



COLORADO SPRINGS UTILITIES BOARD
 MS Teams
 and Blue River Board Room
 Plaza of the Rockies
 121 S. Tejon Street
 South Tower, 5th Floor

AGENDA
Wednesday, February 22, 2023
11:30 a.m.
 Join on your computer or mobile app
[Click here to join the meeting](#)
 Or call in (audio only)
[+1 719-733-3651,,140937448#](#)

11:30 a.m.	1.	Call to Order	Chair Wayne Williams	
11:35 a.m.	2.	Invocation and Pledge of Allegiance		
11:40 a.m.	3.	Consent Calendar	Chair Wayne Williams	Approval
		<p>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.)</p> <p>3a. Approval of Utilities Board Meeting Minutes: January 18, 2023</p> <p>3b. Approval of Utilities Board Special Meeting Minutes: January 30, 2023</p> <p>3c. 2022 CEO Performance Plan Review</p>		
11:50 a.m.	4.	Customer Comments	Chair Wayne Williams	Information
		<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. 		

12:00 p.m.	5.	<p>Compliance Reports:</p> <p>Risk Management (I-4)</p> <p>Economic Development (I-5)</p> <p>Community Investment (I-13)</p> <p>C-2 Annual Board Evaluation</p> <p>E-2 CEO Responsibilities</p> <ul style="list-style-type: none"> • Water Outlook • Utilities Board Expectations for Customer Requests 	Travas Deal, Acting Chief Executive Officer	Monitoring
12:15 p.m.	6.	Items Called Off Consent Calendar		
12:20 p.m.	7.	Utilities Policy Advisory Committee (UPAC) Cost Recovery Mechanisms Assignment Update	Larry Barrett, UPAC Chair	Discussion
12:35 p.m.	8.	Drake Visioning Group	Pam Shockley-Zalabak, CommuniCon Inc. President	Discussion
12:50 p.m.	9.	Electric Cost Adjustment (ECA)/Gas Cost Adjustment (GCA) Filing	Scott Shirola, Pricing and Rates Manager	Discussion
1:00 p.m.	10.	Acquisition of Real Property to be Used for the Central Bluffs Substation Project	Jessica Davis, Information Technology Manager	Discussion
1:15 p.m.	11.	Acquisition of An Easement to be Used for the Kelker to South Plant Transmission Project	Jessica Davis, Information Technology Manager	Discussion
1:30 p.m.	12.	Wastewater Agreement with the City of Manitou Springs	Bill Bolch, Key Account Manager	Discussion
			Lisa Barbato, Chief Systems Planning	

			and Projects Officer	
1:45 p.m.	13.	Update on Regional Water Policy Committee	Lisa Barbato, Chief Systems Planning and Projects Officer	Discussion
			Bethany Burgess, Division Chief – Utilities, Office of the City Attorney	
2:15 p.m.	14.	Executive Session <i>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), (c), (e), (f), and (g) and Utilities Board Bylaw Rules 10(c)(2), (3), (5), (6), and (7), 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, matters required to be kept confidential by federal or state law or rules and regulations, developing strategy for negotiations and instructing negotiators, a personnel matter, and consideration of documents protected by the mandatory nondisclosure provisions of part 2 of article 72 of title 24 of the Colorado Revised Statutes, all involving the Chief Executive Officer position.</i>	Bethany Burgess, Division Chief – Utilities, Office of the City Attorney	
		<i>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.</i>		
3:15 p.m.	15.	Chief Executive Officer Appointment	Chair Wayne Williams	Approval

4:15 **16.** Board Member Updates
p.m.

Board of Directors **Information**

4:45 **17.** Adjournment
p.m.

Chair Wayne
Williams

MINUTES
Colorado Springs Utilities Board Meeting
Wednesday, Jan. 18, 2023

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 and Yolanda Avila

Utilities Board members excused: Stephannie Fortune

Staff members present via Microsoft Teams or Blue River Conference Room: Travas Deal, Tristan Gearhart, Renee Adams, Mike Francolino, Lisa Barbato, Joe Awad, Natalie Watts, Heather Harvey, Jonathan Liepe, Jessica Davis, Tara Kelley, Bethany Schoemer, Andie Buhl, Monica Indrebo and Joe Marcotte

City of Colorado Springs staff members present via Microsoft Teams or Blue River Conference Room: Bethany Burgess, Alex Ryden, Chris Bidlack and Tracy Lessig

Residents present via Microsoft Teams or Blue River Conference Room: Chaplain Bob Swales, Michelle Winchell, Susan Edmondson, Chelsea Gondeck, Frances Soucek and Steve Mulliken

1. Call to Order

Chair Wayne Williams called the Utilities Board meeting to order at 1:00 p.m. and Ms. Andie Buhl, Utilities Board Administrator, called the roll.

2. Invocation and Pledge of Allegiance

Chaplain Bob Swales from the El Paso County Sheriff's Office delivered the invocation and Chair Williams led the Pledge of Allegiance.

3. Consent Calendar

3a. Approval of Utilities Board Meeting Minutes: Dec. 12, 2022

3b. Approval of Utilities Board Special Meeting Minutes: Jan. 4, 2023

3c. A Resolution Appointing Kim Gortz to the Homestake Steering Committee and the Board of Directors of the Aurora-Colorado Springs Joint Water Authority

Board Member Strand moved approval of the Consent Calendar and Vice Chair O'Malley seconded the motion. The Consent Calendar was unanimously approved.

4. Recognition: AdAmAn Alley

Ms. Lisa Barbato, Chief Systems Planning and Projects Officer, explained how the City of Colorado Springs and Springs Utilities partnered together to complete a unique six utility collaborative project in support of the AdAmAn Club's 100-year anniversary. She said the AdAmAn Alley project cost \$1.2 million and consisted of rehabilitation, replacement, and installation of new gas, electric, water, storm water, wastewater, and telecommunications infrastructure all located within the narrow alleyway. Ms. Barbato thanked and recognized staff and City members who contributed to the project.

Ms. Chelsea Gondeck from the Downtown Partnership also thanked staff for their help on this project.

5. Customer Comments

Frances Soucek provided a visual of her neighborhood and expressed frustrations she and her neighbors share about common wastewater service lines.

6. Compliance Reports

- (I-6) Infrastructure
- E-2 CEO Responsibilities
 - Water Outlook
 - ECA/GCA Monitoring

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

There were none.

8. Lower Fountain Metropolitan Sewage Disposal District Service Agreement Amendment

Ms. Tara Kelley, Resource Recovery Facilities Manager, provided background information about the Lower Fountain Metropolitan Sewage Disposal District was established in 1985 to provide present and future regional wastewater collection and treatment service. She said the original members were Fountain Sanitation District and Colorado Centre Metropolitan District. Ms. Kelley reviewed and explained inclusion areas for this agreement.

Ms. Bethany Burgess, Division Chief – Utilities, Office of the City Attorney, reviewed a summary of changes – specifically clarification of:

- Contract service area boundaries
- Capacity allocations for members/connecting entities (e.g., interceptor/pipe capacity based on peak hourly flow) and obligations related to capacity expansions

- No obligation to serve areas outside of inclusion area through the Lower Fountain Metropolitan Sewage Disposal District and that such service requires the District's approval
- Penalties for exceeding allocated capacity
- Miscellaneous definitions and provisions

Ms. Burgess reviewed next steps, and the Utilities Board agreed to put this item on Consent at the Feb. 14, 2023 City Council meeting.

9. Rail Served Industrial Park Trackage Agreement

Ms. Burgess provided background information about this agreement, such that it is intended to establish a dual rail served industrial park to promote industrial manufacturing in the Colorado Springs region. It will also support Fort Carson's operations.

Ms. Burgess said Springs Utilities began working with other community stakeholders and project representatives in 2017 to evaluate feasibility of sharing existing rail spur and spur extension. She said Springs Utilities provided a Letter of Condition Support in October 2017, to acknowledge Springs Utilities' willingness to support the project subject of ensuring operations and ratepayers not being adversely impacted.

Ms. Burgess reviewed the trackage and development agreement terms and concluded with next steps.

Mr. Steve Mulliken, Attorney and Partner at Mulliken Weiner Berg & Jolivet P.C., provided additional background information and a summary of benefits for this project.

The Utilities Board agreed to put this item on Regular Business at the Feb. 14, 2023 City Council meeting.

10. Acquisition of Real Property to be Used for the Central Substation Project

Ms. Jessica Davis, Information Technology Manager, provided background information about the Central Substation Project. She said there are seven properties to acquire: four commercial, two residential and one vacant.

Ms. Davis reviewed details of the property acquisitions for two of the sites: 4002 Goldenrod Drive and 2918 Austin Bluff Pkwy. She concluded with next steps, and the Utilities Board agreed to put this item on Consent at the Feb. 14, 2023 City Council meeting.

11. Board Member Updates

Chair Williams said there is a vacant seat on the Economic Development Subcommittee and Ms. Johnna Kleymeyer, President and CEO of Colorado Springs Chamber & EDC, will temporarily serve on the subcommittee until the position is

filled. He also provided updates about the CEO recruitment process at Springs Utilities.

Board Member Donelson provided updates from the January Strategic Planning Committee and requested the (C-2) Annual Board Evaluation be brought to the February Board meeting.

Board Member Strand reminded the Utilities Board about the Program Management Review Tour in February and brought attention to financial assistance programs Springs Utilities offers residents for paying their bills.

Board Member Avila expressed concerns about constituent tracking and responses at Springs Utilities.

Board Member Henjum provided an update about District 5's Town Hall and per her request, Mr. Tristan Gearhart, Chief Planning & Finance Officer, provided an update about rates locally and nationally.

Board Member Helms recognized the hard work of Springs Utilities employees.

12. Executive Session

Ms. Bethany Burgess, City Attorney – Division Chief, 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), (c), (e), (f), and (g) and Utilities Board Bylaw Rules 10(c)(2), (3), (5), (6), and (7), 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, matters required to be kept confidential by federal or state law or rules and regulations, developing strategy for negotiations and instructing negotiators, a personnel matter, and consideration of documents protected by the mandatory nondisclosure provisions of part 2 of article 72 of title 24 of the Colorado Revised Statutes, 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.

Ms. Burgess called the roll and polled the Utilities Board. They voted unanimously to enter Executive Session and took a break at 2:20 p.m. They entered Executive Session at 2:30 p.m. and returned to Open Session at 4:01 p.m.

13. Adjournment

The meeting adjourned at 4:02 p.m.

MINUTES
Colorado Springs Utilities Special Board Meeting
Monday, Jan. 30, 2023

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, Stephannie Fortune, Tom Strand and Yolanda Avila

Staff members present via Microsoft Teams or Blue River Conference Room: Renee Adams, Bethany Schoemer and Heather Harvey

City of Colorado Springs staff members present via Microsoft Teams or Blue River Conference Room: Bethany Burgess and Tracy Lessig

1. Call to Order

Chair Wayne Williams called the special Utilities Board meeting to order at 8:50 a.m.

2. Executive Session

Ms. Bethany Burgess, City Attorney – Division Chief, 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), (c), (e), (f), and (g) and Utilities Board Bylaw Rules 10(c)(2), (3), (5), (6), and (7), 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, matters required to be kept confidential by federal or state law or rules and regulations, developing strategy for negotiations and instructing negotiators, a personnel matter, and consideration of documents protected by the mandatory nondisclosure provisions of part 2 of article 72 of title 24 of the Colorado Revised Statutes, 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.

Ms. Burgess called the roll and polled the Utilities Board. They voted unanimously to enter Executive Session at 8:53 a.m. and returned to Open Session at 5:10 p.m.

3. Adjournment

The meeting adjourned at 5:13 p.m.

Board Memo Agenda Item

Staff Report

Date: Feb. 22, 2023
To: Utilities Board
From: Travas Deal, Acting Chief Executive Officer
Subject: 2022 CEO Performance Plan Review and Enterprise Balanced Scorecard

NARRATIVE:

Desired Action: Approval (on Consent)

Executive Summary: The Strategic Initiative Assessment portion of the CEO Performance Plan was approved by the Utilities Board in December 2021 for implementation in 2022. This assessment comprises 10% of the CEO Performance Plan and was designed as a qualitative report on major objectives and projects supporting the strategic direction of Utilities. The purpose of this section is to provide additional information about the scorecard measures and to be forward thinking and inform the Utilities Board on strategic, organization-wide initiatives that are on the horizon.

Competencies comprise 50% of the CEO Performance Plan and are evaluated twice a year: September (mid-year review) and March (end of year review).

The CEO mid-year performance plan included feedback from the Board on both of the above areas, however, due to the departure of the CEO, staff is recommending approval from the Board to suspend the year end CEO Performance Plan (which included Balanced Scorecard performance indicators, strategic initiatives and competencies for 2022) and instead only report on the 2022 Balanced Scorecard performance indicators.

Benefits: By not scoring the 10% Strategic Initiative Assessment and the 50% Competency Ratings from the CEO Performance Plan, it will allow the Utilities Board Members to focus on the Balanced Scorecard, which measures the organization's performance in achieving the enterprise's Strategic Objectives.

Board Policy: R-2 Outcomes: The Utilities Board establishes and communicates strategic Board Expected Results that citizens and customers value; G-4: Evaluation of the Chief Executive Officer; and E-1.2: Evaluating the Chief Executive Officer Performance

Affected Parties: Colorado Springs Utilities Board, employees and customers

Alternatives: If approval is not given to remove the Strategic Initiative Assessment and the Competencies from the CEO Performance Plan, then the Utilities Board Members will have to provide ratings on the initiatives and competencies by the end of February in preparation for the BSC review at the March Utilities Board meeting.

Submitter: Natalie Watts	Email address: nwatts@csu.org
Division/ Department: Administrative and Human Resources Division/Strategic Planning and Governance	Phone number: 719-668-3827
	Date submitted: Feb. 8, 2023

SPG Staff Use Only: Consent Calendar	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	ITEM NO. 3
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2022 CEO Performance Plan Review and Enterprise Balanced Scorecard

Feb. 22, 2023

Natalie Watts, APR, MBA

Manager, Strategic Planning and Governance

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

Overall Weight	Utilities Board Strategic Focus Weight	Strategic Objective	Performance Measure	Weight	1	2	3	4	5	Result	Rating	Weighted Rating
					Does Not Meet Expectations	Partially Meets Expectations	Meets Expectations	Exceeds Expectations	Far Exceeds Expectations			
Enterprise Balanced Scorecard 40% of Results	Rates 40%	Keep Bills Competitive	1. Residential Electric 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			0.00
		Keep Bills Competitive	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			0.00
		Keep Bills Competitive	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			0.00
		Keep Bills Competitive	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			0.00
		Keep Bills Competitive	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			0.00
		Keep Bills Competitive	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			0.00
		Keep Bills Competitive	7. Indust Electric-intensive Cust Bill - Front Range Comparison	2.0	<5.0% lower than average	5.0 - 9.9% lower than average	10.0 - 15.0% lower than average	15.1 - 20.0% lower than average	>20.0% lower than average			0.00
		Keep Bills Competitive	8. Indust Electric-intensive Cust Bill - Nationwide Comparison	1.0	<5.0% lower than average	5.0 - 9.9% lower than average	10.0 - 15.0% lower than average	15.1 - 20.0% lower than average	>20.0% lower than average			0.00
		Build Financial Strength	9. Days Cash on Hand - Current Year	1.0	<140 days	140 - 150 days	151 - 160 days	161 - 180 days	>180 days			0.00
		Build Financial Strength	10. Days Cash on Hand - 3 Year Average	1.0	<140 days	140 - 150 days	151 - 160 days	161 - 180 days	>180 days			0.00
		Build Financial Strength	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			0.00
		Build Financial Strength	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			0.00
		Build Financial Strength	13. Debt Ratio - Current Year	1.0	>56.3%	56.3 - 54.3%	54.2 - 50.2%	50.1 - 48.1%	<48.1%			0.00
		Build Financial Strength	14. Debt Ratio - 3 Year Average	1.0	>56.3%	56.3 - 54.3%	54.2 - 50.2%	50.1 - 48.1%	<48.1%			0.00
		Build Financial Strength	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 & Poor's: 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)			0.00
Reliability 40%	Provide Safe, Resilient and quality Services	16. Electric - SAIDI - Interruptions in minutes per year	5.0	> 57.50 minutes	57.50 - 52.51 minutes	52.50 - 47.51 minutes	47.50 - 42.50 minutes	< 42.50 minutes			0.00	
	Provide Safe, Resilient and quality Services	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			0.00	
	Provide Safe, Resilient and quality Services	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			0.00	
	Provide Safe, Resilient and quality Services	19. Wastewater - Failures per 100 miles of mainline	5.0	> 1.00 failures	1.00 - 0.76 failures	0.75 - 0.51 failures	0.50 - 0.25 failures	< 0.25 failures			0.00	
	Major Projects											
	Plan, Build and Maintain Assets and Infrastructure	20. Sustainable Energy Project Cost Performance Index (CPI)	10.0	<0.30	0.30 - 0.34	0.35 - 1.05	1.06 - 1.10	>1.10			0.00	
	Support Community	21. Infrastructure Coordination with City	5.0	<0.80	0.80 - 0.93	0.94 - 1.06	1.07 - 1.20	>1.20			0.00	
Plan, Build and Maintain Assets and Infrastructure	22. 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			0.00		
Relationships 20%	Focus on the Customer	23. Customer Satisfaction - Residential	3.0	< 1.50	1.50 - 2.49	2.50 - 3.49	3.50 - 4.49	> 4.49			0.00	
	Focus on the Customer	24. Customer Satisfaction - Business	3.0	< 1.50	1.50 - 2.49	2.50 - 3.49	3.50 - 4.49	> 4.49			0.00	
	Ensure Employee, Contractor and Public Safety	25. Safety: Occupational Injuries and Illnesses Rate	8.0	> 20% Above Benchmark	10.01 - 20% Above Benchmark	+/-10% of Benchmark	10.01 - 20% Below Benchmark	> 20% Below Benchmark			0.00	
	Demonstrate Environmental Stewardship	26. Environmental Stewardship	3.0	< 65.00	65.00 - 74.99	75.00 - 85.99	86.00 - 94.99	> 94.99			0.00	
	Attract, Develop and Retain a Skilled and Diverse Workforce	27. Skilled Workforce	3.0	< 1.50	1.50 - 2.69	2.70 - 3.49	3.50 - 4.60	> 4.60			0.00	
										Performance Measure Total	0.00	
Strategic Initiative Assessment 10% of Results				Weight	Rating assigned by the Board							
				10.0	1	2	3	4	5			0.00
CEO Competencies 50% of Results				Weight	Rating assigned by the Board							
				10.0	1	2	3	4	5	CEO Competency Average Rating	Weighted Rating	
	Board Interaction			10.0								0.00
	Safety			10.0								0.00
	Leadership			10.0								0.00
	Balances Internal/External Stakeholders			10.0								0.00
Cultivates Innovation and Strategic Mindset			10.0								0.00	

Will be reported out to the Utilities Board at the March 2023 meeting.

The subject of today's discussion.

CEO Competencies

- Competencies comprise 50% of the CEO performance plan
- Evaluated twice a year: September (mid-year review) and March (end of year review)
- The approved 2022 CEO competencies are:
 - Board Interaction
 - Safety
 - Leadership
 - Balances Internal and External Stakeholders
 - Cultivates Innovation and Strategic Mindset

Staff recommendation:

Not to score the Competencies for the 2022 End of Year CEO Performance Plan.

Strategic Initiatives

- Approved by the Utilities Board in December 2021 for implementation in 2022.
- Comprises 10% of the CEO Performance Plan.
- Designed as a qualitative report on major objectives and projects supporting the strategic direction.
- Purpose: provide additional information about the scorecard measures to be forward thinking.
 - Inform the Utilities Board on strategic, organization-wide initiatives that are on the horizon.

Staff recommendation:

Not to score the Strategic Initiatives for the 2022 End of Year CEO Performance Plan.

Next Steps

- **Feb. 22:** Vote for approval of Strategic Planning Committee's recommendations
- **March 22:** 2022 Balanced Scorecard will be reported out at the Utilities Board meeting





Colorado Springs Utilities[®]

It's how we're all connected



Date: Feb. 22, 2023

To: Utilities Board

From: Travas Deal, Acting Chief Executive Officer

Subject: **Excellence in Governance Monitoring Report
Risk Management (I-4)**

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 – December 31, 2022
Policy Title (Number):	Risk Management (I-4)	Reviewing Committee:	Finance
Monitoring Type:	Internal, External, City Auditor	Monitoring Frequency:	Semi-Annual, Annual, Years ending in 0 and 5

The Chief Executive Officer shall direct that the enterprise maintains enterprise risk management activities that identify, assess and prudently manage a variety of risks including strategic, financial, operational, legal and hazard. Accordingly, the CEO shall:

1. Maintain a Risk Management Committee to identify, measure, monitor, manage and report risk on an enterprise-wide basis.

A Risk Management Committee (RMC) was maintained with a structure and procedures specified in the Enterprise Risk Management (ERM) Plan. RMC meetings were restructured to capture a top-down approach to risk management. Elements at each scheduled RMC meeting included:

- Enterprise risk tracking tool – A tracking tool is used to identify, measure, monitor, and report on risks. This tracking tool incorporates elements of the Financial Risk Report, which monitors energy and interest rate market risks and various financial risks.
- Special topic review – Reporting of current projects and their efforts to manage and/or mitigate identified risks and special topics.

2. *Operate under and maintain a written Enterprise Risk Management (ERM) Plan and its required plans listed below that each include management level approval, detailed procedures, internal controls and reporting requirements, and external audits.*

The Enterprise Risk Management (ERM) Plan was maintained and is currently under review. Due to the continuous evaluation of business needs of Colorado Springs Utilities, the ERM Plan is being revised to better align with the risks the organization is, and will be, facing. Due to entry into the Southwest Power Pool (SPP) Western Energy Imbalance Service (WEIS) and changes in executive leadership of the organization in 2021 and 2022, additional time to review and align to the ERM to strategic objectives will occur in 2023.

While in review status, the current ERM Plan ensured risks were identified, measured, monitored, managed, and reported for each of the five risk categories.

A. Energy Risk Management Plan - establishes procedures for limiting organizational exposure to price volatility and supports the acquisition or sale of energy that does not unreasonably jeopardize the ability to meet customer needs.

The Energy Risk Management Plan was maintained and remains current. This Plan reports energy-related commodity risks to operational groups and executive management. Additionally, the plan's processes and controls were in place for trade and settlement activities associated with transactions in these commodity markets.

B. Investment Plan - establishes investment scope, objectives, delegation of authority, standards of prudence, eligible investments and transactions, risk tolerance and safekeeping and custodial procedures for the investment of all funds.

The Investment Plan was maintained and remained current. Compliance was met by the handling of cash management investments with clear delegation of authorities as defined by the plan and adherence to Colorado state law regarding municipal investments.

C. Financial Risk Management Plan - establishes objectives and procedures for minimizing risk to support responsible compliance.

The Financial Risk Management Plan was maintained and remained current. Compliance was met by monitoring, managing, and reporting of the portfolio of financial derivatives and associated counterparties and the enterprise exposure to interest rate risk. During the second half of 2022, Colorado Springs Utilities did not enter into any financial market transactions which are governed by the plan.



Date: Feb. 22, 2023

To: Utilities Board

From: Travas Deal, Acting Chief Executive Officer

Subject: **Excellence in Governance Compliance Report
Economic Development (I-5)**

Desired Action: Monitoring

Compliance: The CEO reports compliance with the instructions.

INSTRUCTIONS			
Category:	Utilities Board Instructions to the Chief Executive Officer	Reporting Timeframe:	January 1, 2022 – December 31, 2022
Policy Title (Number):	Economic Development (I-5)	Reviewing Committees:	Finance
Monitoring Type:	Internal	Monitoring Frequency:	Annual

The Chief Executive Officer shall direct that the enterprise’s obligation to serve responsibilities are the primary method to support economic development but may also use other approved methods of support. Accordingly, the CEO shall:

- 1. Offer economic development incentives, special rates or terms and conditions for utility services and alternative development solutions when they are defined within Utilities Rules and Regulations, Tariffs and City Code and approved by the City Auditor.*

In 2022, all prospecting and business expansion and retention efforts aligned with existing tariffs and Springs Utilities’ Rules and Regulations. Colorado Springs Utilities executed two special contracts in support of economic development projects as outlined in the Utilities Rules and Regulations, Application and Contract for Services. As required, written documentation demonstrating compliance with tariff provisions were provided to the City Auditor and City Attorney for contract review and approval.

2. *Consider economic development support that:*

- A. *Optimizes existing utility infrastructure.*
- B. *Grows the customer base.*
- C. *Assures a neutral or positive impact to citizens.*
- D. *Partners with local entities.*

In 2022, Colorado Springs Utilities worked closely with the Colorado Springs Chamber and EDC, El Paso County, and the Municipal Government to provide utility assessments and solutions for 54 potential new businesses interested in locating in Colorado Springs, and nine existing business expansions and retentions. Through the year, Colorado Springs Utilities was involved with 20 business retention and expansion meetings, maintained five certified sites, and supported small businesses.

3. *Create a business-friendly culture by eliminating operational policies and standards that no longer provide value and by proactively communicating the rationale behind current operational policies.*

- In 2022, Colorado Springs Utilities worked closely with the Colorado Springs Chamber and EDC, El Paso County Economic Development, City Economic Development, Downtown Partnership, Small Business Development Center and other economic development community partners to evaluate customer feedback regarding utility barriers to development.
- Colorado Springs Utilities staff participated on the City Agencies for Small Business Advancement team to proactively assist and provide solutions to small businesses, thereby shaping how businesses navigate the various processes while reinforcing the narrative that our city agencies are committed to supporting businesses.
- Colorado Springs Utilities staff proactively shared information with community partners so they can serve as our ambassadors and assist developers and customers in navigating the Springs Utilities' development process.
- Colorado Springs Utilities staff participated in forums and served on panels aimed at educating existing and prospective customers and community partners and clarifying the rationale behind Springs Utilities policies' and standards. Examples include quarterly COSOpenforBiz Workshops in collaboration with the Pikes Peak Small Business Development Center and support for Exponential Impact's Accelerate programming.



Date: Feb. 22, 2023

To: Utilities Board

From: Travas Deal, Acting Chief Executive Officer

Subject: **Excellence in Governance Monitoring Report
Community Investment (I-13)**

Desired Action: Monitoring

Compliance: The CEO reports compliance with the instructions.

