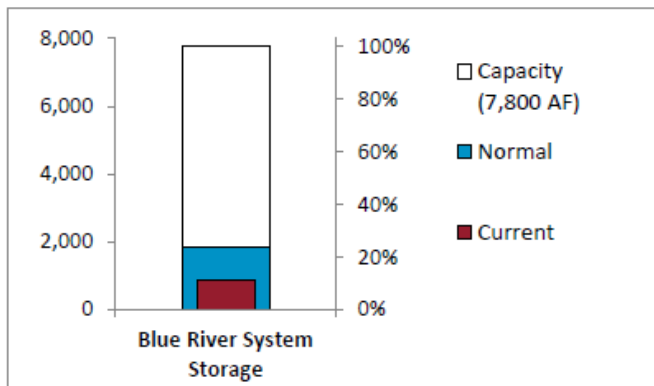
March 14, 2024 : 216,500 af

83.4 %

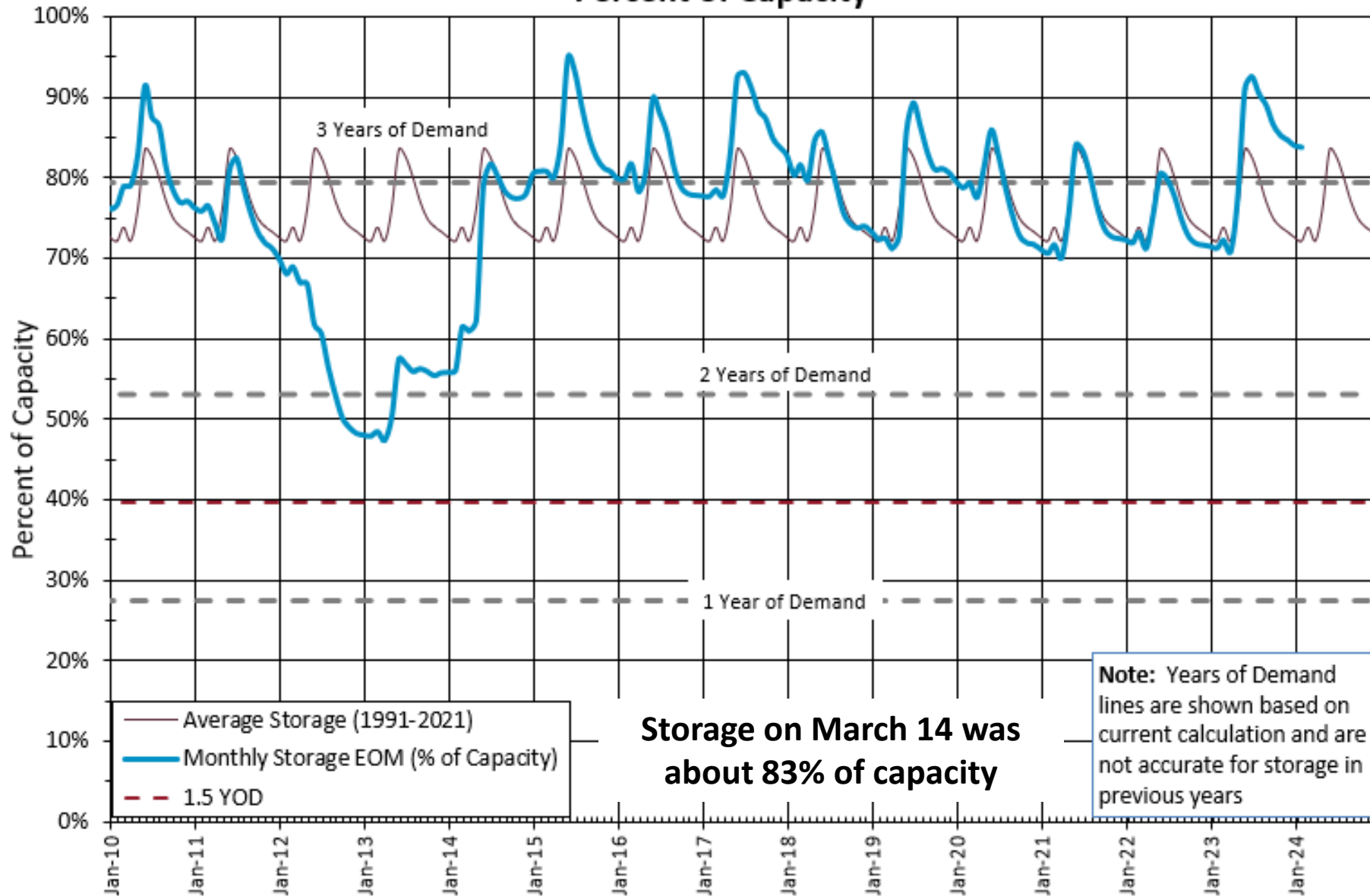
2001-2022 avg : 173,700 af

66.9 %

Average YTD Demand : 41 MGD



Monthly Storage Percent of Capacity



**Storage on March 14 was
about 83% of capacity**

Note: Years of Demand lines are shown based on current calculation and are not accurate for storage in previous years

Water Outlook

- Situation Outlook Summary
 - System-wide storage is at 83.4% of capacity, about 10% above our long-term average
 - About 3.2 years of demand in storage, based on the past 3 years of demand
 - Have 276 days of demand in local storage
- Three-month outlook predicts
 - Equal chances for above-average and below-average temperatures across all of Colorado
 - Equal chances for above-average and below-average precipitation across all of Colorado
- We continue to monitor snowpack, demand and storage to maximize available water supply

Operational Notes

Storage Conditions

- South Catamount Reservoir capacity remains restricted for planned dam maintenance
- South Slope system pipeline to Tollefson WTP has been removed from service until spring of 2024 for normal winter operations



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Board Memo Agenda Item

Staff Report

Date: March 20, 2024
To: Utilities Board
From: Travas Deal, Chief Executive Officer
Subject: Fuel Related Rate Adjustments

NARRATIVE:

Desired Action: Discussion

Executive Summary: Colorado Springs Utilities will inform Utilities Board of the fuel related rate adjustments to be proposed at the City Council meeting on March 26, 2024. If approved by City Council, the rate changes will be effective April 1, 2024.

Consistent with the Cost Adjustment Guidelines (G-6), Utilities staff provides regular updates to Utilities Board and anticipates proposing quarterly changes to Electric Cost Adjustment (ECA), Gas Cost Adjustment (GCA) and Green Power Service rates. On February 28, 2023, City Council approved the current ECA rates effective March 1, 2023. On June 27, 2023, City Council approved the current Green Power Service rate effective July 1, 2023. On January 9, 2024, City Council approved the current GCA rates effective January 15, 2024. In response to market fluctuations, Utilities is proposing decreases to both the ECA and GCA.

