

AGENDA
Wednesday, November 16, 2022

11:30 a.m.

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Or call in (audio only)

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- | | | |
|-------------------|--|---|
| 11:30 a.m. | 1. Call to Order | Chair Wayne Williams |
| 11:35 a.m. | 2. Executive Session
In accordance with City Charter art. III, § 3-60(d) and its incorporated Colorado Open Meetings Act, C.R.S. § 24-6-402(4)(b), (e), and (f) and Utilities Board Bylaw Rules 10(c)(2), (5), and (6), the Utilities Board, in Open Session, is to determine whether it will hold a Closed Executive Session. The issue to be discussed involves conferences with the City Attorney’s Office for the purpose of receiving legal advice on specific legal questions, developing strategy for negotiations and instructing negotiators, and a personnel matter all involving the Chief Executive Officer position.

The City Attorney’s Office, on behalf of the Chair of the Utilities Board, shall poll the Utilities Board members, and, upon consent of two-thirds of the members present, may conduct a Closed Executive Session. In the event any Utilities Board member is participating electronically or telephonically in the Closed Executive Session, each Utilities Board member participating electronically or telephonically in the Closed Executive Session shall affirmatively state for the record that no other member of the public not authorized to participate in the electronic Closed Executive Session is present or able to hear the matters discussed as part of the Closed Executive Session. If consent to the Closed Executive Session is not given, the item may be discussed in Open Session or withdrawn from consideration. | Bethany Burgess,
Division Chief –
Utilities, Office of
the City Attorney |
| 1:30 p.m. | 3. Invocation and Pledge of Allegiance | |

1:35 p.m.	4.	Consent Calendar	Chair Wayne Williams	
		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.)		
		3a. Approval of Minutes: October 19, 2022 3b. A Resolution Appointing Andrew Funchess to the Fountain Valley Authority Board 3c. A Resolution Appointing Natalie Lovell to the Fountain Valley Authority Board 3d. A Resolution Re-Appointing Bryan Babcock to the Homestake Steering Committee and the Aurora-Colorado Springs Joint Water Authority	Chair Wayne Williams	Approval
1:45 p.m.	5.	A Resolution of Appreciation for Outgoing CEO Aram Benyamin	Board of Directors	Approval
1:55 p.m.	6.	Customer Comments <ul style="list-style-type: none"> • During the customer comment period, comments are accepted for any topic not on the agenda. • Comments for specific agenda items will be taken following the presentation of the item and the Board’s discussion. • Comments will be limited to three minutes per speaker. • 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 Wayne Williams	Information
2:05 p.m.	7.	Compliance Reports: I-10 Treatment of Staff I-2 Financial Condition and Activities (to include Contracts Over \$500K**) G-7 – Q3 E-2 CEO Responsibilities <ul style="list-style-type: none"> • Water Outlook 	Aram Benyamin, Chief Executive Officer	Monitoring
2:15 p.m.	8.	Items Called Off Consent Calendar		

3:15 p.m.	9.	An Ordinance Pertaining to the Extension of Water Service Update	Lisa Barbato, Chief Systems Planning and Projects Officer Abby Ortega, Water General Manager of Planning	Discussion
3:30 p.m.	10.	Electric and Gas Cost Adjustments Update	Scott Shirola, Pricing and Rates Manager	Discussion
3:40 p.m.	11.	Colorado Springs Underground Damage Prevention Safety Program Update	Shelly Dornick, Regulatory and Compliance Program Manager	Discussion
4:00 p.m.	12.	2023 Proposed Strategic Plan and Enterprise Scorecard	Natalie Watts, Strategic Planning and Governance Manager	Approval
4:35 p.m.	13.	Continuation of Executive Session, if needed	Bethany Burgess, Division Chief – Utilities, Office of the City Attorney	
4:50 p.m.	14.	Appointment of Acting Chief Executive Officer	Board of Directors	Approval
5:05 p.m.	15.	Compensation for Acting Chief Executive Officer	Board of Directors	Approval
5:20 p.m.	16.	Chief Executive Officer Recruitment Process	Renee Adams, Chief Administrative and Human Resources Officer	Approval
5:35 p.m.	17.	Board Member Updates	Board of Directors	Information
5:45 p.m.	18.	Adjournment	Chair Wayne Williams	

MINUTES
Colorado Springs Utilities Board Meeting
Wednesday, Oct. 19, 2022

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

Chair Wayne Williams, Vice Chair Mike O'Malley, Dave Donelson, Randy Helms, Bill Murray, Nancy Henjum, Tom Strand, Stephannie Fortune and Yolanda Avila

Staff members present via Microsoft Teams or Blue River Conference Room: Aram Benyamin, Tristan Gearhart, Lisa Barbato, Renee Adams, Mike Francolino, Travas Deal, Lisa Pace, Ian Gardone, Justin Gleba, Jose Silva, Scott Shirola, Kim Gortz, Jenny Bishop, Natalie Watts, Al Wells and Andie Buhl

City of Colorado Springs staff members present via Microsoft Teams or Blue River Conference Room: John Suthers, Jeff Greene, Bethany Burgess, Alex Ryden, Chris Bidlack, Tracy Lessig, Jackie Rowland, David Beckett, Ben Bolinger, Peter Wysocki, and Mari Deminski

Citizens present via Microsoft Teams or Blue River Conference Room: Larry Barrett, Dick Standaert, Mary Shinn, Pam Zubeck, Mark Waller, Andy Merritt, Craig Dossey, Eli Bremer, Ed Libby, Don Gravette, Nathan Fisk, Doug Quimby, Nathan Rains, Cody Humphrey, Rochelle Lozano, Cale Quimby, Longinos Gonzalez, Steve Rossoll, Beth Diana, Mike Ruebenson, Tim Seibert, Renee Zentz, Danny Mientka, Russell Dykstra and Felicia Grillo

1. Call to Order

Chair Wayne Williams called the Utilities Board meeting to order at 1:01 p.m. and Ms. Andie Buhl, Utilities Board Administrator, called the roll.

2. Invocation and Pledge of Allegiance

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

3. Consent Calendar

3a. Approval of Minutes: September 28, 2022

3b. Appointment of Ruth Ann Schonbachler to the Utilities Policy Advisory Committee (UPAC)

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

4. Recognition

Water Wise Garden Volunteers

Ms. Lisa Pace, Conservation Specialist Sr., recognized volunteers who maintain Springs Utilities' gardens and utilize water-wise solutions throughout the process. Ms. Lisa Barbato, Chief Systems Planning and Projects Officer, and Utilities Board members thanked staff for their contribution.

Mr. Aram Benyamin, Chief Executive Officer, introduced the next round of individuals participating in the Engineering Rotation Program at Springs Utilities. Board Member Fortune expressed appreciation for the program.

5. Customer Comments

Mr. Dick Standaert expressed concerns about Springs Utilities plans to reduce carbon emissions by 2030 and the reliability of energy alternatives.

6. Compliance Reports

- I-11 Compensation & Benefits G-9
- E-2.8 Emergency CEO Succession
- E-2 CEO Responsibilities
 - ECA/GCA Monitoring
 - Water Outlook

Chair Williams explained that compliance reports are on the agenda by exception and asked if there were any questions. There were none.

7. Items Called Off Consent Calendar

None

8. An Ordinance Pertaining to the Extension of Water Service

Chair Williams explained the previous steps both Springs Utilities and the City of Colorado Springs have taken to secure water for the community. He said this ordinance is an additional step for this process with the possibility of adoption and approval by City Council.

Mr. Aram Benyamin, Chief Executive Officer, said the three-year average demand of water is 75,000 acre-feet and there is 95,000 acre-feet of water in storage. He said this ordinance provides a buffer for sustainable reliability of water and preparing for the future.

Ms. Bethany Burgess, Division Chief – Utilities City Attorney, read and explained the draft ordinance. She said as a result of persistent drought in the western United States and Colorado River Basin and due to increasing demands on the City's water supply, the ordinance requires that extensions of Springs Utilities' water service boundary be approved by a supermajority vote of Councilmembers present and supported by a written record demonstrating that: (1) the City's water rights are

sufficient to meet at least 130% of all water service obligations, including existing demand and the projected demand for water services within the proposed extension of services, and the area shares at least 25% contiguity with the City boundary; (2) a unique and extraordinary event or circumstance necessitates an extension of water services to serve critical interests of the City; or (3) the area is entirely contained within the City limits, or the area is owned or leased by the City, or the extension of water service to the area has a de minimis impact on the overall City's water rights.

Mr. Peter Wysocki, Planning & Commercial Development Director, said this ordinance does not play into the City's current annexation plan.

The Utilities Board took a break at 2:35 p.m. and reconvened at 2:51 p.m.

Multiple residents expressed opposition to this ordinance and requested a more robust, formal public process.

The Utilities Board took a break at 4:02 p.m. and reconvened at 4:22 p.m.

Chair Williams said Executive Session will be delayed and the meeting will proceed with agenda items until then.

Mr. Jeff Greene, City Chief of Staff, said the City is committed to good policy and administration, and recommends this ordinance move forward to City Council for a more formal discussion.

The Utilities Board agreed to change the ordinance language and move this City Council agenda item from Regular Session (Oct. 25) to Work Session (Oct. 24). In addition, the Utilities Board agreed to not take a final vote on this item for two months.

9. Executive Session

Ms. Burgess read the following language to enter Executive Session:

In accordance with City Charter art. III, § 3-60(d) and its incorporated Colorado Open Meetings Act, C.R.S. § 24-6-402(4)(b) and (e) and Utilities Board Bylaw Rules 10(c)(2) and (5), the Utilities Board, in Open Session, is to determine whether it will hold a Closed Executive Session. The issue to be discussed involves conferences with the City Attorney's Office for the purpose of receiving legal advice on specific legal questions and instructing negotiators regarding a request for special contract service.

The City Attorney's Office, on behalf of the Chair of the Utilities Board, shall poll the Utilities Board members, and, upon consent of two-thirds of the members present, may conduct a Closed Executive Session. In the event any Utilities Board member is participating electronically or telephonically in the Closed Executive Session, each Utilities Board member participating electronically or telephonically in the Closed

Executive Session shall affirmatively state for the record that no other member of the public not authorized to participate in the 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.

Ms. Burgess polled the Utilities Board and they voted unanimously to enter Executive Session.

The Utilities Board took a break at 5:41 p.m. They entered Executive Session at 5:56 p.m. and exited at 6:50 p.m.

The Utilities Board took a break at 6:41 p.m. and returned at 7:01 p.m.

10. Colorado Springs Underground Damage Prevention Safety Program Update

Chair Williams pulled this item from the agenda and requested it be added to the December Board meeting instead.

11. Municipal Government Street Lighting

Mr. Scott Shirola, Pricing and Rates Manager, said Springs Utilities provides two distinct street lighting services:

1. Municipal government (MG) street lighting
 - Established by City Code as a separate service of Springs Utilities
 - Cost of Service based on MG street lighting revenue requirement calculation
2. Electric (private) streetlight – E7SL
 - Tariff rate available in Springs Utilities’ electric service territory

Mr. Shirola provided a review of the 2023 revenue requirement. He concluded with next steps by which Springs Utilities will be requesting that City Council set the Street Lighting Revenue Requirement for the provision of street lighting services from Jan. 1, 2023 through Dec. 31, 2023 in the amount of \$4,401,000. The Utilities Board agreed to put this item on Consent at the Nov. 8, 2022 City Council meeting.

12. Public Utility Regulatory Policies Act (PURPA)

Mr. Shirola provided background information about PURPA and said it was established in 1978 to promote conservation and efficiency. He said additional standards (amendments) for consideration were established in:

- Energy Policy Acts of 1992 and 2005
- Energy Independence and Security Act of 2007
- Infrastructure Investment and Jobs Act (IIJA) of 2021

Mr. Shirola reviewed the IIJA standards for consideration, which are:

1. Demand response and demand flexibility:

- Promotion of demand-response and demand flexibility practices to reduce electricity consumption during periods of unusually high demand
- Establishment of rate mechanisms for the timely recovery of the cost of promoting demand response and demand flexibility practices
- 2. Electric vehicle (EV) charging rates:
 - Promotion of affordable and equitable EV charging options
 - Improvement of customer experience associated with EV charging
 - Acceleration of third-party investment in EV charging
 - Appropriate recovery of the marginal cost of delivering electricity to EVs and EV charging infrastructure

Mr. Shirola concluded with next steps and said eventual findings and determinations are expected to be incorporated into a future rate case proceeding. The Utilities Board agreed to put this item on Consent at the Nov. 8, 2022 City Council meeting.

13. 2022 Supplemental Appropriation to Annual Budget and Sources of Funds

Mr. Tristan Gearhart, Chief Planning & Finance Officer, said City Code § 12.1.104 states Supplemental Appropriations Ordinance must be approved for Springs Utilities to expend funds in excess of the original appropriation. He reviewed the budget summary (in thousands) for uses of funds:

- 2022 projected year-end: \$1,512,145
- 2022 approved budget: \$1,236,170
- Increase: \$275,975
- Percentage of change: 22.3%
- Key drivers:
 - Increased electric and natural gas fuel related costs (\$244 million)
 - Increased capital expenditures related to water rights acquisition (\$27 million)

Mr. Gearhart also reviewed revenue summary (in thousands) for sources of funds:

- 2022 projected year-end: \$1,489,829
- 2022 approved budget: \$1,184,166
- Increase: \$305,663
- Percentage of change: 25.8%
- Key drivers:
 - Revenue recovering increased fuel costs

Mr. Gearhart concluded with next steps. The Utilities Board provided a head nod to move forward with this item at the Oct. 25 City Council meeting (first reading) and the Nov. 8 City Council meeting (second reading with a Consent proposal).

14. Pueblo Board of Water Works Clear Creek Reservoir Intergovernmental Agreement (IGA)

Ms. Kim Gortz, Water Resources Planning Supervisor, said Pueblo Board of Water Works (PBWW) owns and operates Clear Creek Reservoir, located near Granite, CO in Chaffee County. She said PBWW is conducting a study to determine the feasibility of enlarging the reservoir from 11,015 acre-feet to approximately 30,000 acre-feet of capacity. She explained how Springs Utilities desires to investigate the feasibility of an additional enlargement of the reservoir to assist with meeting the future water supply demands of its customers.

Ms. Gortz said the parties negotiated an IGA providing for Springs Utilities' participation in the feasibility study and for the parties to negotiate further intergovernmental agreements for Springs Utilities' participation in the enlargement.

Ms. Gortz concluded with next steps. The Utilities Board agreed to put this item on Consent at the Nov. 8, 2022 City Council meeting.

15. Aurora/Colorado Springs Joint Water Authority Amended Transmission Contract (ACSJWA)

Ms. Barbato provided background information about Aurora and Colorado Springs' partnership. She said in 1983, both cities established a separate governmental entity and subdivision of the State of Colorado known as the Aurora-Colorado Springs Joint Water Authority. She explained how the Authority financed, constructed, operates, and maintains a pipeline from the outlet of Twin Lakes Dam to the Otero Pumping Station Intake and provides for the transmission of water owned or controlled by the two cities through the pipeline.

Ms. Barbato said the Authority currently provides water transmission service to the cities pursuant to an Amended First Revised Water Transmission Service Contract that expires on Dec. 31, 2022. The Authority and the two cities have negotiated a second amendment to the Revised Transmission Contract that extends its term through Dec. 31, 2027, with up to two five-year extensions at the cities' discretion. She said no changes were made to the remaining terms of the agreement.

Ms. Barbato concluded with next steps. The Utilities Board agreed to put this item on Consent at the Nov. 8, 2022 City Council meeting.

16. Wastewater Service Agreement with Stratmoor Hills Sanitation District

Ms. Barbato reviewed the Wastewater Service Agreement, by which Stratmoor Hills Sanitation District provides wastewater collection services within the City of Fountain and El Paso County. She said Springs Utilities has provided wastewater treatment services from the Las Vegas Water Resource Recovery Facility to Stratmoor Hills since 1960.

Ms. Barbato said parties agree to increase the term from five to ten years and there are no new regulations that apply. She said the agreement is reviewed annually to ensure industrial pretreatment regulations are current. Ms. Barbato said the gross

revenue is approximately \$400,000 per year, and the current service agreement expires Nov. 9, 2022.

Ms. Barbato concluded with next steps. The Utilities Board agreed to put this on Consent at the Oct. 25, 2022 City Council meeting.

17. Rock Creek Metropolitan District Regional Services Request

Ms. Jenny Bishop, Water Resource Planning Engineer, said Rock Creek Metro District is located south of Cheyenne Mountain State Park and west of Highway 115. She said the proposed housing includes 543 dwelling units of apartments, single family homes and attached homes.

Ms. Bishop reviewed the full-service regional water service request, which includes:

- 244 acre-feet of water for build out
 - Approximately 543 dwelling units
- Full-service water involves provision of water owned by Colorado Springs through Springs Utilities' water system to a point of connection
- Springs Utilities has the infrastructure capacity to provide water service
- Springs Utilities has available water supply to provide water based on a first come, first served policy

Ms. Bishop reviewed the full-service regional water service cost per regional tariffs and URRs (Utilities Rules and Regulations):

- System availability fee – anticipated 3" meter
 - \$2,731,945 total fee
 - \$154,496 annual fee paid each year over 25 years
- Annual cost of water fee
 - \$1,760 per acre-foot of full-service water needed
 - For 244 acre-feet = \$429,440 per year for 25 years
- 2022 full-service commodity charge = \$0.0898 per cubic foot

Ms. Bishop reviewed the regional wastewater service request:

- Estimated daily flow at build out = 0.103 million gallons per day
 - Provide wastewater service for RCMD 543 dwelling units
 - Additional wastewater collection from an existing mobile home park (230 units)
- Utilities has the infrastructure and treatment capacity to provide wastewater service
- Enables the collection, treatment, and reuse of reusable return flows

Ms. Bishop reviewed the regional wastewater service costs per regional tariffs:

- System availability fee
 - Flow between 0.10 and 0.29 million gallons per day (mgd) = \$28,216 one-time charge
- Treatment Charge = \$0.0312 per cubic foot

- Additional charges for excess biological oxygen demand or total suspended solids

Ms. Bishop reviewed the Water Supply Management (I-7) Policy for considering regional requests like this one and concluded with next steps.

Mr. Danny Mientka, President of the Equity Group, gave an overview of current water and wastewater conditions in the Rock Creek Mesa area, and provided benefits of this project. Mr. Russell Dykstra, Spencer Fane Attorney, explained next steps for this project.

Ms. Felicia Grillo, resident of Rock Creek Mesa water district, expressed concern for this development.

18. Board Member Updates

Chair Williams thanked staff for coordinating the Arkansas Water Tour.

Board Member Donelson also thanked staff for coordinating the Arkansas Water Tour.

Board Member Henjum also thanked staff for coordinating the Arkansas Water Tour. She explained how she attended the Customer Service Appreciation lunch on Oct. 7, and complimented customer service employees for their hard work and dedication.

Board Member Helms also thanked staff for coordinating the Arkansas Water Tour.

19. Adjournment

The meeting adjourned at 7:51 p.m.

Board Memo Agenda Item

Staff Report

Date: November 16, 2022
To: Utilities Board
From: Aram Benyamin, Chief Executive Officer
Subject: A Resolution Appointing Andrew Funchess to the Fountain Valley Authority Board

NARRATIVE:

Desired Action: Approval

Executive Summary: Shannon Crist currently is a member of the Fountain Valley Authority (FVA) Board of Directors, serving a three-year term effective June 1, 2021 and expiring December 31, 2022.

Shannon Crist has decided to not seek a re-appointment on the Fountain Valley Board of Directors. Andrew Funchess has been selected to fill the upcoming three-year term effective January 1, 2023 and expiring December 31, 2025.

Benefits: Representation for Colorado Springs Utilities on the Fountain Valley Authority Board of Directors

Board Policy: N/A

Cost/Budget: N/A

Affected Parties: Fountain Valley Authority

Alternatives: N/A

Submitter: Pat Wells

Email address: mpwells@csu.org

Division/ Water Compliance and Innovation

Phone number: 719-668-3839

Department: Division

Date submitted: October 31, 2022

SPG Staff Use Only: Consent Calendar Yes

No

ITEM NO. 4

RESOLUTION NO. 22-10

A RESOLUTION APPOINTING ANDREW FUNCHESS TO THE FOUNTAIN VALLEY AUTHORITY BOARD OF DIRECTORS TO FILL A THREE-YEAR TERM EFFECTIVE JANUARY 1, 2023 AND EXPIRING DECEMBER 31, 2025

WHEREAS, Shannon Crist currently is a member of the Fountain Valley Authority Board of Directors, serving a three-year term effective June 1, 2021 and expiring December 31, 2022.

WHEREAS, Shannon Crist decided to not seek a re-appointment on the Fountain Valley Board of Directors.

WHEREAS, Andrew Funchess has been selected to fill the upcoming three-year term effective January 1, 2023 and expiring December 31, 2025.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF COLORADO SPRINGS UTILITIES:

Andrew Funchess is appointed to fill a three-year term as a member of the Fountain Valley Authority Board of Directors effective January 1, 2023 and expiring December 31, 2025.

DATED at Colorado Springs, Colorado, this 16th day of November 2022.

Wayne Williams, Utilities Board Chair

ATTEST:

Aram Benyamin, Secretary

Board Memo Agenda Item

Staff Report

Date: November 16, 2022

To: Utilities Board

From: Aram Benyamin, Chief Executive Officer

Subject: A Resolution Appointing Natalie Lovell to the Fountain Valley Authority Board

NARRATIVE:

Desired Action: Approval

Executive Summary: Mallorie Hansen was recently a member of the Fountain Valley Authority (FVA) Board of Directors, serving a three-year term effective August 18, 2021 and expiring December 31, 2023. Mallorie Hansen decided to pursue other opportunities in August 2022.