INSTRUCTIONS			
Category:	Utilities Board Instructions to the Chief Executive Officer	Reporting Timeframe:	January 1, 2022 – December 31, 2022
Policy Title (Number):	Community Investment (I-13)	Reviewing Committees:	Strategic Planning
Monitoring Type:	Internal	Monitoring Frequency:	Annual
Guidelines:	Affordable Housing (G-10) Community Support (G-11)		

The Chief Executive Officer shall direct that Colorado Springs Utilities is responsive to community needs and values by maintaining and communicating a strong community presence that significantly contributes to the citizens’ quality of life. Accordingly, the CEO shall:

- 1. Maintain a community involvement plan that is in alignment with Colorado Springs Utilities’ strategic objectives and that provides a benefit to the citizens and customers.*

Colorado Springs Utilities developed and implemented a 2022 community involvement strategy aligned with the Colorado Springs Utilities Strategic Plan and Utilities Board Policies. The plan is managed by the Community Relations Section of the Public Affairs Department.

- 2. Encourage and support employee volunteerism within the communities served by Colorado Springs Utilities.*

The CEO and his executive team supported volunteerism through personal participation and active recognition of volunteers in 2022. Total volunteerism through the Community Focus Fund and Ambassador volunteer programs was 11,034.12 hours, providing a value to the community equivalent to \$347,685.12 worth of volunteer labor (based on the Independent Sector's most recent published average hourly wage in Colorado of \$31.51).

- 3. Communicate to customers and provide student and adult education programs on the safe and efficient use of utility services.*

In 2022, staff presented numerous online and in-person electric safety and gas safety demonstrations to student and adult audiences. Messaging revolved around safe and efficient use of utility services.

In addition to school programming, safety experts conducted Damage Prevention Workshops geared toward professional construction workers and excavators. First Responder safety trainings addressed residential solar and solar array safety, Colorado Springs Utilities equipment and utilities systems (electric, natural gas, water/wastewater and field services) emergencies.

Raptor Protection programs were offered in the community to teach about powerline safety for birds, and our environmental stewardship efforts around utility services.

Community Relations' four-service community education programs convey the value of our services and promote utility efficiency. Methodology included community event booths, facility tours, adult stakeholder presentations, teacher workshops and the annual Water Tour for stakeholders around the state. Community Relations conducted in-person and virtual student water and energy education programs in all eight school districts within our service territory, distributing student conservation kits to families as student action assignments to save water and energy in the home. Additionally, the "Hydrate Responsibly" water trailer was delivered to various locations for cooled drinking water use at community events in 2022.

The Water Conservation Team provided conservation and efficiency education to customers and industry professionals through classes, workshops, on-site water use evaluations, tours and consultations.

Summary of 2022 organization-wide community education to promote the safe and efficient use of utility services:

Outreach Type	# customer connections	# events/program
Community Event / Information Booth	1,725	12
Facility Tour	447	26
Community Presentation	1,385	43
Water Conservation Class/Consultation/Evaluation	1,428	353
Efficiency Education - streamed or recorded content	11,444	na
Student Water and Energy Education Program	5,555	153
Public Safety Awareness Program	4,860	82
Raptor Protection Program	1,071	26
Water Trailer	3,000	20
Electric hookups for events	na	11
Water Tour	120	2
Teacher Workshop	80	1
Total Community Education Connections 2022	31,115	729

Through a variety of mass communications methods including web, social media, news media, newsletters, customer emails and paid media, customers and stakeholders received frequent messages about the safe and efficient use of utilities services. In the 2022 Brand Longitudinal Study, customers said Colorado Springs Utilities exceeded their performance expectations for proactive communication and education.

4. *Allow philanthropic support of community-oriented organizations only in the service territories or localities impacted by Colorado Springs Utilities' operations.*

All organizations that received philanthropic support in 2022 were in the Colorado Springs Utilities service territory or localities impacted by Colorado Springs Utilities' operations.

5. *Only allow funding of community-oriented organizations that complete an application describing how the funds will be used in alignment with Colorado Springs Utilities' strategic objectives.*

All organizations that received Community Focus Fund (CFF) financial support in 2022 completed an application which included a description of how the funds would be used. Funding decisions were based on requested project alignment with Colorado Springs Utilities' strategic objectives.

In compliance with Community Support Guideline (G-11.1), the total 2022 direct monetary support of community-oriented economic development and charitable organizations of \$638,000 was less than 0.1% of the budgeted operating revenues. The Community Focus Fund granted \$256,000 to local charitable organizations that research indicated is important to our customers, including affordable housing, community, education, environment, safety and health, seniors and youth (G-11.2).

Investment in local business association memberships was \$32,000, while economic development partner funding totaled \$350,000. In 2022, the economic development partnership agreement with the Colorado Springs Chamber and EDC was \$270,000. Additionally, \$10,000 was invested in the Exponential Impact Survive and Thrive Loan Fund and \$20,000 was invested in Council of Neighbors and Organizations (CONO). The Downtown Development Authority (DDA) received \$20,000 for energy efficiency projects and the Pikes Peak Small Business Development Office received \$30,000.

6. *Allow funding of community-oriented organizations with Political Action Committees (PACs) only if they demonstrate independent PAC revenue and decision-making.*

Colorado Springs Utilities contributed economic development partner funding to the Colorado Springs Chamber and EDC which operates a Political Action Committee. The Chamber and EDC successfully demonstrated independent PAC revenue and decision-making as outlined in their annual impact report to Colorado Springs Utilities. No other organizations with PACs received funding in 2022.

7. *Consider partnerships with other funding entities to leverage resources and maximize impact.*

In all instances, Colorado Springs Utilities joined other funders in providing financial support to community organizations.

In compliance with Community Support Guideline (G-11.3), Colorado Springs Utilities provided \$500,000 to match employee, customer, and business donations to Project COPE in 2022. These funds were directed to the Colorado Springs Utilities Foundation to assist 645 households in paying their utilities bills.

8. *Inform the community of the enterprise's corporate citizenship and employee volunteerism.*

Throughout the year, Colorado Springs Utilities publicized efforts of our employees and their families to give back to the community we serve. We accomplished this using internal and external communication channels, including social media, website, newsletters, news media and the annual report.

9. *Develop programs intended to support affordable housing within the City.*

In compliance with Affordable Housing Guideline (G-10.1), the affordable housing deferral program allows deferral of the immediate impact of water and wastewater development charges for qualifying projects that meet specified energy and water conservation criteria.

The following table summarizes information for the program year 2022.

AFFORDABLE HOUSING DEFERRAL PROGRAM	
	2022 Program Year
2021 Water and Wastewater Development Charges	\$35,503,515
2022 Deferral Cap (5% of 2021 Development Charges)	\$1,775,176
2022 Water Development Charges Deferred	\$0
2022 Wastewater Development Charges Deferred	\$0
Deferral Projects in 2022	0
Total Project Participation in Deferral Program since 2003	98
Total Deferred Charges since 2003	\$2,912,150
Outstanding Balance of Deferred Charges	\$581,806

Colorado Springs Utilities offers programs for customers who have an annual household gross income at or below 200% of Federal Poverty Guidelines:

- Home Efficiency Assistance Program (HEAP):** HEAP is a Springs Utilities assistance program helping low-income customers make energy and water efficiency improvements to reduce utility bills in partnership with the Energy Resource Center (ERC). HEAP provides free audits and retrofits for energy and water efficiency home improvements to qualifying Springs Utilities customers. In 2018, the Utilities Board approved the Affordable Housing Guideline (G-10.2) directing 10% of the total Energy Demand Side Management (DSR) budget to support the HEAP program.

In 2022, the program helped 163 customers with energy and water retrofits.

- **Home Efficiency Low-Income Program (HELP):** HELP is a Springs Utilities energy and water efficiency kit program. Kits are delivered to community members in low-income areas of town with typically older, inefficient homes, and distributed at targeted low-income community events. Each kit includes home savings devices for community members to install along with instruction guides.

In 2022, 1,896 kits were distributed to LEAP customers and provided to community organizations. This enabled water and energy benefits from 3,792 WaterSense showerheads; 1,896 WaterSense kitchen aerators; 3,792 WaterSense bath aerators; and 7,584 Energy Star LED light bulbs.

- **Electric-Efficiency Product Promotion and COPE partnerships:** Springs Utilities promotes efficient electric products to help low-income customers conserve energy and reduce their monthly electricity costs. Springs Utilities distributed 832 indoor Energy Star qualified high efficiency LED light bulbs, 486 LED Holiday light strings, 235 shower efficiency devices and 81 aerators free of charge to the following partners: Sliver Key, Partners in Housing, Family Promise, Springs Rescue Mission, Ronald McDonald House, Greccio and many others including visitors to the Conservation and Environmental Center on Mesa Road.
- **Low Income Toilet Retrofit Program:** To help low-income customers conserve water and reduce their monthly water and wastewater bills, 278 ultra-high efficiency WaterSense-certified toilets were provided.
- **Affordable Housing Multifamily Rehab Project:** This is a direct install program to retrofit affordable housing units with water and energy efficient products. In 2022, 229 ultra-high efficiency WaterSense-certified toilets, 241 WaterSense showerheads, 230 WaterSense kitchen aerators, 264 WaterSense bath aerators, and 1,547 Energy Star light bulbs were installed.

Date: Feb. 22, 2023

To: Utilities Board

From: Travas Deal, Acting Chief Executive Officer

Subject: **Excellence in Governance Compliance Report
Utilities Board Annual Evaluation (C-2)**

Desired Action: Monitoring

Compliance: The CEO reports compliance with the instructions.

INSTRUCTIONS			
Category:	Utilities Board Commitments to Excellence Governance	Reporting Timeframe:	January 1, 2022 – December 31, 2022
Policy Title (Number):	Utilities Board Annual Evaluation (C-2)	Reviewing Committee:	Strategic Planning
Monitoring Type:	Internal		
Monitoring Frequency:	Annual		
Guidelines:	Utilities Board Annual Evaluation (G-1)		

The Chief Executive Officer shall ensure that an annual Utilities Board Evaluation occurs in accordance with policy C-2:

The Utilities Board establishes governance performance metrics to evaluate the Board's performance and to initiate improvement opportunities annually.

G-1 Guideline: Utilities Board Evaluation

1. Annually, Utilities Board members evaluate the work of the Board and provide feedback to the Utilities Board Chair.
2. The approved evaluation feedback form includes accomplishments, plans for improvement and comments on what to start, what to stop, what should continue, and lessons learned.

Policy C-2 and G-1 Guideline Compliance Response

- Per policy and guideline, the Utilities Board is performing a self-evaluation during the month of January. An evaluation form has been provided to each Board member for completion.
- Evaluation results will be provided at the February 2023 Board Meeting.

Average scores (1-5 scale)

Category 1: Oversight of the Chief Executive Officer (includes recruitment and performance monitoring)

5 Extremely Effective	4 Very Effective	3 Moderately Effective	2 Slightly Effective	1 Not at all Effective
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- Overall score: 3.4

Category 2: Board Committee Performance

5 Extremely Effective	4 Very Effective	3 Moderately Effective	2 Slightly Effective	1 Not at all Effective
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- Overall score: 3.9

Category 3: Compliance Monitoring

5 Extremely Effective	4 Very Effective	3 Moderately Effective	2 Slightly Effective	1 Not at all Effective
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- Overall score: 3.4

Category 4: Development of the Enterprise Strategic Plan

5 Extremely Effective	4 Very Effective	3 Moderately Effective	2 Slightly Effective	1 Not at all Effective
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- Overall score: 3.1

Category 5: Customer Engagement

5 Extremely Effective	4 Very Effective	3 Moderately Effective	2 Slightly Effective	1 Not at all Effective
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- Overall score: 3.1

Category 6: Overall Board Communication

5 Extremely Effective	4 Very Effective	3 Moderately Effective	2 Slightly Effective	1 Not at all Effective
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- Overall score: 3.6

Category Totals

5 Extremely Effective	4 Very Effective	3 Moderately Effective	2 Slightly Effective	1 Not at all Effective
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Total overall score: 3.4

In accordance with Guideline G-1.2, please express your thoughts on accomplishments, plans for improvement and comments on what to start, what to stop, what should continue, and lessons learned.

The Board is really quite new. Five of us have been Directors for less than two years. Our ability to give knowledgeable, measure guidance to the utilities should improve over the counting years.

The water ordinance currently being discussed shows a concerning ability for our processes to be “hijacked” by other parties. Our IWRP addresses the potential need to “speed up” projects to address changing conditions. Nowhere in the IWRP is a potential ordinance restricting annexation mentioned.

We need to develop a better process for controlling the narrative around price changes and capital projects. We seem to be in response mode to criticism.

Positive:

- Monthly one on one/two meetings with CEO and board members are very effective.
- Updates from the communications group let us know what is going on with media.
- Committees work well and allow more in depth questions and discussion. They also allow staff time to research questions prior to board action.
- Good support for town hall meetings.
- Water acquisition information important to share.

Other:

- Strategic planning hindered by various state and federal mandates that get imposed. These mandates sometimes clash with good planning.
- Changes in customer interface/website will assist improvements in customer engagement area. Rate decreases never seem to get as much attention as increases – even when same day.

Most board members are engaged in a committee or several different committees. I find that we have done this effectively and have been able to see gaps if not prevent gaps from happening. The committees are for board members to take a deeper dive and share the committee’s perspective with the entire board. It works when each committee develops a work plan because we are able to see what our accomplishments have been and where we are falling short. This also supports the entire board in creating a strategic plan. Our communications with customers and stakeholders have improved, I believe, because of the change in the communications leadership as well as suggestions from the board. A concern for me is that we have not been consistent in terms of compensating our CEO. We have had a CEO where his evaluations exceeded expectations, for the most part. However, that was inconsistent because

for 4 years we did not compensate the CEO whatsoever. It seems to me that if a CEO simply meets expectations that is a reason not to compensate. We need to do better in finding a way to compensate our chief executive officer when this individual's evaluations reflects that they are doing a great job. I am looking forward to setting up our next CEO for success. I've learned a lot from each of my fellow board member and CSU staff. Thank you for sharing your knowledge with me.



Date: Feb. 22, 2023

To: Utilities Board

From: Travas Deal, Acting 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)

February 2023 Water Outlook using data as of Jan. 31, 2023

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

2023 Demands: January use averaged 43.3 million gallons per day (MGD), which was about 6.9% more than last January. Please note, this increase included deliveries to outside entities, which were higher than normal due to Fountain Valley Authority (FVA) maintenance outage.

Temperatures in January were below the 30-year average at 31.1 degrees Fahrenheit, which was 0.7 degrees below normal. Total precipitation for December was 0.40 inches, which was 138% of normal.

Current Reservoir Levels: Local storage is currently at about 43,552 acre-feet (66% of capacity). The 1991-2021 average is 72% of capacity. Rampart Reservoir is at 71% of capacity, and Pikes Peak storage is at 57% of capacity. System wide, total storage is about 185,000 acre-feet (71% of capacity). Last year at this time, total system wide storage was 72% of capacity. It was about 71% at this same time in 2021, about 80% of capacity in 2020, about 73% of capacity in 2019, about 83% of capacity in 2018, about 79% of capacity in 2017, about 80% of capacity in 2016, about 78% of capacity in 2015, and about 56% of capacity in 2014. The 1991-2021 average system wide storage for the end of January is 73% of capacity.

Water Supply Outlook: Snowpack is above average in most of Colorado, except it's below average in the Arkansas River Basin. The three-month climate outlook predicts equal chances of

average temperatures and higher chances of below-average precipitation across Colorado. We continue to monitor snowpack, demand and storage to maximize available water supply.

Operational Notes: Total system storage is at 71% of capacity and holds about 2.6 years of demand, which is slightly below average for the end of January. Local storage contains about 223 days of demand.



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Water Outlook

Kalsoum Abbasi, P.E.

Planning Supervisor, Water Conveyance

February 22, 2023

Local Weather Conditions as of January 31, 2023

Precipitation (Inches of Moisture)

- January 2023 – 0.40 in. (138% of normal)
- 2022 YTD Total – 0.40 in. (138% of normal)

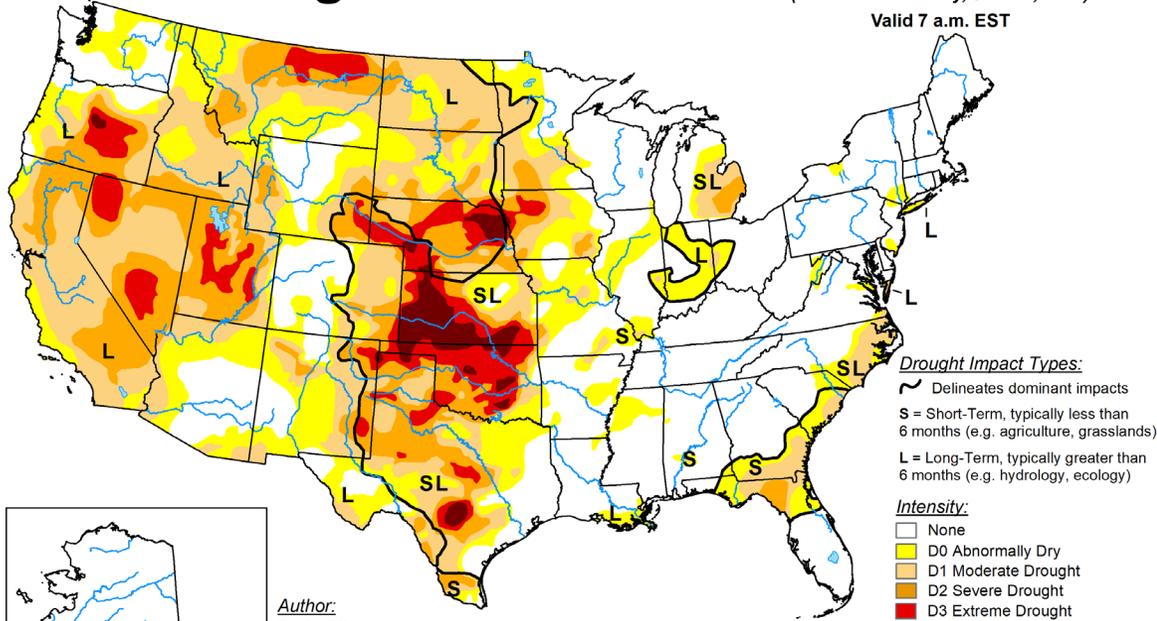
Average Temperature (Degrees F)

- January 2023 – 31.1 Deg. (0.7 deg. below normal)
- 2022 YTD Average – 31.1 Deg. (0.7 deg. below normal)



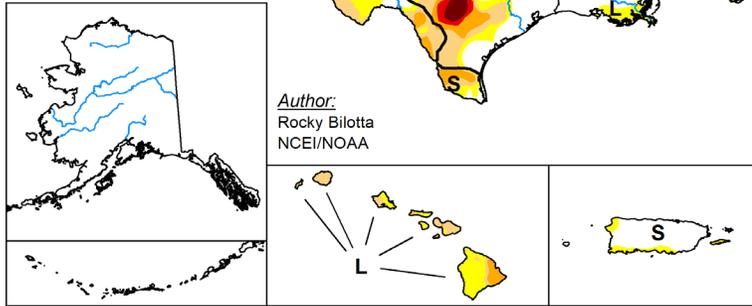
U.S. Drought Monitor

January 24, 2023
 (Released Thursday, Jan. 26, 2023)
 Valid 7 a.m. EST



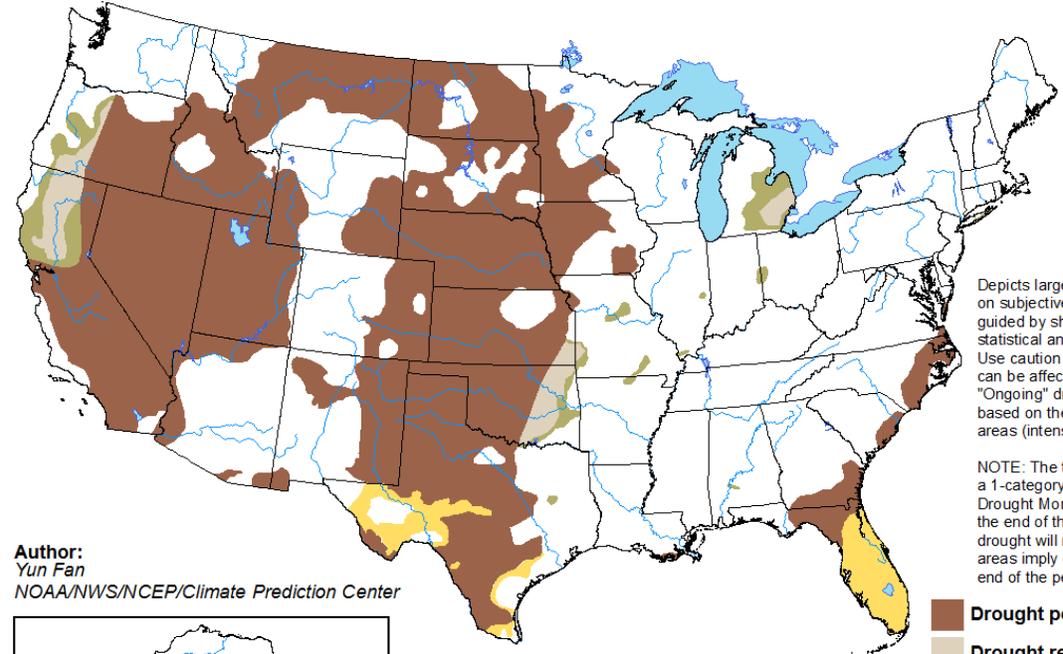
Author:
 Rocky Bilotta
 NCEI/NOAA

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>



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

Valid for February 2023
 Released January 31, 2023

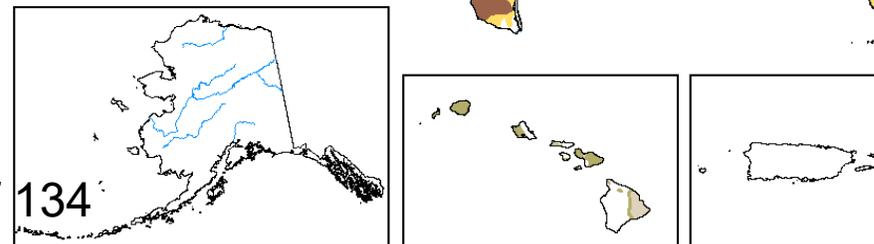


Author:
 Yun Fan
 NOAA/NWS/NCEP/Climate Prediction Center

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



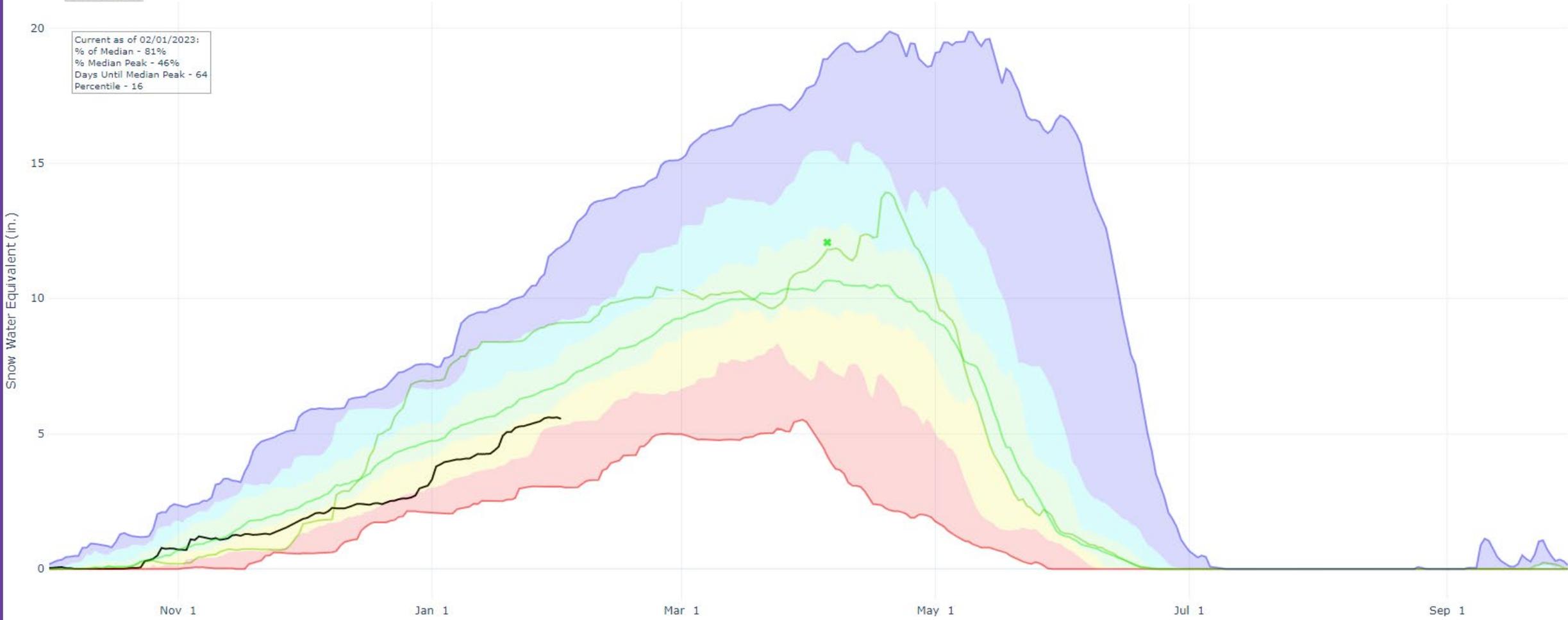
<http://go.usa.gov/3eZGd>



SNOW WATER EQUIVALENT IN ARKANSAS

Snowpack in the Arkansas River Basin is 81% of normal

Reset Range

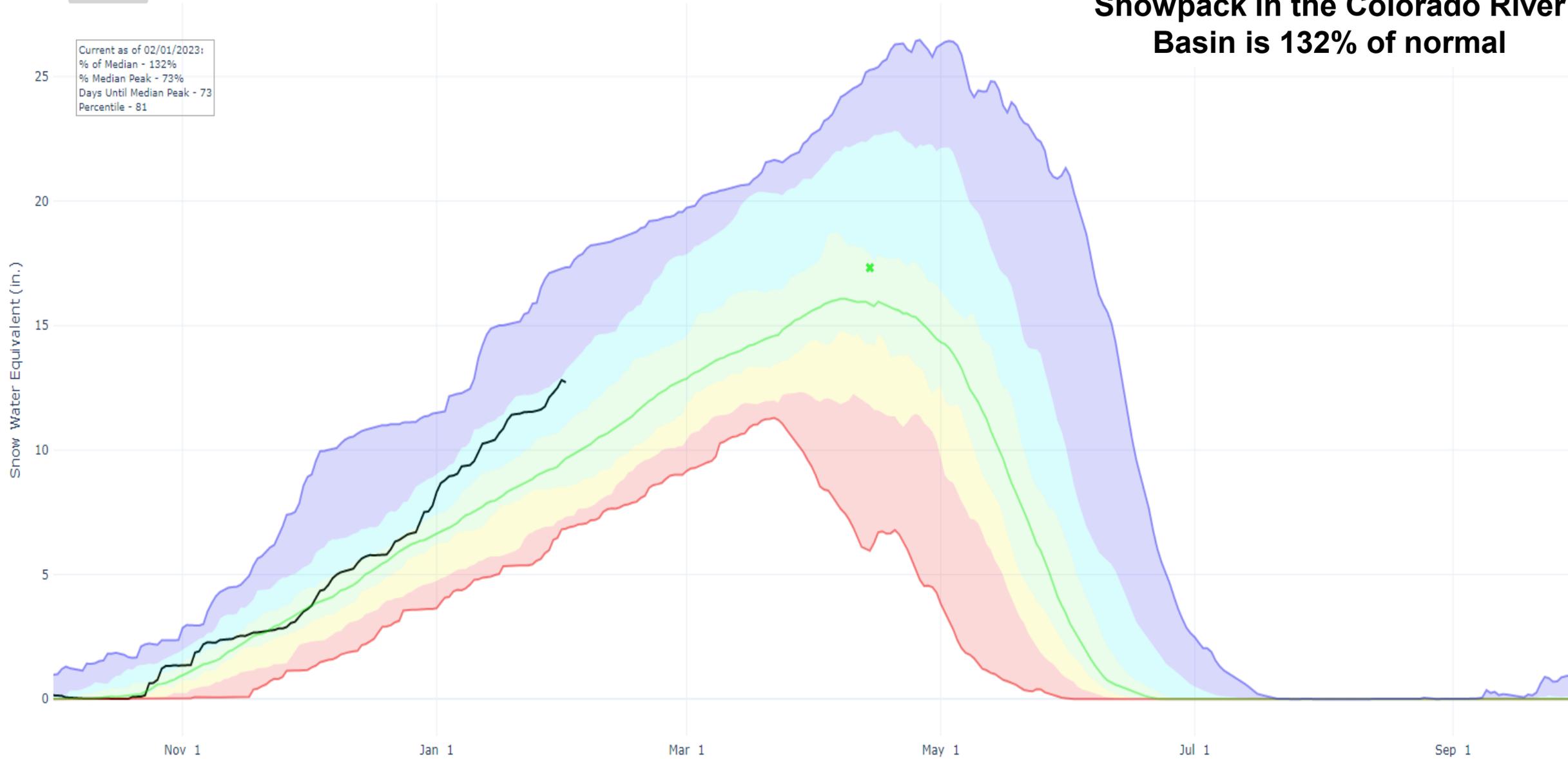


SNOW WATER EQUIVALENT IN COLORADO HEADWATERS

Reset Range

Current as of 02/01/2023:
% of Median - 132%
% Median Peak - 73%
Days Until Median Peak - 73
Percentile - 81

