

AGENDA

Wednesday, April 17, 2024

1:00 p.m.

Join on your computer, mobile app or room device

[Click here to join the meeting](#)

Or call in (audio only)

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

1:00 p.m.	1. Call to Order	Chair Donelson
1:05 p.m.	2. Invocation and Pledge of Allegiance	Chair Donelson
1:10 p.m.	3. Consent Calendar These items will be acted upon as a whole, unless a specific item is called for discussion by a Board Member or a citizen wishing to address the Utilities Board. (Any items called up for separate consideration shall be acted upon following Compliance Reports.)	Chair Donelson
	3a. Approval of Utilities Board Meeting Minutes: March 20, 2024	
1:15 p.m.	4. Customer Comments <ul style="list-style-type: none"> • During the customer comment period, comments are accepted for any topic not on the agenda. • Comments for specific agenda items will be taken following the presentation of the item and the Board's discussion. • Comments will be limited to three minutes per speaker, per item. • Following the comments from customers that have signed up to speak, an announcement will be made seeking additional comments and the Board will accept all those wishing to comment. 	Chair Donelson
1:20 p.m.	5. Recognition	

	100 th Anniversary Videos	Andy Colosimo, General Manager Public Affairs
	American Public Power Association Awards Diamond Designation to Organization for Reliability, Other Factors	Bob Hasanabadi, Manager, Engineering
	Wastewater Worker Appreciation Week	Brian Wortinger, Water System Operations Manager Brendan Cavanaugh, Operations Superintendent Travas Deal, Chief Executive Officer
1:50 p.m.	6. Compliance Reports: I-12 Environmental Stewardship E-2 CEO Responsibilities <ul style="list-style-type: none"> • Water Outlook • ECA GCA update 	
2:05 p.m.	7. Items Called Off Consent Calendar	
2:15 p.m.	8. Ordinance Approving 1st Amendment to 2005A Standby Bond Purchase Agreement <u>Informational presentation</u> regarding City Council approval of an Ordinance approving the first amendment to 2005A Standby Bond Purchase Agreement. This item was discussed at the April Finance Committee meeting.	Adam Hegstrom, Manager Treasury & Finance
2:30 p.m.	9. Colorado Centre Addition No. 3 Annexation <u>Vote</u> to recommend approval of extending water service to annexing property known as Colorado Centre Addition No. 3 subject to its future annexation, if it complies with City Code section 12.4.305.	Bryan English, Development Projects Manager
2:40 p.m.	10. Air Lane Addition Nos.1-3 Public Right-of-Way Annexations <u>Vote</u> to recommend approval of extending water service to annexing property known as Air Lane Addition Nos. 1-3 Public Right of Way subject to its future annexation, if it complies with City Code section 12.4.305	Bryan English, Development Projects Manager
2:50 p.m.	11. Space Village Road Addition Nos. 2 and 3 Right-of-Way Annexations <u>Vote</u> to recommend approval of extending water service to annexing property known as Space Village Road Addition Nos. 2	Bryan English, Development Projects Manager

and 3 Right-of-Way subject to its future annexation, if it complies with City Code section 12.4.305.

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|----------------------|---|---|
| 3:00
p.m. | 12. Dublin Park Addition No. 1 Annexation
<u>Vote</u> to recommend approval of extending water service to annexing property known as Dublin Park Addition No. 1 subject to its future annexation, if it complies with City Code section 12.4.305. | Bryan English,
Development
Projects Manager |
| 3:10
p.m. | 13. Resolution Approving Water Rights Acquisition
<u>Informational presentation</u> regarding City Council approval of a water rights acquisition. | Kim Gortz, Manager
Water Supply
Resources & Kelly
Roesch, Project
Manager III |
| 3:20
p.m. | 14. Board Member Updates | Board of Directors |
| 3:35
p.m. | 15. Summary of Board Actions | Gail Pecoraro,
Utilities Board
Administrator |
| 4:30
p.m. | 16. Adjournment | Chair Donelson |

MINUTES
Colorado Springs Utilities Board Meeting
Wednesday, March 20, 2024

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

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

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

Travas Deal, Renee Adams, Somer Mese, Mike Francolino, Tristan Gearhart, Lisa Barbato, Bethany Schoemer, Marcela Espinoza, Natalie Watts, Mike Myers, Jared Miller, Amy Trinidad, Andy Colosimo and Nathan Bloomfield

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

Renee Congdon

Citizens present via Microsoft Teams or Blue River Conference Room:

None

1. Call to Order

Chair Donelson called the Utilities Board meeting to order at 1:01 p.m., and Ms. Bethany Schoemer, Strategic Planning and Governance Specialist, called the roll.