Natalie Lovell has been selected to fill the remainder of the vacated three-year term effective November 16, 2022 and expiring December 31, 2023.

Benefits: Representation for Colorado Springs Utilities on the FVA Board of Directors

Board Policy: N/A

Cost/Budget: N/A

Affected Parties: Fountain Valley Authority

Alternatives: N/A

Submitter: Pat Wells	Email address: mpwells@csu.org
Division/ Department: Water Compliance and Innovation Division	Phone number: 719-668-3839
	Date submitted: October 31, 2022

SPG Staff Use Only: Consent Calendar	<input checked="" type="checkbox"/>	Yes	<input type="checkbox"/>	No	ITEM NO. 4
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RESOLUTION NO. 22-11

A RESOLUTION APPOINTING NATALIE LOVELL TO THE FOUNTAIN VALLEY AUTHORITY BOARD OF DIRECTORS TO FILL A VACATED TERM EFFECTIVE NOVEMBER 16, 2022 AND EXPIRING DECEMBER 31, 2023

WHEREAS, Mallorie Hansen was recently a member of the Fountain Valley Authority Board of Directors, serving a three-year term effective August 18, 2021 and expiring December 31, 2023.

WHEREAS, Mallorie Hansen decided to pursue other opportunities in August 2022.

WHEREAS, Natalie Lovell has been selected to fill the remainder of the vacated three-year term effective November 16, 2022 and expiring December 31, 2023.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF COLORADO SPRINGS UTILITIES:

Natalie Lovell is appointed to fill the remainder of the vacated three-year term as a member of the Fountain Valley Authority Board of Directors effective November 16, 2022 and expiring December 31, 2023.

DATED at Colorado Springs, Colorado, this 16th day of November 2022.

Wayne Williams, Utilities Board Chair

ATTEST:

Aram Benyamin, Secretary

Board Memo Agenda Item

Staff Report

Date: November 16, 2022
To: Utilities Board
From: Aram Benyamin, Chief Executive Officer
Subject: A Resolution Re-Appointing Bryan Babcock to the Homestake Steering Committee and the Aurora-Colorado Springs Joint Water Authority

NARRATIVE:

Desired Action: Approval

Executive Summary: Bryan Babcock is currently a member of the Homestake Steering Committee effective July 21, 2021 and expiring on December 31, 2022; and as a member of the Board of Directors of the Aurora-Colorado Springs Joint Water Authority effective July 21, 2021 and expiring January 14, 2023.

Bryan Babcock wishes to remain a member on the Homestake Steering Committee and the Board of Directors of the Aurora-Colorado Springs Joint Water Authority. The Resolution is to re-appoint Bryan Babcock as a member of the Homestake Steering Committee effective January 1, 2023 and ending on December 31, 2025; and as a member of the Board of Directors of the Aurora-Colorado Springs Joint Water Authority effective January 15, 2023 and ending January 14, 2026.

Benefits: Representation for Colorado Springs Utilities on the Homestake Steering Committee and the Board of Directors of the Aurora-Colorado Springs Joint Water Authority

Board Policy: N/A

Cost/Budget: N/A

Affected Parties: N/A

Alternatives: N/A

Submitter: Pat Wells	Email address: mpwells@csu.org
Division/ Department: Water Compliance and Innovation Division	Phone number: 719-668-3839
	Date submitted: October 31, 2022

SPG Staff Use Only: Consent Calendar Yes

No

ITEM NO. 4

RESOLUTION NO. 22-12

A RESOLUTION OF THE COLORADO SPRINGS UTILITIES BOARD OF DIRECTORS RE-APPOINTING BRYAN BABCOCK TO THE HOMESTAKE STEERING COMMITTEE AND THE BOARD OF DIRECTORS OF THE AURORA-COLORADO SPRINGS JOINT WATER AUTHORITY

WHEREAS, Bryan Babcock is currently a member of the Homestake Steering Committee effective July 21, 2021 and expiring on December 31, 2022; and as a member of the Board of Directors of the Aurora-Colorado Springs Joint Water Authority effective July 21, 2021 and expiring January 14, 2023.

WHEREAS, Bryan Babcock wishes to remain a member on the Homestake Steering Committee and the Board of Directors of the Aurora-Colorado Springs Joint Water Authority.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF COLORADO SPRINGS UTILITIES:

Bryan Babcock is re-appointed as a member of the Homestake Steering Committee effective January 1, 2023 and ending on December 31, 2025; and as a member of the Board of Directors of the Aurora-Colorado Springs Joint Water Authority effective January 15, 2023 and ending January 14, 2026.

DATED at Colorado Springs, Colorado, this 16th day of November 2022.

Wayne Williams, Utilities Board Chair

ATTEST:

Aram Benyamin, Secretary

Board Memo Agenda Item

Staff Report

Date: Nov. 16, 2022
To: Utilities Board
From: Renee Adams, Chief Administrative and Human Resources Officer
Subject: A Resolution of Appreciation for Outgoing CEO Aram Benyamin

NARRATIVE:

Desired Action: Approval

Executive Summary: CEO Aram Benyamin will retire from Colorado Springs Utilities on Dec. 1, 2022. He has served as the CEO of the four-service, municipally-owned utility for more than four years and has been in executive leadership roles with the organization for more than seven years.

The resolution recognizes the accomplishments of Benyamin throughout his tenure as CEO. Notably, Springs Utilities put into place a robust Integrated Resource Plan, preparing the growing city for decades to come. Conservation efforts have improved the city's resiliency in the face of prolonged drought and the Colorado River crisis. An innovative agreement with Ting internet facilitated the creation of a citywide fiber network which will turn Colorado Springs into a gigabit city, connecting its own network and resources while also providing secure and reliable connectivity to first responders, military and private residents.

Under Benyamin, Springs Utilities expanded renewable capacity, developed readiness for battery storage, retired all generation at the Martin Drake Power Plant ahead of schedule and entered the final stages of adding six modular natural gas units at the Drake site to bridge Colorado Springs to a new era of power generation.

Benefits: N/A

Board Policy: N/A

Cost/Budget: N/A

Affected Parties: Employees and customers of Colorado Springs Utilities

Alternatives: N/A

Submitter: Renee Adams

Email address: radams@csu.org

Division/ Administrative and Human

Phone number: 719-668-7325

Department: Resources Division

Date submitted: Nov. 14, 2022

SPG Staff Use Only: Consent Calendar

Yes

No

ITEM NO. 5

RESOLUTION OF APPRECIATION

**A RESOLUTION OF THE
COLORADO SPRINGS UTILITIES BOARD OF DIRECTORS
THANKING**

Aram Benyamin

FOR HIS SERVICE TO COLORADO SPRINGS UTILITIES

- WHEREAS,** Aram Benyamin served as a valuable leader of Colorado Springs Utilities for seven years as Chief Executive Officer and Energy Supply General Manager; and
- WHEREAS,** Mr. Benyamin has provided great leadership during a time of rapid change for our community and the utilities industry. His visionary approach has well-positioned the utility for agile navigation amid growth in Colorado Springs, changes to the regulatory environment and ever-advancing technologies.
- WHEREAS,** Mr. Benyamin provided leadership for a robust Integrated Resource Plan with increased focus on collaboration and efficiency gains across the service lines of electricity, natural gas, water and wastewater.
- WHEREAS,** Mr. Benyamin championed conservation efforts and innovative water sharing agreements to improve the city's resiliency in the face of prolonged drought and the Colorado River crisis; and
- WHEREAS,** Mr. Benyamin expanded local renewable capacity and developed readiness for battery storage;
- WHEREAS,** Mr. Benyamin retired all generation at the Martin Drake Power Plant ahead of schedule and entered the final stages of adding six modular natural gas units at the Drake site to bridge Colorado Springs to a new era of power generation; and

WHEREAS, Mr. Benjamin led the charge for an innovative agreement with Ting Internet to facilitate the creation of a citywide fiber network which will create more efficiency gains, increase reliability and ready the utility for stronger connectivity with customers of the future. Additionally, it will make Colorado Springs a gigabit city, providing secure and reliable connectivity to first responders, military and private residents.

WHEREAS, During Mr. Benjamin’s tenure, Colorado Springs Utilities maintained high customer satisfaction and ranked among the best in the nation for reliable service; and

WHEREAS, Mr. Benjamin was committed to providing and promoting a safe workplace for all employees and safe services for the community; and

WHEREAS, Mr. Benjamin consistently demonstrated his leadership, honor, integrity and commitment to the success of Colorado Springs Utilities; and

NOW, THEREFORE, BE IT RESOLVED BY THE COLORADO SPRINGS UTILITIES BOARD:

That the Utilities Board extends its appreciation to Aram Benjamin for his outstanding service to the Colorado Springs community and Colorado Springs Utilities with Utilities Board Resolution No. 22-13 dated this 16th day of November 2022.

Chair, Wayne Williams

Vice Chair, Mike O’Malley



Date: November 16, 2022

To: Utilities Board

From: Aram Benyamin, Chief Executive Officer

Subject: **Excellence in Governance Compliance Report
Treatment of Staff (I-10)**

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, 2021 – June 30, 2022
Policy Title (Number):	Treatment of Staff (I-10)	Reviewing Committee:	Personnel
Monitoring Type:	Internal	Monitoring Frequency:	Annual

The Chief Executive Officer shall direct that working conditions for paid and volunteer staff are fair, dignified, and respectful. Accordingly, the CEO shall:

- 1. Adhere to all discrimination, harassment and retaliation laws, policies and procedures.*
As stated in the Personnel Policies Manual, Colorado Springs Utilities will not tolerate any form of unlawful discrimination or harassment and seeks to establish a diverse and inclusive work environment free from unlawful discrimination and harassment. Colorado Springs Utilities has an Open Door Policy and a formal complaint process which it has adhered to during this reporting period.
- 2. Operate with a written personnel policy manual that clarifies personnel rules for employees and promulgate the personnel policy manual with an employee notification and comment procedure before any changes are made unless proposed changes are required immediately based on Federal, State or local laws or other exigent circumstances.*
Colorado Springs Utilities promulgated and formally notified all employees of potential changes to the Personnel Policy Manual (PPM) in accordance with the PPM Promulgation Process. The PPM was promulgated November 1, 2021-November 15, 2021 and approved effective December 13, 2021.

3. *Provide employees access to all organizational policies and procedures.*

The Personnel Policy Manual (PPM) is posted on the intranet, which is accessible to all employees. A copy of the PPM may be printed by any employee. All new employees receive information on how to access the PPM during new employee orientation and sign an acknowledgment form.

4. *Operate with a written affirmative action plan, as required by law.*

Colorado Springs Utilities is a covered federal contractor or subcontractor subject to the requirements of the Vietnam Era Veterans Readjustment Assistance Act, 38 U.S.C. § 4212 (§ 4212), as amended, and § 503 of the Rehabilitation Act of 1973, as amended. Colorado Springs Utilities has an Affirmative Action Plan for protected veterans and individuals with a disability.

5. *Periodically, not to exceed five years, assess the organizational climate issues using statistical sampling and a sound, validated procedure; and develop and implement an action plan.*

Colorado Springs Utilities conducted the last employee climate survey in 2019 and followed up with a pulse survey in 2021. Organizational action plans were created from the results of the 2019 and 2021 surveys and were finalized and completed in December 2021. The next employee climate survey is scheduled to be conducted in 2023. Based on the 2023 survey results, organizational action planning will continue and be implemented in January 2024.



Date: November 16, 2022

To: Utilities Board

From: Aram Benyamin, Chief Executive Officer

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

Desired Action: Monitoring

Compliance: The CEO reports compliance with the instructions.

INSTRUCTIONS			
Category:	Utilities Board Instructions to the Chief Executive Officer	Reporting Timeframe:	July 1, 2022 – September 30, 2022
Policy Title (Number):	Financial Condition and Activities (I-2)	Reviewing Committees:	Finance; Program Management Review
Monitoring Type:	Internal; City Auditor	Monitoring Frequency:	Quarterly, Annually
Guidelines:	Local Vendor (G-7)		

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

1. *Operate within total appropriations for the fiscal year and inform the Utilities Board of:*
 - a. *Significant financial variances*
 - Fuel expenses are projected to be \$186.3 million or 73% over the approved budget, primarily due to price increases and volatilities in the fuels market.
 - Operating revenues are currently \$140.3 million or 18% over the approved budget, mainly due to an increase in ECA and GCA related to recovery of higher fuel expenses.
 - Capital expenses are projected to be \$38.8 million or 10% over the approved budget, primarily due to scope changes with the natural gas generators project and new water rights acquisitions.
 - Non-fuel operating expenses are projected to be \$5.6 million or 2% over the approved budget. Reasons for this include increased power plant maintenance, a financial system upgrade, and work on the customer technology modernization program.

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

As of the end of the third quarter of 2022:

- Operating and maintenance expenses are projected to exceed the approved budget by \$79.7 million or 35% in electric, \$110.5 million or 101% in gas, \$2.0 million or 3% in water and \$1.7 million or 8% in wastewater.
- Capital expenditures are projected to exceed the approved budget by \$33.6 million or 15% in electric, \$34.4 or 50% in water and \$0.4 million or 2% in common.

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

In the third quarter of 2022, there was one canceled capital project in gas:

- Gas Tapping and Stopping Equipment (293196) - \$2,00,004

In the third quarter of 2022, there were four new capital projects, three in electric and one in wastewater:

- Wastewater 60" Leak At Las Vegas Treatment Plant Headworks (495419) - \$2,816,752
- Horizon Substation - Add New (34.5kV) Transformer, Switchgear, and Feeders (194037) - \$700,000
- Atmel Substation - Add New Transformer, Switchgear, and Feeders (193745) - \$550,000
- Nixon Zero Discharge (ZD) - All Softening Plant Vessels (193529) - \$540,002

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

In the third quarter of 2022, there were 34 new contracts initiated over \$500,000.

Service	Description	Type	Contract Amount
Multi Service	2022 Advanced Metering Infrastructure (AMI) Construction Services	RELEASE	\$4,290,732
Multi Service	N. Hancock Construction	STANDARD	\$4,250,570
Water Service	Crystal Creek Dam Improvements Blasting and Coating	STANDARD	\$3,220,600
Water Service	Fountain Valley Authority (FVA) FW RW FB2 Tank Rehabilitation Project (Construction)	STANDARD	\$2,421,715
Multi Service	LYSC.AP-Kiewit Transformers	STANDARD	\$2,356,233
Multi Service	Capital Project 596544 - Palo Alto 5420 Firewalls Lifecycle Replacements	RELEASE	\$2,041,851
Electric Service	Central Substation Transformer Purchase	RELEASE	\$1,771,251
Multi Service	Microsoft Enterprise Agreement	RELEASE	\$1,668,523
Multi Service	Homestake Collection System Repair & Rehab	STANDARD	\$1,523,438

Electric Service	Utilities Reliability Program (URP)-001 block 4&5 200 Amp Conversion	RELEASE	\$1,476,194
Service	Description	Type	Contract Amount
Wastewater Service	2022 Wastewater 60 LVTP Headworks Bypass	RELEASE	\$1,438,000
Multi Service	AMI Mass Deployment Zone 15 - TMD	RELEASE	\$1,302,731
Multi Service	AMI Mass Deployment Zone 17 - TMD	RELEASE	\$1,282,073
Multi Service	AMI Mass Deployment Zone 12 - TMD	RELEASE	\$1,198,962
Water Service	FWLAP - Deerfield, Beaumont, Springnite	RELEASE	\$1,175,000
Multi Service	Resourcing for Customer Technology Modernization (CTM) Go-Live - in support of the C2M Project on-time delivery	RELEASE	\$991,326
Electric Service	Backbone Fiber Material	STANDARD	\$979,406
Multi Service	AMI Mass Deployment Zone 13 - TMD	RELEASE	\$967,707
Multi Service	Cable & Wire Alliance Hold at Irby	RELEASE	\$952,908
Multi Service	AMI Mass Deployment Zone 16 - TMD	RELEASE	\$941,437
Multi Service	AMI Mass Deployment Zone 11 - TMD	RELEASE	\$936,055
Multi Service	LYSC Landis+Gyr AMI Warehouse Stock Material	RELEASE	\$900,692
Multi Service	AMI Mass Deployment Zone 14 - TMD	RELEASE	\$882,825
Multi Service	AMI Mass Deployment Zone 18 - TMD	RELEASE	\$777,247
Water Service	Homestake Missouri Tunnel	STANDARD	\$746,226
Multi Service	AMI Mass Deployment Zone 19 - TMD	RELEASE	\$733,958
Multi Service	FIBER DOWNTOWN BOM - WO 3904993	RELEASE	\$713,717
Wastewater Service	LVSRRF Replace Gates at Primary Clarifiers	STANDARD	\$697,300
Multi Service	Highline Pressure Zone Extension	STANDARD	\$655,975
Multi Service	Cable & Wire Alliance	RELEASE	\$643,494
Electric Service	Backbone Fiber Material	STANDARD	\$603,900
Multi Service	JPSC CABLE, 1000KCM TRXPLE, 15KV, ALUMINUM 61 STR, RM96.60.42, 6000'	RELEASE	\$552,582
Multi Service	AMI Mass Deployment Zone 15 - TMD	RELEASE	\$538,466
Multi Service	Landis+Gyr AMI Warehouse Stock Material	RELEASE	\$524,160

In the third quarter of 2022, there were seven existing contracts increasing to over \$500,000.

Service	Description	Type	Contract Amount	
			Prior Qtr. Amount	Q3 Amount
Water Service	CMGC Booster Pump Stations Point of the Pines and Green Mountain Falls	STANDARD	\$69,749	\$1,740,268
Electric Service	Natural Gas Generators at Drake- PE Building Furnish and Install	STANDARD	\$445,892	\$1,114,953
Multi Service	Serco NT - Vehicle Maintenance - Non Target Jan-June 2022	RELEASE	\$469,000	\$1,069,000
Water Service	Crystal Creek Dam Improvements Engineering Services During Construction	STANDARD	\$499,823	\$818,426
Multi Service	Oracle Database Administration Supplemental Services Task Order	RELEASE	\$430,000	\$546,500
Water Service	Kodiak Drive Water Main Replacement Project	RELEASE	\$485,161	\$521,866
Electric Service	Horizon Substation 230kV PTs	STANDARD	\$484,300	\$503,340

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

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

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

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

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

Days Sales Outstanding (DSO) is the average number of days receivables remain outstanding before being collected. At the end of the third quarter of 2022, there is 22.08 of Days Sales Outstanding.

6. *Settle payroll and debts in a timely manner.*

These conditions have been achieved as of this monitoring report.

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

These conditions have been achieved as of this monitoring report.

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

Colorado Springs Utilities maintains written purchasing regulations that assure legal and fiscal compliance with competitive acquisition practices, avoid conflicts of interest, avoid favoritism and promote procurement from local vendors. Total spending associated with purchase orders and contracts with local area addresses is at 18.3% for the third quarter, with a target of 30%.

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

During the third quarter of 2022, there were no significant financial impacts on the Municipal Government.



Date: November 16, 2022
To: Utilities Board
From: Aram Benyamin, 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)

November 2022 Water Outlook using data as of October 31, 2022

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

2022 Demands: October use averaged 65.4 million gallons per day (MGD), which was about 5.9% more than last October. Year-to-date demand is averaging 68.7 MGD, which is 1.8% more than last year at this time. Temperatures in October were above the 30-year average at 52.4 degrees Fahrenheit, which was 1.7 degrees above normal. Year-to-date temperatures have averaged 55.1 degrees Fahrenheit, which is 1.5 degrees above normal. Total precipitation for October was 0.15 inches, which was 19.5 % of normal. Year-to-date precipitation is 12.81 inches, which is 83.7% of normal.

Current Reservoir Levels: Local storage is currently at about 37,519 acre-feet (57% of capacity). The 1991-2021 average is 66% of capacity. Rampart Reservoir is at 56% of capacity, and Pikes Peak storage is at 59% of capacity. System wide, total storage is about 188,200 acre-feet (73% of capacity). Last year at this time, total system wide storage was 74% of capacity. It was about 73% at this same time in 2020, about 81% of capacity in 2019, about 74% of capacity in 2018, about 87% of capacity in 2017, about 79% of capacity in 2016, about 83% of capacity in 2015, about 78% of capacity in 2014, and about 56% in 2013. The 1991-2021 average system wide storage for the end of October is 75% of capacity.

Water Supply Outlook: Some drought status still remains across Colorado, and conditions have not changed much since last month. The 12-week Evaporative Drought Demand Index (EDDI)

shows mixed wet and dry signals in Colorado. The three-month climate outlook continues to predict much higher chances of above-average temperatures and higher chances of below-average precipitation. Another La Niña winter may favor drier weather in the Southwest U.S. and wetter weather to the north. We continue to closely monitor supply, demand and storage to maximize available water supply.

Operational Notes: Total system storage is at 73% of capacity and holds about 2.7 years of demand, which is slightly below average for the end of September. Local storage contains about 194 days of demand. The Otero Pump Station should return to operation and begin delivering water to Rampart Reservoir this week. The Tollefson Water Treatment Plant is currently conducting a brief planned outage, and the McCullough Water Treatment Plant is offline for scheduled maintenance.