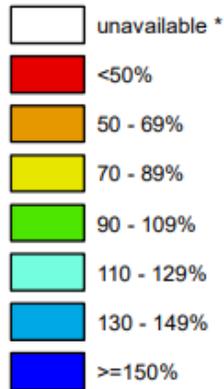
Snowpack in the Colorado River Basin is 132% of normal



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

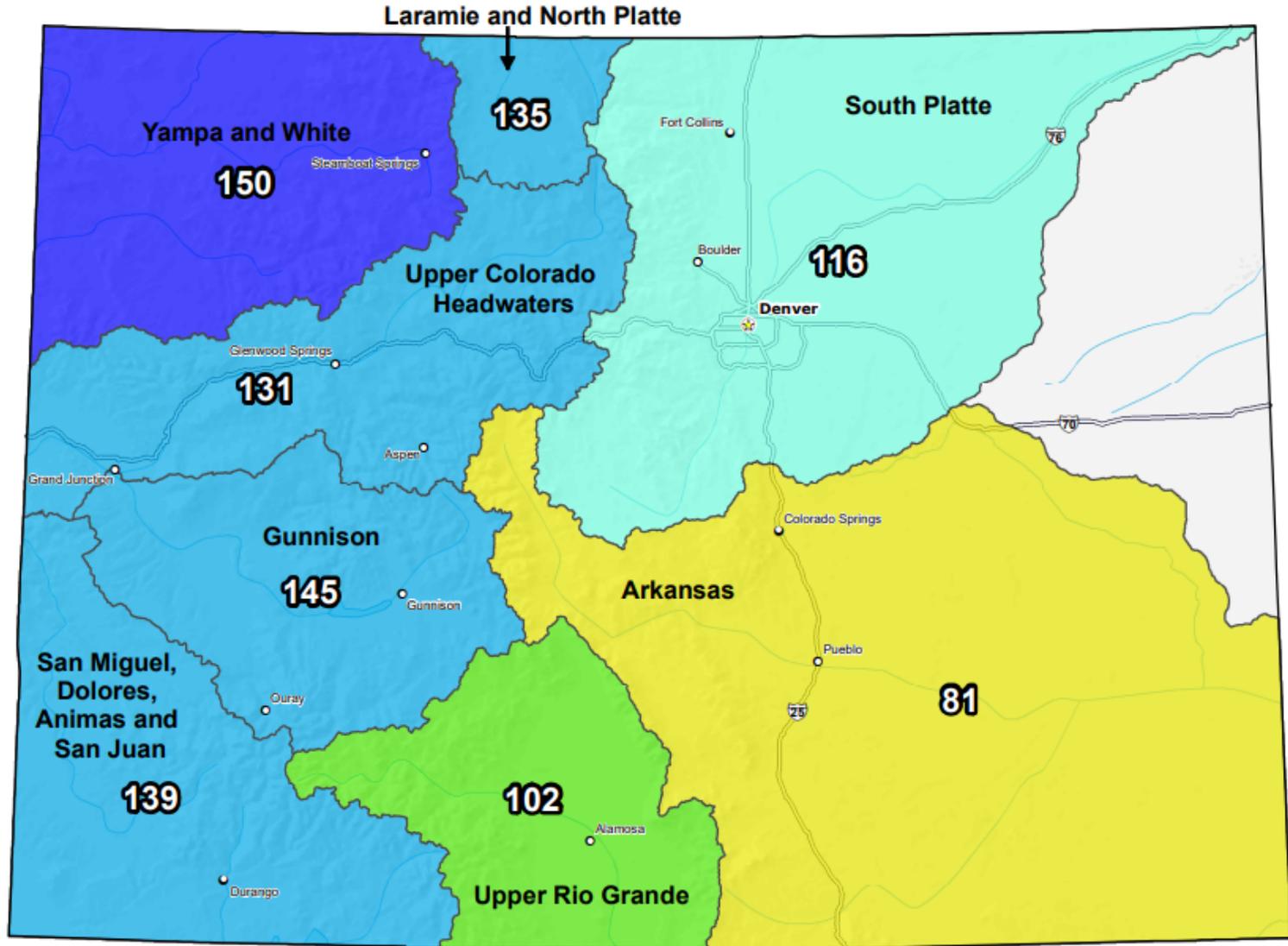
Feb 01, 2023

Current Snow Water Equivalent (SWE) Basin-wide Percent of 1991-2020 Median



* Data unavailable at time of posting or measurement is not representative at this time of year

**Provisional Data
Subject to Revision**



The snow water equivalent percent of normal represents the current snow water equivalent found at selected SNOTEL sites in or near the basin compared to the average value for those sites in this year. Data based on the first reading of the day (typically 00:00).

Prepared by:
USDA/NRCS National Water and Climate Center
Portland, Oregon
<https://www.nrcs.usda.gov/wps/portal/wcc/home/>

2023 Demands

January

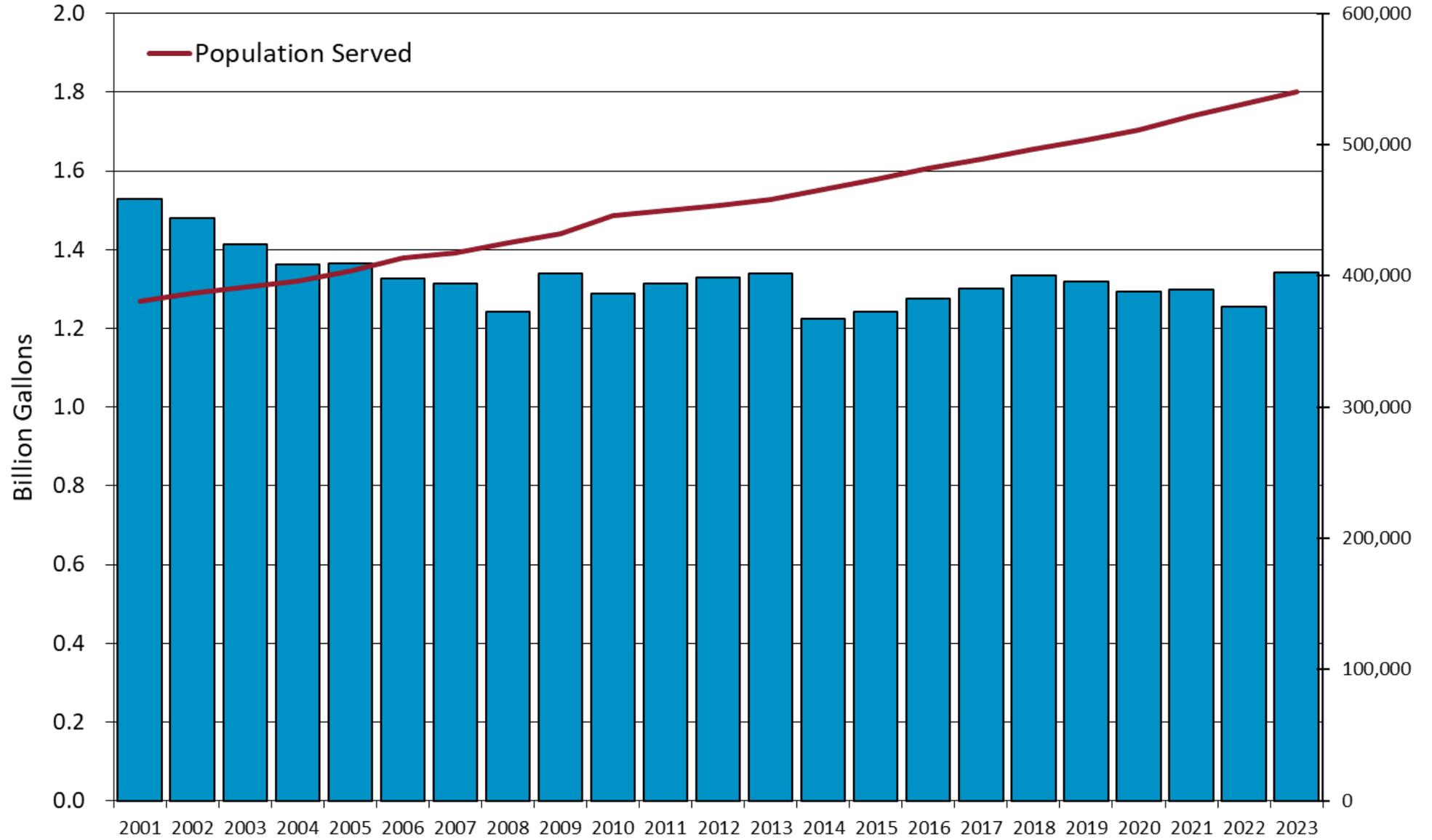
- Averaged 43.3 MGD
- 6.9% more than January 2022

2023 Year to Date

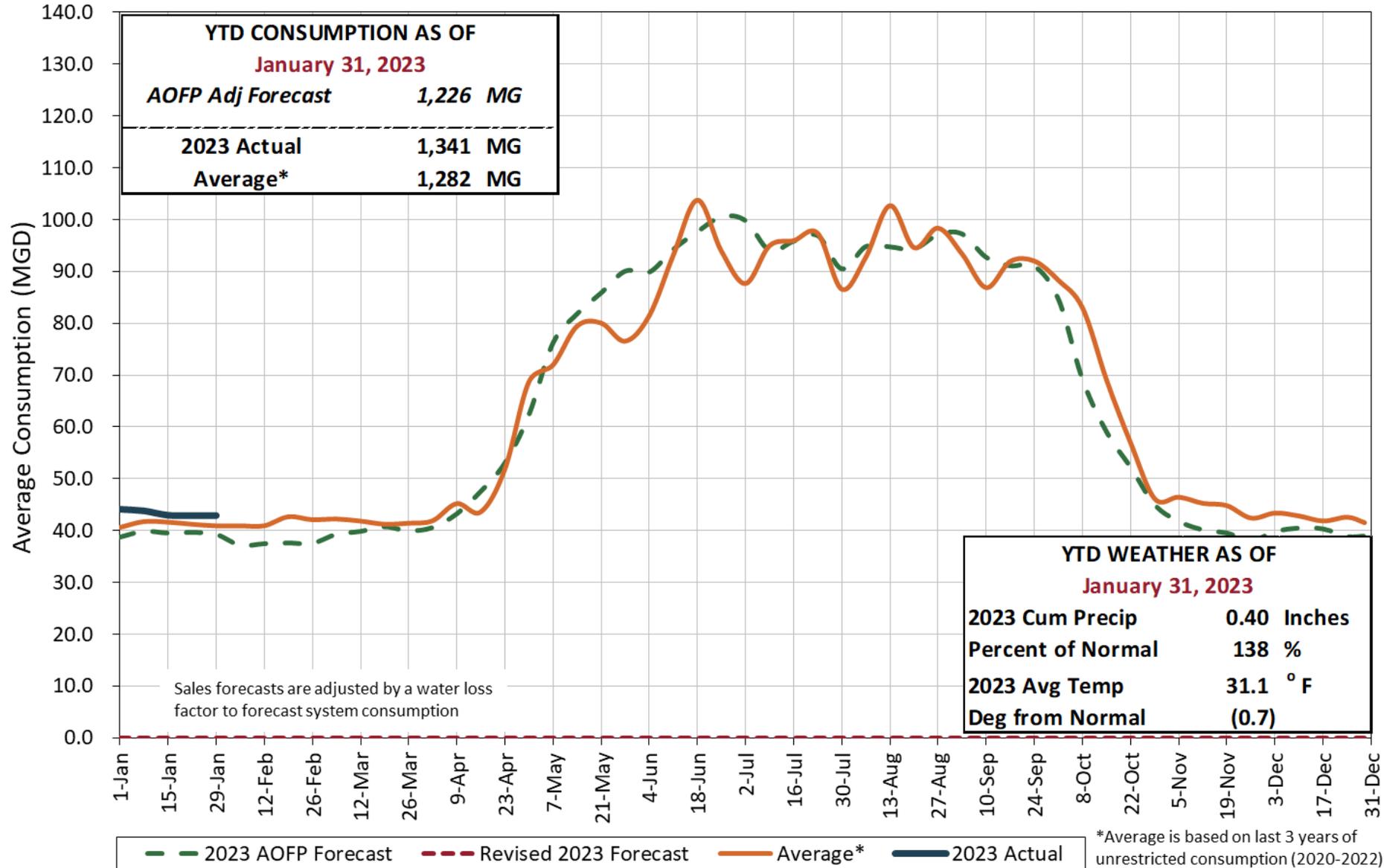
- Averaging 43.3 MGD, 1.3 BG total
 - 6.9% more than 2022
 - 0.09 Billion Gallons more than 2022



Monthly Water Use for January



2023 Actual Consumption (Weekly Data)



Reservoir Levels

January 31, 2023

- Pikes Peak 57 %
 - 91-20 Avg. 65 %
- Rampart 71 %
 - 91-20 Avg. 76 %
- Local Total 66 %
 - 91-20 Avg. 72 %
- System Total 71 %
 - 91-20 Avg. 73 %



Colorado Springs' System Wide Storage:

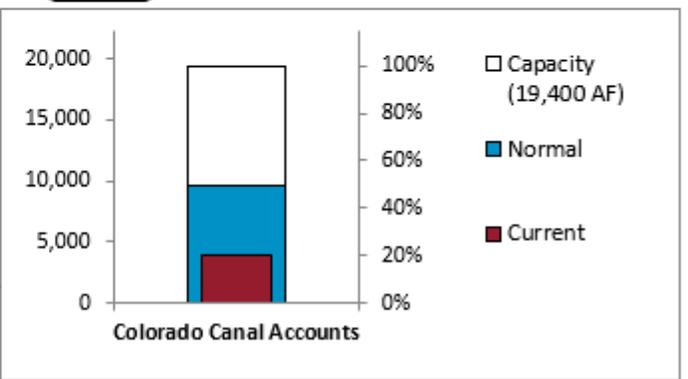
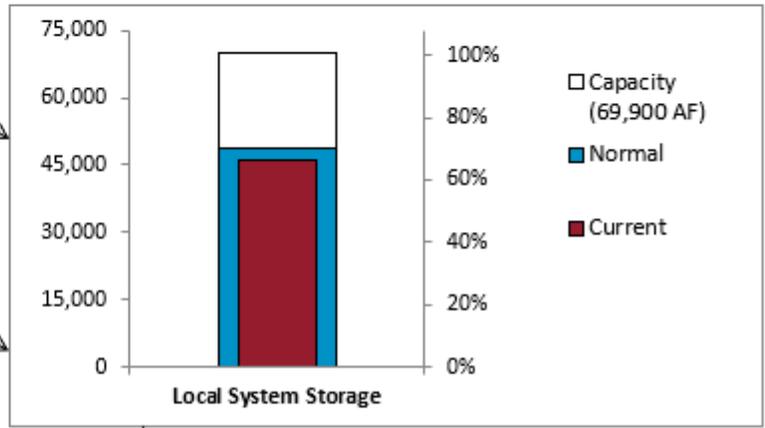
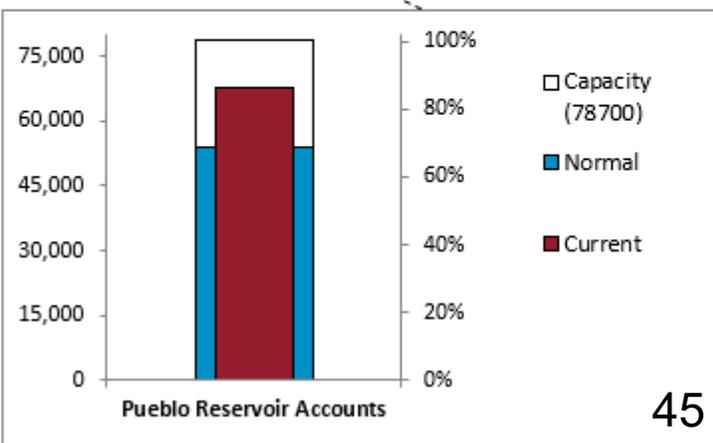
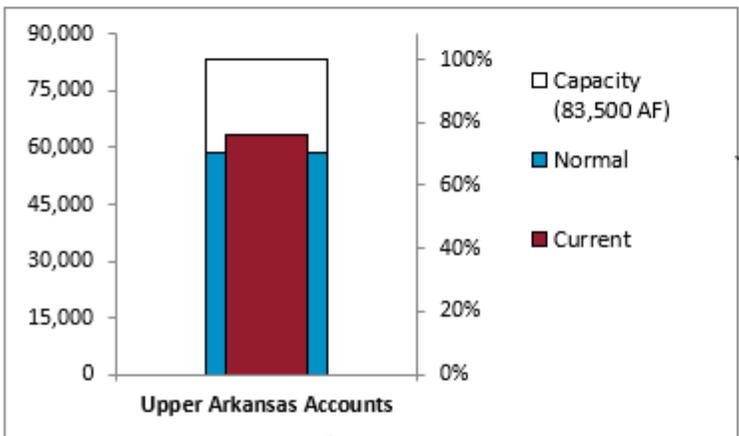
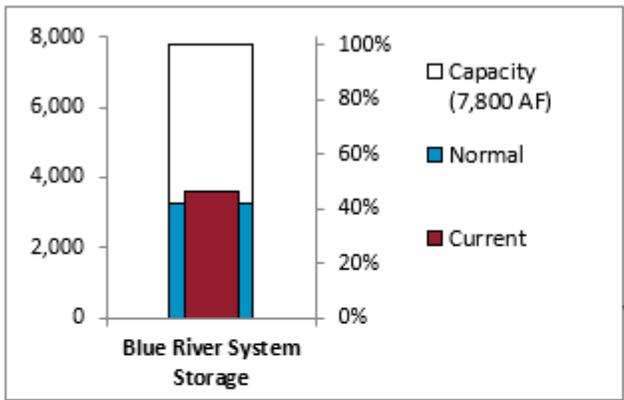
January 31, 2023 185,000 af

71.3 %

2001-2022 avg 174,400 af

67.3 %

Average YTD Demand 43.3 MGD



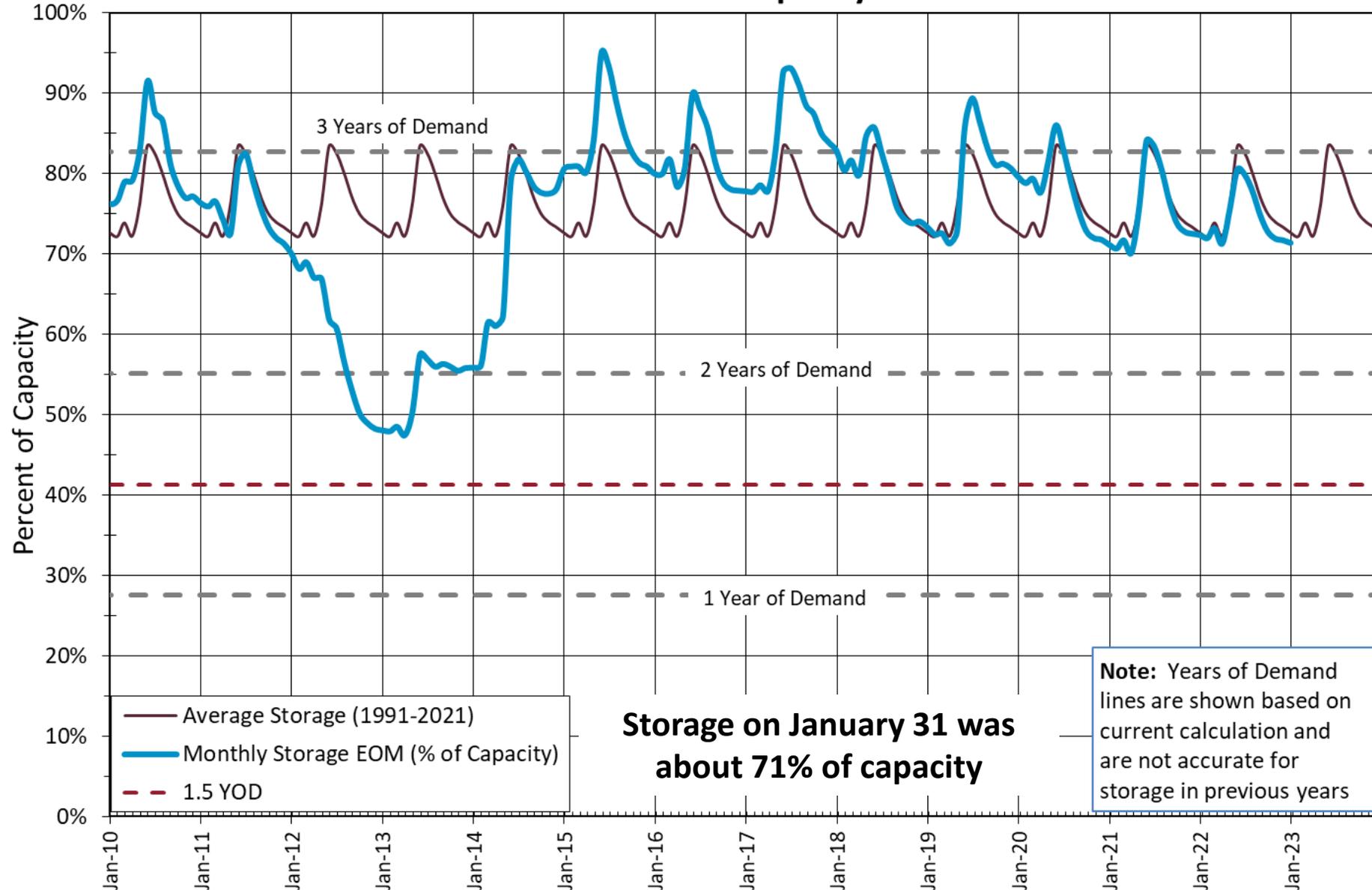
MAX. 20 MGD

MAX. 68 MGD

TO DIST.



Monthly Storage Percent of Capacity



Storage on January 31 was about 71% of capacity

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

2023 Regional Water Contracts

Donala Water & Sanitation District

- Through January 31, 2023: Conveyed 0.0 AF for \$0
- Premium to Municipal Government: \$0

Security Water District

- Through January 31, 2023: Conveyed 0.0 AF for \$0
- Premium to Municipal Government: \$0

Note: Donala and Security water district contracts expired on 12/31/2022. Currently under revision.

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

- Through January 31, 2023: Leased 3.0 AF for \$1,725
- Premium to Municipal Government: \$288

Total 2023 YTD Revenue from Regional Contracts: \$1,725



Water Outlook

- Situation Outlook Summary
 - System-wide storage at 71% of capacity, slightly below our long-term average
 - About 2.6 years of demand in storage, based on the past 3 years of demand
 - Have 223 days of demand in local storage
- Three-month outlook predicts
 - Equal chances for average temperatures across Colorado
 - Higher chances of below-average precipitation across Colorado
- We continue to monitor snowpack, demand and storage to maximize available water supply



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Board Memo Agenda Item

Staff Report

Date: Feb. 22, 2023
To: Utilities Board
From: Travas Deal, Acting Chief Executive Officer
Subject: Utilities Policy Advisory Committee (UPAC) Cost Recovery Mechanisms Assignment Update

NARRATIVE:

Desired Action: Discussion

Executive Summary: UPAC Chair, Larry Barrett, will provide an update on the UPAC Cost Recovery Mechanisms Assignment. This assignment was given by the Utilities Board at the Sep. 28, 2022 meeting and it is expected to be completed in June 2023.

The purpose of the assignment is to evaluate existing and identify new cost recovery mechanisms for funding new resources and infrastructure to support changes in our community.

The UPAC is a fact-finding body whose mission is to review, analyze and, when appropriate, provide recommendations to the Utilities Board regarding the various overall strategic operating and financial policies for Colorado Springs Utilities.