Utilities provides annual monitoring and anticipates proposing annual adjustments to Electric Capacity Charge (ECC) and Gas Capacity Charge (GCC) rates. On June 27, 2023, City Council approved the current ECC and GCC rates effective July 1, 2023. Utilities proposes ECC and GCC adjustments that change rates by Rate Class consistent with capacity allocations.

Details of proposed fuel related rate adjustments were provided to Utilities Board Finance Committee on March 18, 2024.

Benefits: Proposal of timely cost adjustments to pass through cost associated with fluctuations in market prices.

Board Policy: Electric and Gas Cost Adjustments (G-6)

Cost/Budget: Timely adjustment of fuel related rates supports Utilities' annual budget.

Affected Parties: Utilities' Electric and Natural Gas Customers

Alternatives: Board to provide alternative direction.

Submitter: Scott Shirola	Email address: sshirola@csu.org
Division/ Planning and Finance	Phone number: (719) 668-8661
Department: Division/Pricing and Rates	Date submitted: March 13, 2024

SPG Staff Use Only: Consent Calendar

Yes

X

No

ITEM NO. 8



Colorado Springs Utilities
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Fuel Related Rate Adjustments

Scott Shirola, Pricing and Rates Manager

March 20, 2024



Agenda

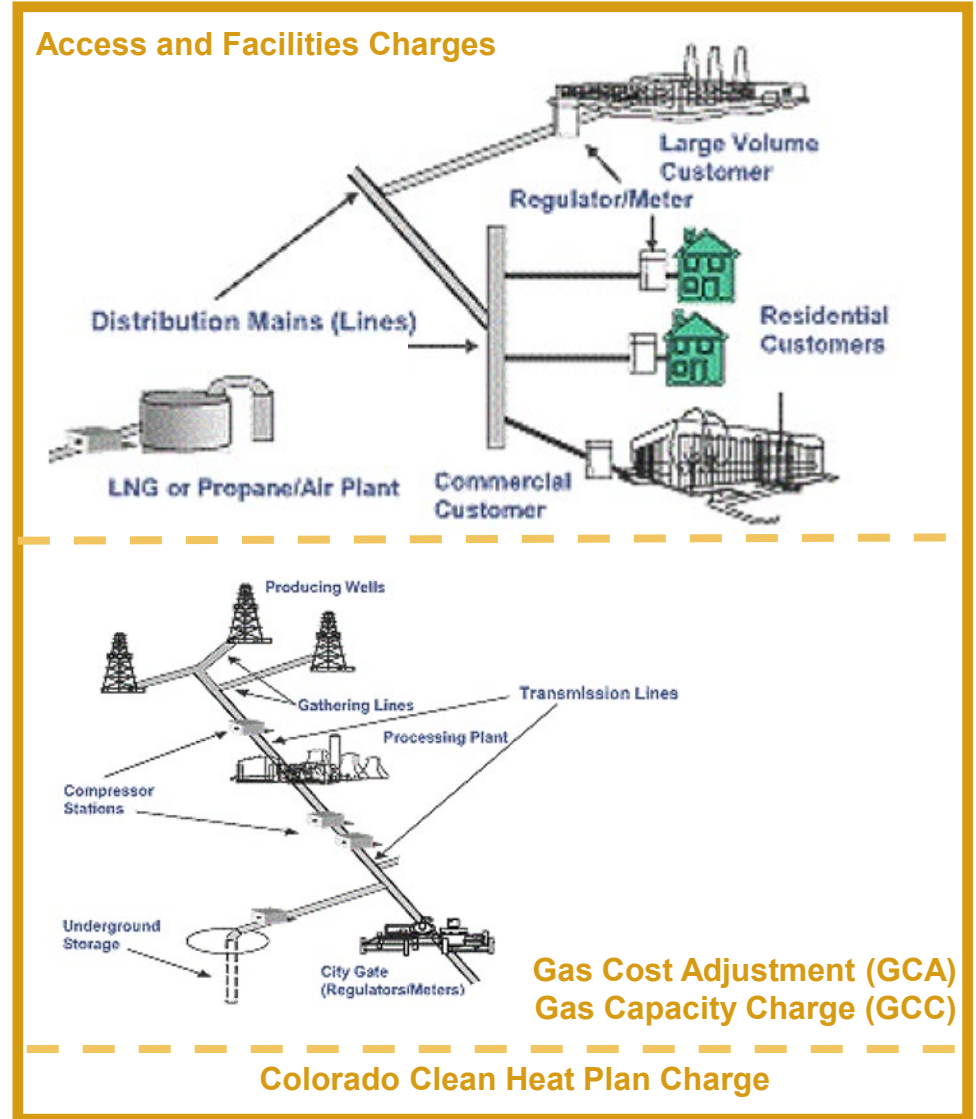
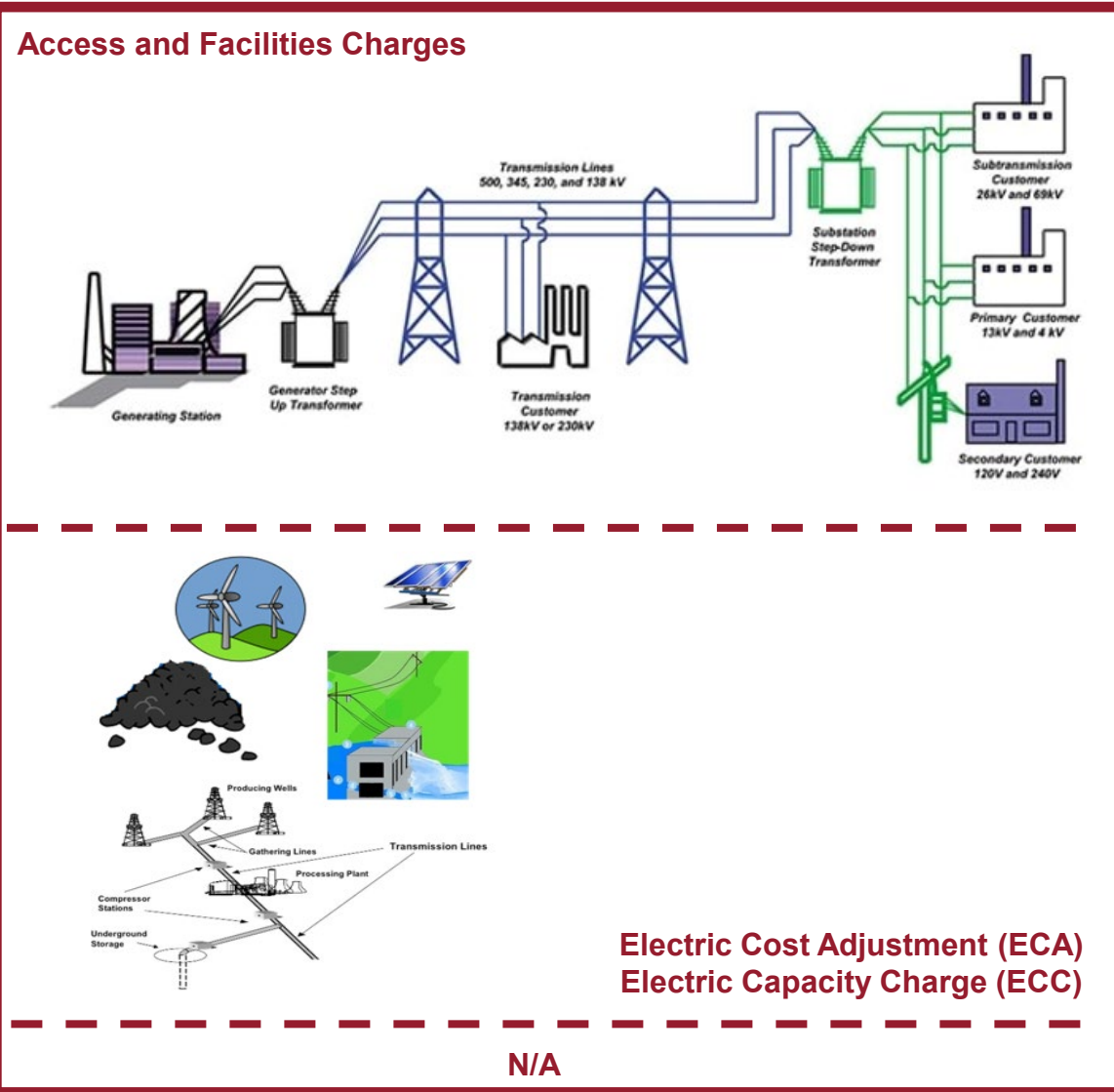
- Fuel Related Rates Background
- Quarterly Electric and Natural Gas Cost Adjustment (ECA and GCA)
- Annual Electric and Natural Gas Capacity Charges (ECC and GCC)
- Sample Bill Impacts