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Water Outlook

Kalsoum Abbasi

Planning Supervisor, Water Conveyance

November 16, 2022

Local Weather Conditions as of October 31, 2022

Precipitation (Inches of Moisture)

- October 2022 – 0.15 in. (19.5% of normal)
- 2022 YTD Total – 12.81 in. (83.7% of normal)

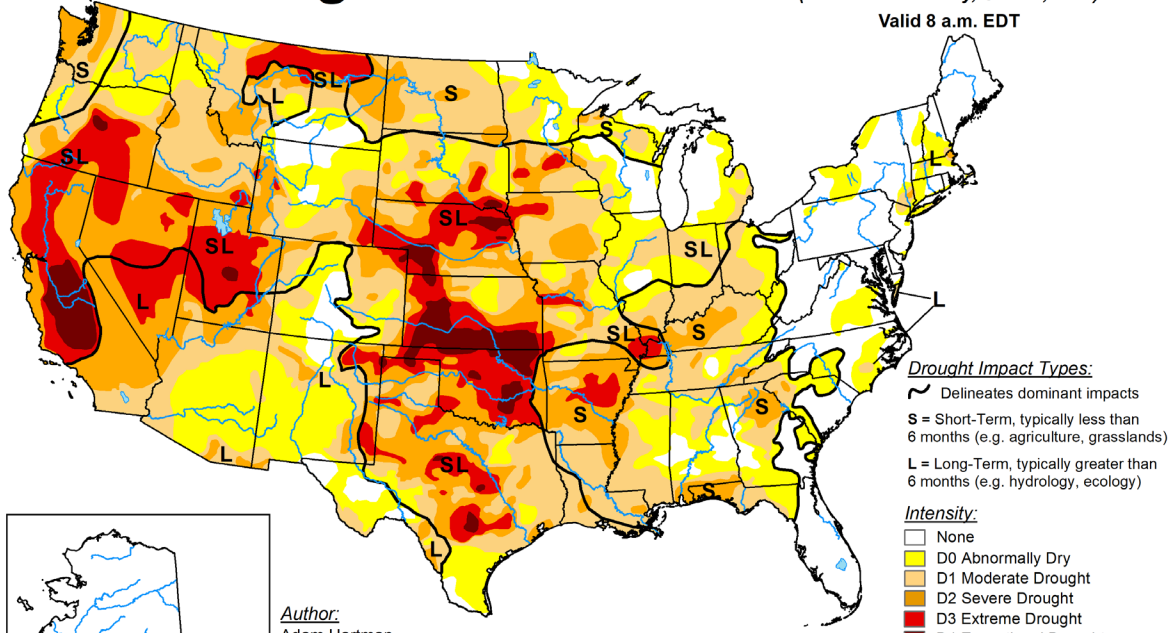
Average Temperature (Degrees F)

- October 2022 – 52.4 Deg. (1.7 deg. above normal)
- 2022 YTD Average – 55.1 Deg. (1.5 deg. above normal)



U.S. Drought Monitor

October 25, 2022
 (Released Thursday, Oct. 27, 2022)
 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)

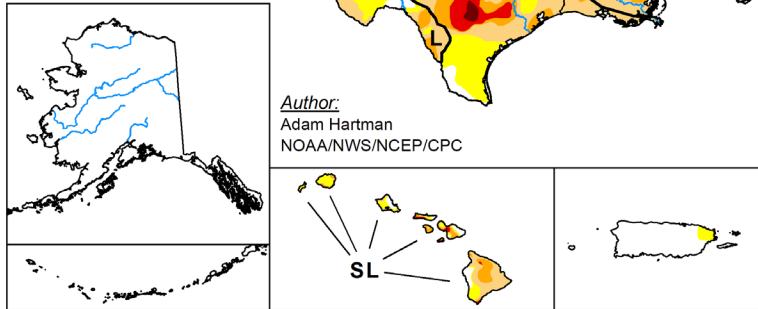
Intensity:

- 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>

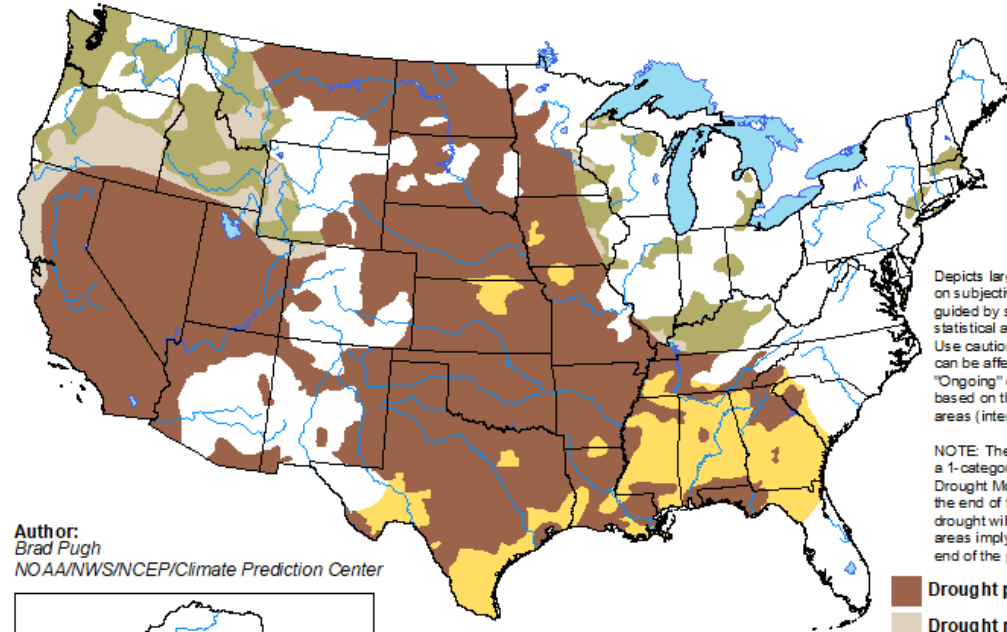


Author:
 Adam Hartman
 NOAA/NWS/NCEP/CPC



U.S. Seasonal Drought Outlook Drought Tendency During the Valid Period

Valid for October 20, 2022 - January 31, 2023
 Released October 20, 2022



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).

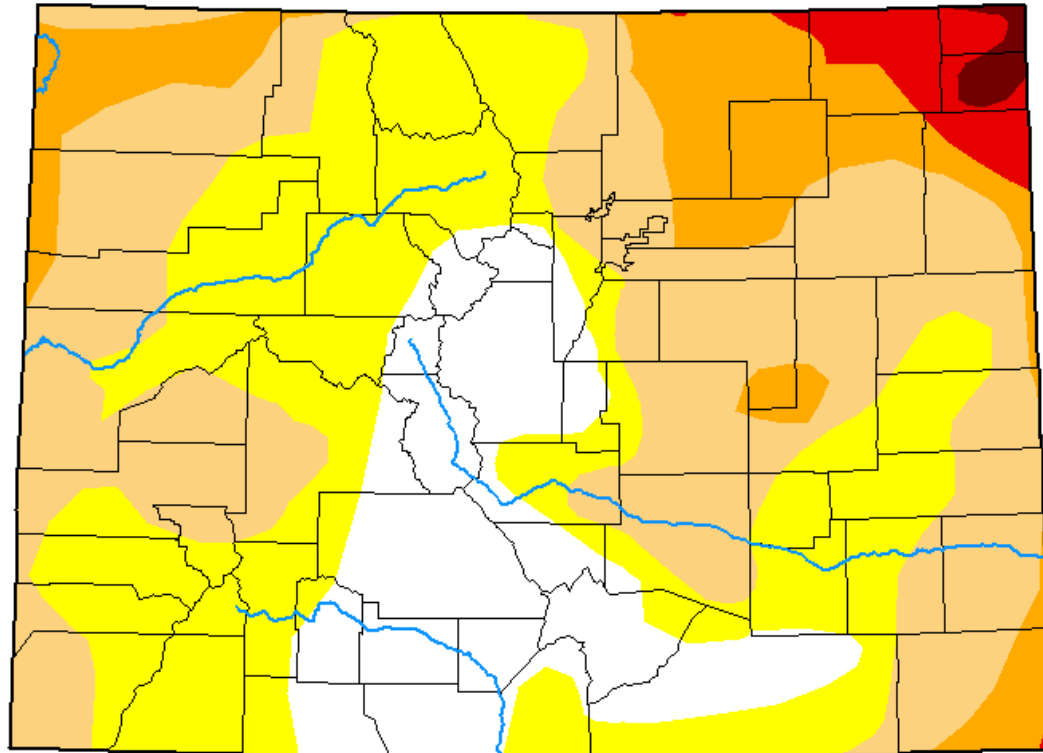
- Drought persists
- Drought remains but improves
- Drought removal likely
- Drought development likely

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









U.S. Drought Monitor Colorado

October 25, 2022
(Released Thursday, Oct. 27, 2022)
Valid 8 a.m. EDT



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>

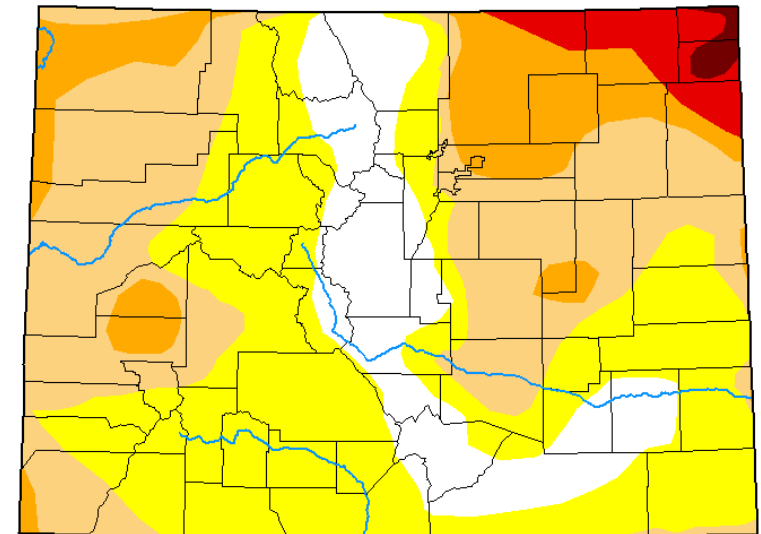
Author:

Adam Hartman
NOAA/NWS/NCEP/CPC

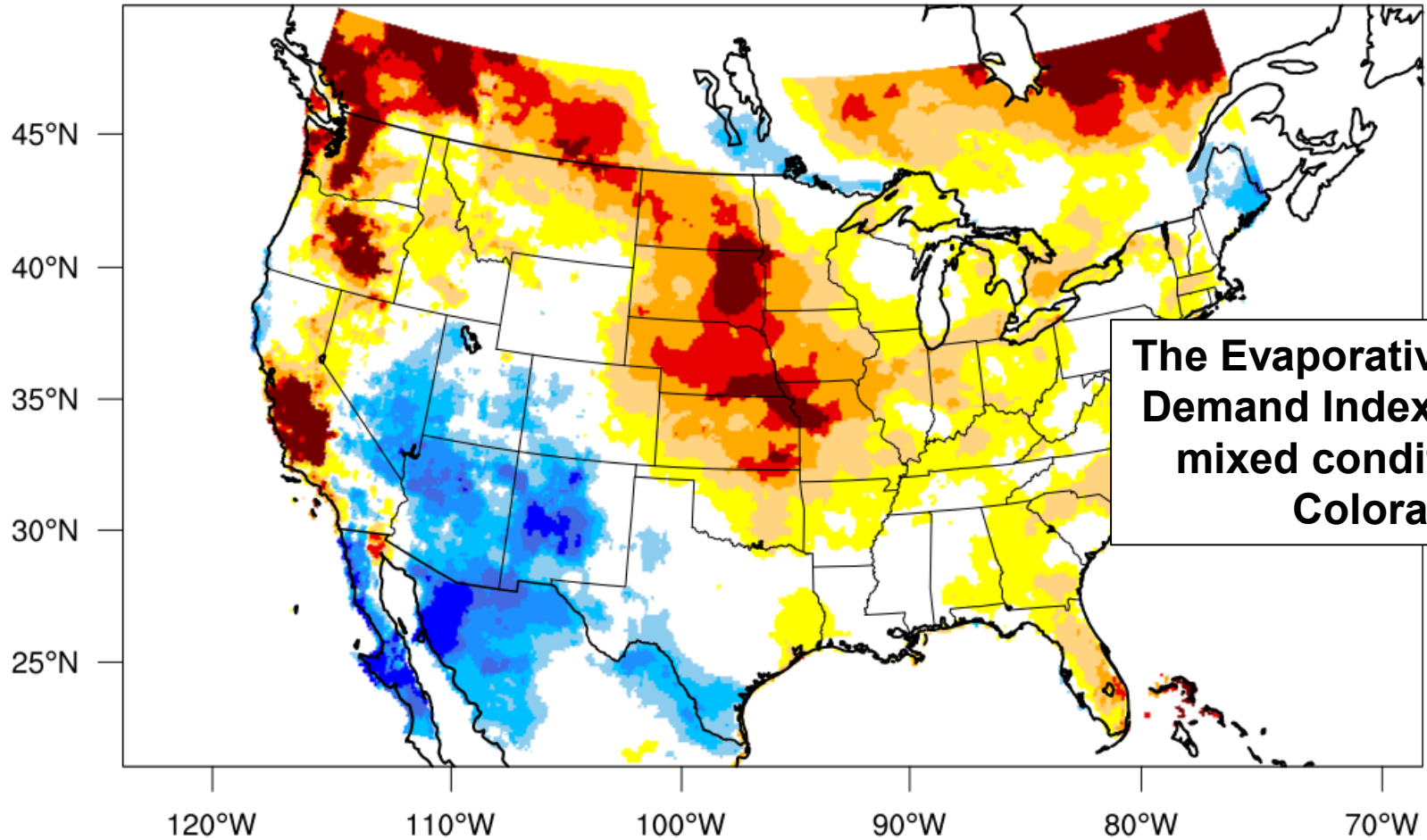


droughtmonitor.unl.edu

Last Month: September 27, 2022



12-week EDDI categories for October 27, 2022



The Evaporative Drought Demand Index indicates mixed conditions for Colorado

Drought categories

Wetness categories



(EDDI-percentile category breaks: 100% = driest; 0% = wettest)

2022 Demands

October 2022

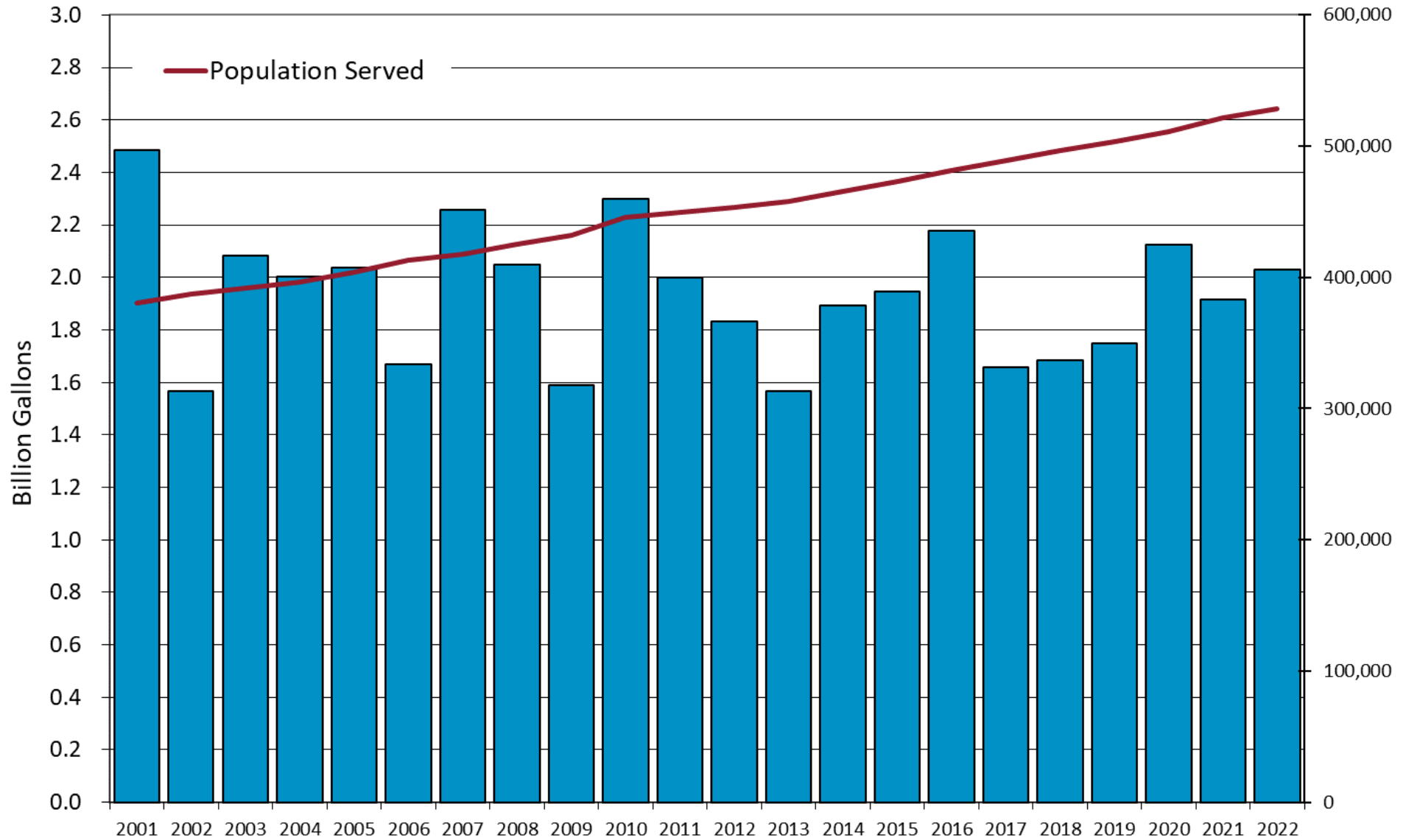
- Averaged 65.4 MGD
- 5.9% more than October 2021

2022 Year to Date

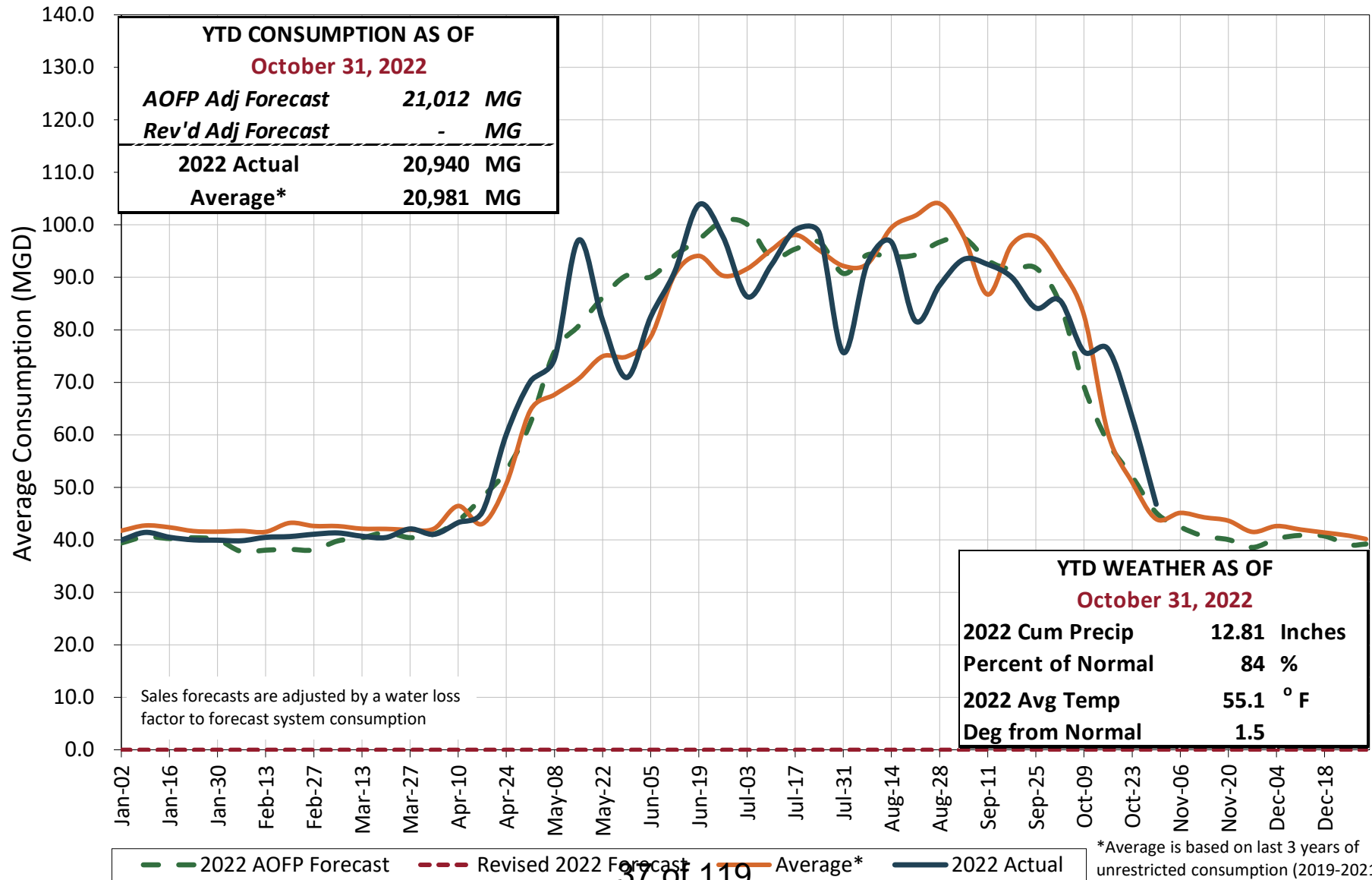
- Averaging 68.7 MGD, 20.9 BG total
 - 1.8% more than 2021
 - 0.37 Billion Gallons more than 2021