Benefits: This assignment will help provide insight into cost recovery mechanisms across the four utilities to help with the Colorado Springs Utilities' strategic objectives of Financial Accountability and Deliver Quality Utilities.

Board Policy: I-1 Pricing of Services; I-3 Financial Responsibility and Budgeting; I-6 Infrastructure

Cost/Budget: N/A

Affected Parties: Utilities Board members, Utilities Policy Advisory Committee members, Colorado Springs Utilities staff and customers

Alternatives: N/A

Submitter: Kerry Baugh

Email address: kbaugh@csu.org

Division/Department: Administrative and Human Resources
Division/Strategic Planning and Governance
Department

Phone number: 719-668-3810

Date submitted: Jan. 30, 2023

SPG Staff Use Only: Consent Calendar

Yes

No

ITEM NO. 7



Colorado Springs Utilities
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Utilities Policy Advisory Committee (UPAC) Cost Recovery Assignment Update

Larry Barrett, UPAC Chair

February 22, 2023

Agenda

1. Assignment Scope
2. Roadmap and Recap
3. Questions

Assignment Scope

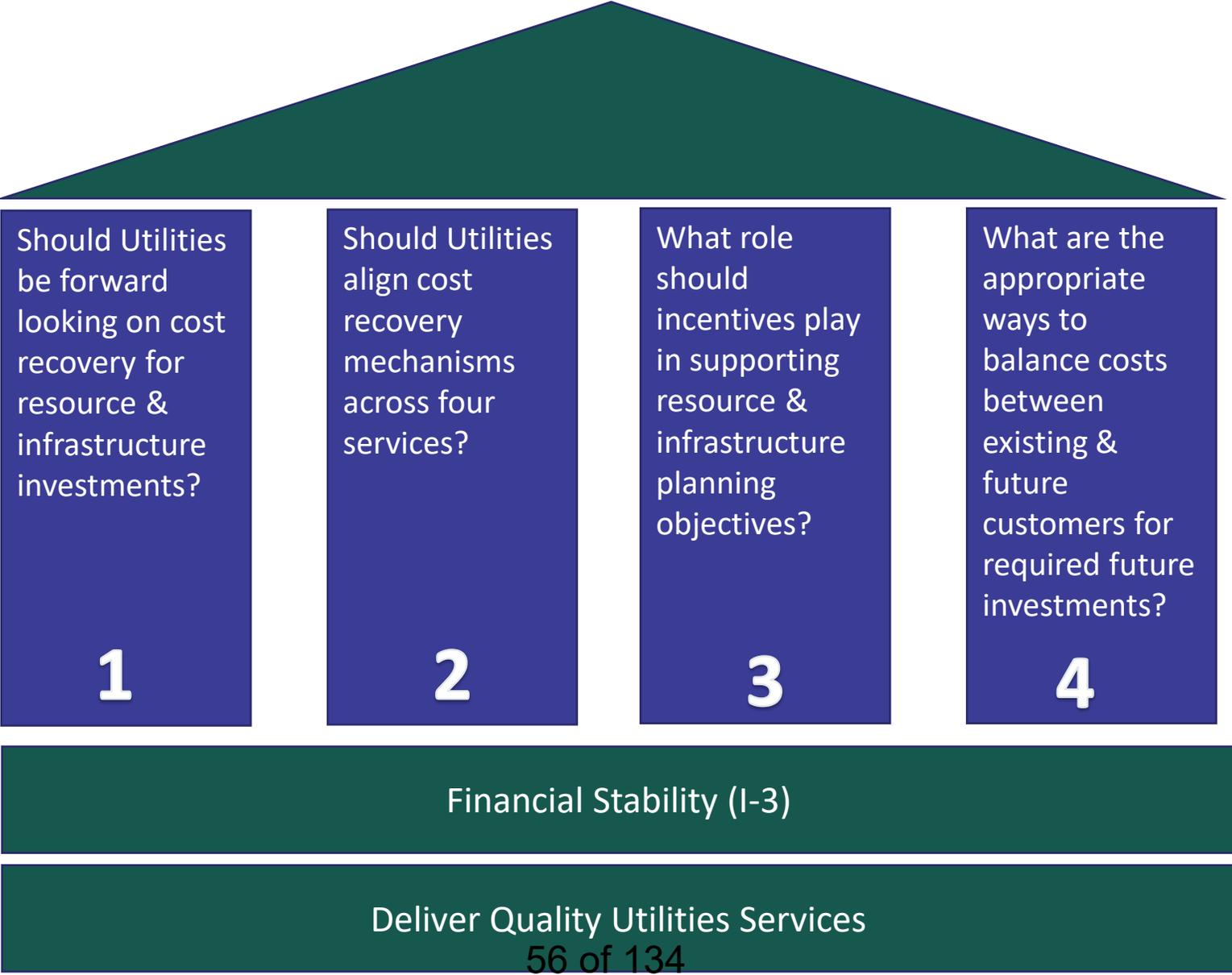
Cost Recovery Assignment Purpose

- Provide a recommendation to Utilities Board on whether Colorado Springs Utilities (Utilities) should revise and/or establish new cost recovery policies.

Current Cost Recovery

Cost Recovery Mechanism	Electric	Natural Gas	Wastewater	Water
System Extensions Fees	Partial	Partial	100%	100%
Existing Capacity Development Charge	No	No	Yes	Yes
Future Capacity Resource Fee	No	No	No	Yes

Cost Recovery Mechanism Policy Pillars



Cost Recovery Alternatives Initial Considerations

- Rate impact
- Developer cost impact
- Who carries financial risk for the necessary investments?
 - Timing of fee assessment
- How do we balance cost between existing customers and future customers?
- Who determines schedule for construction and acquisition of new resources and infrastructure?
- What incentives should be considered to offset fees?
- How do cost recovery mechanisms impact debt and days cash on hand

Closely related Consideration:

- Existing Utilities Staff review fees

Stakeholder Presentations

November

- City of Colorado Springs Planning & Community Development (Peter Wysocki)

December

- City of Colorado Springs Economic Development Officer (Bob Cope)

February

- Housing and Building Association (Scott Smith)
- Pikes Peak Association of Realtors (Randy Case, Ann Kidd, Clarissa Thomas)

April

- Colorado Springs Chamber & EDC (Johnna Reeder Kleymeyer)



Roadmap and Recap

Roadmap





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Board Memo Agenda Item

Staff Report

Date: Feb. 22, 2023
To: Utilities Board
From: Travas Deal, Acting Chief Executive Officer
Subject: Drake Visioning Group

NARRATIVE:

Desired Action: Discussion

Executive Summary: The Martin Drake Power Plant permanently shut down on Sept. 1, 2022. The decision to shut down Drake was made with several factors in mind, to include environmental interests, changing needs of systems, the growing availability of renewable energy, the high maintenance costs of running aging coal-fired plants and the impact of state and federal regulations.

Springs Utilities is currently engaging in a Request for Proposal (RFP) process to schedule the decommissioning of the site, which is expected to take 3-5 years.

The Colorado Springs Downtown Partnership and The Legacy Institute will provide the Utilities Board with an update on the status of their Drake Reimagined project.

Benefits: A site master plan that is inclusive, welcoming, collaborative, and sustainable for the community.

Board Policy: N/A

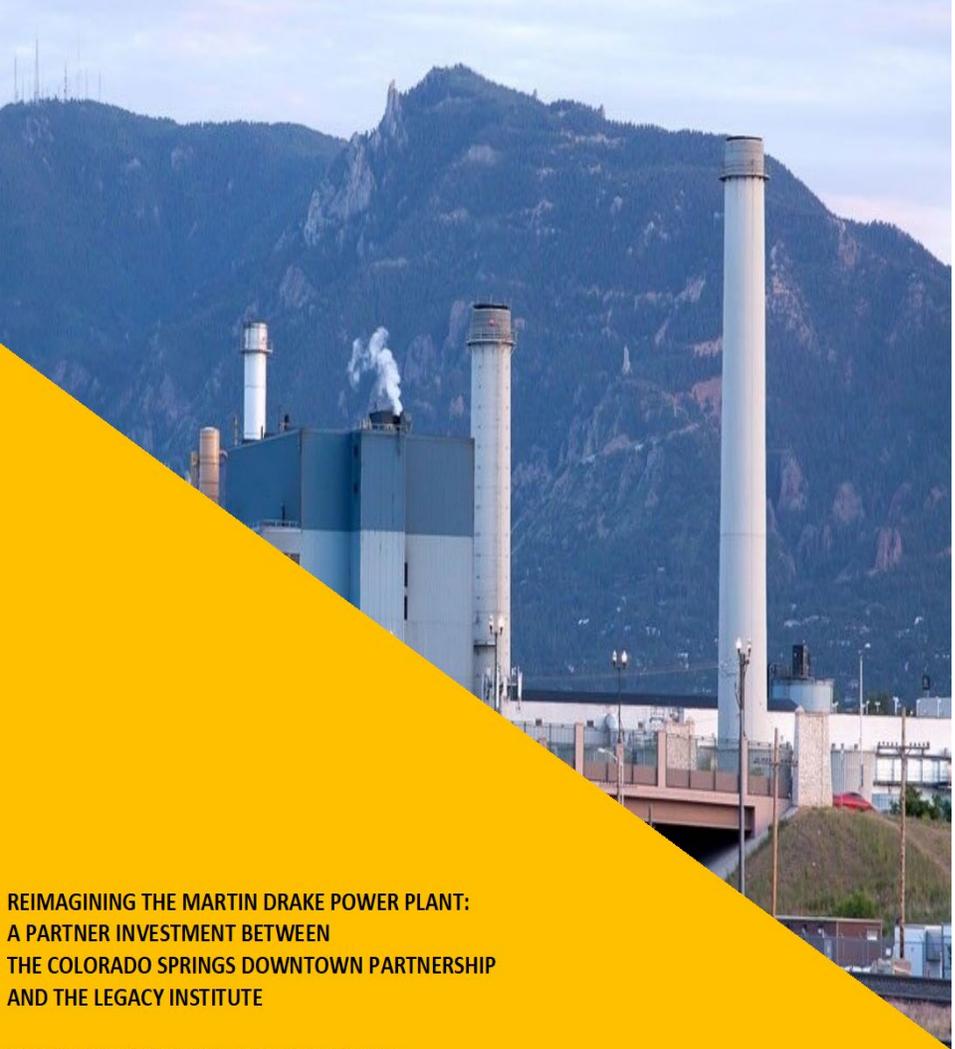
Cost/Budget: N/A

Affected Parties: Residents of the Pikes Peak region

Alternatives: N/A

Submitter: Lisa Barbato	Email address: lbarbato@csu.org
Division/ Department: Systems Planning and Projects	Phone number: (719) 668-8740
	Date submitted: Feb. 14, 2023

SPG Staff Use Only: Consent Calendar	Yes	<input checked="" type="checkbox"/>	No	ITEM NO. 8
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REIMAGINING THE MARTIN DRAKE POWER PLANT: A PARTNER INVESTMENT BETWEEN DOWNTOWN PARTNERSHIP AND THE LEGACY INSTITUTE

REIMAGINING THE MARTIN DRAKE POWER PLANT:
A PARTNER INVESTMENT BETWEEN
THE COLORADO SPRINGS DOWNTOWN PARTNERSHIP
AND THE LEGACY INSTITUTE

COMMUNITY VISIONING PROJECT REPORT
February 6, 2023

DR. PAM SHOCKLEY-ZALABAK



Objectives for Today

Review

- Review the objectives of the project

Give

- Give an overview of the process and information collected

Report

- Report on the guiding principles and values

Convey

- Convey the task force recommendations to guide decisions

Objectives of the Project



DEVELOP VISION AND VALUES TO ASSIST DECISION MAKERS IN PLANNING FUTURE LAND USE FOR THE DRAKE POWER PLANT SITE.



LEARN FROM OTHER DECOMMISSIONING PROJECTS AND COMMUNITIES.



DEVELOP POSSIBILITIES FOR FUTURE PLANNING.

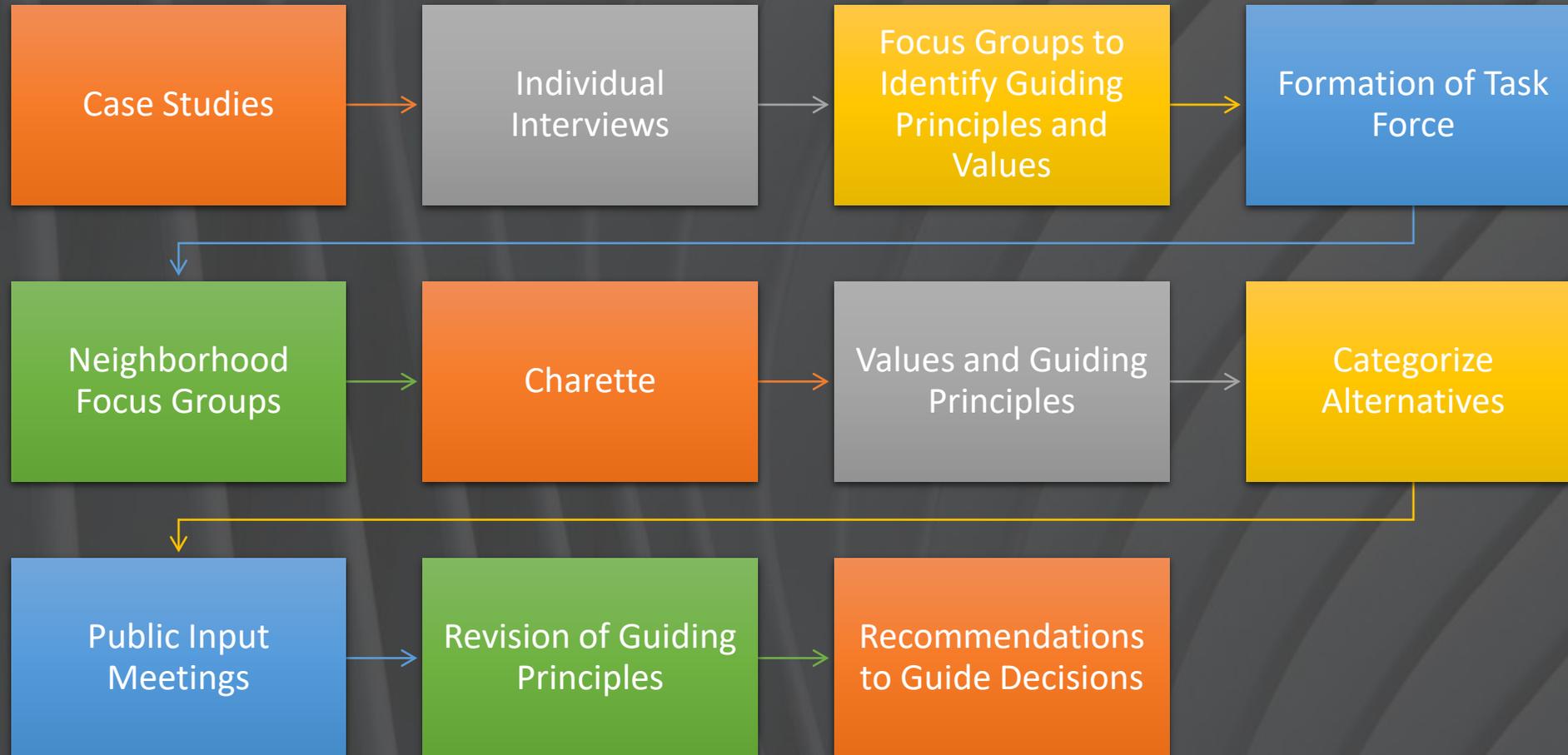


VALIDATE VISION AND VALUES THROUGH A BROAD COMMUNITY INPUT PROCESS.



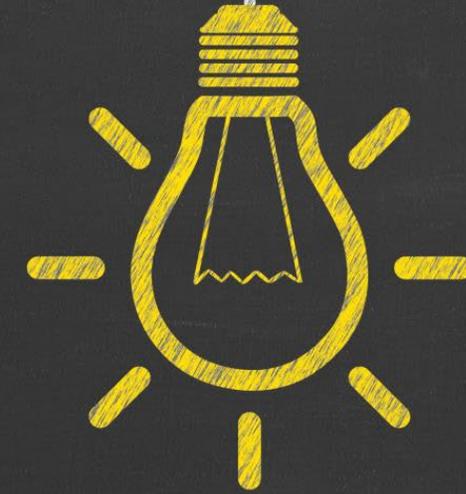
PROVIDE BROAD RECOMMENDATIONS FOR DECISION MAKERS TO CONSIDER.

Information and Input Process



Key Findings for Consideration from Public Input Meetings

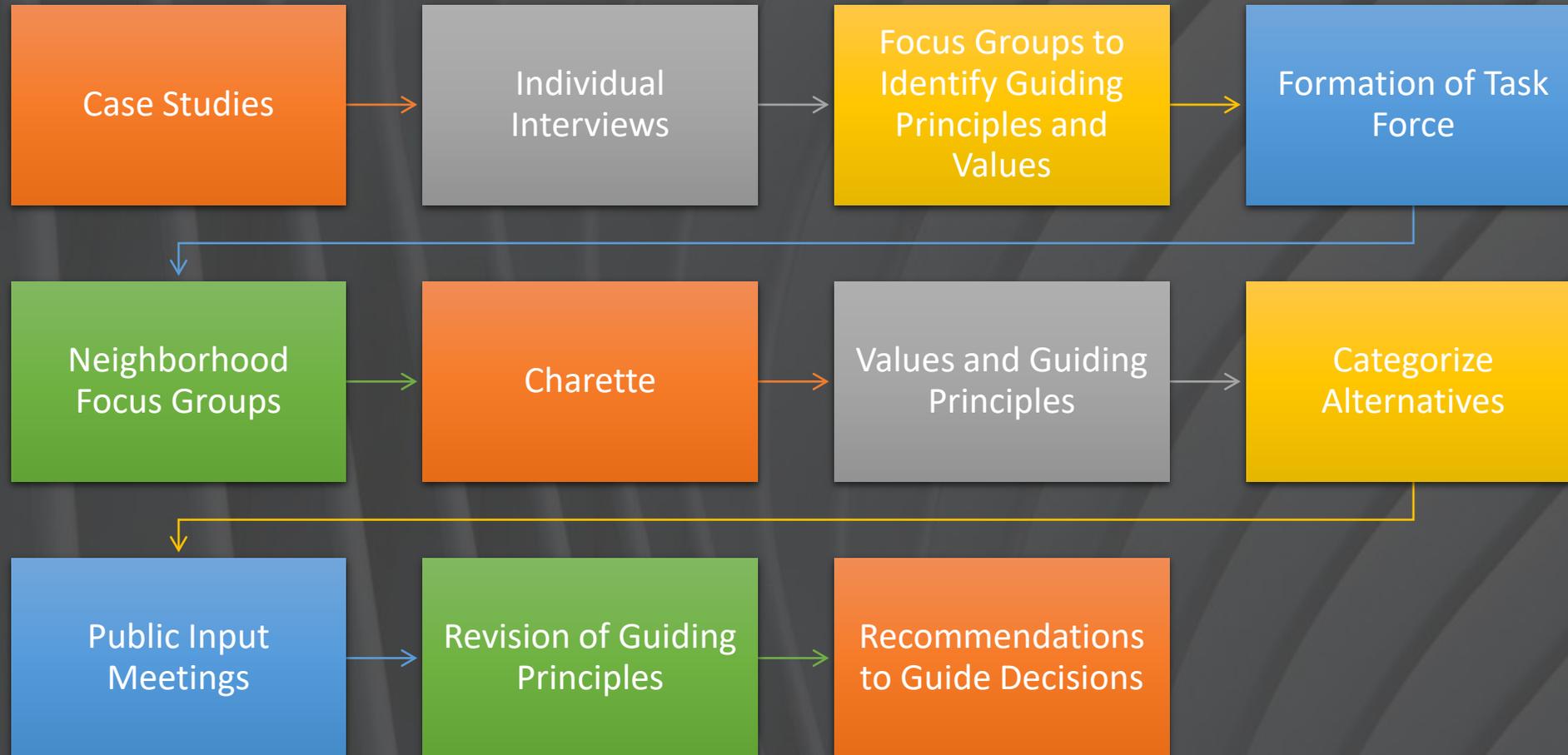
- Guiding principles were overwhelmingly endorsed.
- Water is a highly valued resource and asset.
- A mixed use approach is preferred.



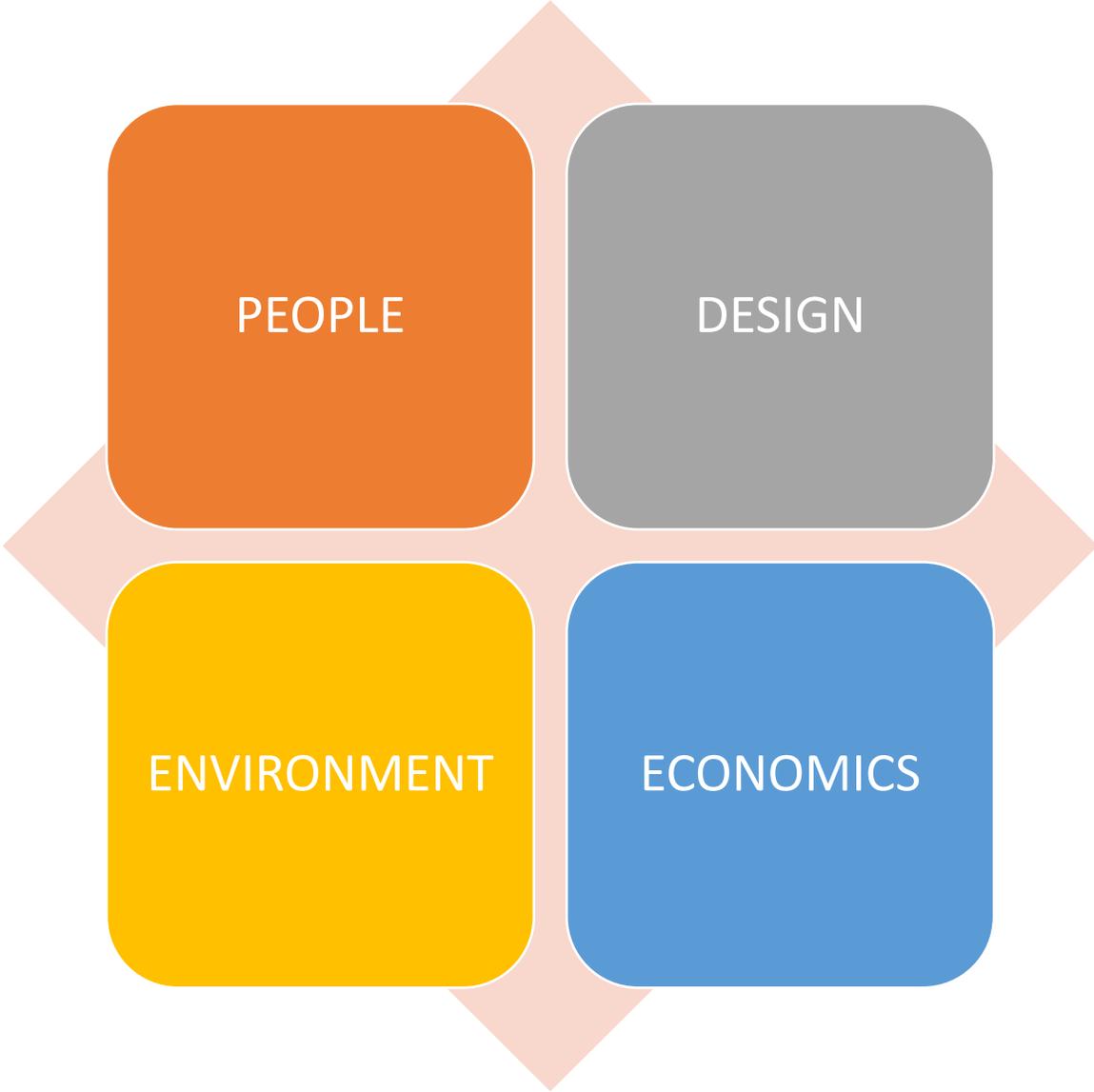
General Concerns Expressed in Three Areas:

- Energy resources in a growing Colorado Springs.
 - Complex issue of homelessness.
- Impact on Mill Street neighborhood.

Information and Input Process



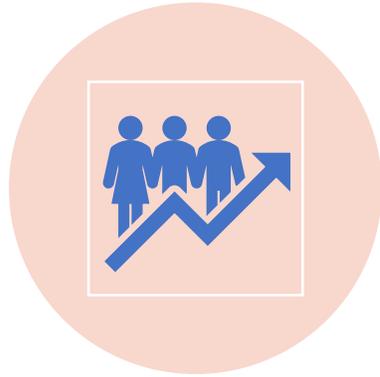
Values and Guiding Principles Revised



PEOPLE We value the dignity of all people through an inclusive, welcoming, and collaborative place.



SITE PLANS SHOULD INCORPORATE BROAD COMMUNITY FEEDBACK WITH KEEN ATTENTION TO NEIGHBORHOODS AND DISTRICTS IN CLOSEST PROXIMITY.



ENSURE SITE PARTNERS DEMONSTRATE COMMITMENT TO EQUITY, DIVERSITY, AND INCLUSION IN PAST PERFORMANCE, PROPOSALS, AND PRACTICE.



THE SITE SHOULD SERVE A WIDE VARIETY OF SOCIOECONOMIC STRATA.

DESIGN We value design that is bold and ambitious, befitting the heart of our community.

Design should be alluring, timeless, and engaging, incorporating public art and accessible public spaces that inspire and delight.

A site master plan should demonstrate understanding of, and respect for, those existing master plans most relevant to the area: City of Colorado Springs Parks Master Plan, Creek COS, Mill Street Neighborhood Master Plan, and the Experience Downtown Master Plan.