Base (Non-Fuel) and Fuel Related Rates

Electric

Natural Gas

(Non-Fuel)
Base Rates



Riders

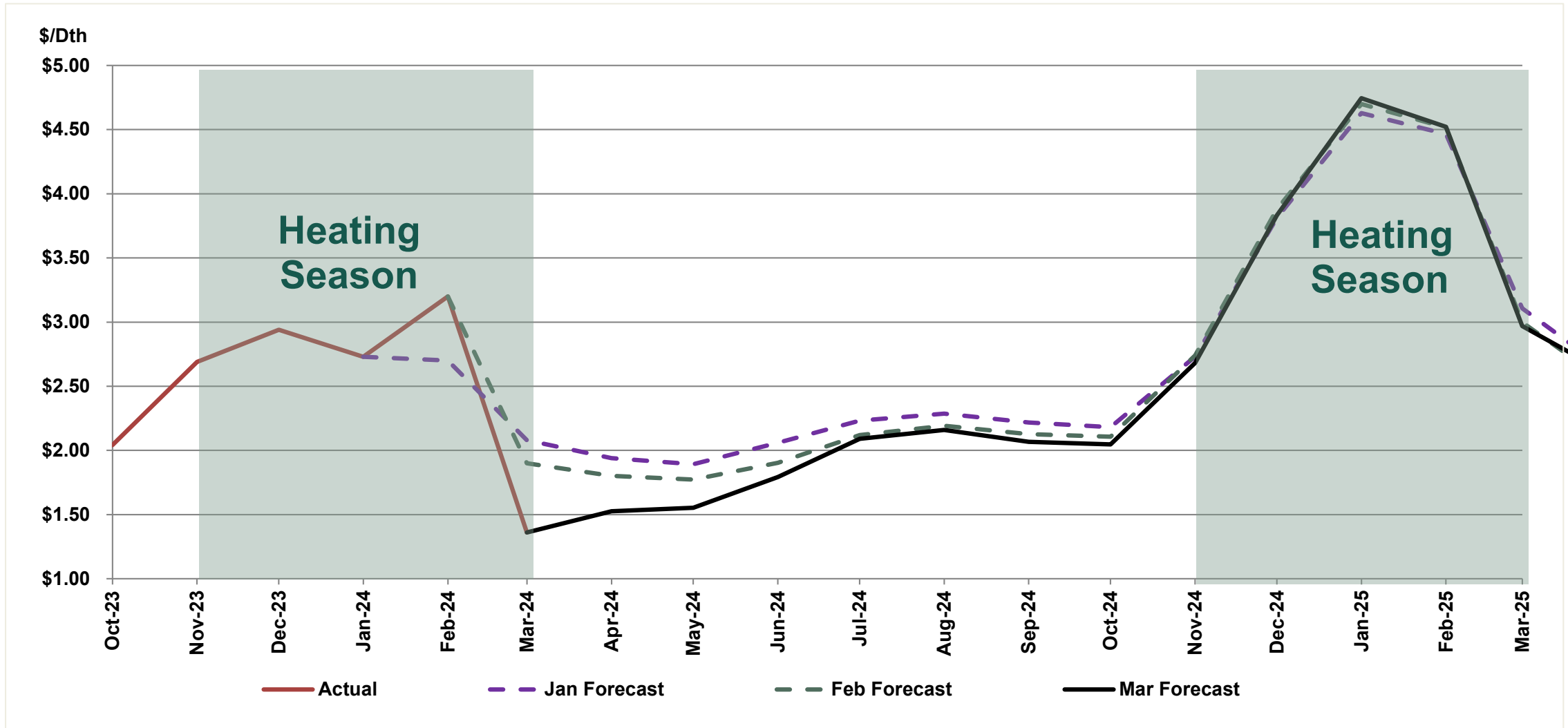
Types of Fuel Related Cost

- Energy Cost: Electric Cost Adjustment (ECA) and Gas Cost Adjustment (GCA)
 - Energy costs are variable and driven by price fluctuations in the coal, natural gas, and purchase power market
 - Monitored monthly and adjusted quarterly
- Capacity Cost: Electric Capacity Charge (ECC) and Gas Capacity Charge (GCC)
 - Capacity costs are primarily fixed based on contracted/reserved transmission capacity
 - Reviewed and adjusted annually