October Water Use Compared to Previous Octobers



2022 Actual Consumption (Weekly Data)



Reservoir Levels

October 31, 2022

- Pikes Peak 59 %
 - 91-21 Avg. 67 %
- Rampart 56 %
 - 91-21 Avg. 65 %
- Local Total 57 %
 - 91-21 Avg. 66 %
- System Total 73 %
 - 91-21 Avg. 75 %



Upper Blue Reservoir

Colorado Springs' System Wide Storage:

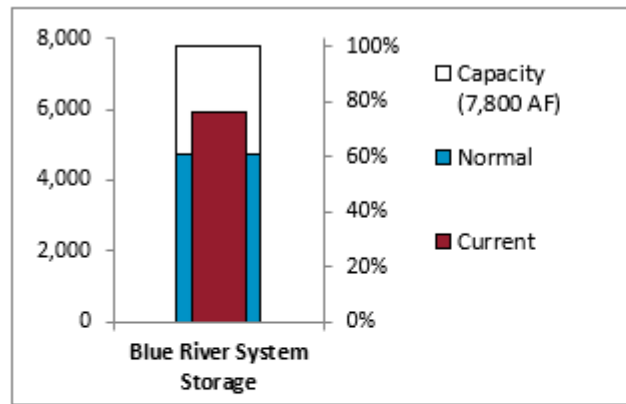
October 31, 2022 **188,200 af**

72.7 %

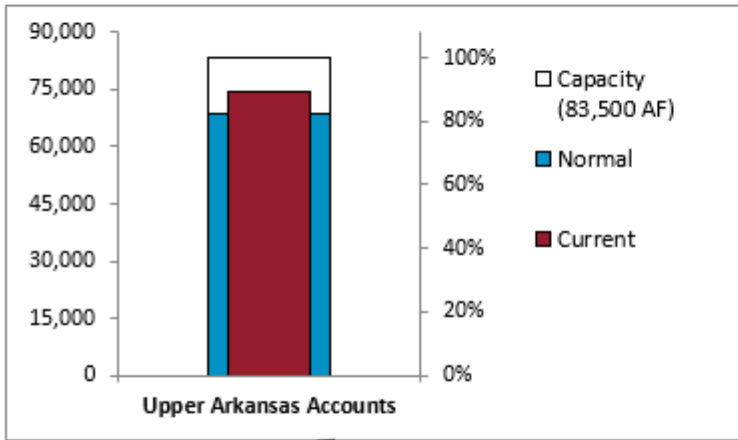
2001-2021 avg **179,400 af**

69.3 %

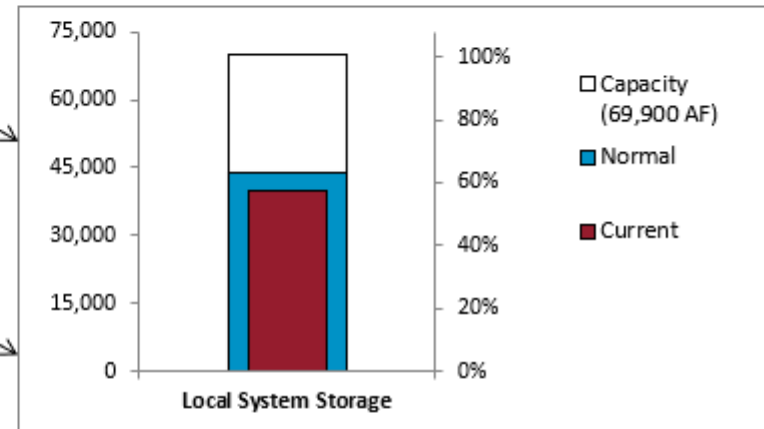
Average YTD Demand **68.7 MGD**



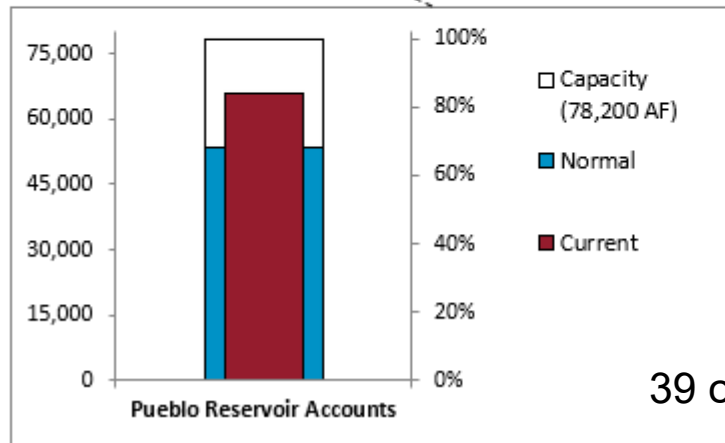
MAX. 20 MGD



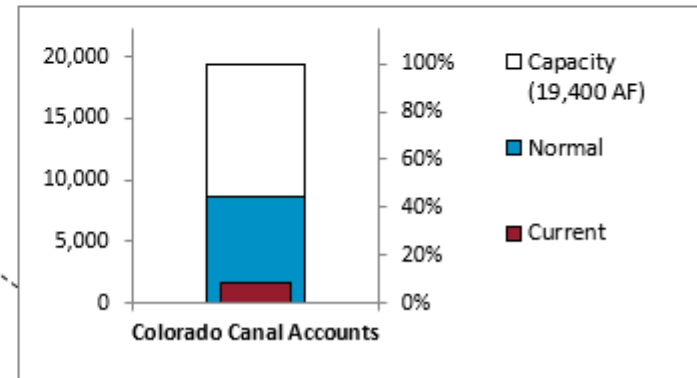
MAX. 68 MGD



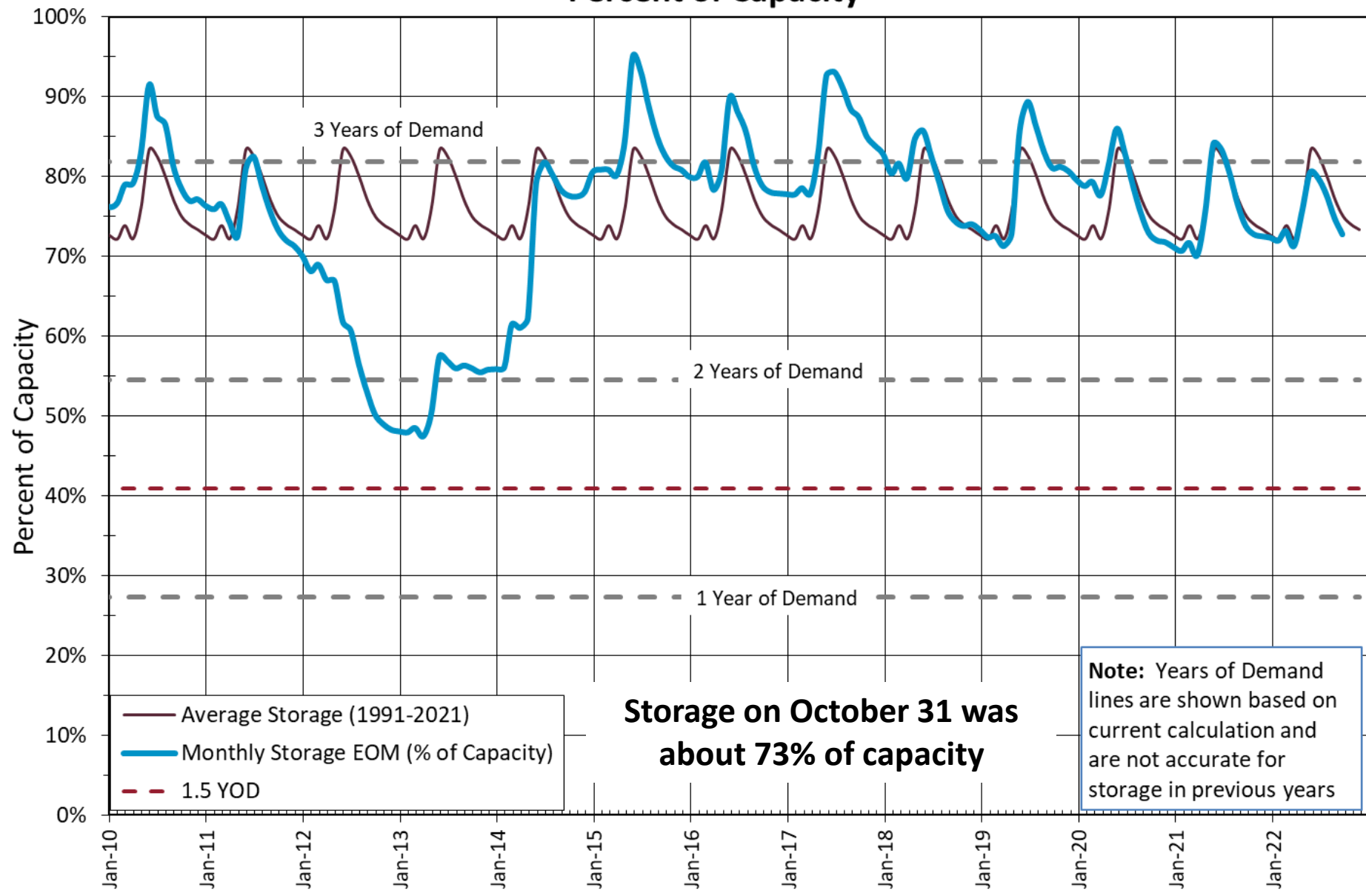
TO DIST.



39 of 119



Monthly Storage Percent of Capacity



Storage on October 31 was about 73% of capacity

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

2022 Regional Water Contracts

Donala Water & Sanitation District

- Through October 31, 2022: Conveyed 130.3 AF for \$498,566
- Premium to Municipal Government: \$83,094

Security Water District

- Through October 31, 2022: Conveyed 17.0 AF for \$88,071
- Premium to Municipal Government: \$14,678

Outside Service Area Augmentation Leases - PF, LLC (Seven Falls), Emerald Valley Ranch

- Through October 31, 2022: Leased 4.0 AF for \$2,196
- Premium to Municipal Government: \$366

Total 2022 YTD Revenue from Regional Contracts: \$588,832



Water Outlook

- Situation Outlook Summary
 - System-wide storage at 73% of capacity, slightly below our long-term average
 - About 2.7 years of demand in storage, based on the past 3 years of demand
 - Have 194 days of demand in local storage
- The 12-week EDDI shows mixed evaporative demands for CO; Conditions have stabilized but some dryness remains across the state
- Three-month outlook predicts
 - Much higher chances of above-average temperatures across Colorado
 - Higher chances of below-average precipitation across Colorado
 - Forecasting a third consecutive La Niña winter, which tends to favor drier weather in southwest U.S. and wetter weather to the north
- We continue to monitor supply, demand, and storage to maximize available water supply



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Board Memo Agenda Item

Staff Report

Date: November 16, 2022
To: Utilities Board
From: Aram Benyamin, Chief Executive Officer
Subject: An Ordinance Pertaining to the Extension of Water Service

NARRATIVE:

Desired Action: Discussion

Executive Summary: Staff will present definitions, risks and tradeoffs associated with a proposed ordinance requiring that extensions of Colorado Springs Utilities' water service boundary be approved by a supermajority vote of Councilmembers present and supported by a written record demonstrating that: (1) the City's water rights are sufficient to meet at least 130% of all water service obligations, including existing demand and the projected demand for water services within the proposed extension of services, and the area shares at least 25% contiguity with the City boundary; (2) a unique and extraordinary event or circumstance necessitates an extension of water services to serve critical interests of the City; or (3) the area is entirely contained within the City limits, or the area is owned or leased by the City, or the extension of water service to the area has a de minimis impact on the overall City's water rights.

Benefits: Providing increased assurance that the City's water rights will meet existing and anticipated water service obligations.

Board Policy: I-7 Water Resource Management

Cost/Budget:

Affected Parties: Owners of property not currently located within the City's existing boundaries who are not currently receiving water service from Colorado Springs Utilities.

Alternatives: N/A

Submitter: Abby Ortega	Email address: ajortega@csu.org
Division/ Department: Systems Planning and Projects/ Infrastructure and Resource Planning	Phone number: (719) 668-8748
	Date submitted: Nov. 4, 2022

SPG Staff Use Only: Consent Calendar

Yes

X

No

ITEM NO. 9



Colorado Springs Utilities
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Ordinance Defining Water Surplus

Lisa Barbato System Planning and Projects Officer

Abby Ortega Infrastructure and Resource Planning GM

November 16, 2022

Colorado River Situation

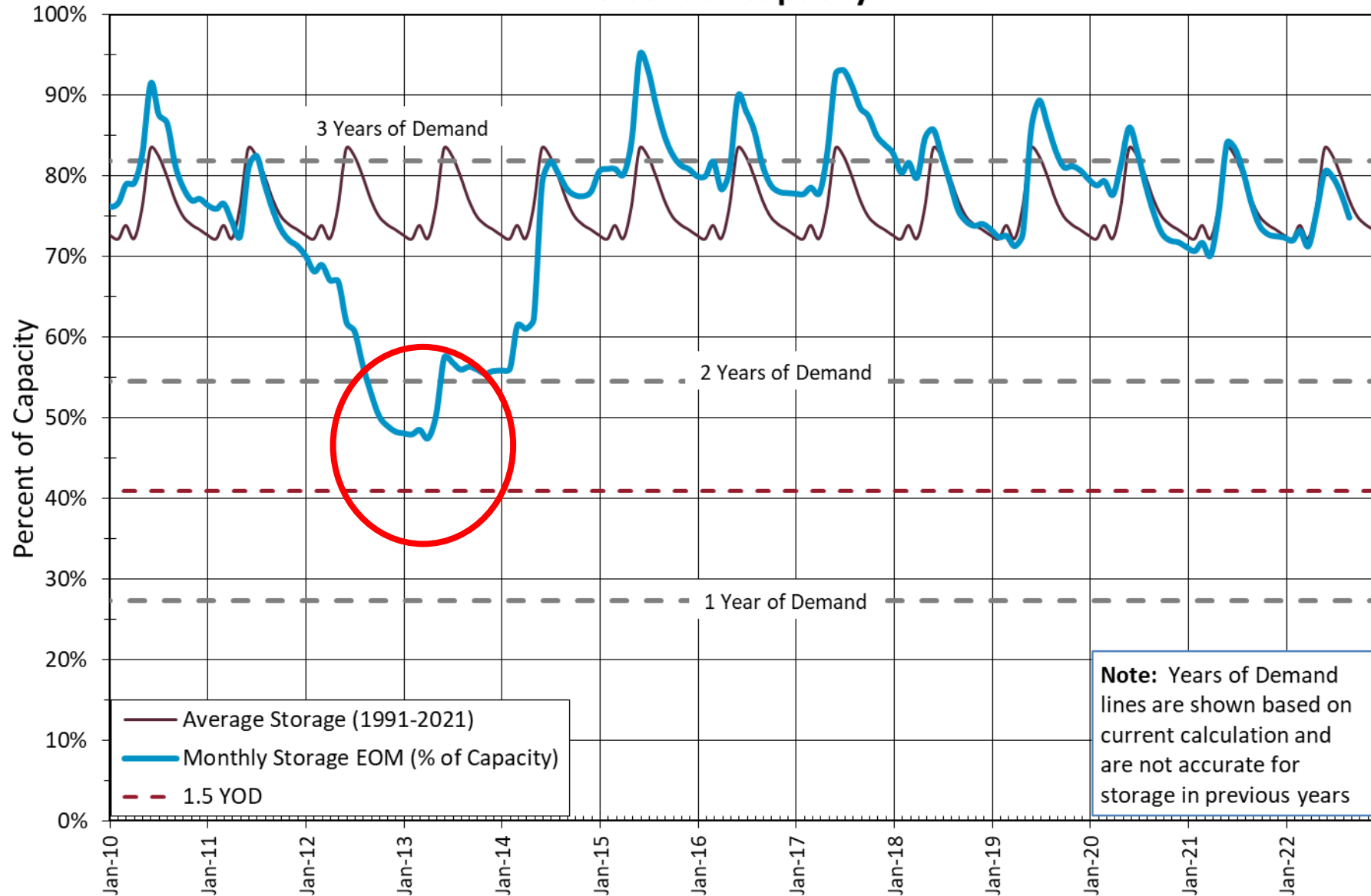
Issues and Drivers

- Drought
- Poor hydrology
- Overuse
- Below-average inflows and declining storage levels
- Federal Government warnings and pending actions.

Uncertainties

- Duration and severity of drought unknown
- Hydrology is primary driver
- Currently no rules for Compact Administration
- Political response at interstate and intrastate level
- Availability & cost of mitigation options

Monthly Storage Percent of Capacity



Current City Code and Proposed Ordinance

7.6.203: CONDITIONS FOR ANNEXATION:

Paragraph C. There is a projected available water **surplus** at the time of request;

Paragraph D. The existing and projected water facilities and/or wastewater facilities of the City are expected to be sufficient for the present and projected **needs for the foreseeable future** to serve all present users whether within or outside the corporate limits of the City;

PROPOSED

Reserves a portion of the existing supplies for In City development

“The City’s available water supply is sufficient to meet at least 130% of existing usage (calculated using a three (3) year rolling average) and the projected demand for water services within the proposed extension of services, ...”

Definition of Surplus

Margin of Risk Tolerance

- Current proposal is 130% of current usage
- Gives a longer-term consideration of risks
- In line with other water providers

Balancing for Uncertainties



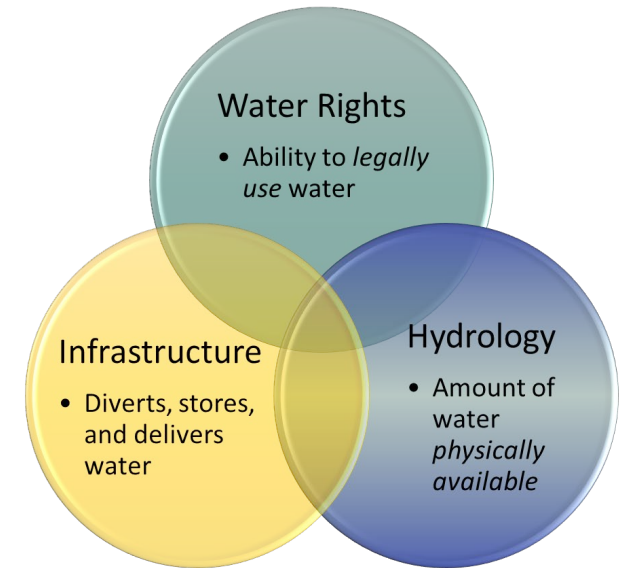
Definitions

- **Reliably Met Demand (RMD)**

- The maximum annual demand that can reliably be met by the water system while maintaining the three Level of Service criteria through selected risks over a 10-year period

- **Levels of Service (LOS)**

- Maintain at least 1.5 Years of Demand in storage 90% of the time.
- Maintain a minimum of 1 Years of Demand in storage 100 % of the time.
- Ensure water for indoor use 100% of the time.



+ LOS

+ RISKS

RMD of 95,000 AF

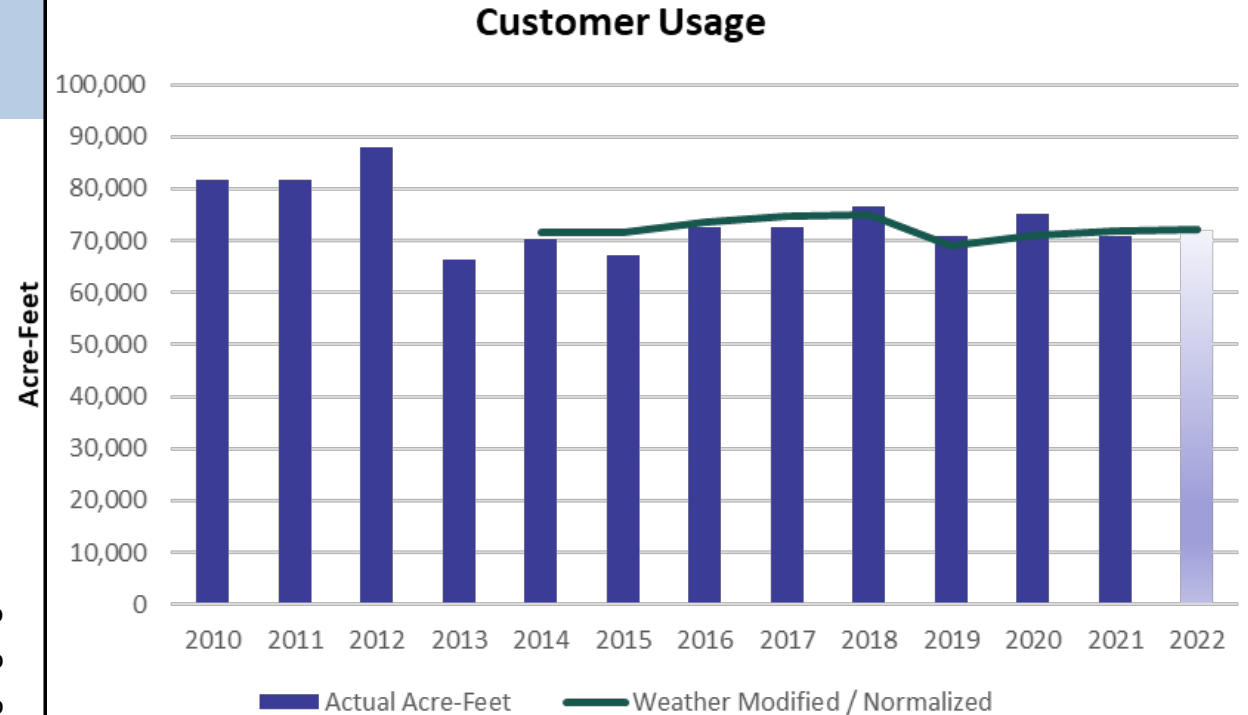
How do we define Usage (i.e.. Demand)?