2. Invocation and Pledge of Allegiance

Mr. Nathan Bloomfield, Manager of Energy Control Operations and Maintenance, delivered the invocation, and Chair Donelson led the Pledge of Allegiance.

3. Consent Calendar

3a. Approval of Utilities Board Meeting Minutes: Feb. 21, 2024, Utilities Board Meeting

The Consent Calendar was unanimously approved.

4. Customer Comments

There were no customer comments.

5. Recognition

- President's Volunteer Service Award

Ms. Renee Adams, Chief Administrative and Human Resources Officer, shared the President's Volunteer Program Award honors those who have made serving a central part of their life. In 2023, 49 Colorado Springs Utilities employees volunteered more than 10,048 hours of their time. Of that, 29 employees earned the President's Volunteer Service pin and congratulatory letter from the President of the United States for their volunteer commitment of more than 100 hours to one or more nonprofit organizations (these are volunteer hours outside of our Community Focus Fund volunteer projects).

Ms. Kandy Drake, Community Relations Specialist, read off all Colorado Springs Utilities recipients that received either the Bronze, Silver, or Gold Level award. Vice Chair Avila gave her appreciation to the recipients for volunteering in the community. Board Member Henjum thanked the recipients for their service and thanked staff for allowing the possibility for Springs Utilities employees to be involved in the community. Board Member Talarico congratulated the recipients and said Colorado Springs Utilities is very admirable for the work they do in the community.

6. Compliance Reports

- I-4 Risk Management
- I-8 Asset Protection

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

- ER: 1-3 Utilities Board Expected Results Year End Performance Scorecard

Ms. Natalie Watts, Strategic Planning and Governance Manager, presented the ER: 1-3 Utilities Board Expected Results Year End Performance Scorecard. Ms. Watts reviewed the year-end results and stated the year-end overall score on a scale from one to five was a 3.82 which translates to a rating of "exceeds expectations." A total of 28 measures were on the Utilities' scorecard. Ms. Watts went over next steps for the items that partially met expectations and items that did not meet expectations. She advised the 2024 mid-year review scorecard results will be presented to the Utilities Board in September.

Board Member Henjum asked staff to elaborate on how the Adjusted Debt Service Coverage – Current Year measure is expected to recover from does not meet expectations. Mr. Scott Shirola, Pricing and Rates Manager, responded stating the biggest driver of the measure not meeting expectations was due to the variance in non-fuel revenue and low water revenue. Additionally, a reduction of development revenue due to a slowdown of growth in the community was also a factor. Board Member Henjum asked what Colorado Springs Utilities can do moving forward to address the measure and how it will affect future bond ratings. Mr. Shirola said it will be addressed through the annual budgeting process.

Board Member Henjum asked staff to further explain the cause for lower rating measures for the Fiber Network Expansion Program, Customer Satisfaction and the Environmental Index. Ms. Somer Mese, Chief Operations Officer, provided an overview on the fiber project measure stating challenges with internal resources within the city has caused delays. She indicated Springs Utilities is looking for external resources to expedite the process, such as hiring a second contractor and gathering resources from out of state to assist.

Mr. Mike Francolino, Chief Customer Enterprise Services Officer, stated Colorado Springs Utilities is putting together multiple comprehensive improvement plans for customer experience. Ms. Lisa Barbato, Chief Officer of System Planning and Projects, advised Springs Utilities proactively discontinued discharging from the JD Philips Plant due to issues with filaments and micronutrients and stated Springs Utilities is performing engineering studies to design and meet current and future permit limits to better the situation.

Board Member O'Malley expressed concerns of customers having knowledge of the Springs Utilities' app and whether the lobby will be closed to the public soon. Mr. Francolino responded by explaining there is a communication plan in place to educate customers on the app's features, however there are concerns that certain demographics prefer the experience the lobby provides. Vice Chair Avila voiced concerns of the lobby fully closing saying it would affect people with varying disabilities and she hopes Springs Utilities will take that into consideration.