Electric Cost Adjustment

Gas Cost Adjustment

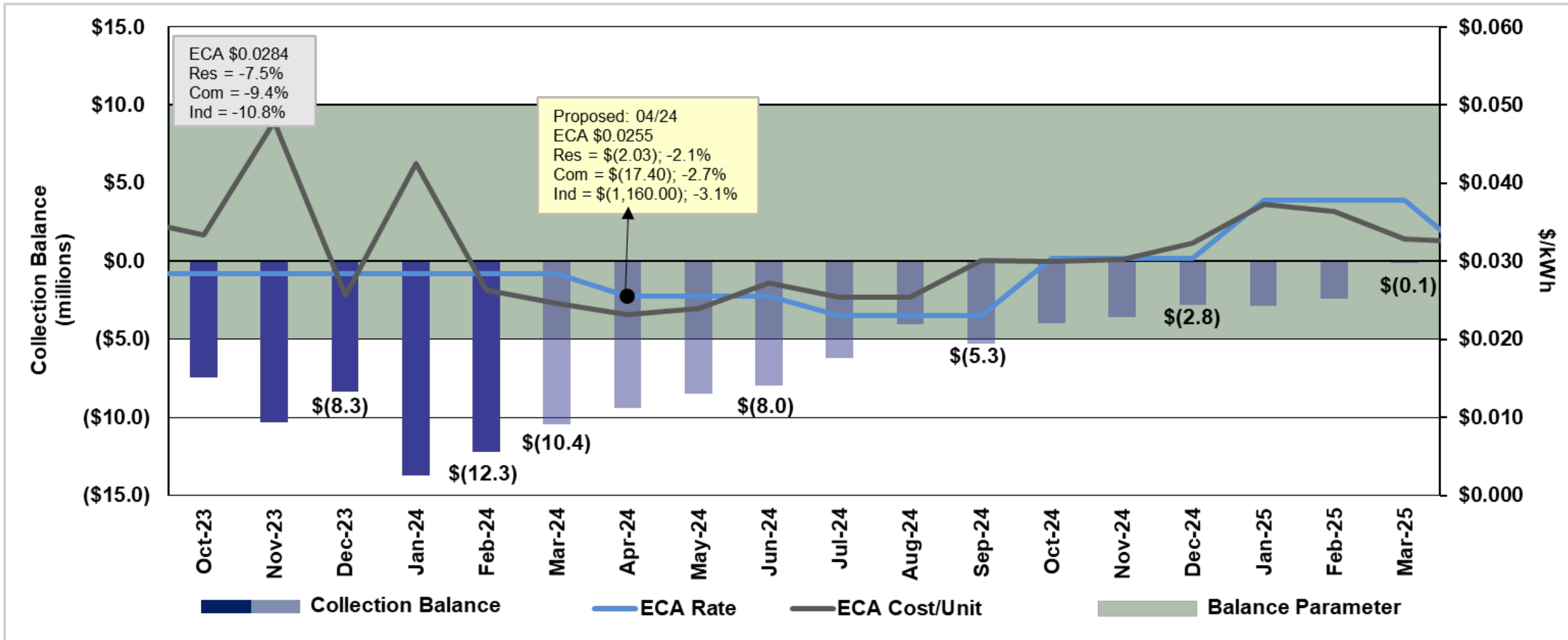
Natural Gas Prices as of March 1, 2024



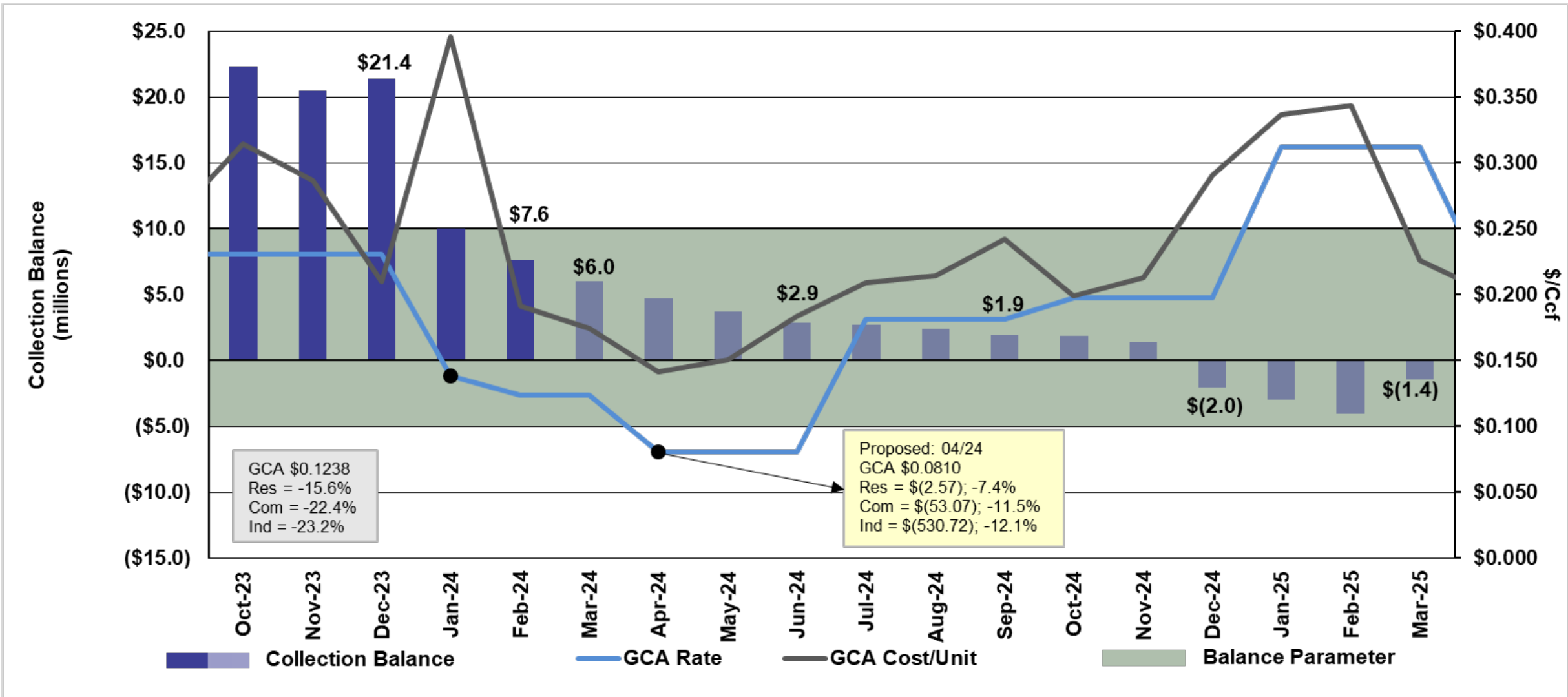
Energy Cost Adjustment Primary Drivers

- Decrease in forecasted natural gas expense
 - ECA
 - Quarterly review and adjustment
 - Last adjustment effective March 1, 2023
 - Residential Sample Bill decrease of \$(7.49); (7.5)%
 - GCA
 - Quarterly review and adjustment
 - Last adjustment effective January 15, 2024
 - Residential Sample Bill decrease of \$(6.42); (15.6)%
 - Additional recent adjustments:
 - July 1, 2023 – Residential Sample Bill decrease of \$(5.76); (12.4)%
 - March 1, 2023 – Residential Sample Bill decrease of (\$16.44); (26.1)%