- Usage = Potable water distribution system deliveries as measured by water available to the system.
 - Water Treatment Plant production +/- distribution storage
 - Reported to the Board monthly
- For consideration of “Surplus” we are evaluating several alternatives.
 - This period is representative of our current and future state while excluding the years with water restrictions

Customer Usage

Customer Usage

	Actual Acre-Feet	Weather Modified / Normalized	with 130% surplus	
2014	70,256	71,659		
2015	67,155	71,709		
2016	72,625	73,514		
2017	72,470	74,814		
2018	76,480	75,111		
2019	70,766	69,060		
2020	74,989	70,886		
2021	70,985	71,890		
2022*	72,100	72,100		
3-Year Average	72,000	71,000	92,300	134%
5-year Average	73,000	72,000	93,600	132%
5-year Max	76,000	75,000	97,500	127%



Colorado River Contingency Planning

Supply and Demand Side Options

- **Increased Water Conservation and Efficiency**
 - Accelerate programs outlined in 2022 Water Efficiency Plan which includes enhanced water loss control program
 - Landscape transformation initiatives
 - Collaborative initiatives with City re RetoolCOS and PlanCOS
 - Potential commitment to Conservation MOU
 - Prepare for future drought response
- **Diversification of water supplies**
 - Arkansas Valley Water Sharing Program and recent transactions
 - Bent County IGA
 - Maximize local supplies including reuse options
- **Pursue additional storage**
 - Continental-Hoosier System Project
 - Clear Creek Reservoir Enlargement Project (with Pueblo Water)

Next Steps

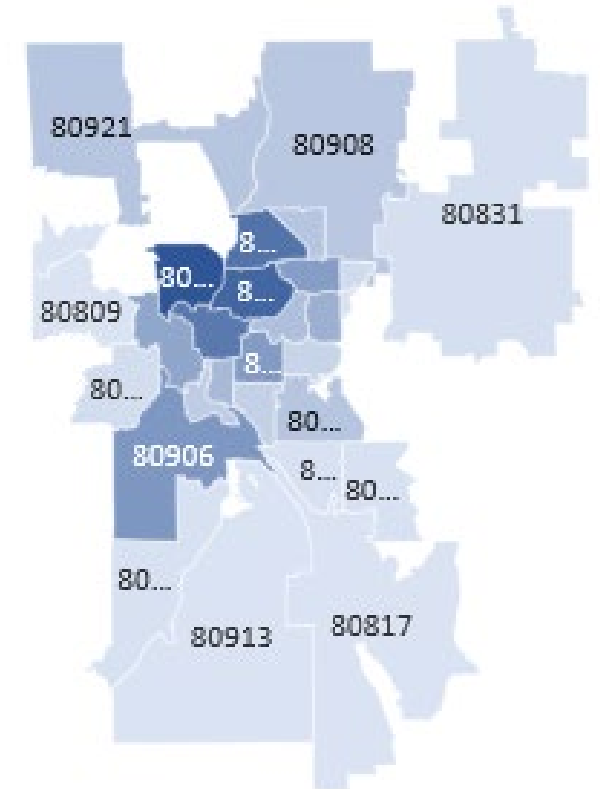


Colorado Springs Utilities
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Ordinance Pertaining To The Extension Of Water Service

Respondent Demographics

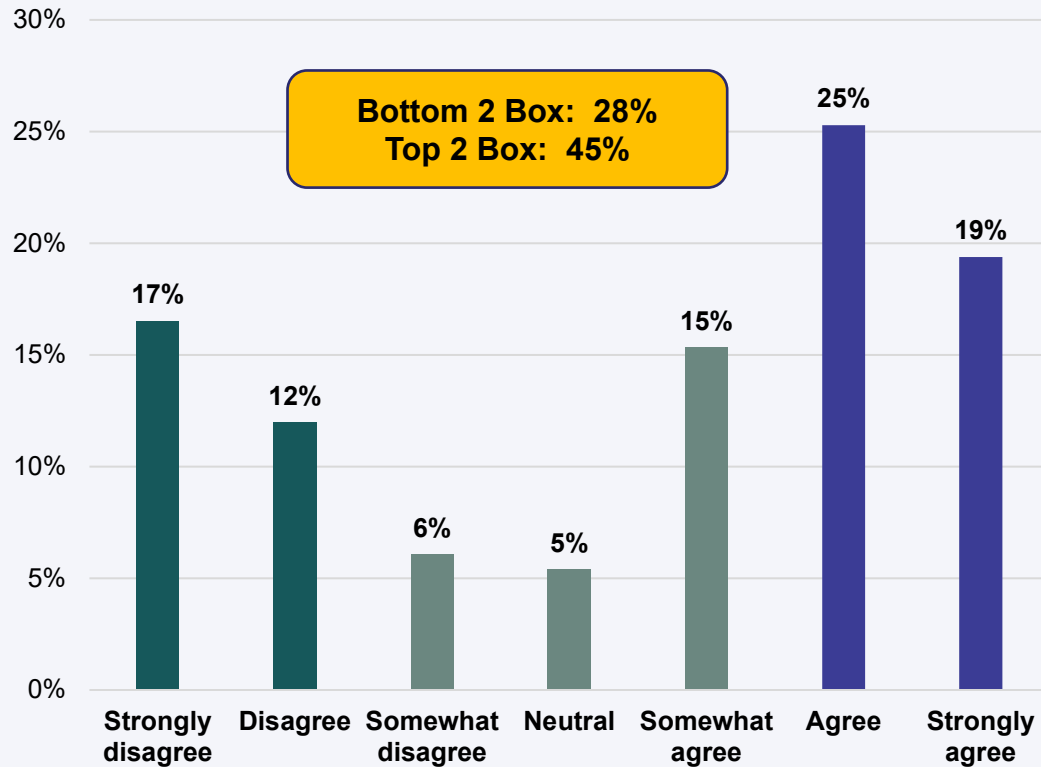
		Poll Respondents	Customer Base
Home Ownership	Homeowner	92%	63%
Generation	Born 1947 to 1965	38%	25%
Income	\$100,000+	37%	32%
Length Of Time As A Customer	15+ years	56%	
Education	College graduate	42%	35%
	ZIP Codes	80907 80918 80919 80920	



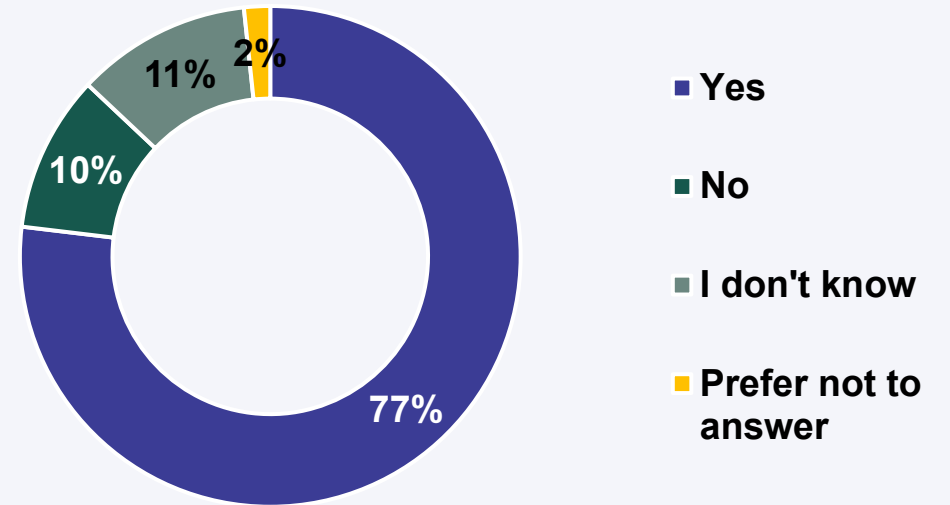
Responses collected Oct. 24, 2022 – Nov. 10, 2022
 Total sample size: 593 (26 business, 567 residential)

Questions Asked

Do you agree the ordinance will ensure Colorado Springs Utilities is able to continue to meet future water demands for the community?



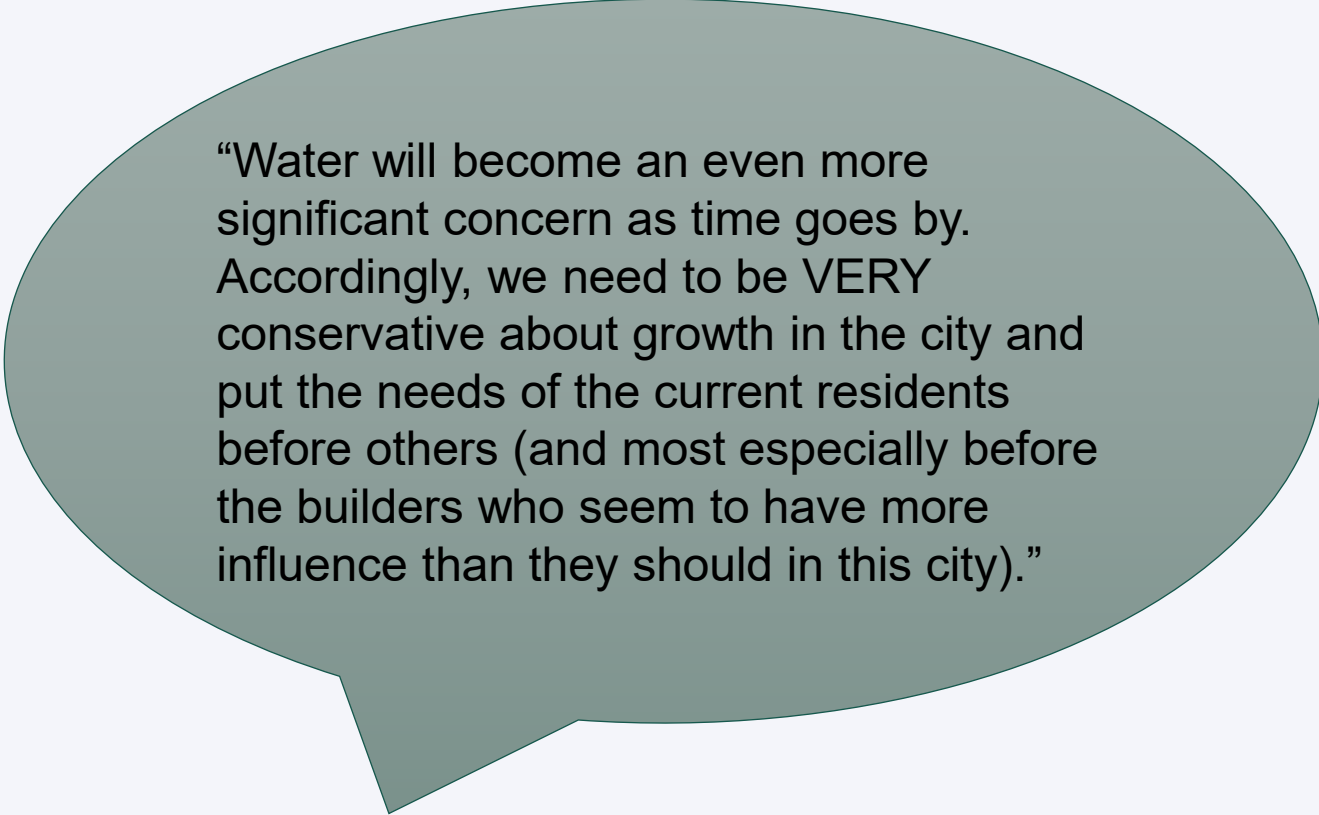
The ordinance as proposed would clarify the specific margin Springs Utilities will maintain for unexpected or unintended water demands above current community water usage. Should the ordinance set a specific margin?



Customer Themes

Agree with ordinance:

- Concerns about current and future water supply availability
- Ensure existing customers have adequate resources for City Limits
- Buffer – reasonable and too low



“Water will become an even more significant concern as time goes by. Accordingly, we need to be VERY conservative about growth in the city and put the needs of the current residents before others (and most especially before the builders who seem to have more influence than they should in this city).”

Customer Themes

“We have more than enough water according to every single chart that exists. Our water usage has not been drastically affected by the continued development. I strongly support attention to noncontiguous overreach for an annexation of city water.”

Disagree with ordinance:

- We have enough water
- We need to share our water with people moving here
- Buffer too conservative

ORDINANCE NO. 22-_____

AN ORDINANCE CREATING SECTION 305 (SERVICE; EXTENSION LIMITATION) OF PART 3 (WATER SERVICE) OF ARTICLE 4 (WATER CODE) OF CHAPTER 12 (UTILITIES) OF THE CODE OF THE CITY OF COLORADO SPRINGS 2001, AS AMENDED, PERTAINING TO THE EXTENSION OF WATER SERVICE

WHEREAS, persistent drought in the western United States and Colorado River Basin have placed a risk of future constraints on the City's water supply; and

WHEREAS, the City Council recognizes that enclaves and irregularly shaped boundaries create an inefficient delivery of municipal services which should be avoided; and

WHEREAS, the City Council has legislative discretion over water services within and outside of the City, as set forth in City Charter section 6-70 (Utility Rates) and Part 2 (Annexations) of Article 6 (Planning Commission and Annexations) of Chapter 7 (Planning, Development, and Building); and

WHEREAS, the City Council adopts this ordinance to reasonably limit the extension of water services.

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

Section 1. Section 305 (Service; Extension Limitation) of Part 3 (Water Service) of Article 4 (Water Code) of Chapter 12 (Utilities) of the Code of the City of Colorado Springs 2001, as amended, is created to read as follows:

12.4.305: SERVICE; EXTENSION LIMITATION:

A. Due to increasing demands on the City's water supply, and to ensure that the City's water rights will meet existing and anticipated water service obligations, extending water service into any area not within either the existing City limits or the water service boundary as of the effective date of this section is subject to the recommendation of approval by the Utilities Board and approval by City Council.

B. City Council approval shall require a vote of a supermajority of at least 66% of the Councilmembers present finding that the proposed water extension is warranted based on a substantiated and written record demonstrating that:

1. The City's available water supply is sufficient to meet at least 130% of existing usage (calculated using a three (3) year rolling average) and the projected demand for water services within the proposed extension of services, and not less than 25% of the perimeter of the area is contiguous with the City (as defined by State law); or

2. A unique and extraordinary event or circumstance necessitates an extension of water services to serve critical interests of the City; or

3. The area is an enclave (as defined by State law), or the area is owned or leased by the City, or extension of water service to the area will have a de minimis impact on the overall City's available water supply.

C. This section shall apply to any extension of Utilities water services notwithstanding any provision to the contrary.

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

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

Introduced, read, passed on first reading and ordered published this ____ day of _____, 2022.

Finally passed: _____
Council President

ATTEST:

Sarah B. Johnson, City Clerk

CAO: _____
COS: _____

Board Memo Agenda Item

Staff Report

Date: November 16, 2022
To: Utilities Board
From: Chief Executive Officer Aram Benyamin
Subject: Electric and Gas Cost Adjustments Update

NARRATIVE:

Desired Action: Discussion

Executive Summary: Colorado Springs Utilities will inform the Utilities Board of the cost adjustments to be proposed at the City Council meeting on Nov. 22, 2022. If approved by City Council, the rate changes will be effective Dec. 1, 2022.

Springs Utilities staff provides regular updates to the Utilities Board and anticipates proposing quarterly rate adjustments, consistent with the Cost Adjustment Guidelines (G-6). On Sept. 27, 2022, City Council approved the current Electric Cost Adjustment (ECA) and Gas Cost Adjustment (GCA) rates effective Oct. 1, 2022. In response to market fluctuations, Springs Utilities is proposing decreases in both ECA and GCA rates effective Dec. 1, 2022, one month prior to the previously-scheduled quarterly adjustment date of Jan. 1, 2023.

As approved by City Council on Nov. 8, 2022, the 2023 Rate Case modified the pricing methodology of Green Power Service to incorporate movements in the ECA, renewable energy credit prices and costs associated with renewable energy or integration. Reflecting the proposed Dec. 1, 2022 ECA rate, Springs Utilities is proposing a decrease to the previously-approved Green Power Service rate effective Jan. 1, 2023.

On Nov. 15, 2022, details of the proposed cost adjustments were provided to the Utilities Board Finance Committee.

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

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

Cost/Budget: N/A

Affected Parties: Springs 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: Nov. 14, 2022

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



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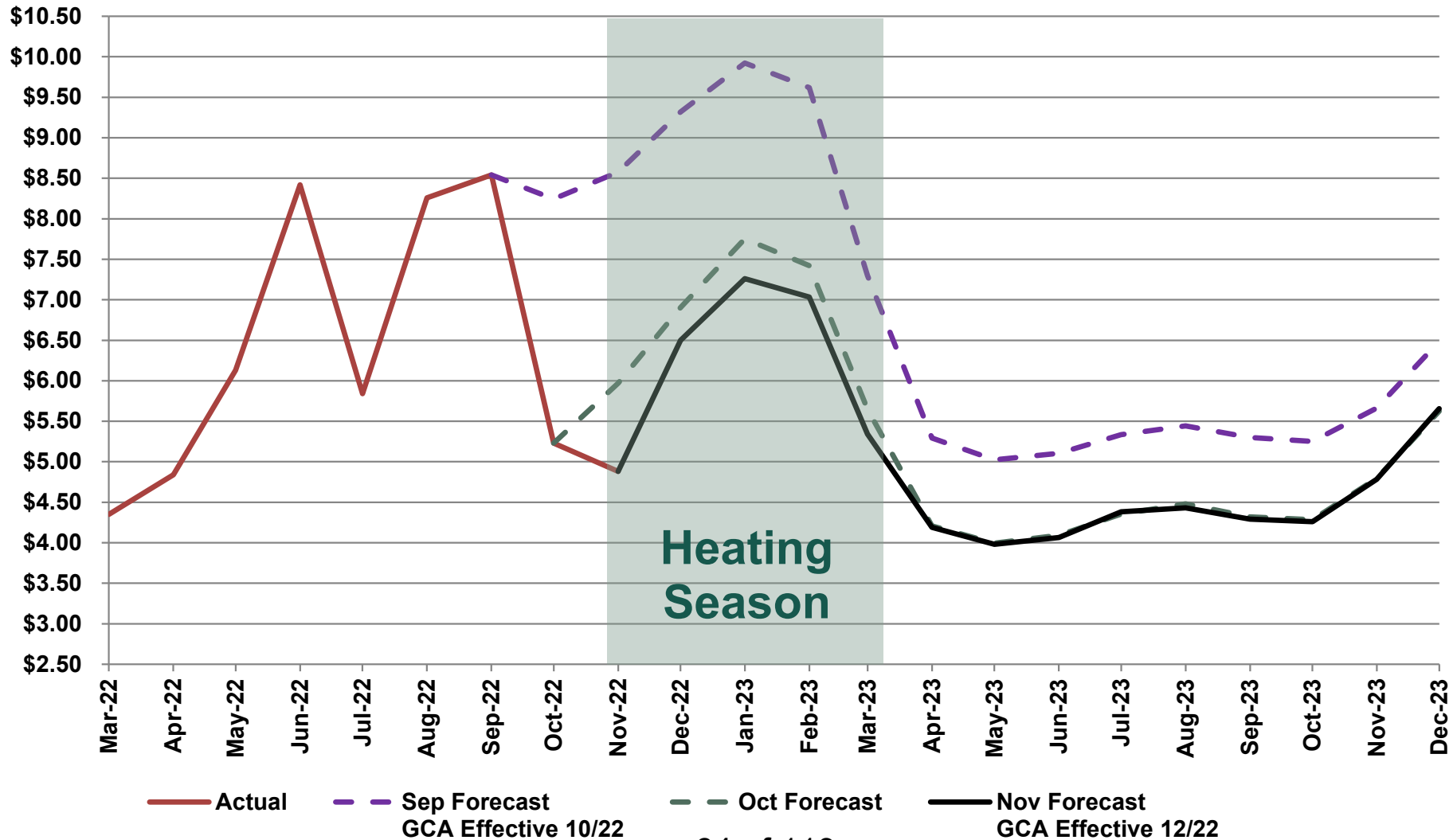
Electric Cost Adjustment Gas Cost Adjustment