- E-2 CEO Responsibilities
 - Water Outlook

Ms. Katie Garrett, Water Resource Engineer, reviewed the local weather conditions as of March 18, 2024. She said the eastern portion of Colorado is free from drought conditions as of March 2024. Ms. Garrett stated the snowpack in the Arkansas River Basin is 108% of normal and in the Colorado River Headwaters Basin is 107% of normal. She reviewed the 2024 water demands, the monthly water use for February and the 2024 actual water consumption. Reservoir system levels are above average and Colorado Spring's system wide storage is at 83.4% of capacity. Ms. Garrett discussed South Catamount Reservoir capacity remains restricted for dam maintenance and South Slope system pipeline to Tollefson Water Treatment Plant will continue to be offline until mid-May due to normal winter operations.

7. Items Called Off Consent Calendar

There were none.

8. Fuel Related Rate Filing

Mr. Shirola provided a background of the fuel-related rates by stating (non-fuel) base rates recover the cost of building, operating and maintaining our electric and natural

gas systems. The difference between the types of fuel related costs were discussed: Energy cost, which consists of Electric Cost Adjustment (ECA) and Gas Cost Adjustment (GCA), and capacity costs, which are Electric Capacity Charge (ECC) and Gas Capacity Charge (GCC).

Mr. Shirola said the natural gas prices as of March 1, 2024, were lower than average due to warmer weather and over collection of resources across the nation. He stated the primary drivers of the cost adjustment was a decrease in the forecasted natural gas expense and then reviewed the projections for ECA and GCA as of March 2024. The main drivers for the adjustments for ECC and GCC were explained and due to the completion of \$7.4 million over-collection refunding, there would be a slight increase in charge.

The sample residential bill for the proposed changes effective April 1, 2024, showed the proposed total decrease of electric and gas would average \$1.53. Mr. Shirola stated on the sample residential bill, Spring Utilities' proposed electric service would be about 15% less and gas service would be about 36% less than the Front Range average of comparable providers. He concluded with a sample bill showing the decrease in proposed rates for commercial customers.

Mr. Shirola provided a list of available bill assistance programs, such as Low-Income Energy Assistance Program (LEAP) and Project COPE. Long-term assistance options available to customers were also given, which included free efficiency home upgrades, efficiency tips and education and rebates.

The Utilities Board unanimously approved the item to go on the March 26, 2024, City Council agenda.

9. Park Vista Addition No. 10 Annexation

Mr. Bryan English, Development Projects Manager, provided a brief overview and of where the property is located and stated the owner of the property voluntarily initiated annexation. He explained Springs Utilities currently provides natural gas and electric services to the area. There is already existing utility infrastructure located near the property and there are no capacity issues anticipated. Mr. English advised the proposed annexation and water extension meets both enclave and has minor impact to City's water supply exceptions. Per City Code, annexation of the property would require Utilities Board recommendation and City Council approval to extend the water service boundary.

Vice Chair Avila made a motion to approve the annexation, and Board Member Helms seconded the motion. With a vote of 8-0 (Board Member Henjum left the meeting earlier and was excused) the Utilities Board unanimously approved to recommend approval of extending water to Park Vista Addition No. 10 Annexation to City Council. City Planning will schedule the Planning Commission hearing and City Council hearing.

10. Board Member Updates

Board Member Helms provided an update on the challenges that arise in the colder month with fiber installation across the city. He asked for patience during this time and to reach out if customers encounter any issues regarding the fiber installation.

Vice Chair Avila reported out on what occurred at Personnel Committee. There was a presentation of Springs Utilities' new strategic initiative, Total Worker Health, which is about promoting and integrating programs and practices to advance worker well-being. She said Personnel Committee received a presentation from the DELTA Leadership team and the work they have been doing around diversity, equity and inclusion within the organization. There was also an update on the employee volunteer programs at Springs Utilities that have been implemented to promote volunteerism. Chair Avila said the next Personnel meeting will be May 20.

Board Member Talarico read a statement regarding an agreement between Springs Utilities and Pikes Peak Waterways to collaborate on the Colorado Springs (COS) Creek Plan. In the statement she asked the Utilities Board to help revise the policy of underground and overhead transmission electric lines and would like to bring it forward to Strategic Planning Committee.

Chair Donelson expressed his appreciation to the Springs Utilities team for their hard work during the storm on March 14.

11. Summary of Board Actions

The Utilities Board approved the Fuel Related Rate Filing to be on the City Council agenda on March 26.