ECA Projections March 2024



GCA Projections March 2024

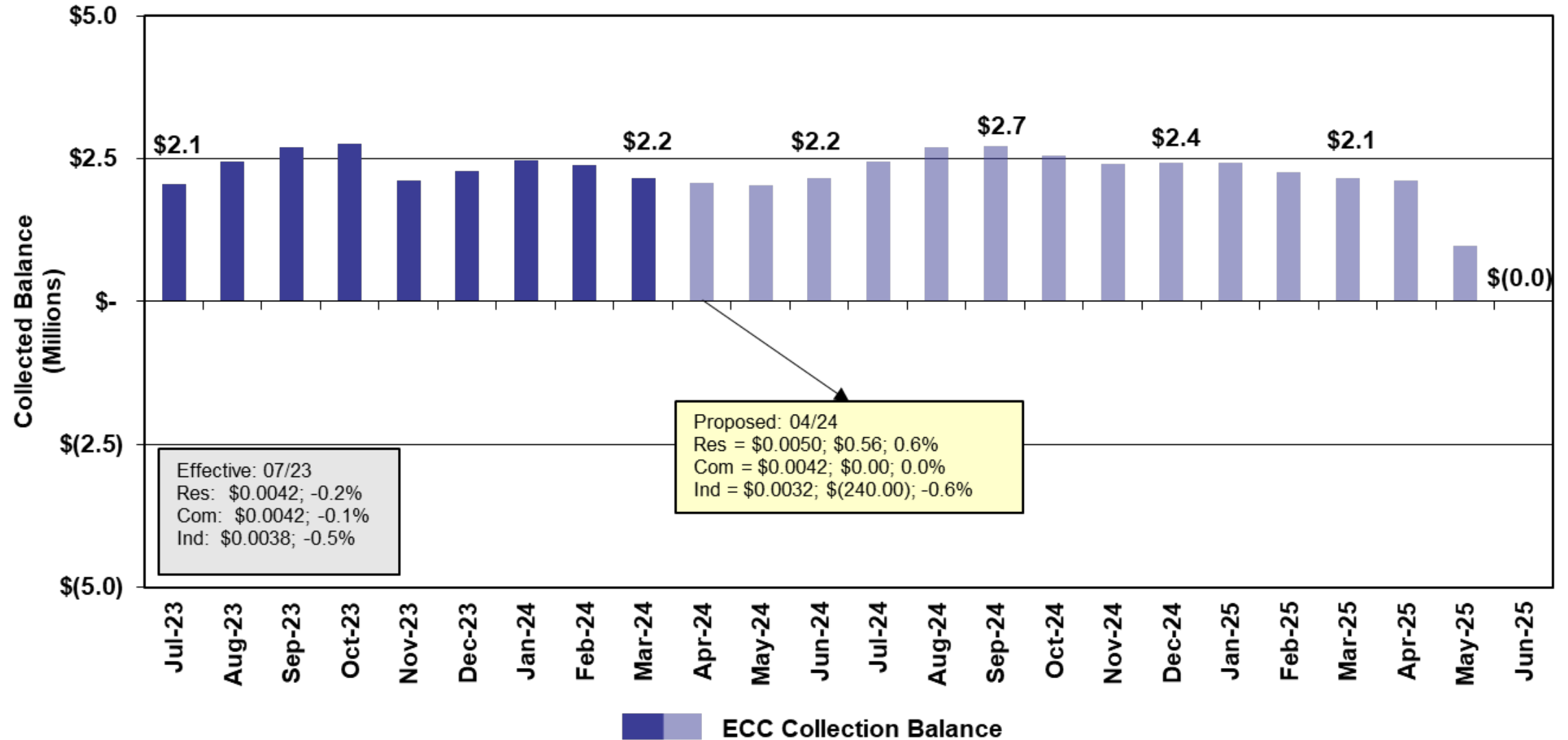


Electric Capacity Charge (ECC) **Gas Capacity Charge (GCC)**

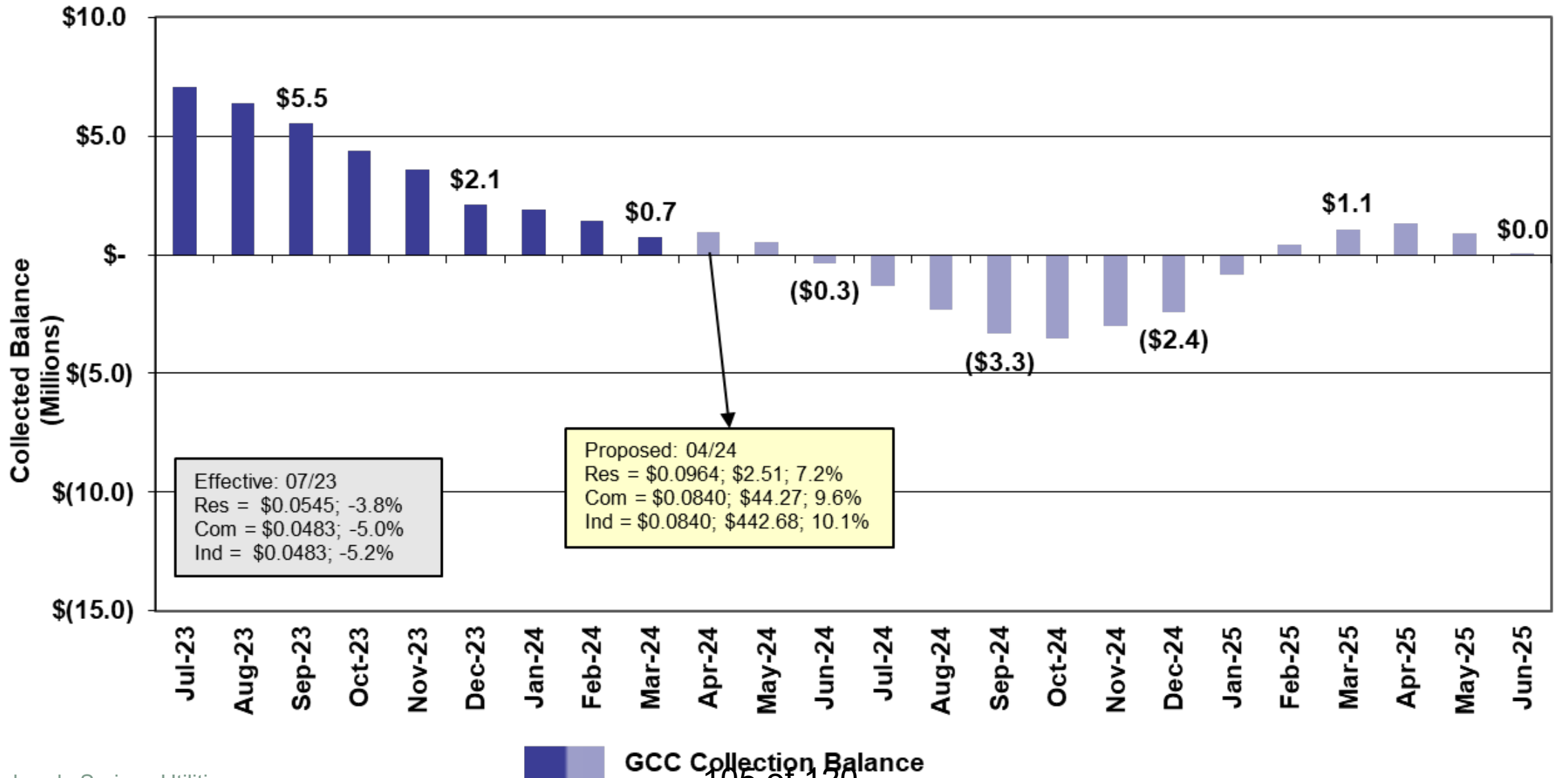
Capacity Charge Adjustment Primary Drivers

- ECC
 - Annual review and adjustment
 - Last adjustment effective July 1, 2023
 - Residential Sample Bill decrease of \$(0.14); (0.2)%
- GCC
 - Completion of \$7.4 million over-collection refunding
 - Annual review and adjustment
 - Last adjustment effective July 1, 2023
 - Residential Sample Bill decrease of \$(1.78); (3.8%)

ECC Projections March 2024



GCC Projections March 2024



Sample Bill Impacts

Sample Residential Bill - Proposed Effective 4/1/24



Sample Residential Monthly Bill

SAMPLE BILL CALCULATIONS ASSUME:

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

Proposed Residential Changes (Sample Bill)

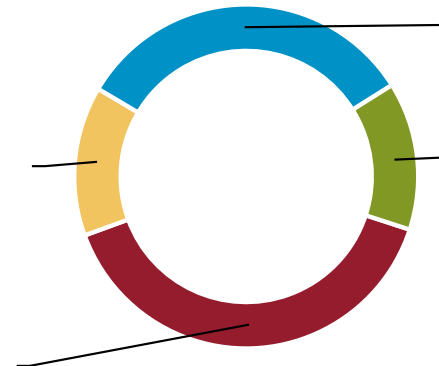
Current Average Sample Bill **\$ 247.49**
Proposed Electric & Gas Decrease \$ (1.53)
Proposed Total Avg. Sample Bill \$ 245.96

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