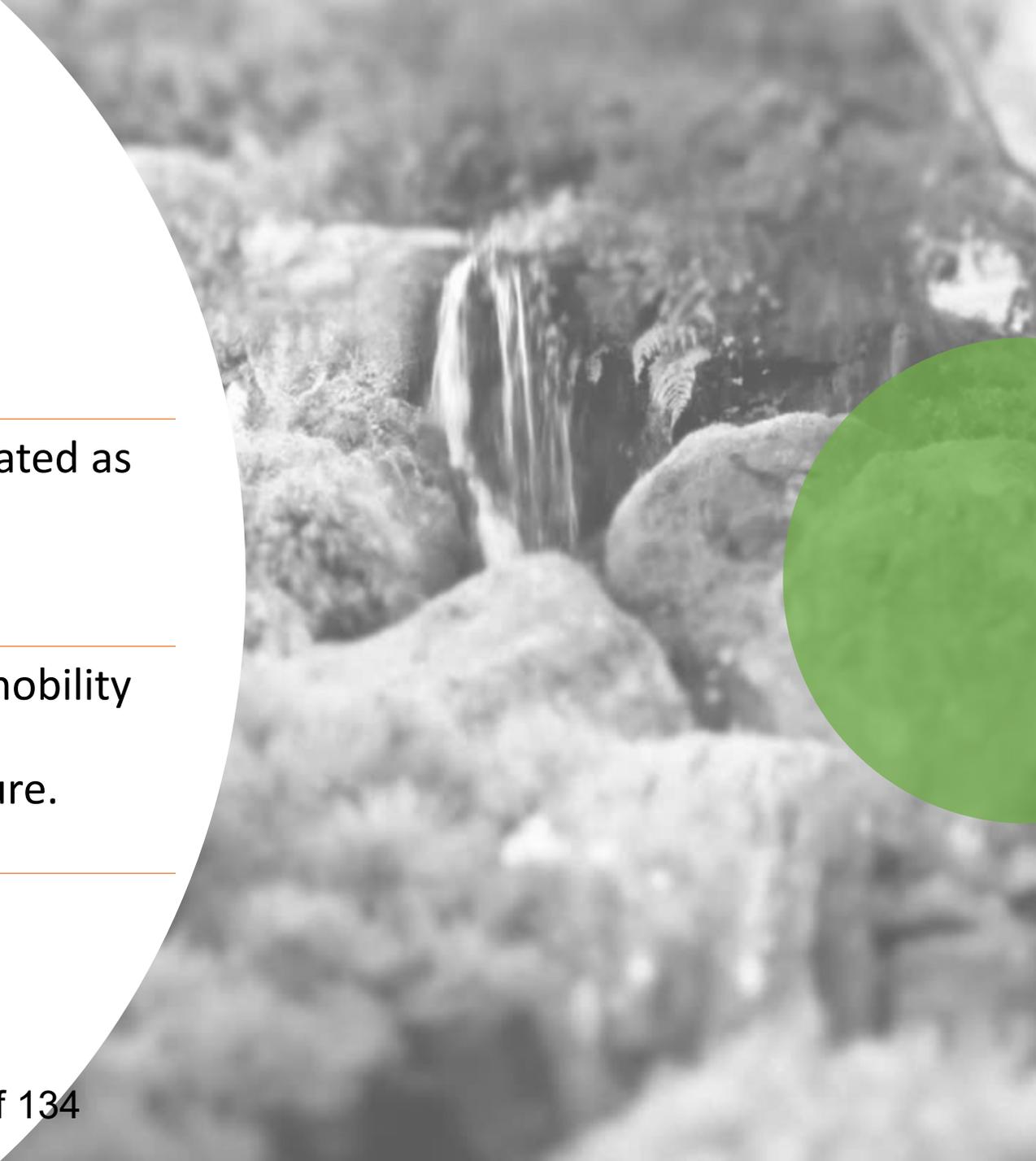
Design should reflect respect for the site edges – namely Fountain Creek to the west and the Mill Street and City Gate neighborhoods to the east.

ENVIRONMENT We value the environment by being stewards of the setting: restoring and sustaining the water, land, air, and life.

Fountain Creek should be integrated and celebrated as an exceptional site attribute.

The site's built environment, landscaping, and mobility options should adhere to high environmental sustainability standards for the present and future.

Any uses for the site should be energy and fuel-efficient.



ECONOMICS We value sound economics, knowing this place must demonstrate financial sustainability in order to live out its values and achieve its goals.

The site should leverage its unique economic attributes of proximity to the intersection of I-25 and Highway 24; adjacency to Fountain Creek; and its rail line.

The site's economic potential should be measured both directly through sales and property taxes generated and indirectly through fulfillment of community, housing, and workforce needs.

Public-private partnerships and diverse funding sources that allow for financial feasibility are encouraged.

Recognizing that the site is publicly owned, any future use or ownership agreements must be accountable to the values and principles herein and as identified by Colorado Springs Utilities.

Task Force Recommendations to Guide Decisions

Adopt the guiding principles and values of the task force to be upheld throughout the entire process, from visioning to execution.

Ensure decisions about land use are consistent with other approved community-based plans.

Include in some form and scale a worldclass attraction/recreation component.

Aggressively **pursue** federal and state dollars as part of a diverse mix of funding sources.

Integrate recommendations with the COS Creek Plan making water an essential part of any plan.

Include an innovative industry component (workplaces, retail/commercial, company HQ, etc.).

Create an ongoing community advisory group that includes broad representation from task force, neighborhoods, business community, nonprofit sector, and underrepresented communities.

Utilize affordable housing tools and resources to incorporate a variety of inventive housing options.

Board Memo Agenda Item

Staff Report

Date: February 22, 2023
To: Utilities Board
From: Travas Deal, Acting Chief Executive Officer
Subject: Electric Cost Adjustment (ECA)/Gas Cost Adjustment (GCA) Filing

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 Feb. 28, 2023. If approved by City Council, the rate changes will be effective March 1, 2023.

Utilities staff provides regular updates to the Utilities Board and anticipates proposing quarterly rate adjustments, consistent with the Cost Adjustment Guidelines (G-6). On Nov. 22, 2022, City Council approved the current Electric Cost Adjustment (ECA) and Gas Cost Adjustment (GCA) rates effective Dec. 1, 2022. In response to market fluctuations, Springs Utilities is proposing decreases in both ECA and GCA rates effective March 1, 2023, one month prior to the previously-scheduled quarterly adjustment date of April 1, 2023.

Reflecting the proposed March 1, 2023 ECA rate, Springs Utilities proposes a decrease to the Green Power Service rate effective March 1, 2023.

On Feb. 10, 2023, details of 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: Utilities 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: Feb. 13, 2023

SPG Staff Use Only: Consent Calendar

Yes

No

ITEM NO. 9



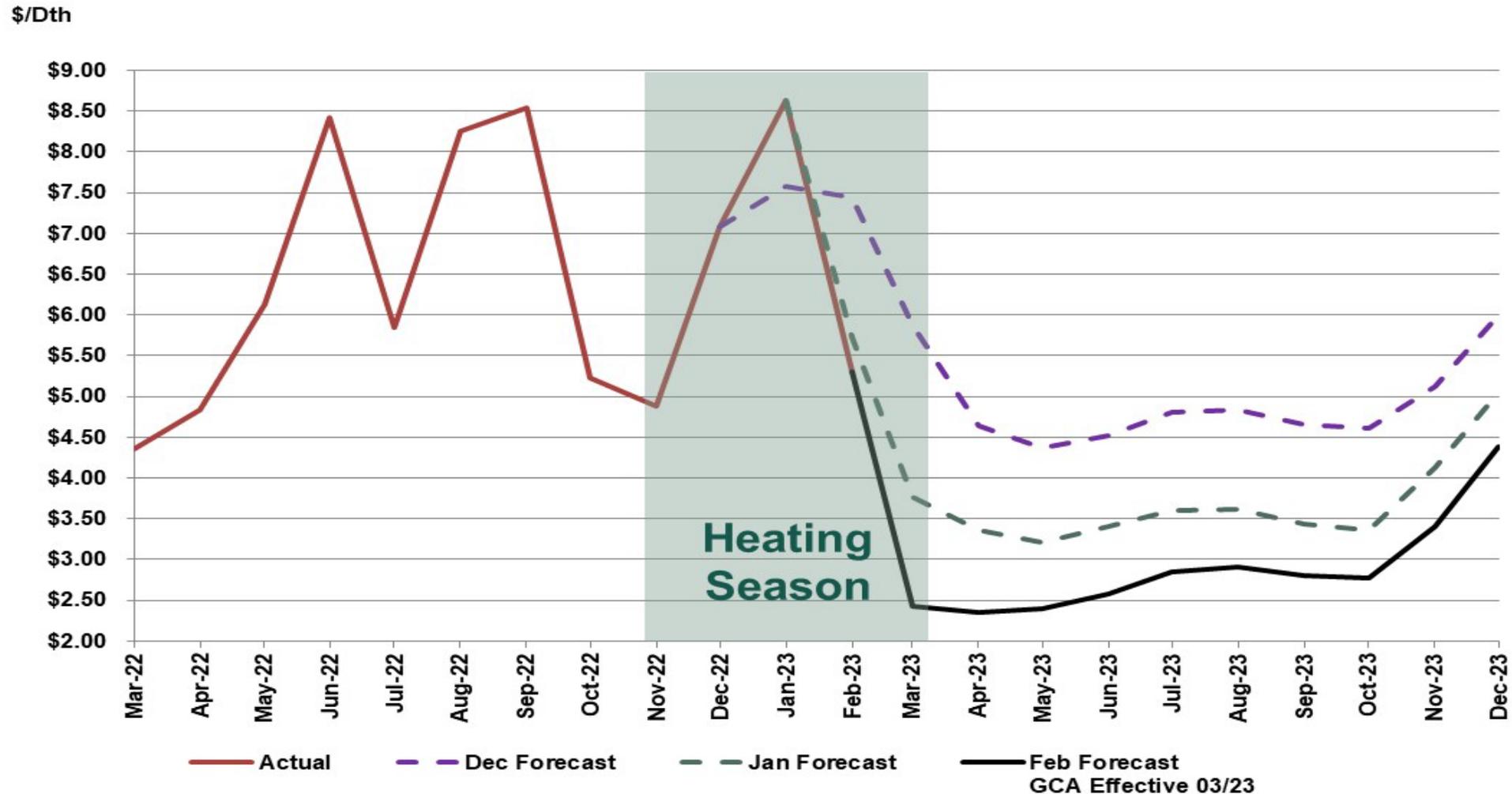
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Electric Cost Adjustment Gas Cost Adjustment

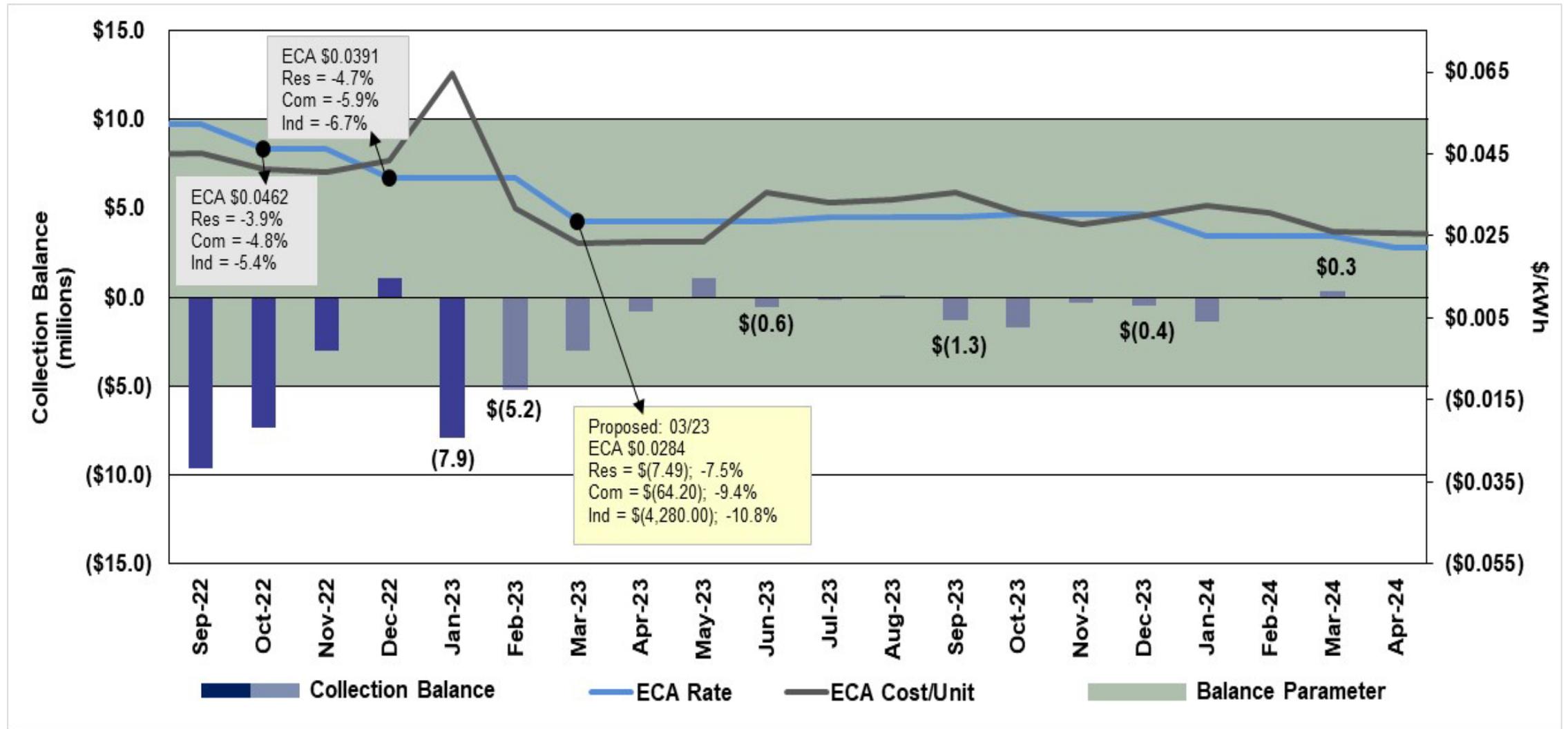
Scott Shirola, Pricing and Rates Manager

February 22, 2023

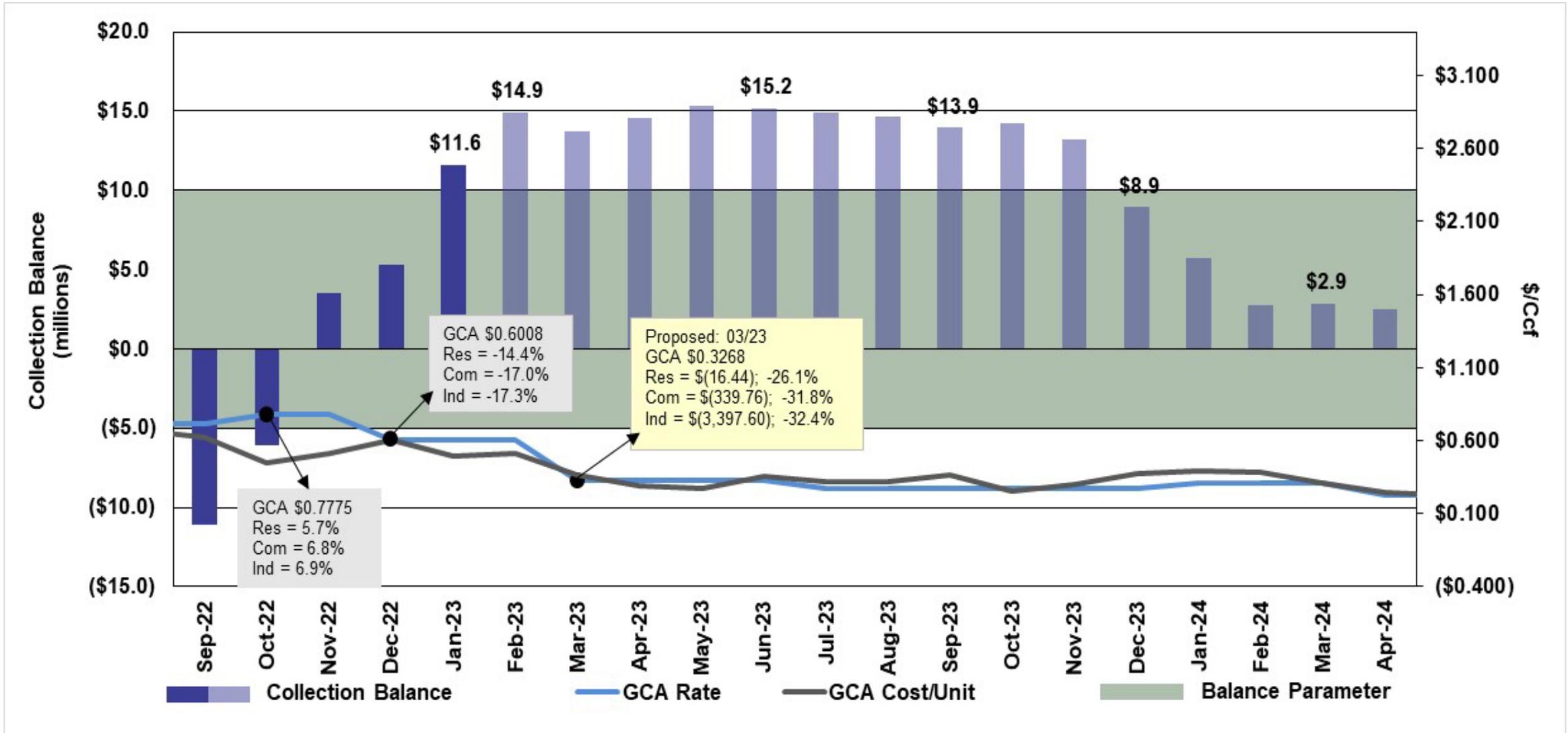
Natural Gas Prices as of February 1, 2023



ECA Projections February 2023

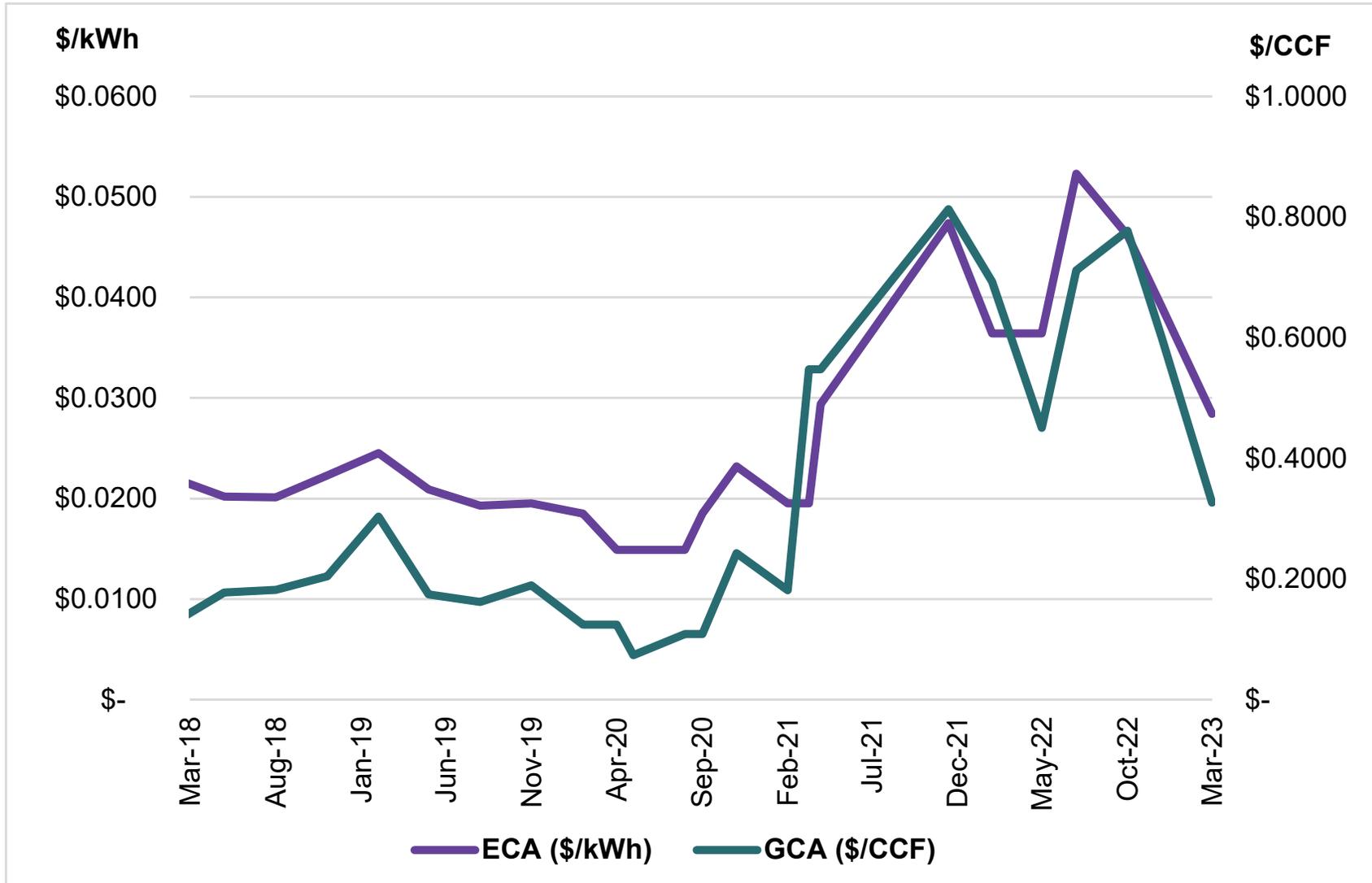


GCA Projections February 2023



Five Year Rate History

March 2018 to Current Proposed Rate



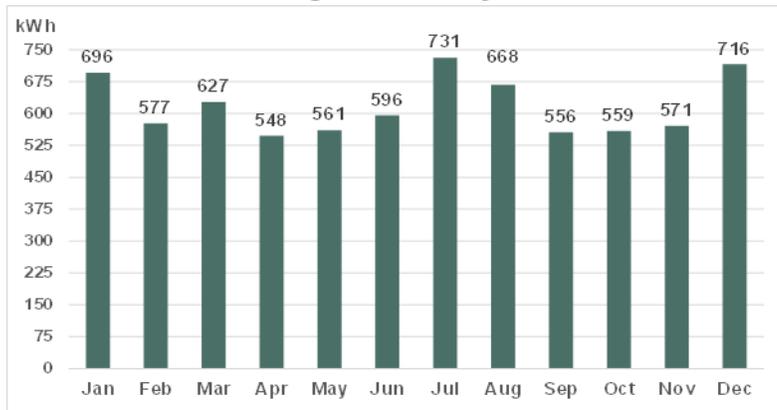
Seasonal Residential Bill Impacts

Four Service Bill Impacts

	kWh	CCF	Current Effective	Proposed (Mar-23)	Proposed Increase/ (Decrease)	% Change	Effective Nov-21 (11/21-01/22)	Increase/ (Decrease) from Nov-21	% Change from Nov-21
Sample Bill	700	60	\$ 277.49	\$ 253.56	\$ (23.93)	-8.6%	\$ 289.46	\$ (35.90)	-12.4%
Average Summer*	700	20	\$ 243.36	\$ 230.39	\$ (12.97)	-5.3%	\$ 247.10	\$ (16.71)	-6.8%
Average Winter*	700	140	\$ 345.71	\$ 299.86	\$ (45.85)	-13.3%	\$ 374.17	\$ (74.31)	-19.9%

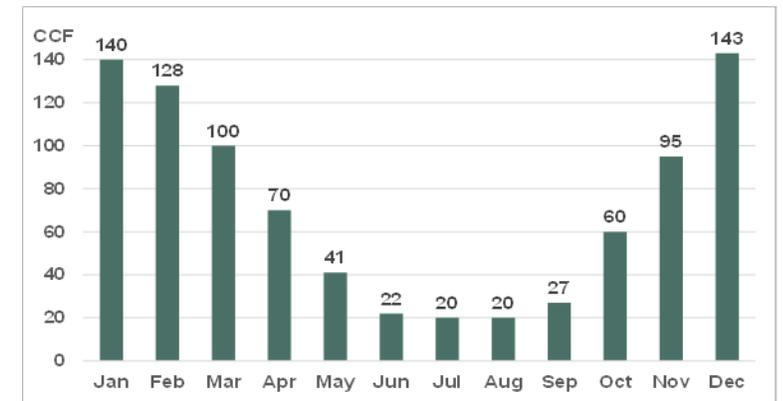
* Average Summer – (Jun-Aug) / Average Winter – (Dec-Feb)

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 CCF = 0.0815 Dth

Sample Total Monthly Bill - Proposed Effective 3/1/23

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	\$ 100.15	\$ 92.66	\$ (7.49)	-7.5%
3	Gas	62.98	46.54	(16.44)	-26.1%
4	Water	80.14	80.14	-	0.0%
5	Wastewater	34.22	34.22	-	0.0%
6	Total	\$ 277.49	\$ 253.56	\$ (23.93)	-8.6%
7	Commercial				
8	Electric	\$ 681.43	\$ 617.23	\$ (64.20)	-9.4%
9	Gas	1,068.53	728.77	(339.76)	-31.8%
10	Water	241.65	241.65	-	0.0%
11	Wastewater	126.76	126.76	-	0.0%
12	Total	\$ 2,118.37	\$ 1,714.41	\$ (403.96)	-19.1%
13	Industrial				
14	Electric	\$ 39,739.34	\$ 35,459.34	\$ (4,280.00)	-10.8%
15	Gas	10,473.06	7,075.46	(3,397.60)	-32.4%
16	Water	3,160.35	3,160.35	-	0.0%
17	Wastewater	1,630.76	1,630.76	-	0.0%
18	Total	\$ 55,003.51	\$ 47,325.91	\$ (7,677.60)	-14.0%

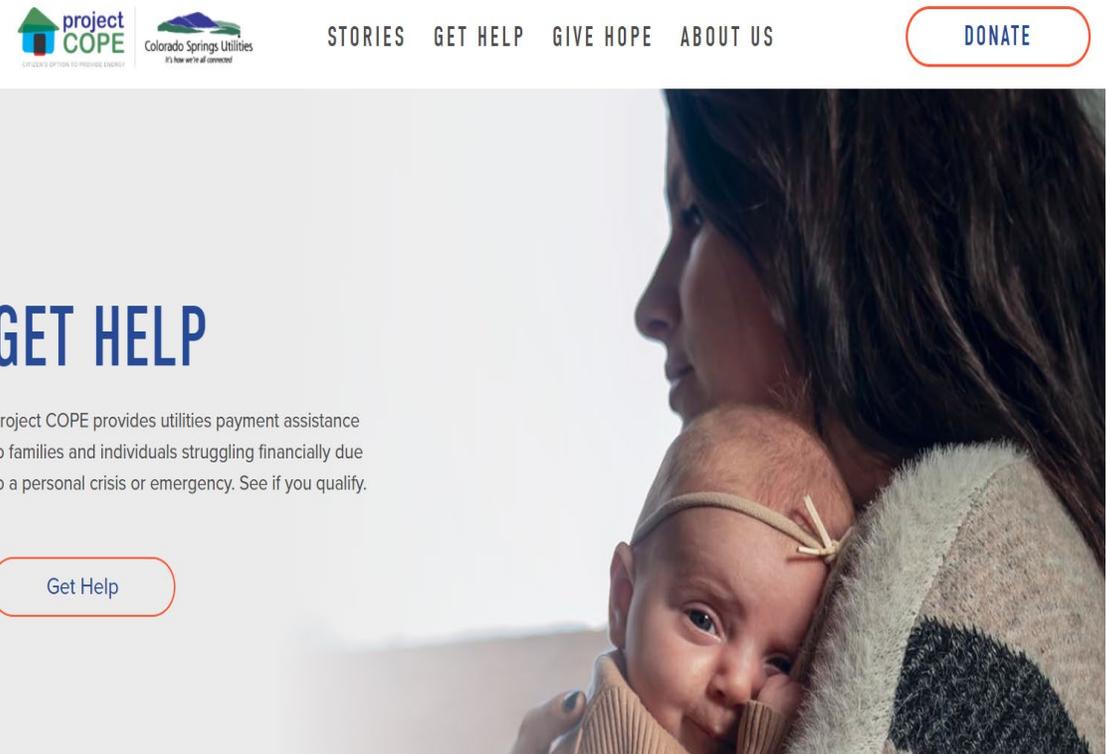
Note: Specific individual customer impact can be calculated by utilizing Utilities' Bill Calculator found at www.csu.org/bcalc/

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: Feb. 22, 2023
To: Utilities Board
From: Travas Deal, Acting Chief Executive Officer
Subject: Acquisition of Real Property to be Used for the Central Bluffs Substation Project

NARRATIVE:

Desired Action: Discussion

Executive Summary: Utilities has identified three substations that are severely space constrained and no longer located at ideal points on the grid to accommodate future demand. The Central Bluffs Substation Project ("Project") will replace these three aging substations with one facility to improve system reliability, resiliency, and efficiency. Additionally, it will provide for long-term operation and maintenance savings.