Scott Shirola, Manager of Pricing and Rates

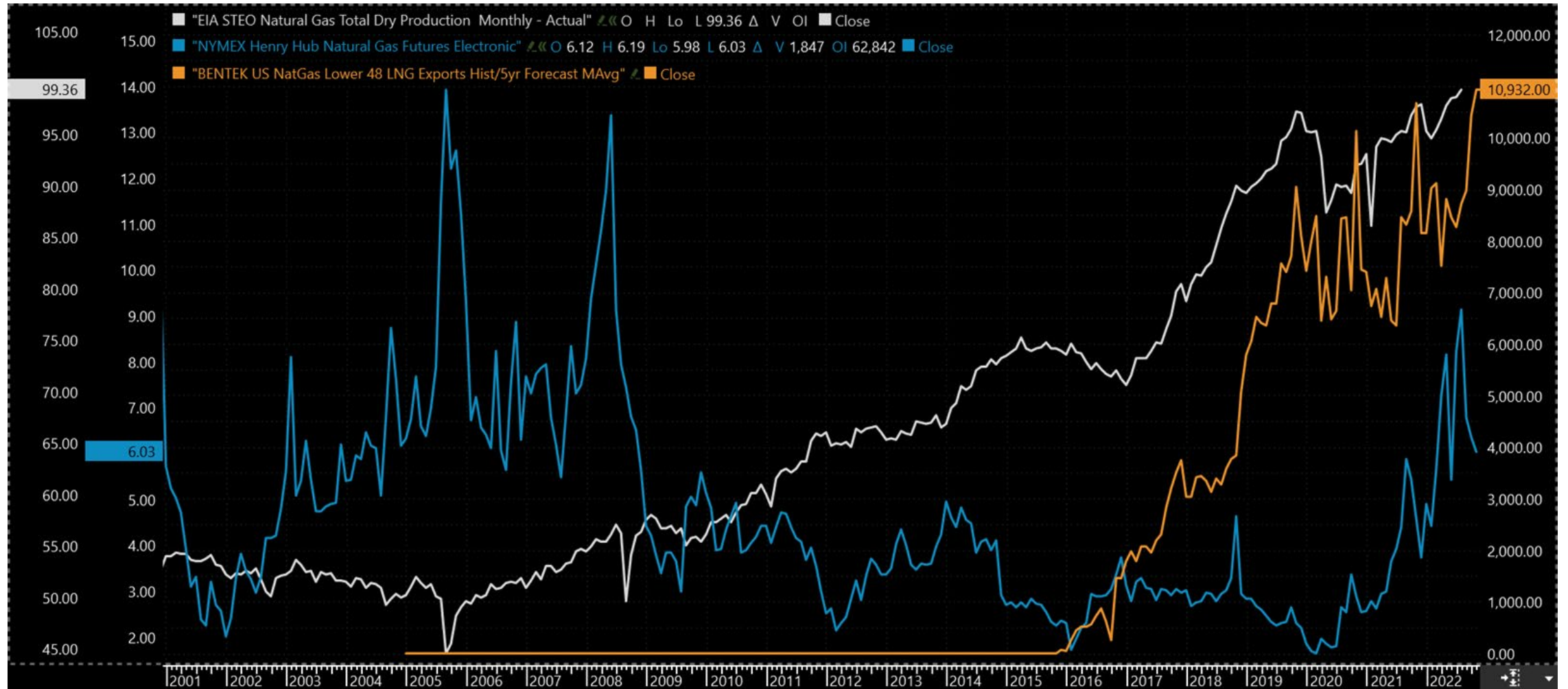
November 16, 2022

Natural Gas Prices as of November 1, 2022

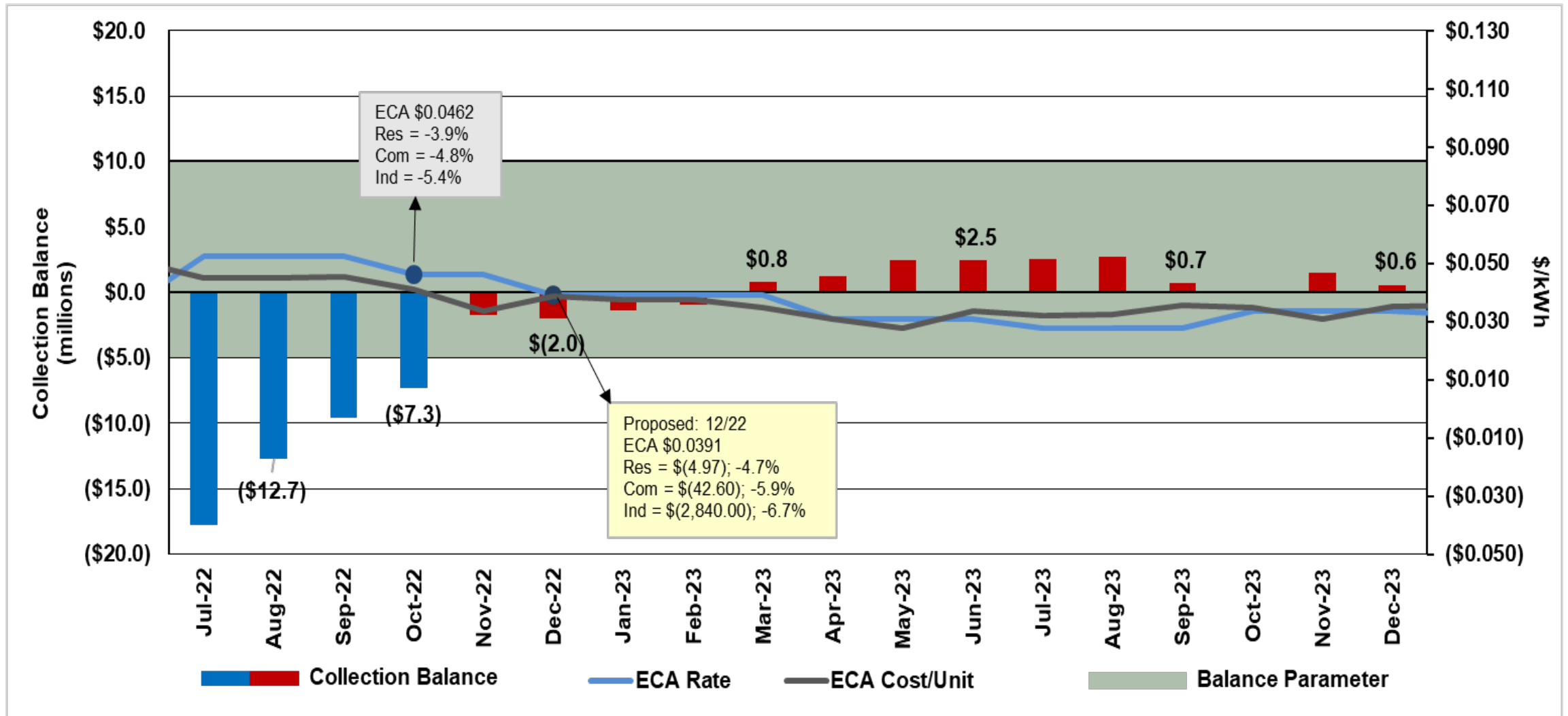
\$/Dth



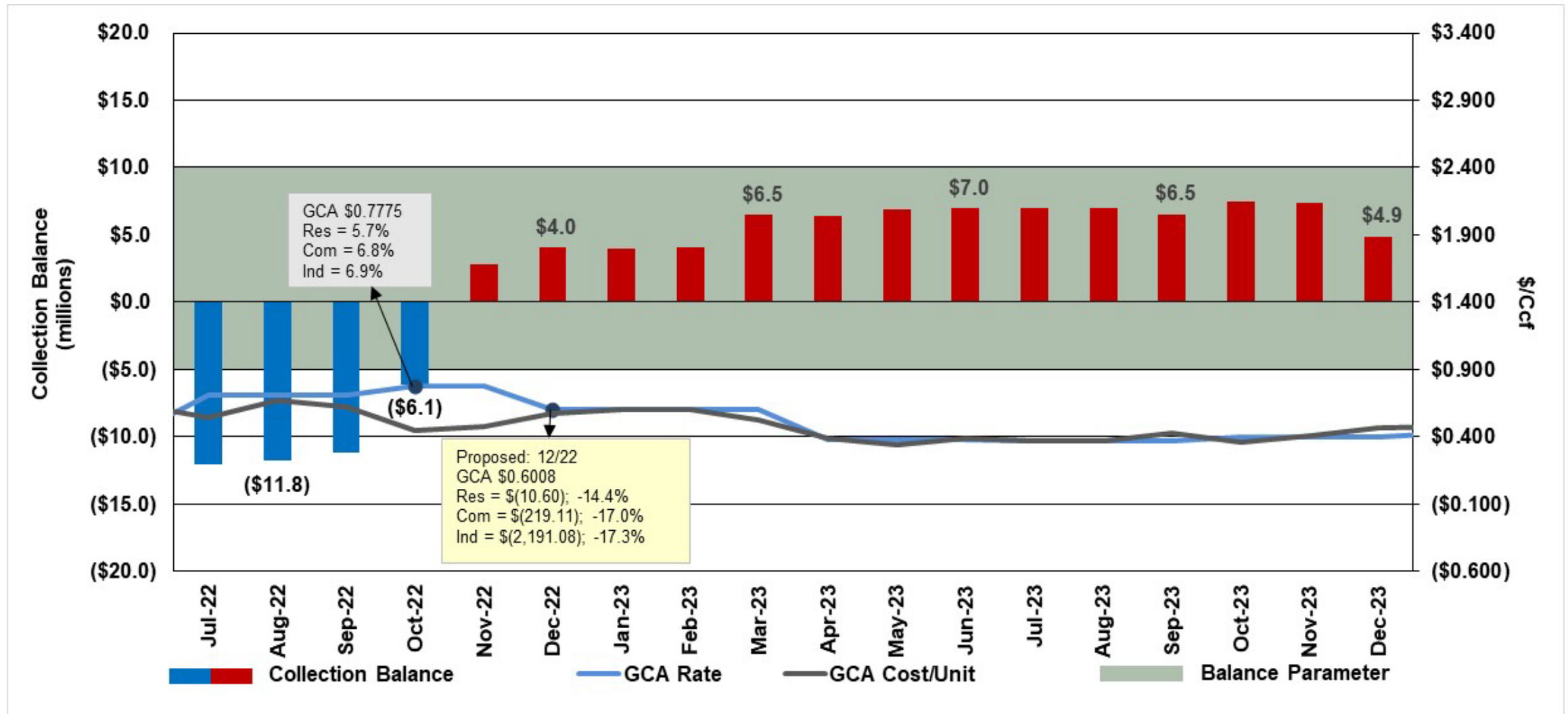
Production – Price – LNG Exports



ECA Projections November 2022



GCA Projections November 2022



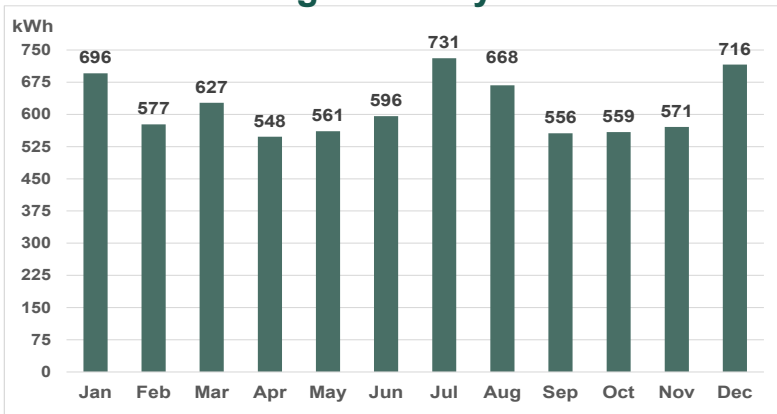
Seasonal Residential Bill Impacts

Four Service Bill Impacts

	kWh	CCF	Current Effective	Proposed (Dec-22)	Proposed Increase/ (Decrease)	% Change	Effective Nov-21 (11/21-01/22)	Increase/ (Decrease) from Nov-21	% Change from Nov-21
Sample Bill	700	60	\$ 287.01	\$ 271.44	\$ (15.57)	-5.4%	\$ 289.46	\$ (18.02)	-6.2%
Average Summer*	700	20	\$ 245.81	\$ 237.31	\$ (8.50)	-3.5%	\$ 247.10	\$ (9.79)	-4.0%
Average Winter*	700	140	\$ 369.37	\$ 339.66	\$ (29.71)	-8.0%	\$ 374.17	\$ (34.51)	-9.2%

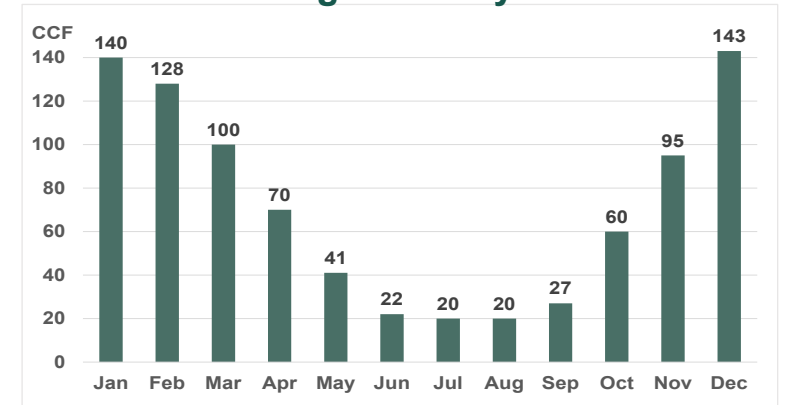
* Average Summer – (Jun-Aug) / Average Winter – (Dec-Feb)

Average Monthly kWh



Actual bill impacts will vary based on individual customer usage. Individualized impacts can be estimated using the bill calculator at: csu.org/bcalc/

Average Monthly CCF



$$1 \text{ CCF} = 0.0815 \text{ Dth}$$

Sample Total Monthly Bill - Proposed Effective 12/1/22

Line No.	Rate Class	Current Effective	Proposed	Proposed Increase/ (Decrease)	% Change
(a)	(b)	(c)	(d)	(e) (d) - (c)	(f) (e)/(c)
1	Residential				
2	Electric	\$ 105.12	\$ 100.15	\$ (4.97)	-4.7%
3	Gas	73.58	62.98	(10.60)	-14.4%
4	Water	74.93	74.93	-	0.0%
5	Wastewater	33.38	33.38	-	0.0%
6	Total	\$ 287.01	\$ 271.44	\$ (15.57)	-5.4%
7	Commercial				
8	Electric	\$ 724.03	\$ 681.43	\$ (42.60)	-5.9%
9	Gas	1,287.64	1,068.53	(219.11)	-17.0%
10	Water	231.21	231.21	-	0.0%
11	Wastewater	116.26	116.26	-	0.0%
12	Total	\$ 2,359.14	\$ 2,097.43	\$ (261.71)	-11.1%
13	Industrial				
14	Electric	\$ 42,579.34	\$ 39,739.34	\$ (2,840.00)	-6.7%
15	Gas	12,664.14	10,473.06	(2,191.08)	-17.3%
16	Water	3,027.71	3,027.71	-	0.0%
17	Wastewater	1,455.76	1,455.76	-	0.0%
18	Total	\$ 59,726.95	\$ 54,695.87	\$ (5,031.08)	-8.4%

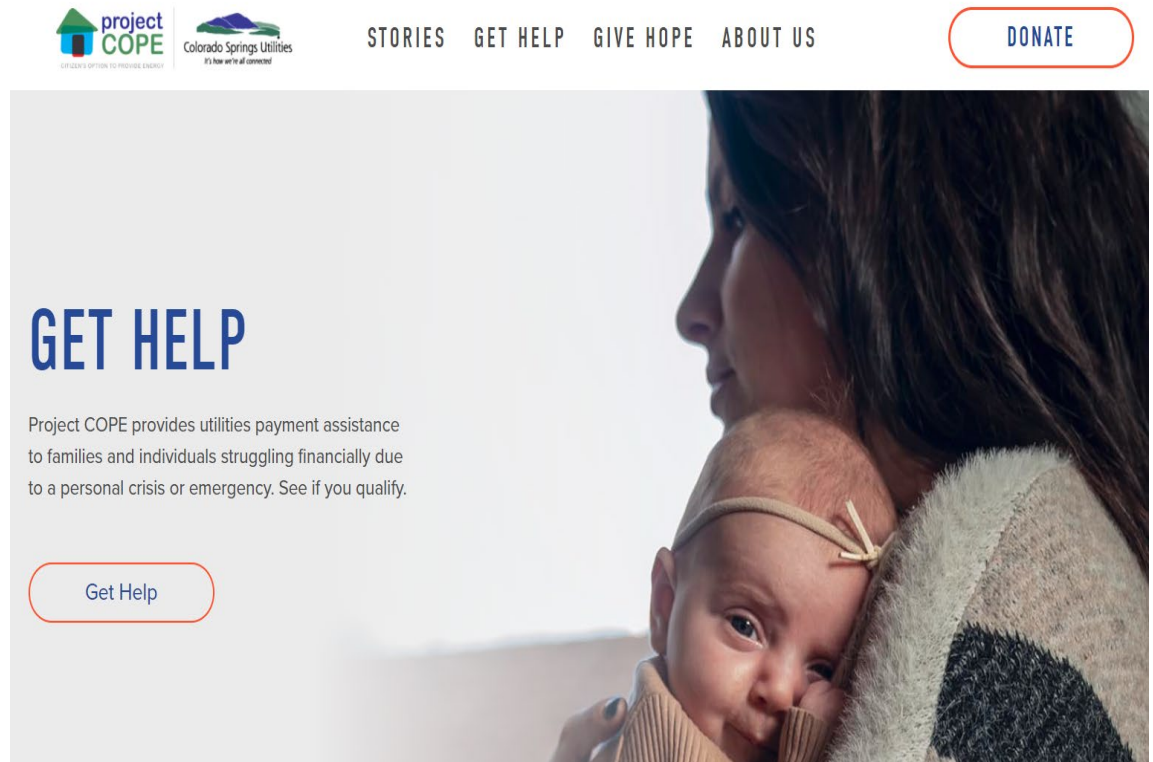
Note: Specific individual customer impact can be calculated by utilizing Utilities' Bill Calculator found at www.csu.org/bcalc/

Sample Total Monthly Bill Reference

- 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)

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
 - Clothes dryer
 - Water heater
 - Furnace
 - Smart thermostat





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Board Memo Agenda Item

Staff Report

Date: November 16, 2022
To: Utilities Board
From: Aram Benyamin, Chief Executive Officer
Subject: Colorado Springs Underground Damage Prevention Safety Program Update

NARRATIVE:

Desired Action: Discussion

Executive Summary: The Colorado Springs Underground Damage Prevention Safety Program is a city ordinance (City Code, Chapter 12 Section 10) which enables Colorado Springs to bring the enforcement of Colorado's excavation and one call law, from the hands of a State Commission, down to the local level for closer oversight.

After completion of public process, the program was approved in late 2020 and effective Jan. 1, 2021. Outreach and education were conducted throughout 2021 and monetary fines began Jan. 1, 2022. In accordance with the ordinance, Regulatory and Compliance Program Manager Shelly Dornick has been appointed as the Program Manager for this safety program.

Benefits: The Pipeline and Hazardous Materials Safety Administration (PHMSA) recently completed its annual review of Colorado's enforcement measures to include the Colorado Springs Utilities' Underground Damage Prevention Safety Program. This resulted in both the state and local safety program meeting the requirements for an adequate determination for the State of Colorado.