The Utilities Board voted unanimously to recommend the approval of extending water service to Park Vista Addition No. 10 Annexation.

12. Executive Session

Ms. Renee Congdon, City Attorney's Office – Utilities Division Chief, polled the Utilities Board Members. With a vote of 8-0, with Board Member Henjum excused, the Utilities Board unanimously approved to go into Executive Session. The Utilities Board took a five-minute break at 2:38 p.m. and entered Executive Session.

13. Chief Executive Officer Salary

The Utilities Board returned from closed Executive Session at 3:59 p.m.

Ms. Adams gave a brief explanation regarding the Chief Executive Officer (CEO) pay and advised after the annual year-end evaluation in March, the Utilities Board may approve any compensation or benefit adjustments. A brief background of historical information was presented regarding CEO salary and the market data from 2013 to 2023 was reviewed. Ms. Adams stated all employees, except the CEO, received a structure adjustment of 5% in 2023 and 3.5% in 2024. There is about a 25% difference

in pay between the highest paid Officer and the CEO at Springs Utilities. There was a total of seven CEO salary options that were presented varying from no change to a new annual salary of \$661,788.

Board Member O'Malley recommended the CEO salary be adjusted by 3.5%, which is the same amount Colorado Springs Utilities' employees received in 2023. Board Member Risley asked for clarification regarding budgeting for executive salaries. Ms. Tara Russell, Human Resources Supervisor, advised Colorado Springs Utilities does budget for the entirety of staff.

Board Member Helms suggested choosing option 3, which was an increase of the CEO's current salary by the compounded annual market adjustments of 5% in 2023 and 3.5% in 2024. Board Member Crow-Iverson and Board Member Talarico expressed their supports for option 3. Chair Donelson stated the CEO's salary has not been adjusted since 2018 and gave his appreciation of the CEO and supported option 3 as well.

Board Member O'Malley motioned to approve an increase to the CEO's current salary by the compounded annual market adjustments (2023 – 5% and 2024 – 3.5%) provided to all employees for a new annual salary of \$521,640. Board Member Helms seconded the motion. With a vote of 8-0, with Board Member Henjum excused, the decision passed unanimously.

14. Adjournment

The meeting adjourned at 4:26 p.m.

Board Memo Agenda Item

Staff Report

Date: April 17, 2024
To: Utilities Board
From: Travas Deal, Chief Executive Officer
Subject: 100th Anniversary videos

NARRATIVE:

Desired Action: Information

Executive Summary: Colorado Springs Utilities is celebrating its 100th anniversary this year. Through a new campaign—complete with an updated logo commemorating the special event—the utility is honoring and recognizing all the men and women who helped build the organization into what it is today.

One such video honors the hard work of activists like Lillian Kerr. Kerr, along with 75 other women, were advocates of major public improvements including parks, infrastructure, and sidewalks in the early 1900s. Because of its potential benefit to the community, Kerr and her group championed the idea of a public utility. This video provides a background of the group's efforts.

The other video focuses on the KKK in Colorado Springs and its tie to Colorado Springs Utilities. In the 1920s, the Ku Klux Klan wielded significant political influence in Colorado. They attempted to establish a foothold in Colorado Springs by fielding candidates for City Council and the future Utilities Board. However, familiar figures Martin Drake and George Birdsall stood against their hateful agenda.

We hope you enjoy these videos that showcase the long-lasting impact of the municipally-owned utility in the community.

Benefits: These videos will build brand affinity and highlight Colorado Springs Utilities' efforts to recognize our history.

Board Policy: N/A

Cost/Budget: There was no cost as these videos were created using in-house staff resources.

Affected Parties: Customers and employees of Colorado Springs Utilities who view the video.

Alternatives: N/A

Submitter: David Reeve

Email address: dreeve@csu.org

Division/ AHRD Division – Public Affairs

Phone number: 719-668-2642

Department: Department

Date submitted: April 1, 2024

SPG Staff Use Only: Consent Calendar

Yes

X

No

ITEM NO. 5

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

Board Memo Agenda Item

Staff Report

Date: April 17, 2024
To: Utilities Board
From: Travas Deal, Chief Executive Officer
Subject: APPA awards Diamond Designation to organization for reliability, other factors

NARRATIVE:

Desired Action: Recognition

Executive Summary: The American Public Power Association (APPA) awarded Colorado Springs Utilities with a prestigious Diamond Designation through APPA's Reliable Public Power Provider (RP3) Program. The Diamond Designation is the highest status that is awarded through RP3.