As part of the Project, Utilities has identified a site for the new substation. There are seven parcels that need to be acquired to accommodate the new substation. Utilities is requesting that the Utilities Board forward a resolution to City Council to request approval to purchase 2914 and 2930 Austin Bluffs Parkway.

To date, Utilities has purchased three parcels, two have signed contracts, and for the two remaining parcels, staff are continuing to negotiate with the property owners of those properties for the Project.

Benefits: Utilities is modernizing the electric grid for sustainability and system resiliency and reliability.

Board Policy:

Cost/Budget: The total acquisition amount of \$1,100,000 for 2914 Austin Bluffs Parkway and \$2,200,000 for 2930 Austin Bluffs Parkway, for an aggregate total of \$3,300,000.

Affected Parties:

Utilities conducted neighborhood meetings on July 20 and Oct. 18, 2022 to inform the neighborhood about the Project. Utilities has sent out mailers to all of the properties within a one-mile radius of the Project site. Staff has met with and had regular communication with property owners impacted by the Central Bluffs Substation Project and will continue to communicate with stakeholders on a regular basis. Utilities Board has been briefed on the proposed acquisition of the Property. In addition, negotiations with property owners are conducted in accordance with the Real Estate Services (RES) Manual, and all applicable laws.

Alternatives: N/A

Submitter: Jessica Davis	Email address: jedavis@csu.org
Division/ Department: Systems Planning & Projects/ Technology & Facility Management	Phone number: 719-668-7581
	Date submitted: Feb. 10, 2023

SPG Staff Use Only: Consent Calendar

Yes

X

No

ITEM NO. 10



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A RESOLUTION AUTHORIZING THE ACQUISITION OF REAL PROPERTY TO BE USED FOR THE CENTRAL BLUFFS SUBSTATION RELOCATION PROJECT

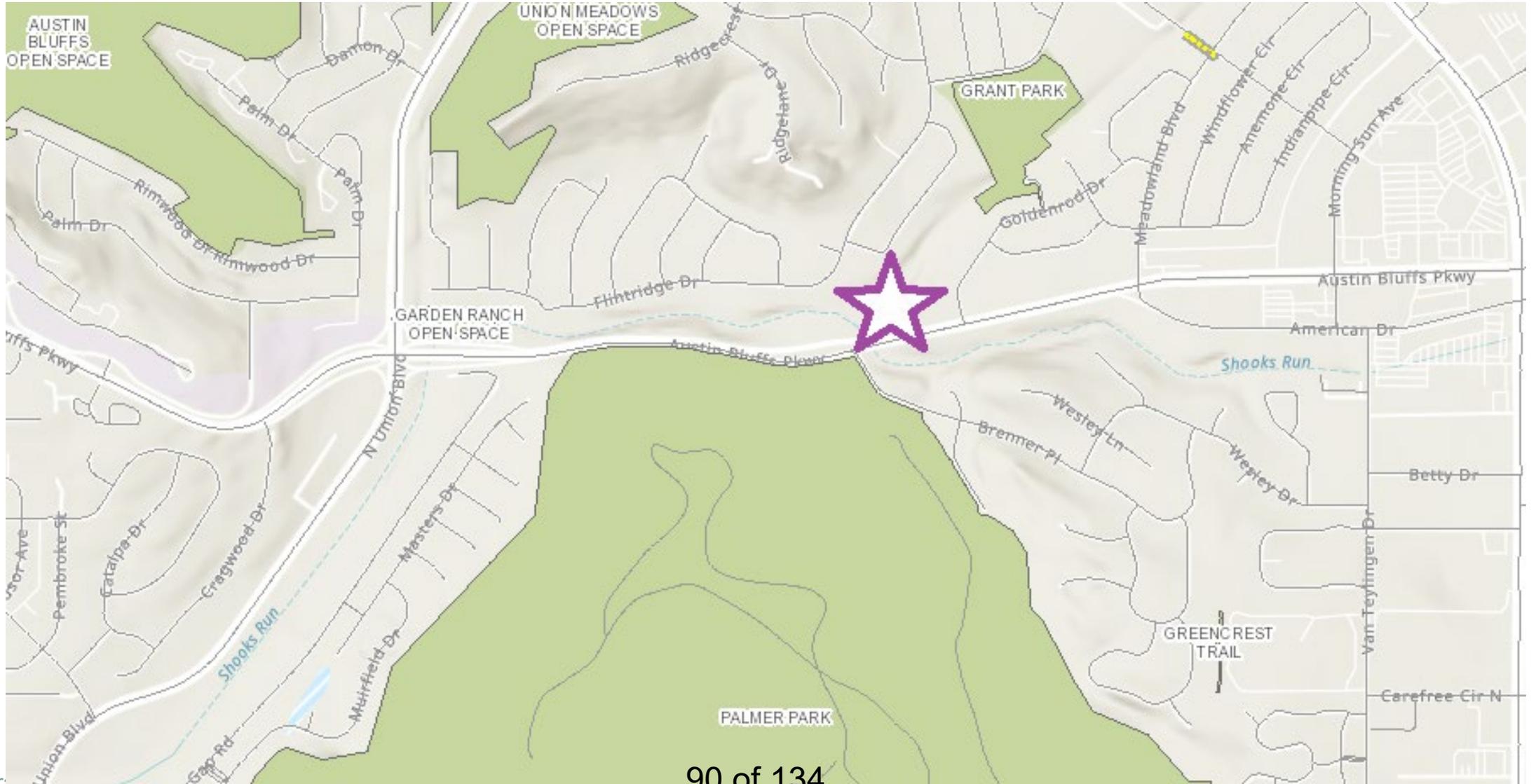
Jessica Davis
Land Resource Manager
February 22, 2023

Central Bluffs Substation Project

- Replacement of 3 aging substations
- Long-term O&M savings
- Ensure reliability of system
- Safety upgrades

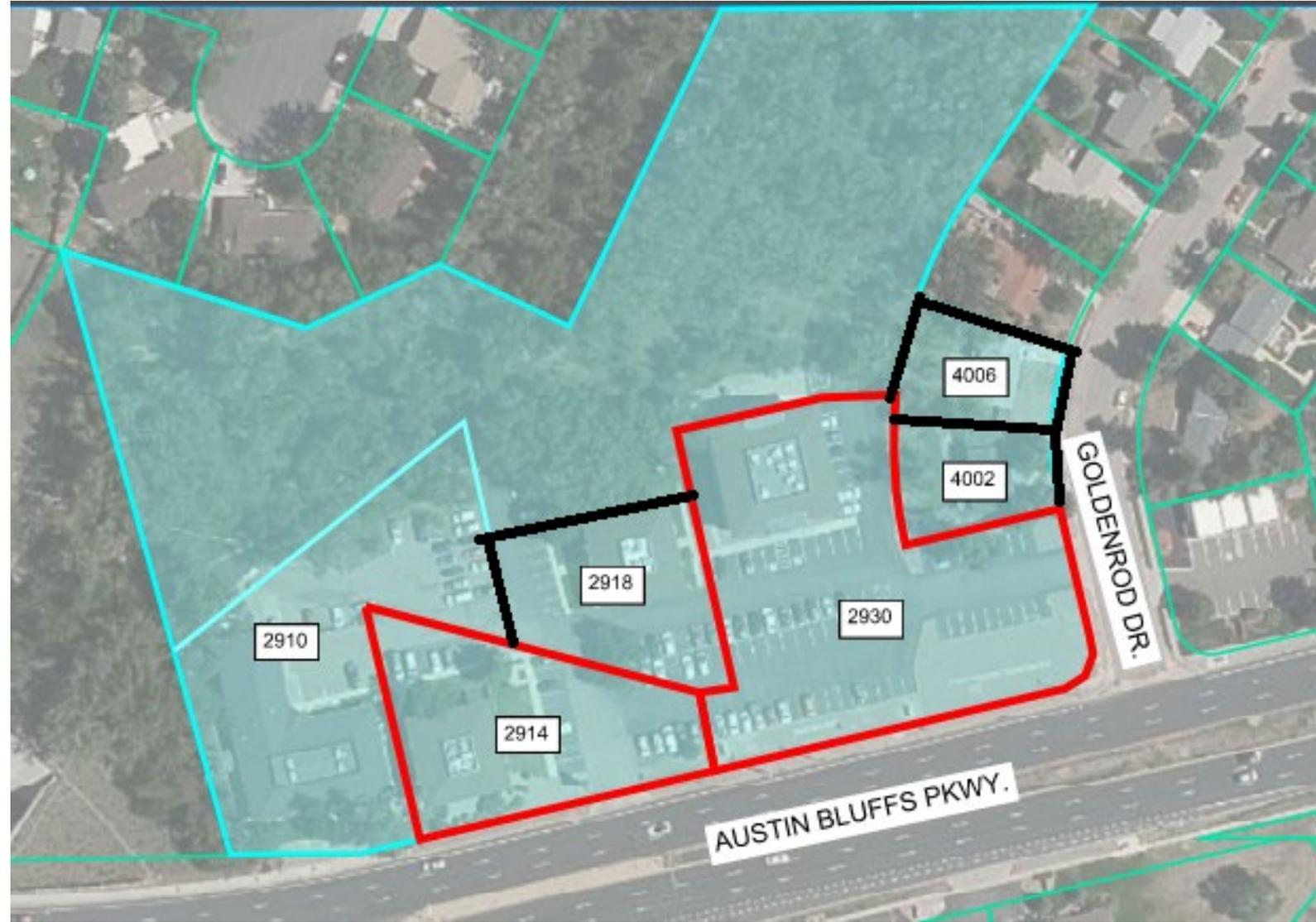


Vicinity Map



Central Bluffs Substation Site

- 7 Properties
 - Commercial
 - 2910 Austin Bluffs Pkwy
 - **2914 Austin Bluffs Pkwy**
 - **2918 Austin Bluff Pkwy**
 - **2930 Austin Bluffs Pkwy**
 - Residential
 - **4002 Goldenrod Drive**
 - **4006 Goldenrod Drive**
 - Vacant
 - 2922 Austin Bluffs Pkwy



Property – 2914 Austin Bluffs Parkway

- TSN: 6327206051
- Owner: Grant Invest LLC
- Appraisal: \$1,000,000
- Request approval for purchase price of \$1,100,000
- Relocation will be in accordance with the Uniform Relocation Act

Property – 2930 Austin Bluffs Parkway

- TSN: 6327206055
- Owner: Parkway Plaza Ltd Liability Company
- Appraisal: \$2,000,000
- Request approval for purchase price of \$2,200,000
- Relocation of businesses will be in accordance with the Uniform Relocation Act

Action Requested

- Request for item to be added to March 14, 2023, formal City Council agenda for a vote.



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A RESOLUTION AUTHORIZING THE ACQUISITION OF REAL PROPERTY OWNED BY GRANT INVEST LLC AND REAL PROPERTY OWNED BY PARKWAY PLAZA LIMITED LIABILITY COMPANY TO BE USED FOR THE CENTRAL BLUFFS SUBSTATION PROJECT

WHEREAS, certain real property owned by Grant Invest LLC (“Grant Invest”) which is located at 2914 Austin Bluffs Parkway, Colorado Springs, Colorado, also known as El Paso County Tax Schedule Number 632706051 in the records of the El Paso County Clerk and Recorder, El Paso County, Colorado, (the “2914 Property”), has been identified as necessary for the Central Bluffs Substation Relocation Project (“Project”); and

WHEREAS, the City of Colorado Springs on behalf of Colorado Springs Utilities (“Utilities”) desires to purchase and the LLC desires to sell the 2914 Property to the City for a purchase price of \$1,100,000; and

WHEREAS, the \$1,100,000 purchase price for the 2914 Property is supported by a real estate appraisal conducted by an independent real estate appraiser; and

WHEREAS, certain real property owned by Parkway Plaza Limited Liability Company (“Parkway Plaza”) which is located at 2930 Austin Bluffs Parkway, Colorado Springs, Colorado, also known as El Paso County Tax Schedule Number 6327206055, in the records of the El Paso County Clerk and Recorder, El Paso County, Colorado, (the “2930 Property”), has been identified as necessary for the Project; and

WHEREAS, the City of Colorado Springs on behalf of Colorado Springs Utilities (“Utilities”) desires to purchase and the Company desires to sell the 2930 Property to the City for a purchase price of \$2,200,000; and

WHEREAS, the \$2,200,000 purchase price for the 2930 Property is supported by a real estate appraisal conducted by an independent real estate appraiser; and

WHEREAS, the acquisition of the 2914 Property and the 2930 Property is in the public interest and is necessary for the Project; and

WHEREAS, pursuant to sections 4.1 and 9.6 of *The City of Colorado Springs Procedure Manual for the Acquisition and Disposition of Real Property Interests, Revised 2021* (“Real Estate Manual”), City Council approval is required for acquisition of real property interests if the purchase price exceeds \$100,000; and

WHEREAS, Utilities requests the approval of City Council to purchase the 2914 Property from the LLC for a purchase price of \$1,100,000; and

WHEREAS, Utilities requests the approval of City Council to purchase the 2930 Property from the Company for a purchase price of \$2,200,000.

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

Section 1. That the City Council finds the acquisition of the 2914 Property and the 2930 Property to be in compliance with the Real Estate Manual, the City Charter, City Code, and all other applicable laws.

Section 2. That in accord with the Real Estate Manual, the City Council hereby authorizes the acquisition of the 2914 Property from the LLC for the purchase price of \$1,100,000.

Section 3. That in accord with the Real Estate Manual, the City Council hereby authorizes the acquisition of the 2930 Property from the Company for the purchase price of \$2,200,000.

Section 4. That the City's Real Estate Services Manager is authorized to execute all documents necessary to complete the acquisition of the Property as contemplated herein.

DATED at Colorado Springs, Colorado, this _____ day of _____, 2023.

ATTEST:

Council President

Sarah B. Johnson, City Clerk

Board Memo Agenda Item

Staff Report

Date: Feb. 22, 2023
To: Utilities Board
From: Travas Deal, Acting Chief Executive Officer
Subject: Acquisition of an Easement to be Used for the Kelker to South Plant Transmission Line Project

NARRATIVE:

Desired Action: Discussion

Executive Summary: Staff is requesting that Utilities Board move forward a resolution to City Council that will allow Springs Utilities to purchase an easement owner by Waste Connections of Colorado, Inc., a Delaware Corporation, being the survivor of a merger with Springs Waste Systems, LLC, a Colorado limited liability company for the Kelker to South Plant transmission line project. The Kelker to South Plant transmission line project is a new overhead single circuit 115kV transmission line from Kelker Substation to South Plant Substation.

Pursuant to the provisions of the Colorado Springs City Charter, the City is empowered to acquire real property necessary for Utilities' projects. Section 9.6 of The City of Colorado Springs Procedure Manual for the Acquisition and Disposition of Real Property Interests, Revised 2021 provides that if the total acquisition amount is greater than \$100,000, City Council must approve the transaction.

Benefits: Utilities is modernizing the electric grid for sustainability and system resiliency and reliability.

Board Policy: I-8: Asset Protection

Cost/Budget: The total acquisition amount is \$148,000.

Affected Parties: Staff has been working with 19 private property owners, the Colorado Department of Transportation, Union Pacific and BNSF Railroads, and City departments to acquire the access needed for the construction of the project.

Alternatives: N/A

Submitter: Jessica Davis	Email address: jedavis@csu.org
Division/ Department: Systems Planning & Projects/ Technology & Facility Management	Phone number: 719-668-7581
	Date submitted: Feb. 6, 2023

SPG Staff Use Only: Consent Calendar

Yes

X

No

ITEM NO. 11



Colorado Springs Utilities
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A RESOLUTION AUTHORIZING THE ACQUISITION OF AN EASEMENT BE USED FOR THE KELKER TO SOUTH PLANT TRANSMISSION PROJECT

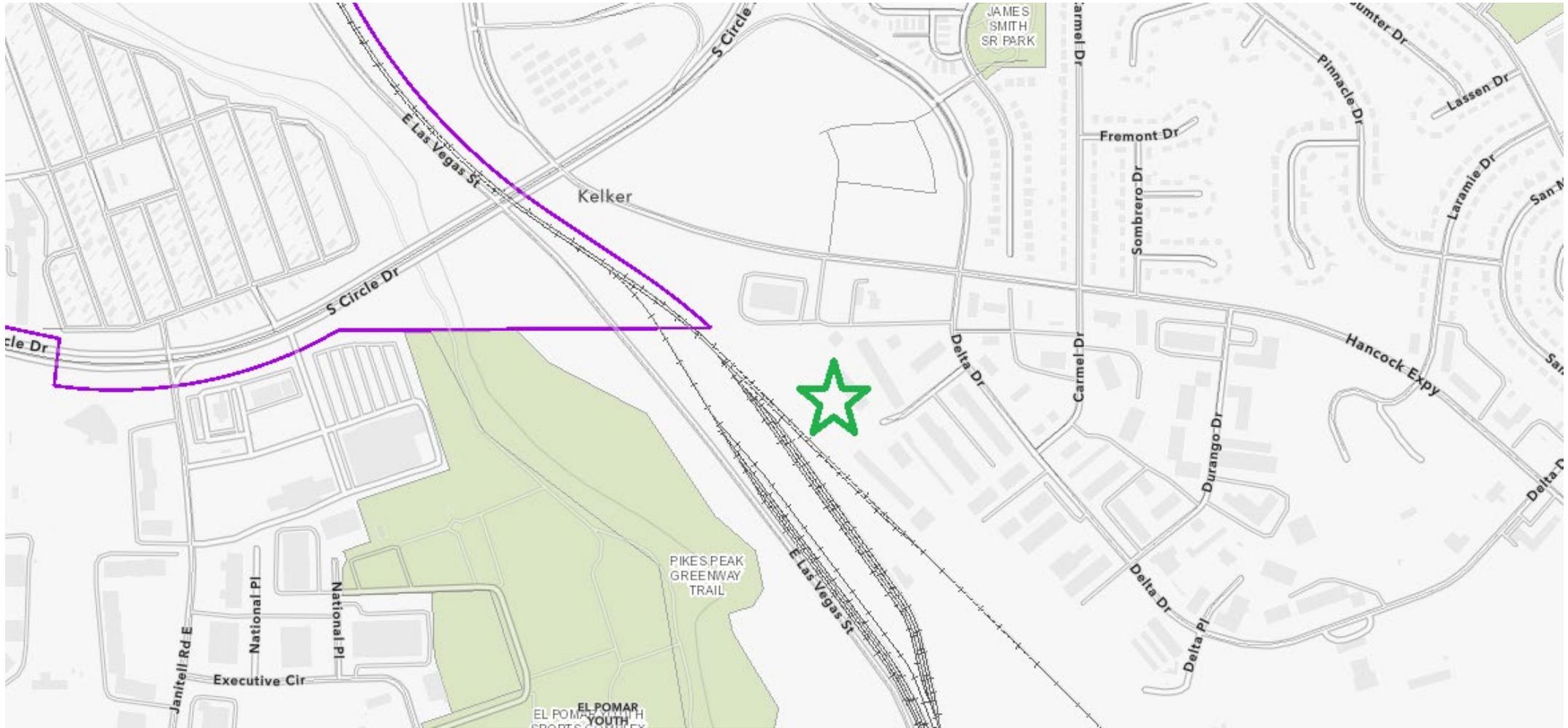
Jessica Davis
Land Resource Manager
February 22, 2023

Kelker-South Plant Transmission Project

- Single circuit 115kV transmission line
 - ~5 miles long
- Support Drake decommissioning
- Ensure reliability of system



Vicinity Map for Easement



Property Information

- Waste Connections of Colorado, Inc.
- APN: 6433102061
- Easement ~ 1.294 acres
- Appraisal value: \$147,914



Action Requested

- Request for item to be added to March 14, 2023, formal City Council agenda for a vote.



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A RESOLUTION AUTHORIZING THE ACQUISITION OF A PERMENANT EASEMENT ON PROPERTY OWNED BY WASTE CONNECTIONS OF COLORADO, INC., A DELAWARE CORPORATION, BEING THE SURVIVOR OF A MERGER WITH SPRINGS WASTE SYSTEMS, LLC, A COLORADO LIMITED LIABILITY COMPANY, TO BE USED FOR THE KELKER TO SOUTH PLANT TRANSMISSION PROJECT

WHEREAS, certain real property owned by Waste Connections of Colorado, Inc., a Delaware corporation, being the survivor of a merger with Springs Waste Systems, LLC, a Colorado limited liability company, ("Property Owner") which is located at 2540 Weston Road, Colorado Springs, Colorado, also known as El Paso County Tax Schedule Number 6433102061 in the records of the El Paso County Clerk and Recorder, El Paso County, Colorado, (the "Property"), has been identified as necessary for the Kelker to South Plant Transmission Project ("Project"); and

WHEREAS, the City of Colorado Springs on behalf of its enterprise Colorado Springs Utilities ("Utilities") desires to purchase a permanent easement which is approximately 1.294 acres (the "Easement") and the Property Owner desires to sell the Easement to the City for a purchase price of \$148,000; and

WHEREAS, the \$148,000 purchase price for the Easement is supported by a real estate appraisal conducted by an independent real estate appraiser; and

WHEREAS the acquisition of the Easement is in the public interest and is necessary for the Project; and

WHEREAS, pursuant to 9.6 of *The City of Colorado Springs Procedure Manual for the Acquisition and Disposition of Real Property Interests, Revised 2021* ("Real Estate Manual"), City Council approval is required for acquisition of real property interests if the purchase price exceeds \$100,000; and

WHEREAS, Utilities requests the approval of City Council to purchase the Easement from the Property for a purchase price of \$148,000.

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

Section 1. That the City Council finds the acquisition of the Easement to be in compliance with the Real Estate Manual, the City Charter, City Code, and all other applicable laws.

Section 2. That in accord with the Real Estate Manual, the City Council hereby authorizes the acquisition of the Easement for the purchase price of \$148,000.

Section 3. That the City's Real Estate Services Manager is authorized to execute all documents necessary to complete the acquisition of the Property as contemplated herein.

DATED at Colorado Springs, Colorado, this _____ day of _____, 2023.

ATTEST:

Council President

Sarah B. Johnson, City Clerk

Board Memo Agenda Item

Staff Report

Date: Feb. 22, 2023
To: Utilities Board
From: Travas Deal, Acting Chief Executive Officer
Subject: Wastewater Service Agreement with the City of Manitou Springs

NARRATIVE:

Desired Action: Discussion

Executive Summary: Colorado Springs Utilities has been treating the City of Manitou Springs' wastewater since the 1970s and the contract under which it currently provides such service expired on Feb. 18, 2023. Manitou's wastewater system delivers wastewater into Springs Utilities' wastewater system, which is then treated at the Las Vegas wastewater treatment facility. Springs Utilities and Manitou have negotiated a new Wastewater Service Agreement with a 25-year term. Manitou's City Council has approved the proposed Wastewater Service Agreement.

Colorado Springs Utilities will be requesting City Council approval of a resolution authorizing the Chief Executive Officer to execute the new Wastewater Service Agreement with Manitou on the consent calendar at the Feb. 28, 2023 City Council meeting.

Benefits: The Wastewater Service Agreement will allow Springs Utilities to utilize excess capacity in its wastewater treatment system and generate revenue.

Board Policy: Instructions to the Chief Executive Officer, Water Supply Management (I-7)

Cost/Budget: Gross revenues under the proposed Wastewater Service Agreement will be approximately \$500,000 annually.

Affected Parties: Colorado Springs Utilities and the City of Manitou Springs

Alternatives: N/A

Submitter: Bill Bolch III	Email address: bbolch@csu.org
Division/ Department: Customer Engagement Services	Phone number: 719-668-3849
	Date submitted: Jan. 26, 2023

SPG Staff Use Only: Consent Calendar		Yes	<input checked="" type="checkbox"/>	No	ITEM NO. 12
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Colorado Springs Utilities
It's how we're all connected

City of Manitou Springs Wastewater Service Agreement

Wastewater Service Agreement

- The City of Manitou Springs provides wastewater collection services within the City through its Department of Public Works.
- Provided wastewater treatment services at our Las Vegas treatment facility for Manitou Springs since early 1970s.
- Material changes/additions to new agreement:
 - Wastewater Regional System Availability Fee – Manitou Springs is “grandfathered” at current discharge levels.
 - Water Quality Impact Fee – Fee being studied for applicability.
 - Term – increased from 5 years to 25 years.
- There are no new regulations that apply.
- The agreement is reviewed annually to ensure Industrial Pretreatment regulations are current.
- The gross revenue is approximately \$500,000 per year.
- The current Service Agreement expired Feb. 18, 2023.