Board Policy: N/A

Cost/Budget: N/A

Affected Parties: N/A

Alternatives: N/A

Submitter: Melissa Brown	Email address: mbrown@csu.org
Division/ Department: Operations / Regulatory and Compliance	Phone number: 719-668-8429
	Date submitted: October 10, 2022

SPG Staff Use Only: Consent Calendar

Yes

No

ITEM NO. 11



Colorado Springs Utilities
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Colorado Springs Underground Damage Prevention Safety Program Update

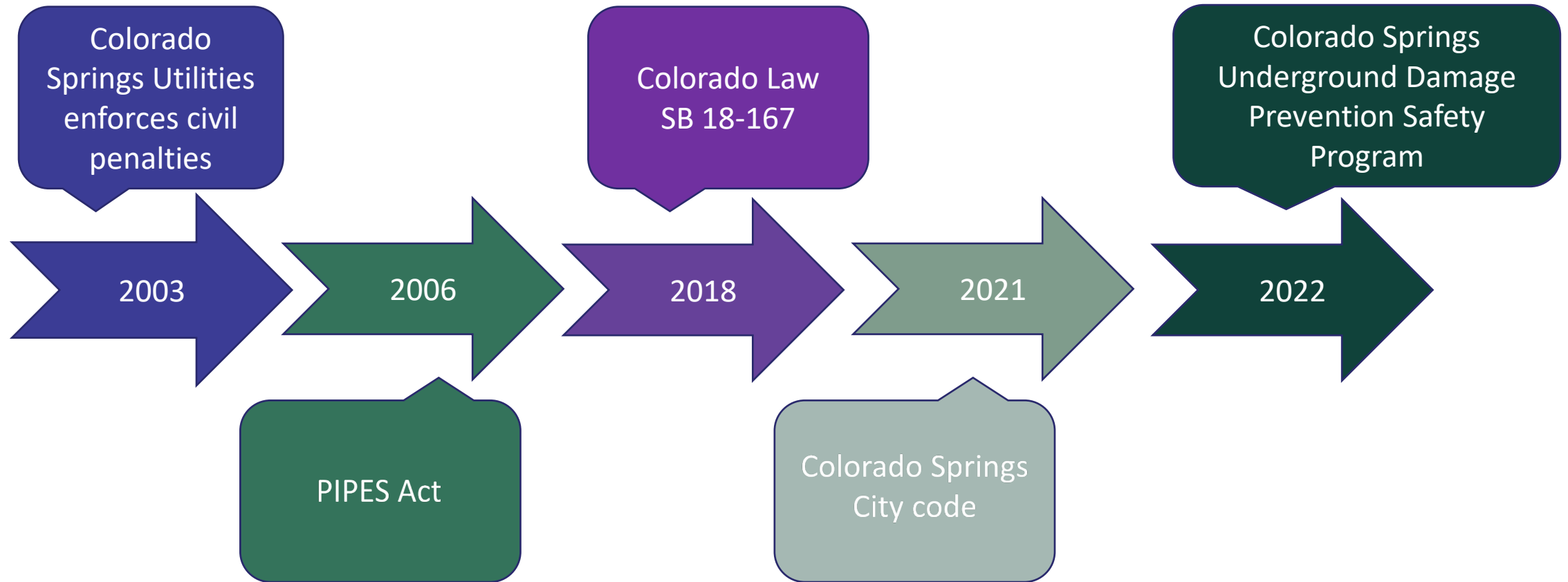
November 16, 2022

Shelly Dornick, Regulatory and Compliance Program Manager

Introductions

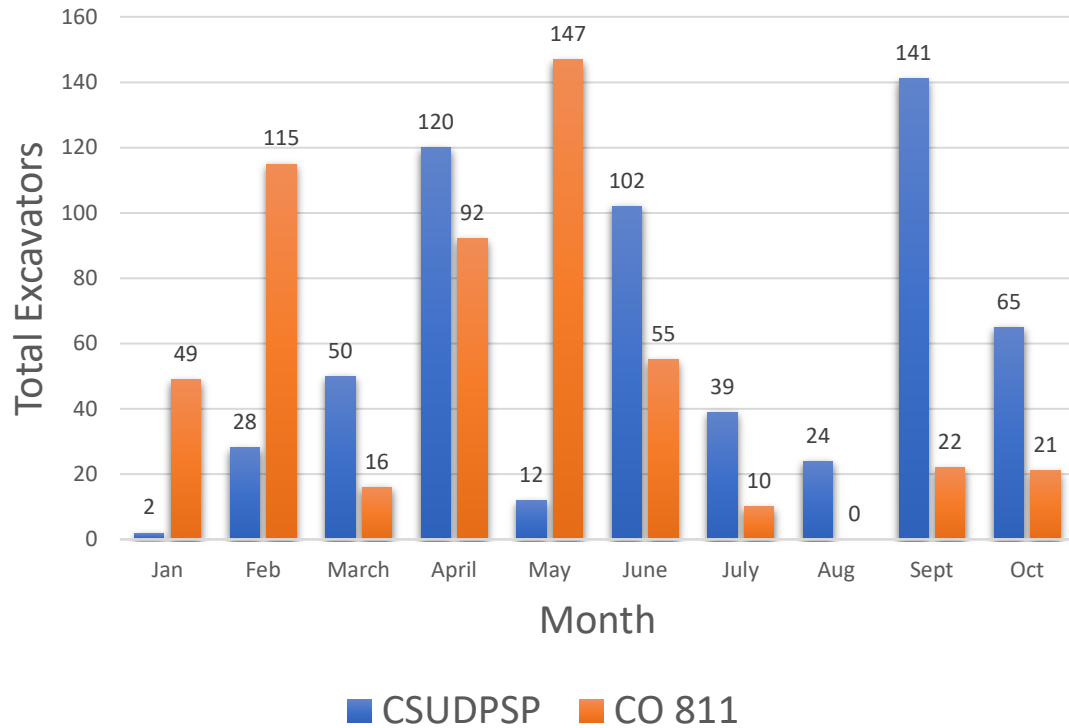
- **Shelly Dornick**
 - **Program Manager Colorado Springs Underground Damage Prevention Safety Program**
 - **20+ years working in Damage Prevention with Colorado Springs Utilities**
 - **Director Colorado 811 Board**
 - **Chairperson of El Paso County Damage Prevention Council**
- **Sean Frech**
 - **22 years in the utility industry**
 - **Regulatory and Compliance Specialist Senior**

How did we get here?



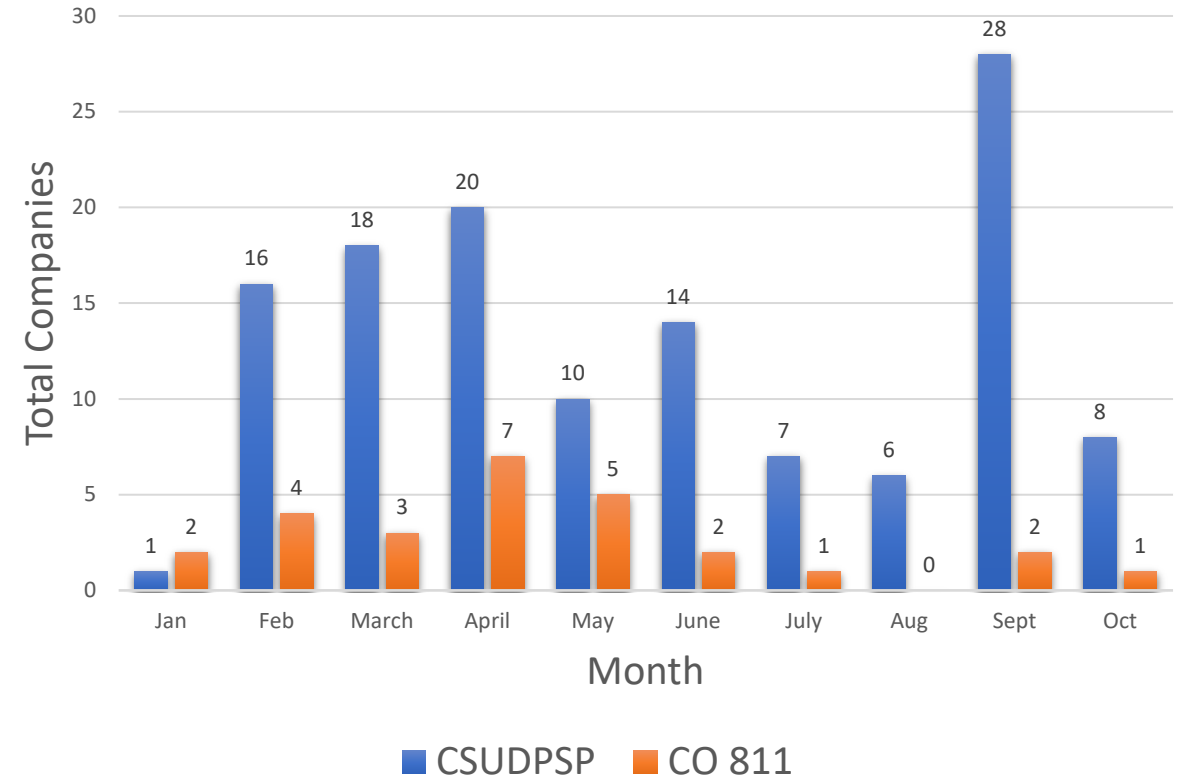
Education – January – October 2022

Education Attendance - Excavators Jan - Sept
(1024)



1110 Total Excavators Educated

Education Attendance - Companies



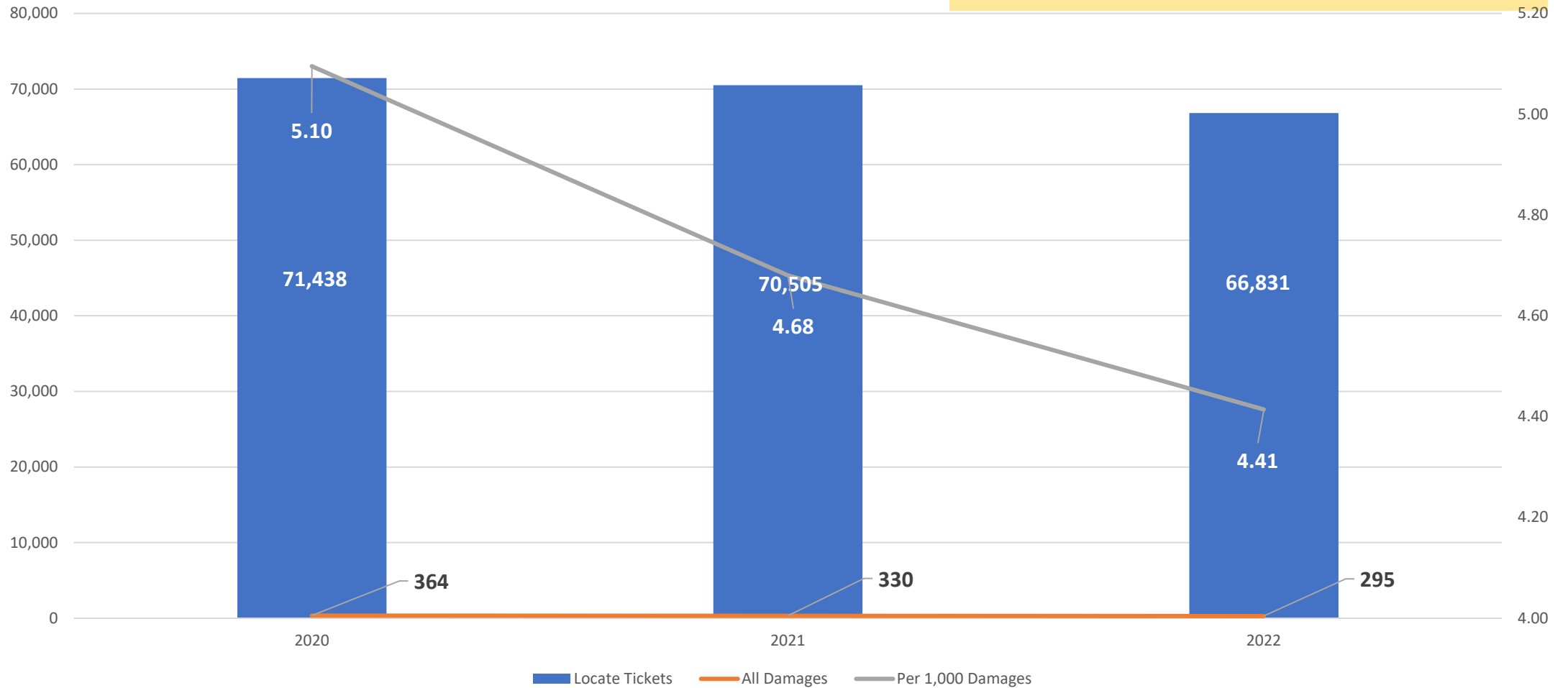
155 Total Companies Educated

Total Damages Per 1,000 Tickets

January – September

2020-2022

2021 – 196 Enforcement Actions
 2022 (ytd) – 142 Enforcement Actions



Audit Results



U.S. Department
of Transportation
**Pipeline and
Hazardous
Materials Safety
Administration**

- On September 9, 2022, the U.S. Department of Transportation’s Pipeline and Hazardous Materials Safety Administration (PHMSA) conducted an evaluation of the Colorado Division of Oil and Public Safety’s and the City of Colorado Springs’s enforcement of the Colorado excavation damage prevention law.
- Based on this evaluation, PHMSA has determined that the enforcement of Colorado’s excavation damage prevention law is “adequate.”
- Additional observations:
 - The Colorado State Safety Commission was advised to model their remediation process after the Colorado Springs process.
 - Colorado received a near perfect score!



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Board Memo Agenda Item

Staff Report

Date: November 16, 2022
To: Utilities Board
From: Aram Benyamin, Chief Executive Officer
Subject: Proposed 2023 Strategic Plan

NARRATIVE:

Desired Action: Approval

Executive Summary: The Colorado Springs Utilities Enterprise Strategic Plan is reviewed annually by leadership and updated as needed. An update of the Strategic Plan is needed to reflect changing community priorities, industry trends, and the goals and objectives of the organization.

The Utilities Board will be asked to approve the updated Strategic Plan at the November 16, Board meeting. Upon approval, the updated Strategic Plan will be effective January 1, 2023.

Benefits: The strategic plan will serve as the ongoing document to direct business needs and prioritize resources.

Board Policy: Excellence in Governance Policy Manual E-1 guideline requires the Utilities Board and Chief Executive Officer to work jointly to set the vision and strategic direction for the enterprise.

Cost/Budget: N/A

Affected Parties: Utilities Board members and Colorado Springs Utilities staff.

Alternatives: N/A

Submitter: Kerry Baugh

Email address: kbaugh@csu.org

Division/ Administration and Human

Phone number: 719-668-3810

Department: Resources Division

Date submitted: November 1, 2022

SPG Staff Use Only: Consent Calendar

Yes

No

ITEM NO. 12



Colorado Springs Utilities
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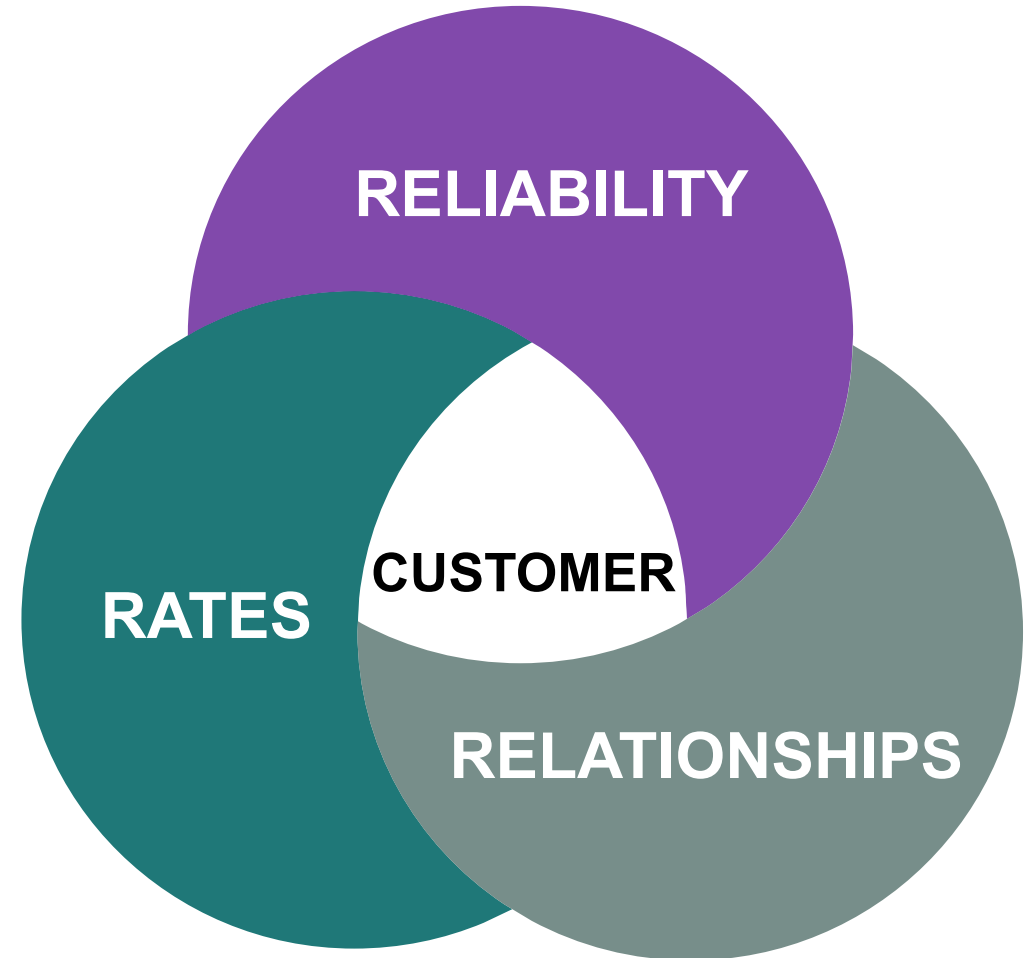
Proposed 2023 Strategic Plan

Natalie Watts, MBA, APR

Manager – Strategic Planning and Governance

Strategic Focus

- The Utilities Board and the CEO are responsible for setting the strategic direction of the enterprise.
- The Utilities Board is primarily and ultimately accountable for ensuring the benefits of local ownership and control to the citizens of Colorado Springs.
- The Utilities Board also has a responsibility to its current and future customers by balancing: Rates, Reliability and Relationships.



Mission

Current

Provide safe, reliable, competitively priced electric, natural gas, water, and wastewater services to the citizens and customers of Colorado Springs Utilities.

Proposed

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

Vision

Current

Colorado Springs Utilities is a treasured community partner, well known for providing responsible and dependable services that are vital to the future of our region.

Proposed

Ready for today, prepared for a sustainable future.

Values

- **Safety** We are passionately committed to safety in everything we do.
- **Trust** We demonstrate the highest standards of integrity, competence, transparency and professionalism.
- **People** We promote and foster an inclusive work environment in which everyone is treated with dignity and respect.
- **Continuous Improvement** We innovate, optimize and adapt to serve customers today and in the future.
- **Responsibility** We are committed to fiscal and environmental stewardship of all resources.
- **Collaboration** We develop cooperative goals, share information and foster relationships.

Colorado Springs Utilities Strategy Map



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

OUR MISSION	Provide safe, reliable, and competitively-priced utilities to our customers.				
OUR VISION	Ready for today, prepared for a sustainable future.				
OUR VALUES	Safety, People, Trust, Responsibility, Collaboration, Continuous Improvement				
STRATEGIC OBJECTIVES	Deliver quality utilities	Focus on the customer	Financial accountability	Support our community	Enable employee empowerment
2023 KEY GOALS	<p>Provide reliable, quality water, wastewater, natural gas and electric services to our customers.</p> <p>Adopt innovative technologies to improve our utilities' infrastructure.</p>	<p>Improve customer experience, satisfaction and loyalty.</p> <p>Communicate effectively with customers through various channels</p>	<p>Maintain competitive rates while funding essential utility needs.</p>	<p>Support stability and ensure strategic growth through long-term planning.</p> <p>Reduce barriers to contribute to the retention and vitality of our local business community.</p>	<p>Commit to effective change management and the professional development of employees.</p>

Strategic Objective: Deliver Quality Utilities

Uphold a culture of service reliability.

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

What it entails:

- Provide reliable water, wastewater, gas and electric services to our customers.
- Invest in infrastructure improvements to ensure sustainability.
- Adopt innovative technologies and manage our utilities' assets.
- Commit to prudent environmental stewardship.



Strategic Objective: Focus on the Customer

Serve by anticipating and exceeding customer expectations.

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

What it entails:

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



Strategic Objective: Financial Accountability

Ensure we are all responsible stewards of customer resources.

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

What it entails:

- Create a long-term enterprise financial plan.
- Maintain a fair and equitable rate structure.
- Maintain a strong bond rating.
- Manage revenue volatility.
- Mitigate financial risk .
- Explore additional revenue generation streams.
- Responsibly use resources at a division, department and section level.



Strategic Objective: Support the Community

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

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

What it entails:

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



Strategic Objective: Enable Employee Empowerment

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

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

What it entails:

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





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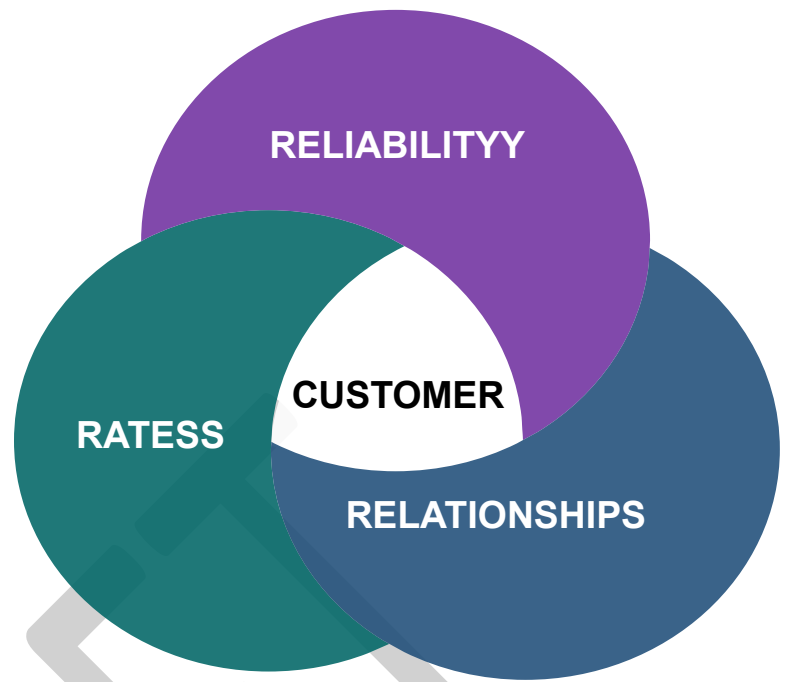
Strategic Plan

Effective January 1, 2023

DRAFT

Strategic Focus

The Utilities Board and the CEO are responsible for setting the strategic direction of the enterprise. The Utilities Board is primarily and ultimately accountable for ensuring the benefits of local ownership and control to the citizens of Colorado Springs. The Utilities Board also has a responsibility to its current and future customers by balancing: Rates, Reliability and Relationships.



Strategic Foundation

The Strategic Plan focuses the organization on delivering the mission and vision and achieving a competitive position in each of the Utilities Board's strategic focus areas of Rates, Reliability and Relationships.

Our Mission

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

Our Vision

Ready for today, prepared for a sustainable future.

Our Values

Our values are our guiding principles of behavior and the foundation of our organizational culture. Every employee is accountable for upholding these values of the organization.