The designation is based on Springs Utilities receiving the highest ratings among 2,000 other public power providers in categories such as reliability, safety, workforce development and system improvement.

This is the third consecutive time that Springs Utilities has received the Diamond Designation, which is determined every four years. Previous years include 2021, 2018 and 2014. The Operations Engineering Group (OEG), with support from employees across the organization, spearheaded the 2024 application process. More than 30 employees contributed to the effort.

Less than 1/3 of all applicants scored high enough to receive the Diamond status this year, a designation that puts our organization among the most reliable public power providers in the nation.

Benefits: Reinforces the quality and reliability of services provided to customers and recognizes our talented, well-trained and dedicated employees.

Board Policy: N/A

Cost/Budget: N/A

Affected Parties: N/A

Alternatives: N/A

Submitter Bob Hasanabadi	Email address: bhasanabadi@csu.org
Division/ Department: Operations Engineering Group	Phone number: 719-668-8663
	Date submitted: March 25, 2024

SPG Staff Use Only: Consent Calendar	<input type="checkbox"/>	Yes	<input checked="" type="checkbox"/>	No	ITEM NO. 5
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ITEMS SUBMITTED AFTER THE DEADLINE WILL BE POSTPONED UNTIL THE NEXT UTILITIES BOARD MEETING.

Board Memo Agenda Item

Staff Report

Date: April 17, 2024
To: Utilities Board
From: Travas Deal, Chief Executive Officer
Subject: Wastewater Worker Appreciation and NACWA Peak Performance Award

NARRATIVE:

Desired Action: Information

Executive Summary: Colorado Governor Jared Polis has declared April 21-27, 2024, as Wastewater Worker Appreciation Week statewide. The proclamation honors Colorado's wastewater workers and their contributions to protecting Colorado's water resources and the environment.

Springs Utilities' wastewater employees respond 24 hours a day, seven days a week to ensure that our customers' wastewater is collected and treated to a high standard to protect the environment. Springs Utilities collects and treats about 37 million gallons of wastewater daily through more than 1,810 miles of collection system piping, 22 lift stations and three resource recovery facilities.

Our workers take great pride in providing quality customer service, maintaining regulatory compliance, and being environmental stewards. Wastewater collection and treatment relies on operators, maintenance personnel, instrumentation and electrical/controls staff, distribution/collection specialists, wastewater collection apprentices, engineering support specialists, laboratory workers, industrial pretreatment specialists, engineers, administrative staff, and many more skilled workers.

The Las Vegas Street Water Resource Recovery Facility and the J.D. Phillips Water Resource Recovery Facility are regulated through state-issued discharge permits. Today we are highlighting the Las Vegas facility's award-winning treatment performance recognized by the National Association of Clean Water Agencies. The Las Vegas facility recently received the Silver Peak Performance Award.

Benefits: Colorado Springs Utilities Wastewater Workers continue to provide exceptional service and serve as regional leaders.

Board Policy: N/A

Cost/Budget: N/A

Affected Parties: N/A

Alternatives: N/A

Submitter: Tara Kelley, Wastewater Treatment Manager

Email address: tkelley@csu.org

Division/ Operations Division / Plants

Phone number: 719-668-4477

Department: Department & SFO

Date submitted: April 1, 2024

SPG Staff Use Only: Consent Calendar

Yes

X

No

ITEM NO. 5

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



Date: April 17, 2024

To: Utilities Board

From: Travas Deal, Chief Executive Officer

Subject: **Excellence in Governance Compliance Report
Environmental Stewardship (I-12)**

Desired Action: Monitoring

Compliance: The CEO reports compliance with the instructions except where noted with an asterisk (*).