RESOLUTION NO. 23-____

A RESOLUTION DIRECTING THE CHIEF EXECUTIVE OFFICER OF COLORADO SPRINGS UTILITIES TO EXECUTE THE WASTEWATER SERVICE AGREEMENT BETWEEN COLORADO SPRINGS UTILITIES AND THE CITY OF MANITOU SPRINGS

WHEREAS, City Code § 12.5.304 allows Colorado Springs Utilities to provide by contract a connection to the City's wastewater system by institutions, organized sewer districts, governments, municipal corporations, or other similar users which are located outside the corporate limits of the City; and

WHEREAS, The City of Manitou Springs is the owner of that certain wastewater collection system that collects wastewater from the residents of said City; and

WHEREAS, Colorado Springs Utilities has been treating the City of Manitou Springs' Wastewater since the 1970s, and the contract under which it currently provides such service expired on February 18, 2023; and

WHEREAS, the City of Manitou Springs has requested that Colorado Springs Utilities continue to collect wastewater at designated delivery points from the City of Manitou Springs and process such wastewater; and

WHEREAS, Colorado Springs Utilities requests that City Council authorize and direct the Chief Executive Officer of Colorado Springs Utilities to execute a new Wastewater Service Agreement with the City of Manitou Springs; and

WHEREAS, the City Council finds that it is in the best interest of the City and the surrounding community for Colorado Springs Utilities to enter into such a Wastewater Service Agreement with the City of Manitou Springs.

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

Section 1. The City Council finds and determines that the Wastewater Service Agreement between Colorado Springs Utilities and the City of Manitou Springs attached hereto will benefit the public health, safety and welfare of the surrounding community and is in the best interest of the City of Colorado Springs.

Section 2. The Chief Executive Officer of Colorado Springs Utilities is authorized and directed to enter into and administer the Wastewater Service Agreement with the City of Manitou Springs in a form substantially similar to that attached hereto.

Section 3. This Resolution shall take effect as of the date and time of its approval.

DATED at Colorado Springs, Colorado, this _____ day of March, 2023.

Council President

ATTEST:

Sarah B. Johnson, City Clerk

WASTEWATER SERVICE AGREEMENT

Contract Service – Regional (S9C)

THIS AGREEMENT ("Agreement") is made and entered into this ____ day of _____, 2023 ("Effective Date"), by and between Colorado Springs Utilities ("UTILITIES"), an enterprise of the City of Colorado Springs ("City"), a Colorado home rule City and municipal corporation, and the City of Manitou Springs ("MANITOU SPRINGS") a Colorado home rule city and municipal corporation. In this document, UTILITIES and MANITOU SPRINGS can be referred to individually as "Party" or collectively as "Parties."

Recitals

- A. MANITOU SPRINGS is a Colorado municipality located just to the west of the City of Colorado Springs. MANITOU SPRINGS currently services a customer base of approximately 2,100 connections in the Colorado Springs metropolitan area.
- B. MANITOU SPRINGS owns, operates and maintains a wastewater collection system located within the Service Area of MANITOU SPRINGS as defined on the map of the Service Area attached hereto as Exhibit A and herein incorporated by reference.
- C. UTILITIES currently accepts and treats MANITOU SPRINGS' wastewater pursuant to that certain Sewage Treatment and Disposal Agreement between the Parties dated February 3, 2016 as amended through February 18, 2023 and UTILITIES and MANITOU SPRINGS desire for UTILITIES to continue to accept and treat through its Wastewater Treatment System MANITOU SPRINGS' wastewater flows pursuant to the terms and conditions of this Agreement.
- D. UTILITIES has wastewater infrastructure and treatment capacity available in its Wastewater Treatment System to provide wastewater related services for the anticipated wastewater flows from MANITOU SPRINGS through February 18, 2048, which is the end of the term of this Agreement.
- E. UTILITIES has entered into this Agreement pursuant to Section 12.5.304 (Service; Special Contract) of Article 4 (Wastewater Treatment Code) of Chapter 12 (Utilities) of the Code of the City of Colorado Springs 2001, as amended.

NOW, THEREFORE, FOR GOOD AND VALUABLE CONSIDERATION, INCLUDING THE FOREGOING REPRESENTATIONS, IT IS AGREED AS FOLLOWS:

Article I General Provisions

- 1. Term; Renewal.
 - a. This Agreement shall become effective on the Effective Date and shall remain in effect for a period of twenty-five (25) years.
 - b. No later than eighteen (18) months prior to the expiration of the Term, the Parties shall begin good faith negotiations on a new definitive agreement for UTILITIES to treat MANITOU SPRINGS' wastewater, with the expectation that such new agreement ("New Agreement") shall be substantially similar to this Agreement.

- c. If the Parties are unable to execute a New Agreement by the date that is six (6) months prior to the end of the Term:
 - i. UTILITIES may notify MANITOU SPRINGS in writing that MANITOU SPRINGS shall be disconnected from UTILITIES Wastewater Treatment System as of the expiration of the Term; or
 - ii. If the Parties mutually agree to continue good faith negotiations for a new wastewater service agreement beyond the Term, the term may be extended for an additional one (1) year term at UTILITIES' sole discretion.

2. Definitions. Terms not otherwise defined herein shall have the meaning adopted in the City Code as amended from time-to-time.

- a. MANITOU SPRINGS' Customers: The persons and entities located within MANITOU SPRINGS' Service Area, that receive the benefit of the wastewater service provided hereunder.
- b. MANITOU SPRINGS' Service Area: MANITOU SPRINGS' service area, as identified in Exhibit A attached hereto. MANITOU SPRINGS' Service Area may be amended in accordance with this Agreement.
- c. MANITOU SPRINGS' Wastewater Collection System: MANITOU SPRINGS' Wastewater Collection System includes any devices, facilities, structures, equipment or works owned by MANITOU SPRINGS for the purpose of collection and transmission of wastewater generated within MANITOU SPRINGS' Service Area to UTILITIES' Wastewater Treatment System.
- d. Maximum Average Flow: The Maximum Average Flow shall be calculated based on a ninety (90) day rolling average of discharge as measured at the points of connection described in Article II Section 1.
- e. UTILITIES' Wastewater Treatment System: UTILITIES' Wastewater Treatment System includes any devices, facilities, structures, equipment or works owned by UTILITIES for the purpose of collecting and treating wastewater.

3. Jurisdiction and Compliance.

- a. This Agreement is for "Contract Service – Regional (S9C)," as provided in UTILITIES' Tariffs as modified or replaced. The wastewater treatment service provided to MANITOU SPRINGS under this Agreement shall be governed by the Colorado Springs City Charter, the City Code, UTILITIES' Rules and Regulations ("URRs"), UTILITIES' Wastewater Tariffs ("Tariffs"), UTILITIES' Wastewater Line Extension and Service Standards

("WWLESS"), and all other applicable City or UTILITIES' ordinances, resolutions regulations, policies and rules concerning use of UTILITIES' Wastewater Treatment System as may be amended or replaced, except as otherwise provided in this Agreement.

- b. MANITOU SPRINGS is a User of Colorado Springs' publicly owned wastewater treatment works for the purposes of City Code § 12.5.102. In accordance with City Code § 12.5.304, MANITOU SPRINGS submits to the jurisdiction of the City for the purposes of the enforcement procedures set out in City Code Chapter 12, Article 5. MANITOU SPRINGS shall by ordinances, resolutions provide for MANITOU SPRINGS' customers to submit to the jurisdiction of the City of Colorado Springs for the purposes of the enforcement procedures set out in City Code Chapter 12, Article 5. MANITOU SPRINGS shall comply with all relevant laws, regulations or policies related to wastewater treatment as they exist now or may be amended or replaced in the future.

4. Wastewater Treatment Service.

- a. During the term of this Agreement, UTILITIES will accept and treat through its Wastewater Treatment System, wastewater that originates from inside MANITOU SPRINGS' Service Area from MANITOU SPRINGS' customers, in accordance with City Code, the URRs, and subject to the terms and conditions contained herein.
- b. UTILITIES shall have no obligation to accept and treat wastewater under this Agreement that originates outside of MANITOU SPRINGS' Service Area.
- c. MANITOU SPRINGS shall provide to UTILITIES an updated copy of the map of MANITOU SPRINGS' Wastewater Collection System by February 15 of each year or notice that no changes to MANITOU SPRINGS' Wastewater Collection System have occurred in the preceding year.

5. Expansion of MANITOU SPRINGS' Service Area. MANITOU SPRINGS may not expand the MANITOU SPRINGS' Service Area without first receiving UTILITIES' prior written approval of the expansion or contract, which may require authorization from the UTILITIES' Board of Directors and the Colorado Springs City Council. MANITOU SPRINGS shall provide UTILITIES with notice of its intent to expand MANITOU SPRINGS' Service Area at least one hundred and eighty (180) days prior to approval of the expansion by its governing body, if required. The notice must include the number and types of connections to MANITOU SPRINGS' Wastewater Collection System that will be included in the expanded MANITOU SPRINGS' Service Area and/or pursuant to the contract. UTILITIES shall provide notice to MANITOU SPRINGS of its approval/disapproval of the proposed expansion or contract within ninety (90) days of UTILITIES' receipt of MANITOU SPRINGS' notice.

6. Rates, Charges, Surcharges and Fees Payable by MANITOU SPRINGS.

- a. For the services provided hereunder, MANITOU SPRINGS shall pay to UTILITIES the applicable connection fees, system availability charges, rates, charges, surcharges and fees as provided in the Tariffs, as such may be amended or replaced from time to time by

the Colorado Springs City Council. Such charges and fees include, but are not limited to, Treatment Charges and Extra Strength Surcharges, as provided in UTILITIES' Tariff "Contract Service – Regional (S9C)" and the Wastewater Regional System Availability Fee ("WWRSAF") as provided in UTILITIES Tariffs as modified or replaced. Surcharges will apply to MANITOU SPRINGS' wastewater that exceeds normal domestic strength for biochemical oxygen demand and total suspended solids and will be based on twenty-four (24) hour composite samples. MANITOU SPRINGS agrees that UTILITIES' rate making process, as embodied in the Tariffs in effect on the Effective Date, is fair and reasonable.

- b. MANITOU SPRINGS' historical demand on UTILITIES' Wastewater Treatment System has not exceeded Maximum Average Flows of 0.39 million gallons per day. The current WWRSAF for Maximum Average Flows of between 0.30 and 0.59 million gallons per day is \$64,390.00. As an existing wastewater customer of UTILITIES that has paid all required connection fees, MANITOU SPRINGS has satisfied the obligations of the WWRSAF for such Maximum Average Flow through prior contracts and payments and shall not be required to pay the WWRSAF at this time. If MANITOU SPRINGS' demands on UTILITIES' Wastewater Treatment System exceed Maximum Average Flows of 0.59 million gallons per day, then MANITOU SPRINGS will be required to pay the difference between the WWRSAF for Maximum Average Flows of between 0.30 and 0.59 million gallons per day set forth above and the applicable WWRSAF for the new Maximum Average Flows under UTILITIES' Tariffs.
 - c. UTILITIES conducts extensive water quality monitoring and studies in the Fountain Creek watershed and implements projects and programs to maintain and enhance conditions within the Fountain Creek Watershed. MANITOU SPRINGS shall pay a Water Quality Impact Fee that will be calculated and billed annually. The annual fee will be based on the MANITOU SPRINGS' pro rata share of UTILITIES' combined yearly wastewater treatment flows, times the cost of UTILITIES' water quality monitoring and studies and Fountain Creek watershed improvements.
 - d. Payment of the total monthly bill by MANITOU SPRINGS shall be due at Colorado Springs Utilities, Customer Services Department, 111 S. Cascade Ave., Colorado Springs, Colorado 80903, within thirty (30) days of receipt thereof. A deposit may be assessed as outlined in the Tariffs as modified or replaced.
7. MANITOU SPRINGS' Responsibilities. In addition to other responsibilities and duties provided in this Agreement, MANITOU SPRINGS shall solely have the following responsibilities:
- a. MANITOU SPRINGS shall be solely responsible for the permitting, construction, operation, maintenance, integrity of, and reporting associated with, MANITOU SPRINGS' Wastewater Collection System including, but not limited to, air emissions from MANITOU SPRINGS' Wastewater Collection System, and spills, leaks, and sanitary sewer overflows (as defined by the United States Environmental Protection Agency ("EPA")) from MANITOU SPRINGS' Wastewater Collection System.

- b. At all times, MANITOU SPRINGS shall cause all wastewater, which is discharged directly or indirectly into MANITOU SPRINGS' Wastewater Collection System or into UTILITIES' Wastewater Treatment System by MANITOU SPRINGS or MANITOU SPRINGS' customers, or on their behalf, to comply with any requirements of UTILITIES, as permitted by law.
- c. MANITOU SPRINGS shall at all times operate MANITOU SPRINGS' Wastewater Collection System so as not to interfere with service to third parties who rely on UTILITIES' Wastewater Treatment System.
- d. MANITOU SPRINGS' Wastewater Collection System shall collect only from separate sanitary sewer systems and there shall be no combined sanitary and stormwater systems or stormwater systems connected to MANITOU SPRINGS' Wastewater Collection System.
- e. If MANITOU SPRINGS has a slug discharge as defined in §12.5.201 of the City Code, or a discharge that could cause problems to the UTILITIES' Wastewater Treatment System, UTILITIES shall be immediately notified. Additionally, a written report shall be submitted within five (5) days of the event detailing the date, time and cause of the slug discharge, the quantity and characteristics of the discharge, and corrective action taken to prevent future slug discharges.
- f. MANITOU SPRINGS shall inform UTILITIES at least two (2) weeks prior to any planned significant change in operations which will affect wastewater characteristics or at least 90 days prior to discharge of any new source of categorical process wastewater. Unplanned changes in wastewater characteristics must be reported within seven (7) days after the change becomes known.
- g. MANITOU SPRINGS shall report, in the manner provided below, any illicit discharge, spill, leak, or sanitary overflow from MANITOU SPRINGS' Wastewater Collection System, which may endanger human health, the environment or otherwise enter State Waters (as defined in C.R.S. § 25-8-103(19)) directly or indirectly ("Incident") to UTILITIES and the Colorado Department of Public Health and Environment – Water Quality Control Division ("CDPHE"), as soon as MANITOU SPRINGS becomes aware of the Incident. Such notification shall, at a minimum, provide the following information:
 - 1. A description of the Incident including bypass or upsets.
 - 2. The period of and cause of the Incident the exact dates and times and/or anticipated time when the Incident will be remedied.
 - 3. The steps MANITOU SPRINGS is taking to reduce, eliminate and prevent reoccurrence of the Incident.

Incidents shall be reported verbally to UTILITIES and the CDPHE within twenty-four (24)

hours and a written report shall be mailed to said entities within five (5) days from the date MANITOU SPRINGS becomes aware of the Incident.

- h. MANITOU SPRINGS shall maintain an approved EPA User Charge System (40 CFR 35.2140). UTILITIES will notify MANITOU SPRINGS by February 1 of each calendar year of UTILITIES' classifications, classes and surcharges per class and any other information on revenues, costs and allocation of costs between BOD, TSS and flow so as to assure proportional allocation of costs to Users. MANITOU SPRINGS shall provide within sixty (60) days of implementation or upon request by UTILITIES, a report on MANITOU SPRINGS' classes, rates, and implementation provisions. MANITOU SPRINGS will comply with EPA regulation 40 CFR § 35.2140(c) by advising MANITOU SPRINGS' Wastewater Collection System Users in conjunction with a regular bill (or other means acceptable to the EPA Regional Administrator) of their wastewater rate and that portion of the rate attributable to wastewater treatment services. A copy of the notification shall be forwarded to UTILITIES within sixty (60) days of when MANITOU SPRINGS provides such notification to its wastewater customers.

8. UTILITIES' Responsibilities.

In addition to other responsibilities and duties provided in this Agreement, UTILITIES shall:

- a. Accept and treat MANITOU SPRINGS' wastewater pursuant to the terms of this Agreement in accordance with generally accepted industry principles and practice and in full compliance with all applicable Federal, State and local, regulations, policies, rules and permits.
- b. Maintain and operate its Wastewater Treatment System in accordance with best industry practices.
- c. Perform all monitoring, sampling, testing, analyses and reporting, not assigned to MANITOU SPRINGS under the terms of this Agreement as necessary, for compliance with all applicable Federal, State and local laws, regulations, and permits.

Discharge Prohibitions, Discharge Limitations, and Point of Discharge Limitations.

- a. UTILITIES shall have the right to restrict additional connections to and discharges from MANITOU SPRINGS' Wastewater Collection System in the event of a limitation in UTILITIES' treatment or collection system capacity.
- b. UTILITIES shall have the right to prohibit any connection to, or discharges into, MANITOU SPRINGS' Wastewater Collection System of a MANITOU SPRINGS commercial and industrial customer ("Industrial User") in accordance with City Code.
- c. MANITOU SPRINGS is prohibited from contributing excess flows that cause or contribute

to overflows, flooding, or non-compliance with UTILITIES' Colorado Discharge Permit System ("CDPS") Permit No. CO-0026735.

- d. MANITOU SPRINGS hereby agrees to comply, and require MANITOU SPRINGS' Customers to comply, with the discharge prohibitions, discharge limitations and points of discharge limitations set forth in City Code §§ 12.5.702, 12.5.703, 12.5.704 A- E, and 12.5.801-12.5.811 and shall prohibit the discharge of waste silver-rich photochemical solutions with total silver concentrations greater than 400 mg/l.
- e. MANITOU SPRINGS has enacted and shall keep in full force and effect for MANITOU SPRINGS' Customers by ordinances and resolutions, and contract with its extraterritorial customers, provisions that mirror these City Code sections as may be amended from time to time. MANITOU SPRINGS shall provide UTILITIES with notice and a copy of the most recent discharge ordinance, resolution and/or contract to UTILITIES by February 15 of each calendar year, and amendments to said ordinance, resolution and/or contract within thirty (30) days of adoption.
- f. MANITOU SPRINGS agrees to participate in any water quality monitoring or studies to the same degree and extent as undertaken by UTILITIES.
- g. In addition to other remedies provided in this Agreement, should MANITOU SPRINGS exceed a Maximum Average Flow of 0.50 million gallons per day, and UTILITIES determines that relief systems are necessary to continue to provide wastewater service, UTILITIES will provide MANITOU SPRINGS written notification that relief facilities or necessary appurtenances must be constructed in accordance with the City Code and WWLESS, as each may amended or replaced. Relief facilities shall be approved by UTILITIES, and operational before additional MANITOU SPRINGS wastewater loading can be accepted. These relief facilities may be constructed on property owned by MANITOU SPRINGS, within the boundaries of MANITOU SPRINGS, or at other locations within UTILITIES' Wastewater Treatment System that are mutually agreed upon by the Parties. At the discretion of UTILITIES, UTILITIES may, but is not obligated to, enter into a cost sharing agreement with MANITOU SPRINGS to pay a pro rata share of the construction cost of relief systems based upon the determination of benefit to UTILITIES. Benefit to UTILITIES may be derived from, but not limited to, the following:
 - 1. Relief of pipelines operating in excess of design capacity.
 - 2. Replacement of structurally deficient pipelines.
 - 3. Replacement of pipelines subject to flooding or other hazards.
 - 4. Replacement of pipelines with inadequate operations and maintenance access.
 - 5. Replacement of pipelines subject to excessive inflow/infiltration.
 - 6. Pipelines that provide for the elimination of pump stations and force mains.

MANITOU and UTILITIES may have the right to reimbursement under the provisions of

a Recovery Agreement for construction of relief facilities, as determined by Utilities.

h. Approvals and Permits. The Parties expressly acknowledge that the service contemplated and/or the construction of any Improvements under this Agreement is dependent upon the receipt of any necessary approvals and/or permits by Federal, State, and local governmental and/or regulatory entities. MANITOU SPRINGS shall be responsible for obtaining all approvals and/or permits for the Improvements necessary for the implementation of this Agreement, but this requirement shall not be interpreted to require MANITOU SPRINGS to obtain approvals and/or permits UTILITIES must obtain independent of its service obligations to MANITOU SPRINGS under this Agreement. UTILITIES will cooperate with MANITOU SPRINGS to obtain any necessary approvals and/or permits. If any required approval and/or permit is not obtained by MANITOU SPRINGS, either Party may terminate this Agreement. A copy of such approval or permit shall be provided to UTILITIES by MANITOU SPRINGS.

9. Interpretation of Requirements. In all cases where the application or the enforcement of the City Code, URRs, Tariffs or WWLESS, as may be amended, involve technical or scientific analyses or determinations, UTILITIES shall have final authority as to methods, standards, criteria, significance, evaluation, and interpretation of such analyses and determinations.

10. Reusable Return Flows. Unless separately agreed to by the Parties, UTILITIES will maintain dominion, and control of treated reusable water effluent resulting from wastewater introduced by MANITOU SPRINGS into UTILITIES' Wastewater Treatment System for treatment until such time as such reusable water effluent is discharged from UTILITIES' wastewater treatment facilities. Upon such discharge, MANITOU SPRINGS shall have the legal ownership of and right to use, reuse, successively use, and dispose of all return flows resulting from wastewater introduced by MANITOU SPRINGS into UTILITIES' Wastewater Treatment System.

Article II

Improvements/Connection to UTILITIES' Wastewater Treatment System

1. Point(s) of Connection of MANITOU SPRINGS to UTILITIES' Wastewater Treatment System. MANITOU SPRINGS shall deliver its wastewater to UTILITIES' Wastewater Treatment System at two points of interconnection (i) the primary point of interconnection located near the intersection of Colorado Avenue and Columbia Avenue, and (ii) the secondary interconnect located near the intersection of Crystal Valley Rd., Red Canon Rd. and West High St. The location of these interconnects is depicted on Exhibit B attached hereto and herein incorporated by reference. These connection points, and all other approved new, modified or abandoned connections to UTILITIES' Wastewater Treatment System shall be made at the expense of MANITOU SPRINGS. MANITOU SPRINGS, at its own expense and cost, will construct, install, operate and maintain any and all extensions of its Wastewater Collection System or the outfalls therefrom

necessary to cause the same to reach to and to deliver wastewater at the point(s) of connection.

2. MANITOU SPRINGS' Wastewater Collection System Improvements. MANITOU SPRINGS shall be solely responsible, financially and otherwise, for designing, installing, constructing, and operating MANITOU SPRINGS' Wastewater Collection System including, but not limited to, wastewater mains, all infrastructure improvements necessary to connect UTILITIES' Wastewater Treatment System to MANITOU SPRINGS' Wastewater Collection System point(s) of connection, and all other related facilities necessary for use in connection with this Agreement ("Improvements"). The Improvements shall be agreed upon by the Parties in advance and shall be designed, installed, constructed, inspected, operated and maintained in accordance with the City Code and the WWLESS as each may be amended or replaced. The Improvements shall be located on property owned by MANITOU SPRINGS or in rights-of-way or easements dedicated for public utilities or conveyed to MANITOU SPRINGS. UTILITIES shall have the sole discretion to determine and approve the actual location and design of the Improvements. MANITOU SPRINGS shall, at its own cost and subject to UTILITIES' approval, locate, design, and construct the Improvements in such a manner and of such material that the Improvements will not at any time be a source of danger to or interference with any of UTILITIES' structures, facilities, or operations. UTILITIES shall have the right to perform its own inspection of all completed Improvements to ensure compliance with the City Code and the WWLESS.

3. Wastewater Discharge Meters.
 - a. Wastewater discharge meters that record the amount of wastewater delivered to UTILITIES' Wastewater Treatment System by MANITOU SPRINGS are in place at the primary point of interconnection.

 - b. UTILITIES shall install, read, operate, maintain, and replace the discharge meters at UTILITIES' cost.

 - c. No meter has been, nor is it contemplated to be installed, to measure MANITOU SPRINGS' wastewater that is delivered to the secondary interconnect as described in Article II, Section 1, above. Until such time as a meter is installed to measure such wastewater, MANITOU SPRINGS shall meter water usage for its customer(s) serviced by the secondary interconnect. MANITOU SPRINGS shall provide the water service meter readings for those customers to UTILITIES' Customer Services Department no later than March 31 of each year and UTILITIES will use such meter readings to bill MANITOU SPRINGS for the treatment of such wastewater. MANITOU SPRINGS must obtain UTILITIES' approval of the design and installation of all facilities related to MANITOU SPRINGS' wastewater discharge meters that UTILITIES determines are necessary in the future. The design and installation of such discharge meters and associated infrastructure shall be done in accordance with the WWLESS and shall be inspected by UTILITIES.

- d. MANITOU SPRINGS has three water service customers who discharge wastewater directly into UTILITIES' Wastewater Treatment System. MANITOU SPRINGS shall meter water usage for the water service customers who discharge wastewater directly into UTILITIES' Wastewater Treatment System. MANITOU SPRINGS shall provide the water service meter readings for these customers to UTILITIES' Customer Services Department no later than March 31 of each year and UTILITIES will use such meter readings to bill MANITOU SPRINGS for the treatment of such wastewater.

Article III

MANITOU SPRINGS Industrial Pretreatment Program Delegated to Utilities

1. Industrial Users. MANITOU SPRINGS has industrial and commercial customers who discharge into MANITOU SPRINGS' Wastewater Collection System. MANITOU SPRINGS shall submit to UTILITIES' Industrial Pretreatment Program, quarterly, on the due dates as specified by UTILITIES, an updated inventory of all Industrial Users and commercial customers connected to MANITOU SPRINGS' Wastewater Collection System. Such inventory shall include such customer's name, address, Standard Industrial Classification code, and average daily water usage for the previous quarter.
2. Industrial Pretreatment Program Responsibilities; Delegation. MANITOU SPRINGS hereby delegates, and UTILITIES hereby assumes, responsibility for the performance of MANITOU SPRINGS' future Industrial Pretreatment Program responsibilities required by applicable law including, but not limited to, those responsibilities and obligations set forth in the United States Code of Federal Regulations and Code of Colorado Regulations, and implementing regulations, except for those responsibilities directly related to the obligations reserved to MANITOU SPRINGS. MANITOU SPRINGS agrees that UTILITIES will implement its industrial pretreatment responsibilities in accordance with City Code Chapter 12, Article 5, as well as UTILITIES' Enforcement Response Plan, Silver Source Control Policies & Procedures Manual, Mercury Source Control Policies & Procedures Manual, Fats, Oil and Grease Policies & Procedures Manual, Liquid Waste Hauler Program Policies and Procedures Manual, and other related sector control program requirements, and consistent with applicable laws, regulations, codes and ordinances. MANITOU SPRINGS agrees to be responsible for any violations of applicable law for failure of UTILITIES' Industrial Pretreatment Program meeting applicable law resulting from MANITOU SPRINGS' neglect, failure to report any known violations, or failure to comply with the terms and conditions of this Agreement.
3. Co-Issue Permits. MANITOU SPRINGS may co-issue all permits if MANITOU SPRINGS notifies UTILITIES' Industrial Pretreatment Program director in writing.
4. Enforcement. MANITOU SPRINGS and UTILITIES shall each retain their enforcement discretion. Regarding businesses served by MANITOU SPRINGS, each Party shall be copied on all notices of violation and administrative orders issued by the other Party. Notwithstanding the above, UTILITIES has full authority to take enforcement action directly against any customer in MANITOU SPRINGS as provided in the CityCode.