Sample Total Residential Monthly Bill

Electric (Proposed)	\$ 96.98
Gas (Proposed)*	\$ 34.62
Water	\$ 80.14
Wastewater	\$ 34.22
Total (Proposed)	\$245.96

*Includes Proposed Colorado Clean Heat Plan Charge



Sample Total Monthly Bill - Proposed Effective 4/1/24

Line No.	Rate Class	Current Effective	Proposed 1/1/24	Proposed Increase/ (Decrease)	% Change
(a)	(b)	(c)	(d)	(e) (d) - (c)	(f) (e) / (c)
1	Residential				
2	Electric	\$ 98.45	\$ 96.98	\$ (1.47)	-1.5%
3	Gas*	34.68	34.62	(0.06)	-0.2%
4	Water	80.14	80.14	-	0.0%
5	Wastewater	34.22	34.22	-	0.0%
6	Total	\$ 247.49	\$ 245.96	\$ (1.53)	-0.6%
7	Commercial				
8	Electric	\$ 635.25	\$ 617.85	\$ (17.40)	-2.7%
9	Gas*	460.43	451.63	(8.80)	-1.9%
10	Water	241.65	241.65	-	0.0%
11	Wastewater	126.76	126.76	-	0.0%
12	Total	\$ 1,464.09	\$ 1,437.89	\$ (26.20)	-1.8%
13	Industrial				
14	Electric	\$ 37,092.80	\$ 35,692.80	\$ (1,400.00)	-3.8%
15	Gas*	4,392.10	4,304.06	(88.04)	-2.0%
16	Water	3,160.35	3,160.35	-	0.0%
17	Wastewater	1,630.76	1,630.76	-	0.0%
18	Total	\$ 46,276.01	\$ 44,787.97	\$ (1,488.04)	-3.2%