Safety

We are passionately committed to safety in everything we do.

People

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

Trust

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

Responsibility

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

Collaboration

We develop cooperative goals, share information and foster relationships.

Continuous Improvement

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

DRAFT

Strategy Map



Colorado Springs Utilities Strategy Map

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

OUR MISSION	Provide safe, reliable, and competitively-priced utilities to our customers.				
OUR VISION	Ready for today, prepared for a sustainable future.				
OUR VALUES	Safety, People, Trust, Responsibility, Collaboration, Continuous Improvement				
STRATEGIC OBJECTIVES	Deliver quality utilities	Focus on the customer	Financial accountability	Support our community	Enable employee empowerment
2023 KEY GOALS	<p>Provide reliable, quality water, wastewater, natural gas and electric services to our customers.</p> <p>Adopt innovative technologies to improve our utilities' infrastructure.</p>	<p>Improve customer experience, satisfaction and loyalty.</p> <p>Communicate effectively with customers through various channels</p>	<p>Maintain competitive rates while funding essential utility needs.</p>	<p>Support stability and ensure strategic growth through long-term planning.</p> <p>Reduce barriers to contribute to the retention and vitality of our local business community.</p>	<p>Commit to effective change management and the professional development of employees.</p>



Strategic Objectives

Strategic Objectives are continuous improvement activities designed to close performance gaps and leverage organizational strengths. Strategic Objectives make strategy actionable by involving all employees in operationalizing the organization's goals, aligning day-to-day work, projects, programs and initiatives.

Deliver Quality Utilities

Uphold a culture of service reliability.

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

What it entails:

- Provide reliable water, wastewater, gas and electric services to our customers
- Invest in infrastructure improvements to ensure sustainability
- Adopt innovative technologies and manage our utilities' assets
- Commit to prudent environmental stewardship

Focus on the Customer

Serve by anticipating and exceeding customer expectations.

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

What it entails:

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

Financial Accountability

Ensure we are all responsible stewards of customer resources.

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

What it entails:

- Create a long-term enterprise financial plan
- Maintain a fair and equitable rate structure
- Maintain a strong bond rating
- Manage revenue volatility
- Mitigate financial risk
- Explore additional revenue generation streams
- Responsibly use resources at a division, department, and section level

Support the Community

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

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

What it entails:

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

Enable Employee Empowerment

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

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

What it entails:

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

Board Memo Agenda Item

Staff Report

Date: November 16, 2022
To: Utilities Board
From: Aram Benyamin, Chief Executive Officer
Subject: Proposed 2023 Enterprise Scorecard

NARRATIVE:

Desired Action: Approval

Executive Summary: The Colorado Springs Utilities Enterprise Scorecard is reviewed annually by leadership and updated as needed to help measure and monitor organizational progress on key performance indicators.

The Utilities Board will be asked to approve the updated Enterprise Scorecard at the November 16, 2022 Board meeting. Upon approval, the updated Enterprise Scorecard will be effective January 1, 2023.

Benefits: The strategic plan will serve as the ongoing document to direct business needs and prioritize resources.

Board Policy: Excellence in Governance Policy Manual E-1 guideline requires the Utilities Board and Chief Executive Officer to work jointly to establish approved Board Expected Results.

Cost/Budget: N/A

Affected Parties: Utilities Board members and Colorado Springs Utilities staff.

Alternatives: N/A

Submitter: Natalie Watts	Email address: nwatts@csu.org
Division/ Department: Administration and Human Resources Division	Phone number: 719-668-3827
	Date submitted: November 7, 2022

SPG Staff Use Only: Consent Calendar

Yes

No

ITEM NO. 12



Colorado Springs Utilities
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2023 Scorecard Update

Natalie Watts, APR, MBA
Manager – Strategic Planning and Governance

What's the purpose?

- The Balanced Scorecard is a strategic planning tool to measure and monitor organizational progress on key indicators.
- Provides a snapshot of an organization's performance at a point in time.
- Allows the opportunity to adjust or realign to achieve targets.
- Links performance measures.



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

Overall Weight	Utilities Board Strategic Focus Weight	Strategic Objective	Performance Measure	Responsible Officer	Weight	1 Does Not Meet Expectations	2 Partially Meets Expectations	3 Meets Expectations	4 Exceeds Expectations	5 Far Exceeds Expectations		
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		
			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		
			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		
			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		
			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		
			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		
			7. Indust Electric-intensive Cust Bill - Front Range Comparison		2.0	<5.0% lower than average	5.0 - 3.3% lower than average	10.0 - 15.0% lower than average	15.1 - 20.0% lower than average	>20.0% lower than average		
			8. Industrial Electric - Nationwide Comparison		1.0	>10.0% higher than average	5.1 - 10.0% higher than average	+/- 5.0% of average	5.1 - 10.0% lower than average	>10.0% lower than average		
			9. Days Cash on Hand - Current Year		1.0	<140 days	140 - 150 days	151 - 160 days	161 - 180 days	>180 days		
			10. Days Cash on Hand - 3 Year Average		1.0	<140 days	140 - 150 days	151 - 160 days	161 - 180 days	>180 days		
			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		
			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		
			13. Debt Ratio - Current Year		1.0	>56.3%	56.3 - 54.3%	54.2 - 50.2%	50.1 - 48.1%	<48.1%		
			14. Debt Ratio - 3 Year Average		1.0	>56.3%	56.3 - 54.3%	54.2 - 50.2%	50.1 - 48.1%	<48.1%		
	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 & Pooers AA Moody's Investors Service: Aa2 Fitch Ratings : AA	Any 1 of the 3 ratings from the agencies greater than AA (S&P)/Aa2 (Moody's)/AA (Fitch)	Any 2 of the 3 ratings from the agencies greater than AA (S&P)/Aa2 (Moody's)/AA (Fitch)					
	Reliability 40%	Deliver Quality Utilities	16. Electric - SAIDI - Interruptions in minutes per year	Travas Deal	5.0	> 57.50 minutes	57.50 - 52.51 minutes	52.50 - 47.51 minutes	47.50 - 42.50 minutes	< 42.50 minutes		
			17. Natural Gas - Failures per 100 miles of pipe		5.0	> 8.00 failures	8.00 - 6.01 failures	6.00 - 4.00 failures	3.99 - 2.00 failures	< 2.00 failures		
			18. Water - Failures per 100 miles of mainline		5.0	> 14.00 failures	14.00 - 12.01 failures	12.00 - 10.00 failures	9.99 - 8.00 failures	< 8.00 failures		
			19. Wastewater - Failures per 100 miles of mainline		5.0	> 1.00 failures	1.00 - 0.76 failures	0.75 - 0.51 failures	0.50 - 0.25 failures	< 0.25 failures		
			Major Projects									
20. Sustainable Energy Project Cost Performance Index (CPI)			Lisa Barbato	4.0	<0.90	0.90 - 0.94	0.95 - 1.05	1.06 - 1.10	>1.10			
21. Infrastructure Coordination with City				5.0	<0.80	0.80 - 0.93	0.94 - 1.06	1.07 - 1.20	>1.20			
22. Fiber Network Expansion Program	Travas Deal	5.0	<0.90	0.90 - 0.94	0.95 - 1.05	1.06 - 1.10	>1.10					
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					
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			
		25. Customer Satisfaction - Business		3.0	< 1.50	1.50 - 2.49	2.50 - 3.49	3.50 - 4.49	> 4.49			
	Support our Community	Lisa Barbato	3.0	< 65.00	65.00 - 74.99	75.00 - 85.99	86.00 - 94.99	> 94.99				
	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			
28. Skilled Workforce		3.0		< 1.50	1.50 - 2.69	2.70 - 3.49	3.50 - 4.60	> 4.60				



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Proposed 2023 Colorado Springs Utilities Balanced Scorecard

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

Overall Weight	Utilities Board Strategic Focus Weight	Strategic Objective	Performance Measure	Responsible Officer	Weight	1	2	3	4	5		
						Does Not Meet Expectations	Partially Meets Expectations	Meets Expectations	Exceeds Expectations	Far Exceeds Expectations		
Enterprise Balanced Scorecard 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		
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			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		
			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		
			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		
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			9. Days Cash on Hand - Current Year		1.0	<140 days	140 - 150 days	151 - 160 days	161 - 180 days	>180 days		
			10. Days Cash on Hand - 3 Year Average		1.0	<140 days	140 - 150 days	151 - 160 days	161 - 180 days	>180 days		
			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		
			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		
			13. Debt Ratio - Current Year		1.0	>56.3%	56.3 - 54.3%	54.2 - 50.2%	50.1 - 48.1%	<48.1%		
			14. Debt Ratio - 3 Year Average		1.0	>56.3%	56.3 - 54.3%	54.2 - 50.2%	50.1 - 48.1%	<48.1%		
			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)		
Reliability 40%	Deliver Quality Utilities	16. Electric - SAIDI - Interruptions in minutes per year	Travas Deal	5.0	> 57.50 minutes	57.50 – 52.51 minutes	52.50 – 47.51 minutes	47.50 – 42.50 minutes	< 42.50 minutes			
		17. Natural Gas - Failures per 100 miles of pipe		5.0	> 8.00 failures	8.00 - 6.01 failures	6.00 - 4.00 failures	3.99 - 2.00 failures	< 2.00 failures			
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		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			
		Major Projects										
		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			
		21. Infrastructure Coordination with City		5.0	<0.80	0.80 - 0.93	0.94 - 1.06	1.07 - 1.20	>1.20			
		22. Fiber Network Expansion Program	Travas Deal	5.0	<0.90	0.90 - 0.94	0.95 - 1.05	1.06 - 1.10	>1.10			
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					
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			
		25. Customer Satisfaction - Business		3.0	< 1.50	1.50 - 2.49	2.50 - 3.49	3.50 - 4.49	> 4.49			
	Support our Community	Lisa Barbato	3.0	< 65.00	65.00 – 74.99	75.00 – 85.99	86.00 – 94.99	> 94.99				
	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			
28. Skilled Workforce		3.0		< 1.50	1.50 - 2.69	2.70 - 3.49	3.50 - 4.60	> 4.60				

Note: Added performance measures are highlighted in green

Board Memo Agenda Item

Staff Report

Date: November 16, 2022
To: Utilities Board
From: Renee Adams, Chief Administrative and Human Resources Officer
Subject: Appointment of Acting Chief Executive Officer

NARRATIVE:

Desired Action: Approval

Executive Summary: On Nov. 7, 2022, Chief Executive Officer (CEO) Aram Benyamin announced his retirement from Colorado Springs Utilities effective Dec. 1, 2022. Benyamin has been with the organization since 2015 and has served as the CEO Since October 2, 2018.

Under City Code § 12.1.104, it is the Utilities Board's responsibility to appoint an Acting CEO until the position can be filled.

Benefits: Appointing an Acting Chief Executive Officer will ensure business continuity and stability during the transition period.

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 decided in a separate Board approval item.

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

Alternatives: N/A

Submitter: Renee Adams	Email address: radams@csu.org
Division/ Department: Administrative and Human Resources Department	Phone number: 719-668-7325
	Date submitted: Nov. 8, 2022

SPG Staff Use Only: Consent Calendar

Yes

No

ITEM NO. 14

Board Memo Agenda Item

Staff Report

Date: November 16, 2022
To: Utilities Board
From: Renee Adams, Chief Administrative and Human Resources Officer
Subject: Compensation for Acting Chief Executive Officer

NARRATIVE:

Desired Action: Approval

Executive Summary: On Nov. 7, 2022, Chief Executive Officer (CEO) Aram Benyamin announced his retirement from Colorado Springs Utilities effective Dec. 1, 2022. Benyamin has been with the organization since 2015 and has served as the CEO Since October 2, 2018.

Under City Code § 12.1.104, it is the Board's responsibility to appoint an Acting CEO until the position can be permanently filled. In addition to naming an Acting CEO, the Board must also determine the compensation for the position by motion.

Benefits: Providing fair market competitive compensation for the Acting CEO is consistent with existing policies and practices.

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 based on Board's decision.

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

Alternatives: N/A

Submitter: Renee Adams	Email address: radams@csu.org
Division/ Department: Administrative and Human Resources Department	Phone number: 719-668-7325
	Date submitted: Nov. 8, 2022

SPG Staff Use Only: Consent Calendar

Yes

X

No

ITEM NO. 15

Board Memo Agenda Item

Staff Report

Date: November 16, 2022
To: Utilities Board
From: Renee Adams, Chief Administrative and Human Resources Officer
Subject: Chief Executive Officer Recruitment Process

NARRATIVE:

Desired Action: Approval

Executive Summary: On Nov. 7, 2022, Chief Executive Officer (CEO) Aram Benyamin announced his retirement from Colorado Springs Utilities effective Dec. 1, 2022. Benyamin has been with the organization since 2015 and has served as the CEO Since October 2, 2018.

Under City Code § 12.1.104, it is the Utilities Board's responsibility to hire the CEO. Utilities' staff is seeking direction from the Utilities Board concerning the recruitment process to hire a new CEO.

Benefits: Direction on the recruitment process for a new CEO will allow Utilities' staff to timely implement that process prior to the current CEO's departure.

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: Dependent on which recruitment process the Board chooses.

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

Alternatives: N/A

Submitter: Renee Adams	Email address: radams@csu.org
Division/ Department: Administrative and Human Resources Department	Phone number: 719-668-7325
	Date submitted: Nov. 8, 2022

SPG Staff Use Only: Consent Calendar

Yes

X

No

ITEM NO. 16

PROPOSED JOB POSTING - Chief Executive Officer

The Chief Executive Officer is responsible for leading the organization in strategic direction and providing leadership and guidance to all of the division officers. The CEO is responsible for carrying out the overall direction for the organization as set by the Utilities Board through the executive ends and limitations governance policy statements. The CEO establishes and maintains effective relationships with governmental and legislative bodies and currently oversees six direct reports. The CEO holds ultimate oversight responsibility for an operational budget of approximately \$1.5 billion.

Who We Are...

Colorado Springs Utilities is one of the largest four-service public utilities in the nation, providing water, wastewater, electric, and natural gas services to 500,000 residents in the Pikes Peak region. Our work culture is dedicated to innovation, collaboration, and synergy, and we are a national leader in reliability, with power on an average of 99.991% of the time. We have been awarded the Diamond Designation from the American Public Power Association, for having some of the highest ratings in reliability, safety, workforce development, and system improvements among the nation's 2,000+ public utilities. Nestled at the base of the Rocky Mountains, Colorado Springs is the perfect blend of mountain and city living. With over 300 days of sunshine a year, you will enjoy nature at its finest while residing in the sixth most desired place to live in the United States (U.S. News & World Report, 2021).

Responsibilities include:

- Inspiring a shared vision and drive operational excellence
- Demonstrate financial responsibility for a treasured community asset valued at over \$4½ billion, an operating budget of nearly \$1.5 billion annually
- Leading the organization by setting strategic direction and selecting, leading, directing, and developing direct reports.
- Analyzing organizational operations, policies, and practices as well as the performance of the executive leadership team staff to determine areas for improvement.
- Establishing a culture where no person is unlawfully discriminated against because of race, color, national origin or ancestry, sex, age, religious convictions, veteran status, disability, political beliefs, or sexual orientation as well take positive steps to have a diverse workforce reflective of the relevant available labor force.

Who you are...

You will demonstrate the ability to balance the needs of multiple stakeholders and have the strategic agility to be at the forefront of changes in the utility industry. This will include demonstrated results building relationships both internally and externally and the ability to build on our reputation of excellence in the community. Additionally, you will offer...

- Minimum 15 years executive leadership experience
- Minimum 10 years in utility industry (prefer energy and water)
- Prefer experience in a municipally owned utility

- Experience working for or closely with an oversight board and external stakeholders, to include legislative/regulatory bodies, customers, the business community, the media and the public
- Strong working knowledge of laws and regulations governing electric generation and distribution as well as familiarity with or the ability to quickly grasp Western water rights and regulatory issues regarding water quality and reuse
- Insight and expertise to predict and anticipate evolving energy generation changes including an increased reliance on renewable energy
Demonstrated success managing an operating and capital budget or organization similar in size and scope

Our Commitment to our Employees...

Our people are the heart and soul of Colorado Springs Utilities. They keep the lights on, gas flowing, water coming in, and wastewater leaving. We do not just say people are important – we prove it! That’s why we are honored to invest in protecting the health and financial security of our employees and their families through our benefit programs.

- Medical / Pharmacy - Select from three comprehensive medical plans administered by Cigna. Our medical plan is self-funded, providing our employees the benefit of lower premiums and national health care access under the Open Access Plus network. Two plans include a health reimbursement account (HRA) and one is a qualified high deductible health plan with a health savings account (HSA). These three medical plans allow you to take control of your health care costs while providing affordable benefits and quality coverage.
- Dental – Select from two Delta Dental plans, with in-network preventive care covered at 100%.
- Vision – Voluntary plan from Anthem Blue View Vision, offering full vision care services and one of the largest nation-wide networks, with a selection of experienced ophthalmologists, optometrists, opticians, and retail locations.
- Flexible Spending Accounts (FSA) – Getting a root canal this year? Paying for your child’s daycare? Why not do it in a way that saves you money through a tax-advantaged spending account for healthcare and/or dependent daycare expenses.
- Wellness – A voluntary program that awards you for making self-care a priority! Both you and your spouse can each earn up to \$500 to use towards healthcare expenses, \$100 in Visa gift cards, and up to \$400 in gym membership reimbursements.
- Disability Coverage – Need to go out on maternity leave? Planned knee surgery? Short-Term (STD) and Long-Term Disability (LTD) insurance is designed to provide you income replacement while you’re out of commission.
- Life Insurance – It’s about protecting your family and your loved ones in the event of the worst-case scenario. Our company paid life insurance benefit through The Hartford provides coverage up to 1.5x your annual salary, with the option to purchase supplemental life insurance coverage. The Hartford also offers AD&D insurance to provide you peace of mind knowing that your family is taken care of.
- Pension Plan – Looking forward to a comfortable lifestyle once you’re done working? Colorado Public Employees’ Retirement Association (PERA) provides peace of mind for you in retirement. PERA qualifies as a bona fide fringe benefit, thereby exempting employees from paying into the Social Security system. As a result, in lieu of Social

Security coverage, PERA provides benefits to you when you retire, if you are disabled or to your family upon your death. As a PERA member, you contribute a percent (currently 8.5%) of your monthly salary to your PERA member contribution account and Colorado Springs Utilities contributes an additional percentage (currently 10.5%) into the pension trust fund. For more information visit the PERA website at www.copera.org.

- Retirement Saving Programs – Did you know that experts recommend saving at least 15% of your annual salary for retirement? Supplement your pension plan with voluntary retirement programs such as the PERAPlus 401(k) and MissionSquare’s Roth IRA, and 457 plans. Your future self will thank you.
- Employee Assistance Program (EAP) – Don’t sweat the big stuff. EAP can help make the going a little easier by aiding with mental health, stress management, work-life balance, financial and legal matters, and much more.
- Long-Term Care Insurance (LTC) – Whether it’s due to an accident or a serious illness, LTC is the type of care you may need if you could no longer perform the basic activities of daily living (bathing, dressing, eating, etc.). This benefit, provided through Unum, is available for yourself, your spouse, parents or grandparents, children, siblings (minimum age 18), and in-laws.
- Holidays – Enjoy 10 paid holidays per year: New Year’s Day, Martin Luther King Jr. Day, President’s Day, Memorial Day, Independence Day, Labor Day, Veterans Day, Thanksgiving Day, the day following Thanksgiving, and Christmas Day.
- Personal Leave – Enjoy 3 days per year of personal leave (up to 24 hours, not eligible to be carried over).
- Sick Leave – Accrue 3.6924 hours per pay period (approximately 12 days per year) for those days when you are feeling under the weather. If you don’t take much sick time, you’ll benefit from our sick leave conversion and incentive programs.
- Family Sick Leave – Annually, you may use a portion of your accrued sick leave when it is necessary to be absent to care for an immediate family member.
- Vacation Buy – Need more time off to take that coast-to-coast road trip or finish that kitchen remodel? You have the option to purchase up to 40 hours of additional vacation time each year. Hours purchased are paid for through payroll deductions spread over the year on an after-tax basis. Hours can be used throughout the year or carried over up to the annual carry-over policy limits.
- Vacation Accruals – You will accrue paid vacation for years of continuous employment with Colorado Springs Utilities, beginning with 15 days per year with an additional day per year for each of the following years until you reach your 11th year (culminating in 26 days per year).



Colorado Springs Utilities
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CEO Recruitment and Selection Process

Utilities Board Meeting

November 16, 2022

Job Search Goals

- Identify qualifications and traits for CEO
- Seek qualified applicants
- Design a selection process to identify the right candidate
- Make an offer, set a start date and onboard CEO

Proposed Applicant Requirements

Education/Certifications

- Minimum Bachelor's Degree
- Prefer Master's Degree

Experience

- Minimum 15 years executive leadership experience
- Minimum 10 years in utility industry (prefer energy and water)
- Prefer experience in a municipally owned utility

Proposed Posting Plan

- Colorado Springs Utilities website: csu.org
- Professional Associations: APPA, AWWA, APGA
- Diversity sites through partnership with Direct Employers
- Outreach to qualified executive candidates

Proposed Timeline for Selection and Appointment



Decision Points RE: Selection Procedures

- Springs Utilities HR manages recruitment
- Job Posting
 - Internal vs. external
 - Position description
- Salary range for position
- Timeline for recruitment and selection process
- Tier candidates based on minimum and preferred qualifications
 - Refer to Board



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