5. Notification of Enforcement Actions. UTILITIES shall notify MANITOU SPRINGS when assessing penalties, terminating wastewater treatment service, or seeking criminal sanctions against any of MANITOU SPRINGS' Customers. UTILITIES shall provide MANITOU SPRINGS with a status report regarding the compliance of Significant Industrial Users under the Pretreatment Program on or before April 1 of each year.
6. Charges and Fees Related to Industrial Pretreatment Program.
 - a. To MANITOU SPRINGS. UTILITIES may bill MANITOU SPRINGS under this Agreement any additional costs associated with the Industrial Pretreatment Program responsibilities delegated to UTILITIES herein, provided that MANITOU SPRINGS is not responsible for any industrial pretreatment costs associated with a UTILITIES' customer.
 - b. To Industrial Users. All general and special sewer service charges, and other charges levied against Industrial Users by MANITOU SPRINGS, shall be retained by MANITOU SPRINGS, except as otherwise provided by this Agreement or applicable law. Permit fees shall be retained by UTILITIES.
 - c. Enforcement. All penalties or other enforcement receipts arising from enforcement actions taken by UTILITIES against MANITOU SPRINGS or MANITOU SPRINGS' Customers shall be collected and retained by UTILITIES.
7. Submittals. Any submittal required by this Article III, shall be made in accordance with Article V Section 4 of this Agreement, and provided at the following address:

Colorado Springs Utilities
Attn: Industrial Pretreatment Program
701 E. Las Vegas St.
Colorado Springs, CO 80903

Article IV
Remedies

1. Liquidated Damages. Damages to UTILITIES resulting from MANITOU SPRINGS' breach of this Agreement are difficult to ascertain. To the extent permitted by law, in addition to any and all costs and charges provided herein, and in accordance with City Code § 12.5.304.B.2, MANITOU SPRINGS is subject to liquidated damages for violation of provisions of City Code Chapter 12, Article 5, in an amount equal to the penalties imposed pursuant to said Article. Such liquidated damages are a reasonable estimate of damages to UTILITIES and are not a penalty.
2. Consequential Damages. MANITOU SPRINGS acknowledges and agrees that any illicit discharge of industrial wastewater by MANITOU SPRINGS, or a MANITOU SPRINGS

Customer, may subject MANITOU SPRINGS to consequential damages for breach of contract including, but not limited to, any amounts the City of Colorado Springs or UTILITIES may be required to pay for violation of the conditions of UTILITIES' CDPS permit where the discharge of MANITOU SPRINGS or its customer(s) caused or contributed to the violation.

3. Disconnection Damages. In the event a breach of this Agreement by MANITOU SPRINGS results in MANITOU SPRINGS permanently disconnecting from UTILITIES' Wastewater Treatment System it is agreed that the damage to UTILITIES will not be less than the reproduction costs of any of UTILITIES' facilities, including UTILITIES' owned Improvements, that are rendered useless by such disconnection and that must be replaced in order for UTILITIES to provide wastewater treatment service to UTILITIES' other customers.
4. Breach of Agreement. Upon any breach of this Agreement by MANITOU SPRINGS, which does not also constitute a breach of City Code Chapter 12, Article 5, UTILITIES shall have the immediate right to: (a) seek specific performance, if available under the law be reimbursed for reasonable costs incurred by UTILITIES as a result of the breach; and (b) be entitled to money damages. Said rights also apply if liquidated damages, as provided in City Code § 12.5.304.B.2, are unavailable.
5. Termination by UTILITIES. MANITOU SPRINGS acknowledges and consents to UTILITIES' right to terminate this Agreement without liability or obligation to MANITOU SPRINGS, MANITOU SPRINGS' Customers or any other person or entity: (1) due to MANITOU SPRINGS' breach of a material term or condition of this Agreement, if MANITOU SPRINGS has not taken substantial steps to cure the breach within a reasonable period of time from delivery of notice of its breach from UTILITIES; or (2) as otherwise authorized by the City Code or City Council. UTILITIES shall promptly notify MANITOU SPRINGS of circumstances that could result in a breach or changes in City Code, or City Council action that could result in termination of the Agreement.
6. Termination by MANITOU SPRINGS. MANITOU SPRINGS may terminate this Agreement due to a material breach on the part of UTILITIES if UTILITIES has not taken substantial steps to cure the breach within a reasonably sufficient time frame that allows UTILITIES to cure the material breach after receiving written notice of such breach from MANITOU SPRINGS.
7. Effect of Termination. Upon termination by either Party, UTILITIES shall have no further obligation to provide Wastewater Treatment Service to MANITOU SPRINGS or MANITOU SPRINGS' Customers and MANITOU SPRINGS' Wastewater Collection System shall be disconnected from UTILITIES' Wastewater Treatment System. Upon termination, UTILITIES shall determine the connection facilities between MANITOU SPRINGS' Wastewater Collection System and UTILITIES' Wastewater Treatment System that must be removed at MANITOU SPRINGS' sole expense in accordance with the WWLESS. UTILITIES shall determine the way the connection facilities are to be removed and wastewater treatment service discontinued in accordance with the URRs and WWLESS. All outstanding charges owed by MANITOU SPRINGS to UTILITIES are due and payable prior to the disconnection

of service. If all outstanding charges owed by MANITOU SPRINGS to UTILITIES are not paid prior to disconnection, MANITOU SPRINGS' obligation to make full payment shall survive termination of this Agreement.

8. Time for Cure. The time frame for a Party to cure a material breach shall be set forth in the notice of breach and shall in no event be less than ninety (90) days except in the case of an emergency.
9. Enforcement of Rights. Nothing herein shall prevent either Party from enforcing its rights under this Agreement by an appropriate legal or equitable action.
10. Remedies Cumulative. Remedies herein are cumulative and may be used individually, sequentially, concurrently, or in any order.

Article V Miscellaneous

1. Parties' Enforcement Powers. Both Parties to this Agreement recognize in the other Party the power to enforce its laws, rules and regulations and the terms of this Agreement by turning off or disconnecting wastewater service to a property within MANITOU SPRINGS' Service Area for violations of such laws, rules, regulations and this Agreement. Neither Party shall turn back on or reconnect wastewater service for a property after the same has been turned off or disconnected by the other Party in the course of enforcing its laws, rules, or the terms of this Agreement, except upon written consent of the Party originally causing the turn off or disconnection. Each Party agrees to provide notice to the other Party prior to turning off or disconnecting wastewater service to property for violations of its laws, rules, regulations and this Agreement.
2. Annual Review of Agreement. MANITOU SPRINGS understands that UTILITIES is a publicly owned treatment works, and is required by the Clean Water Act, 33 USC § 1251, *et seq.*, to control wastewaters introduced by all Users into UTILITIES' Wastewater Treatment System. MANITOU SPRINGS also understands that UTILITIES is subject to present and continuing Federal and State statutory and regulatory controls and other factors which may, subsequent to the Effective Date, be added to or amended. The Parties will review and determine if revisions to this Agreement are necessary to ensure compliance with all applicable Federal, State and local laws, rules and regulations issued thereunder and other added or amended controls or factors, as necessary, but at least once every year on or before February 15. MANITOU SPRINGS agrees to cooperate with UTILITIES in preparing, executing and implementing any revisions to this Agreement deemed necessary by UTILITIES as part of the annual review.
3. Representatives and Notice. All notices, reports and submittals required by this Agreement shall be in writing, signed by an authorized representative of the Party providing the notice, report or submittal and shall be personally delivered, sent by overnight delivery service, or

mailed by certified mail, postage prepaid, return receipt requested, as follows:

a. For UTILITIES:

i. Chief Strategic Planning and Projects Officer

Courier Service Address:

Colorado Springs Utilities
ATTN: Chief Strategic Planning and Projects Officer
121 S. Tejon St., 5th Floor
Colorado Springs, CO 80903

United States Postal Service Address:

Colorado Springs Utilities
ATTN: Chief Strategic Planning and Projects Officer
P.O. Box 1103,
Colorado Springs, CO 80947-0950

ii. City Attorney's Office - Utilities Division

Courier Service Address:

City Attorney's Office ATTN: Utilities Division
30 S. Nevada Ave. Colorado Springs, CO 80903

United States Postal Service Address:

Colorado Springs Utilities
ATTN: Utilities Division
P.O. Box 1103
Colorado Springs, CO 80947-0940

b. For MANTIOU SPRINGS:

City of Manitou Springs
ATTN: City Manager
606 Manitou Avenue
Manitou Springs, CO 80829
Phone: 719/685-2548

4. Force Majeure. Neither Party hereto shall be liable to the other for any failure, delay, or interruption in performing its obligation hereunder due to causes or conditions beyond its reasonable control, including strikes, riots, wars, floods, fires, explosions, global pandemics, epidemics, acts of nature, acts of government, labor disturbances, or if such performance would be prohibited or limited by any federal, state, or local law, rule, regulation, order or directive.

5. Waiver. No waiver by either Party of any terms or condition of this Agreement shall be deemed or construed as a waiver of any other term or condition, nor shall a waiver of any breach be

deemed to constitute a waiver of any subsequent breach, whether of the same or of a different provision of this Agreement.

6. Limitations upon Consent. Whenever, under the terms of this Agreement, UTILITIES is authorized to give its written consent, UTILITIES, in its discretion, may give or may refuse such written consent and if given, may restrict, limit, or condition such consent in such manner as it shall deem advisable. Acceptance by UTILITIES into UTILITIES' Wastewater Treatment System from MANITOU SPRINGS of wastewater in a volume or with characteristics exceeding or violating any limit or restriction provided for, by or pursuant to this Agreement, in one or more instances or under one or more circumstances, shall not constitute a waiver of such limit or restriction or of any of the provisions of the Agreement and shall not in any way obligate UTILITIES thereafter to accept or to make provision for wastewater delivered and discharged into UTILITIES' Wastewater Treatment System in a volume or with characteristics exceeding or violating any such limit or restriction in any other instance or under any other circumstances.
7. Audits. UTILITIES shall have the right to audit at any time all of MANITOU SPRINGS' records relating to any MANITOU SPRINGS' Customers or relating to compliance with this Agreement. MANITOU SPRINGS shall have the right to audit all UTILITIES' records relating to compliance with this Agreement.
8. Liability.
 - a. Party Responsible for Own Negligence. Each Party shall be responsible for its own negligence. Neither Party waives the benefits or obligations afforded it by the Colorado Governmental Immunity Act, C.R.S. 24-10-101, *et seq.*
 - b. UTILITIES' Limitation of Liability. In addition to force majeure events described in this Agreement, UTILITIES shall not be liable to MANITOU SPRINGS for failure to accept or treat MANITOU SPRINGS' wastewater when such failure is the result of upset or mechanical or power failure. UTILITIES shall have the right to interrupt service and require MANITOU SPRINGS to temporarily store and contain wastewater flows to the extent of MANITOU SPRINGS' storage capabilities in the event of malfunction or upset of UTILITIES' facilities. In the event of planned maintenance which makes UTILITIES' Wastewater Treatment System unavailable to accept MANITOU SPRINGS' wastewater, a 48-hour notice shall be given to MANITOU SPRINGS, after which MANITOU SPRINGS will temporarily store and contain wastewater to the extent of its storage capabilities.
9. No Third-Party Beneficiaries. Enforcement of the terms and conditions of this Agreement, and all rights of action relating to such enforcement, shall be strictly reserved to MANITOU SPRINGS and UTILITIES, and nothing contained in this Agreement shall give or allow any such claim or right of action by any other or third person under such agreement. It is the express intention of MANITOU SPRINGS and UTILITIES that any person other than MANITOU SPRINGS or UTILITIES receiving services or benefits under this Agreement shall

be deemed to be an incidental beneficiary only.

10. Appropriation of Funds. In accord with the Colorado Springs City Charter, Colorado law, and the Manitou Springs City Charter, performance of the Parties' obligations under this Agreement is expressly subject to appropriation of funds by each Party's City Council. In the event funds are not appropriated in whole or in part sufficient for performance of a Party's obligations under this Agreement, or appropriated funds may not be expended due to City Charter spending limitations, then this Agreement will thereafter become null and void by operation of law, and the non-appropriating Party will thereafter have no liability for compensation or damages to the other Party for future performance and obligations thereafter in excess of the non-appropriating Party's authorized appropriation for this Agreement or the applicable spending limit, whichever is less. The non-appropriating Party will provide notification as soon as reasonably practicable in the event of non-appropriation or in the event a spending limit becomes applicable.
11. No Precedent; Severability. The Parties agree that neither of them intends that this Agreement shall in any way constitute a precedent or standard for any future agreement, nor vest any rights in either Party or any third party for novation, renewal, modification, or addition of any other rights or services on account of this Agreement's existence, as it is based solely on unique conditions currently existing at the time of execution. Any provision or part of this Agreement held to be void or unenforceable under any laws or regulations shall be deemed stricken, and all remaining Agreement provisions shall continue to be binding upon the Parties who agree that this Agreement shall be reformed to replace such stricken provision with a new provision that comes as close as possible to expressing the intention of the stricken provision.
12. Assignment. There shall be no assignment of the rights or obligations contained in this Agreement by either Party without the prior written consent by the other Party, and any such assignment shall be null and void. Nothing herein contained, however, shall be construed as preventing the reorganization of any Party hereto nor as preventing any other body corporate and politic succeeding to the rights, privileges, powers, immunities, liabilities, disabilities and duties of either Party hereto, as may be authorized by law, in the absence of any prejudicial impairment of any obligation of contract hereby imposed.
13. Compliance with Laws and Regulations. This Agreement and the rights and obligations of the Parties hereunder shall be subject to all applicable laws, orders, court decisions, directives, rules, and regulations of any duly constituted governmental body or official having jurisdiction. Nothing contained in the Agreement, however, shall require either Party hereto to comply with any law, the validity of applicability of which shall be contested in good faith and, if necessary or desirable, by appropriate legal proceedings.
14. Governing Law, Jurisdiction and Venue. This Agreement shall be construed in accordance with the laws of the State of Colorado without reference to conflicts of laws, the Colorado

Springs City Charter, the Manitou Springs City Charter, each Party's City Code, the URRs, and Tariffs. In the event of litigation, this Agreement shall be enforceable by or against the City on behalf of UTILITIES as provided in City Code § 12.1.109. In the event of any dispute over the Agreement's terms and conditions, the exclusive venue and jurisdiction for any litigation arising hereunder shall be in the District Court of El Paso County, Colorado and, if necessary, for exclusive federal questions, the United States District Court for the District of Colorado.

15. Entire Agreement; Modifications to be in Writing. This Agreement with attachments constitutes the entire agreement between the Parties and supersedes all previous written or oral communications, understandings, and agreements between the Parties unless specifically stated herein. This Agreement may only be amended by a written agreement signed by both Parties. E-mail and all other electronic (including voice) communications from a Party in connection with this Agreement are for informational purposes only. No such communication is intended by either Party to constitute either an electronic record or an electronic signature, or to constitute any agreement by either Party to conduct a transaction by electronic means. Any such intention or agreement is hereby expressly disclaimed.

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement as of the Effective Date.

COLORADO SPRINGS UTILITIES

CITY OF MANITOU SPRINGS

By: _____

By: John G. Graham

Name: _____

Name: John G. Graham

Title: Acting Chief Executive Officer

Title: Mayor

Approved as to form: _____

Attest: Judy Morgan

Exhibit A
to the
WASTEWATER SERVICE AGREEMENT
Special Contract for Service - Outside City Limits
MANITOU SPRINGS

Exhibit A

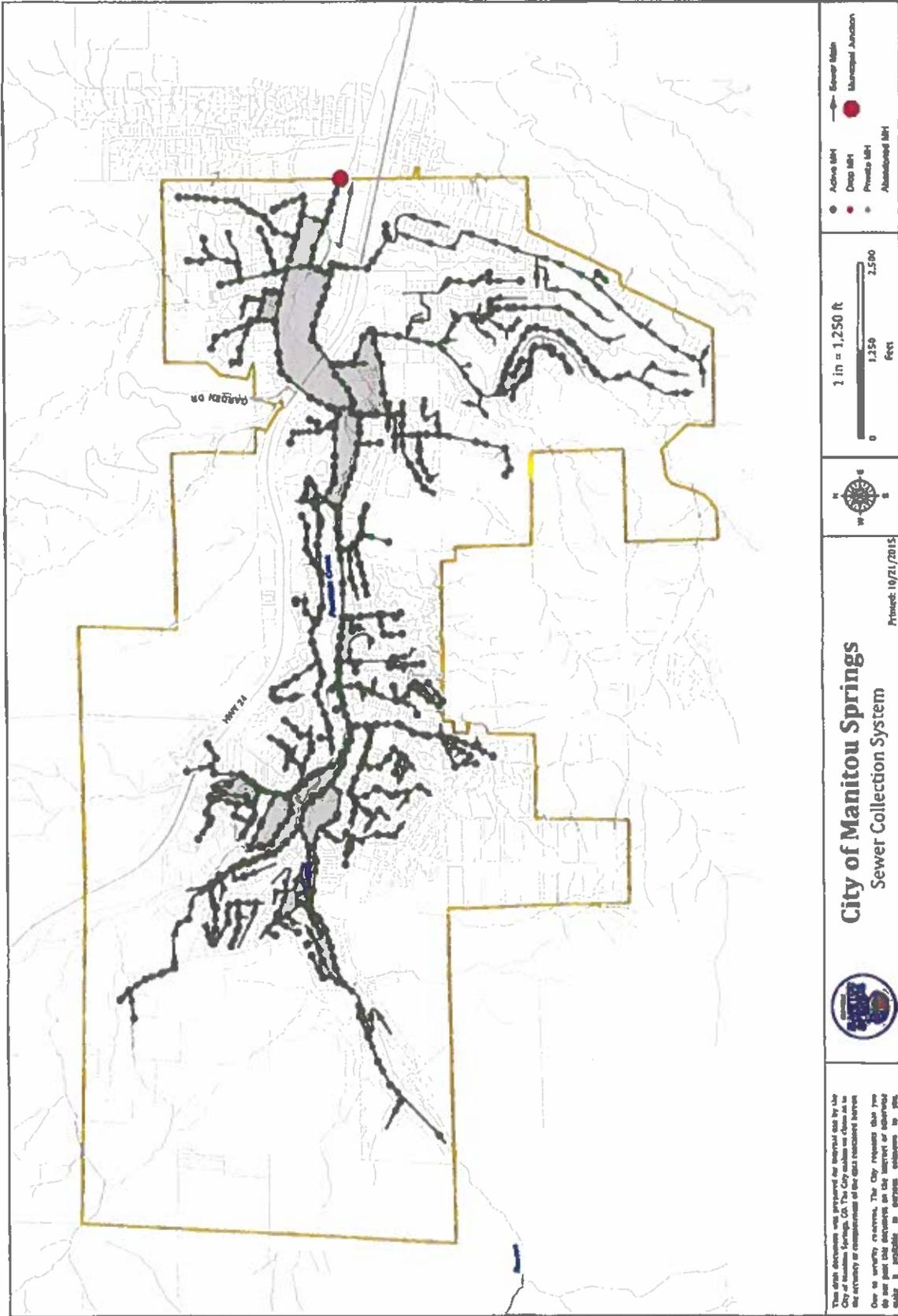
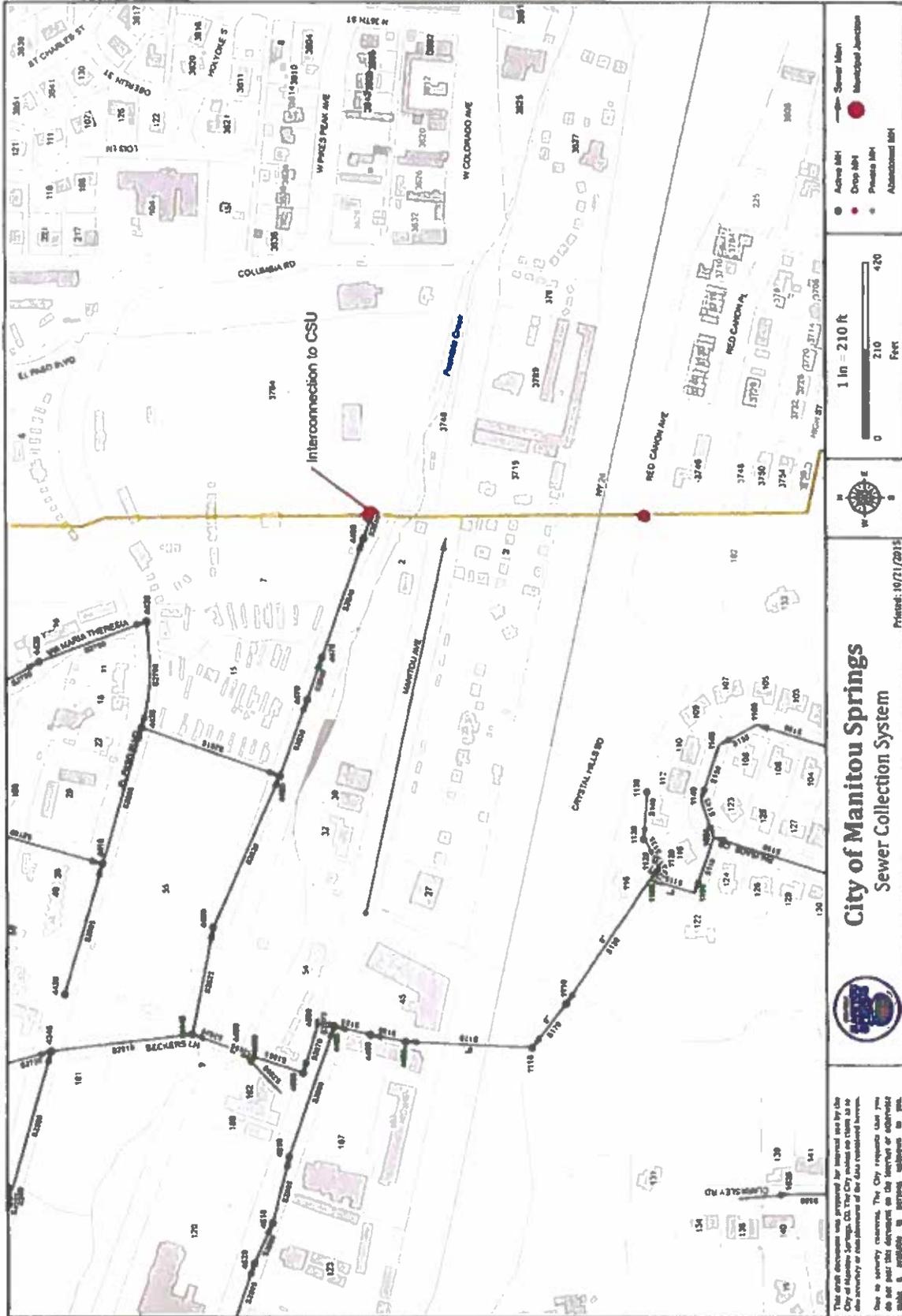


Exhibit B
to the
WASTEWATER SERVICE AGREEMENT
Special Contract for Service - Outside City Limits
MANITOU SPRINGS

Exhibit B



This data was prepared for internal use by the City of Manitou Springs, CO. The City makes no claim as to the accuracy or maintenance of the data presented herein. Due to security concerns, the City requests that you do not post this document on the internet or otherwise make it available to persons without its prior written consent.



City of Manitou Springs Sewer Collection System

Printed: 10/21/2015



- Active MH
- Drop MH
- Private MH
- Abandoned MH
- Sewer MH
- Municipal Junction

Board Memo Agenda Item

Staff Report

Date: Feb. 22, 2023
To: Utilities Board
From: Travas Deal, Acting Chief Executive Officer
Subject: Update on Regional Water Policy Committee

NARRATIVE:

Desired Action: Discussion

Executive Summary: Upon final passage of the water extension ordinance, City Council expressed intent to form and/or participate in a regional water task force consisting of representatives from the City of Colorado Springs, Colorado Springs Utilities (Utilities), El Paso County, and regional water providers to evaluate water demand and recommend water policy in the Pikes Peak area.

Springs Utilities leadership has initiated discussions regarding a potential task force. Proposed goals for consideration by the Board for the task force include:

- 1) Compile readily available information to inform the current and future water needs of El Paso County including demands, supplies and gaps
- 2) Recommend further study to the various governmental entities who oversee water issues in El Paso County and
- 3) Develop a regional strategy based in facts and data to support water policy regarding water conservation, reuse and supply development among various governmental entities.

Benefits: To engage in robust interdepartmental and intergovernmental analysis regarding the future of water as an essential natural resource.

Board Policy: N/A

Cost/Budget: N/A

Affected Parties: N/A

Alternatives: N/A

Submitter: Abby Ortega	Email address: ajortega@csu.org
Division/ Department: Systems Planning & Projects/ Infrastructure & Resource Planning	Phone number: 719-668-8748
	Date submitted: Feb. 15, 2023

SPG Staff Use Only: Consent Calendar

Yes

No

ITEM NO. 13

Board Memo Agenda Item

Staff Report

Date: Feb. 22, 2023
To: Utilities Board
From: Renee Adams, Chief Administrative and Human Resources Officer
Subject: Chief Executive Officer Appointment

NARRATIVE:

Desired Action: Approval

Executive Summary: Under City Code § 12.1.104, it is the Utilities Board's responsibility to hire the CEO. On Nov. 16, 2022, the Utilities Board approved the recruitment process for the Chief Executive Officer (CEO) position following Aram Benyamin's retirement from Colorado Springs Utilities.

On Jan. 31, 2023, the Utilities Board announced Ms. Lisa Barbato, Chief System Planning and Projects Officer and Mr. Travas Deal, Chief Operations Officer, as finalists for the position. The Utilities Board will now make their final decision through a Board vote to appoint the next CEO and set the salary.

Benefits: The next CEO will lead the organization in achieving its mission to provide safe, reliable and competitively-priced utilities to our customers; work with the Utilities Board to adopt policy, ensure the reliability of the utilities systems, balance rates and relationships and work toward the vision of ready for today, prepared for a sustainable future.

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: N/A

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

Alternatives: N/A

Submitter: Renee Adams	Email address: radams@csu.org
Division/ Department: Administrative and Human Resources Division	Phone number: 719-668-7325
	Date submitted: Feb. 1, 2023

SPG Staff Use Only: Consent Calendar

Yes

No

ITEM NO. 15