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

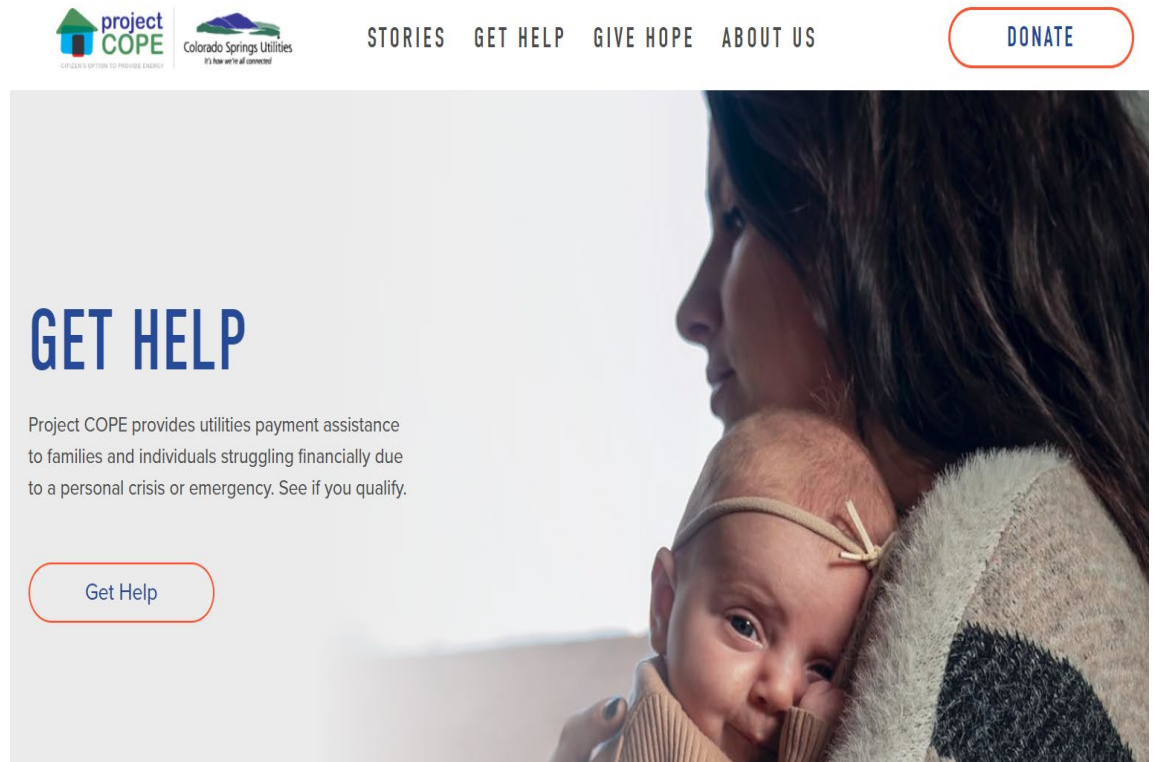
- Residential - 30 days, 700 kWh (Electric), 60 Ccf (Natural Gas), 1,100 cf (Water Inside City Limits), and 700 cf (Wastewater Inside City Limits)
- Commercial - 30 days, 6,000 kWh (Electric), 1,240 Ccf (Natural Gas), 3,000 cf (Water Inside City Limits), and 3,000 cf (Wastewater Inside City Limits)
-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

* Gas includes proposed Colorado Clean Heat Plan Charge.

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

Helping Customers Today

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



Long-term Assistance

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





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Board Memo Agenda Item

Staff Report

Date: March 20, 2024
To: Utilities Board
From: Travas Deal, Chief Executive Officer
Subject: Park Vista Addition No. 10 Annexation

NARRATIVE:

Desired Action: Vote whether to recommend approval of extending water service to Park Vista Addition No. 10 property, subject to City Council approval of annexations of the properties pursuant to City Code section 7.5.701.

Executive Summary:

- Park Vista Addition No. 10 requests:
 - Annexation of 2.178-acre vacant property, including portions of El Paso County right-of-way.
 - Owner proposes subdividing property into eight (8) individual lots for residential development and use.
- If approved by City Council, annexation would result in the extension of Springs Utilities' water service boundary and permit provision of Springs Utilities water service.
- Extending water service into any area not within either the existing City limits or the water service boundary is subject to the recommendation of approval by the Utilities Board and approval by City Council (City Code 12.4.305.A.).
- Property meets de minimis impact to City's water supply and enclave exceptions.
- There has been no previous Utilities Board action for this property.

Benefits: Approval of annexation would potentially generate incremental utility revenue for Springs Utilities.

Board Policy: N/A

Cost/Budget: Springs Utilities' four-service costs anticipated to be null or de minimis. Electric, gas, water and wastewater facilities currently exist adjacent to the site.

Affected Parties: Annexation property owners and developers, City of Colorado Springs Public Works, El Paso County, citizens of the City and El Paso County, and rate payers.

Alternatives: Recommend approval or denial to City Council of extension of water service boundary.

Submitter: Bryan English	Email address: benglish@csu.org
Division/ Department: System Planning and Projects Customer Utilities Connections	Phone number: 719-668-8119
	Date submitted: March 4, 2024

SPG Staff Use Only: Consent Calendar	<input type="checkbox"/>	Yes	<input checked="" type="checkbox"/>	No	ITEM NO. 9
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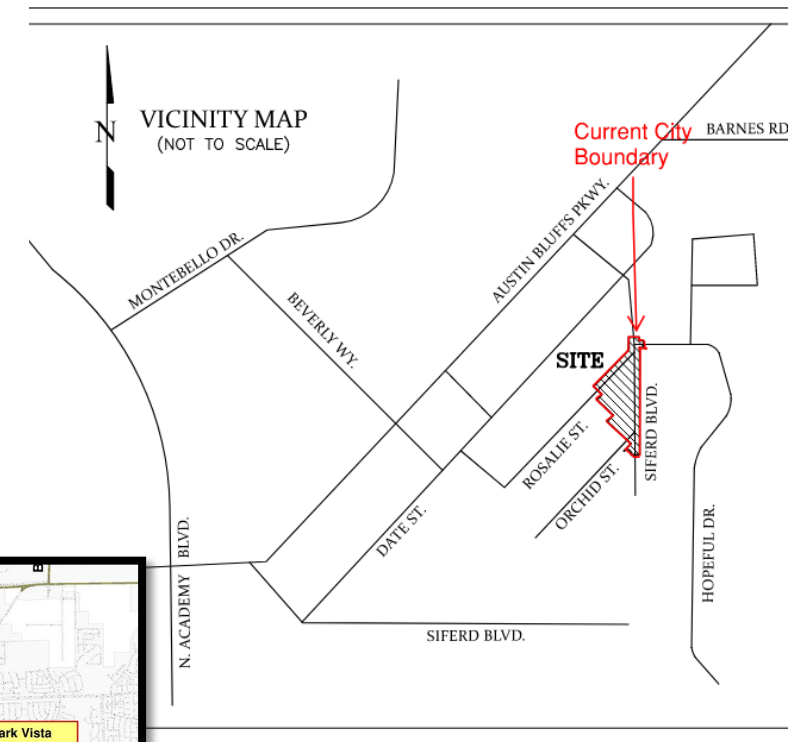
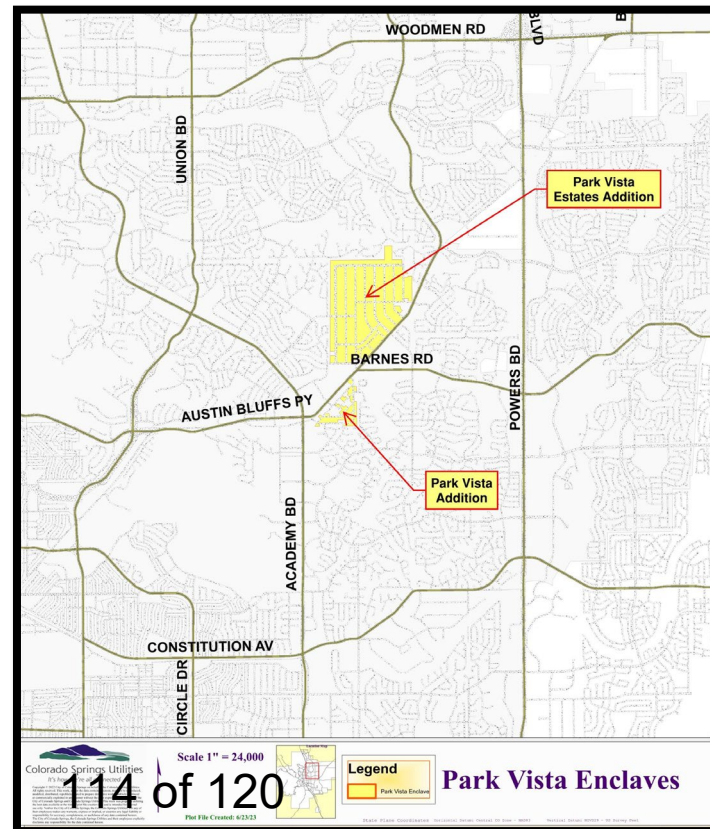
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Park Vista Addition No. 10 Annexation

March 20, 2024, Utilities Board Meeting
Bryan English, Development Projects Manager
Customer Utilities Connections

Property & Proposed Development

- Owner-initiated, voluntary annexation
- Located SE of Austin Bluffs Pkwy and Barnes Rd in Park Vista Addition enclave
- Property size: 2.178 acres
 - Five (5) platted lots totaling 0.886 acres
 - Portions of Rosalie Street and Siferd Boulevard rights-of-way totaling 1.292 acres
- Owner would subdivide property into eight individual lots for single-family residential use



Four-Service Perspective

- Springs Utilities currently provides natural gas and electric service to area
- No utility capacity issues anticipated
- Existing utility infrastructure directly fronts or is located near property
- Any required utility service extensions would be in accordance with existing development policies



City Code 12.4.305

- Requires Utilities Board to recommend and City Council approval to expand water service boundary
 - Approval must be based on substantiated and written record demonstrating one of the following:

-
1. 128% of existing water usage* plus projected demand for proposed water extension(s), and 25% of the perimeter of the area is contiguous with City limits,
 2. A unique and extraordinary event or circumstance necessitates an extension of water services to serve critical interests of the City,
 3. The area is an enclave, or
The area is owned or leased by the City, or
The extension will have a de minimis impact on the overall City's available water supply.

**Calculated using a five- (5) year rolling average of unrestricted weather normalized usage data*

Utilities Application of City Code 12.4.305

B. 1. The City’s available water supply is sufficient to meet at least 128% of existing usage (calculated using a five (5) year rolling average of weather normalized unrestricted usage data) and the projected demand for water services within the proposed extension(s) of service...

Projected water demand of recommendations of approval to date, including Amara total 3,576 AFY.

AWS is 5,692 AFY – 3,576 AFY = 2,116 AFY

Current Reliably Met Demand (RMD) and Existing Usage		
Category	Acre-feet/year (AFY)	When updated
RMD	95,000	As needed per RMD Update Policy
Existing Usage*	69,772	Yearly as part of IWRP Update

*5-year rolling average of weather normalized unrestricted water usage (2019-2023)

Minimum Water Supply Requirement (MWSR)		
Existing Usage/year	Percentage	MWSR
69,772 AFY	x 128%	= 89,308 AFY

Available Water Surplus (AWS)		
RMD (AFY)	MWSR (AFY)	AWS (AFY)
95,000	- 89,308	= 5,692

AWS used for establishing de minimis amount.
De minimis = 1% of AWS or any projected water demand less than 57 AFY

Application of City Code 12.4.305

Per City Code 12.4.305.B.3.

- Proposed annexation and extension of water service boundary meets both enclave and de minimis impact to City water supply exceptions
 - Projected water demand = 2.4 acre-feet/year (AFY)
 - De minimis < 57 AFY
 - 2.4 AFY < 57 AFY

Utilities Board Action

Per City Code 12.4.305.A.

- Extending water into any area not within either the existing City limits or the water service boundary is subject to the recommendation of approval by the Utilities Board and approval by City Council



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Board Memo Agenda Item

Staff Report

Date: March 20, 2024

To: Utilities Board

From: Renee Adams, Chief Human Resources Officer

Subject: Chief Executive Officer Salary

NARRATIVE:

Desired Action: Vote to determine whether to modify CEO's salary

Executive Summary: On February 24, 2023, the Utilities Board appointed Mr. Travas Deal as Chief Executive Officer (CEO) of Colorado Springs Utilities at an annual salary of \$480,000.

The Utilities Board will conduct their year-end evaluation of the CEO on March 20, 2024. Board Policy G-4 Evaluation of the Chief Executive Officer's Performance states that following the performance evaluation in March, the Utilities Board may approve any compensation and benefits adjustments for the Chief Executive Officer.

All employees except the Chief Executive Officer received salary adjustments of 5% in 2023 and 3.5% in 2024 resulting in compression with CEO pay. Data from the 2023 LPPC (Large Public Power Council) Executive Salary Survey indicated a base pay survey average of \$623,108 and survey median of \$569,850.

Benefits: Performance evaluations and review of executive compensation is a standard industry practice and allows Springs Utilities to keep pace with the market and maintain market competitiveness to effectively retain talent.

Board Policy: Board Policy UBA: 1-4 states that pursuant to City Code § 12.1.104, the Utilities Board has the following administrative authorities.

- UBA-1: Hire, set the salary, evaluate, and terminate the Chief Executive Officer.

Cost/Budget: To Be Determined

Affected Parties: Utilities Board Members, employees and customers of Colorado Springs Utilities

Alternatives: Retain the current employment agreement.

Submitter: Renee Adams	Email address: radams@csu.org
Division/ Department: Administrative and Human Resources Division	Phone number: 719-668-7325
	Date submitted: March 7, 2024

SPG Staff Use Only: Consent Calendar		Yes	<input checked="" type="checkbox"/>	No	ITEM NO. 13
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