INSTRUCTIONS			
Category:	Utilities Board Instructions to the Chief Executive Officer	Reporting Timeframe:	January 1, 2023 – December 31, 2023
Policy Title (Number):	Environmental Stewardship (I-12)	Reviewing Committee:	Strategic Planning
Monitoring Type:	Internal	Monitoring Frequency:	Annual

The Chief Executive Officer shall direct that Colorado Springs Utilities is a leader in environmental stewardship. Accordingly, the CEO shall:

- 1. Provide customers with educational materials and solutions to promote energy and water conservation and renewable energy technologies.*

In 2023, a total of 229 water and energy education classes, tours, and webinars took place for youth and adults in the community. 3,669 customers participated in in-person classes, and tours, or live webinars, and 9,273 customers streamed recorded classes throughout the year. A total of 12 water and energy rebate programs were offered for residential customers and 10 rebate programs for business customers. In partnership with the Energy Resource Center to reduce annual water and energy consumption, Colorado Springs Utilities helped retrofit 157 homes through the Home Efficiency Assistance Program (HEAP). In addition to the work under the HEAP program, Colorado Springs Utilities programs distributed or installed 553 efficient toilets, 619 showerheads, 83 shower wands, 10 shower

starts, 1,431 faucet aerators, 5,684 LED bulbs, 30 strings of holiday lights and 42 HELP kits containing water and energy efficiency measures for customers and other non-profit enterprises.

Irrigation rebate and retrofit programs distributed 8,346 high-efficiency sprinkler nozzles, 5,591 pressure-regulating sprinkler heads, 305 smart irrigation controllers, 19 flow sensors, and 42 rain sensors. Landscape transformation programs converted more than 500,000 square feet of high water use turfgrass to low water use native grass.

Colorado Springs Utilities also provided indoor water use evaluations for 43 businesses, commercial irrigation evaluations covering nearly 4.7 million square feet of irrigated land, and high water use notifications to nearly 900 business customers.

Customer rebates, direct-install, wholesale promotional, low-income efficiency water use evaluations, and renewable energy programs resulted in an estimated total commodity savings of 59.6 million gallons of water, 27,563 million cubic feet of natural gas, 12,334 megawatt hours (MWh) of electricity consumption, and 10.9 incremental megawatts (MW) of electricity demand. Nearly 10 MW of actively controlled summer demand reduction was due to customers' enrollment of their smart thermostat in the Peak Energy Rewards demand response program. Customers interconnected 7.1 MW of distributed renewable energy systems in 2023, providing 2.5 MW of summer demand reduction. Net electric use reduction from customer-owned renewable energy systems provided more energy savings than utility-sponsored efficiency programs in 2023. Water-wise rules contributed 4.9 million gallons of new annual water savings. Proactive potable water distribution system water loss control programs contributed an additional 27.8 million gallons of water savings.

In 2023, Colorado Springs Utilities marked a significant shift in customer program focus from traditional electric energy efficiency programs toward decarbonization programs, in response to significant legislative mandates and electric resource mix changes. While the substantial Business Lighting Rebate was ended, Colorado Springs Utilities continued and expanded decarbonization options.

In 2023, Colorado Springs Utilities continued to offer incentives for ENERGY STAR and cold-climate heat pumps and heat pump water heaters, both as direct-to customer rebates and through the Builder Incentive Program for installation in new homes. These provide efficient options for customers looking to decarbonize by electrifying their space and water heating needs. The Builder Incentive Program provided incentives directly to 23 participating home builders for construction of 498 new homes that are better than the minimum code standards. Colorado Springs Utilities also provides rebates for certain features such as ENERGY STAR smart thermostats, ENERGY STAR New Homes certification, and all-electric homes.

In 2023, Colorado Springs Utilities launched a Commercial Building Efficiency Program to help large building owners discover and prioritize energy efficiency and decarbonization measures in existing and new large commercial buildings.

The Strategic Customer Relations group actively educates our strategic and mid-market commercial customers through various channels. These include:

- a. Email: Regular communication via email ensures that our customers stay informed about energy and water conservation programs, updates, and relevant initiatives.
- b. Face-to-Face Meetings: Our team conducts face-to-face meetings with customers to provide personalized education on energy and water conservation strategies. These interactions allow us to address specific concerns and tailor solutions to their unique needs.
- c. Multiple Large Customer Meetings: We organize large-scale customer meetings where we have content specifically on energy and water conservation programs. These gatherings serve as platforms for in-depth discussions, sharing best practices and fostering collaboration.

2. *Promote efficient energy and water consumption in new buildings and landscapes.*

Colorado Springs Utilities encourages efficient new construction, landscaping, and retrofits and promotes energy and water efficient buildings and landscapes through its ongoing educational efforts, and through the ReToolCOS zoning code update.

The Mesa Conservation and Environmental Center entered its 20th year of operation and continues to showcase demonstration programs to promote energy efficiency and water conservation. The Water Wise Demonstration Garden is considered one of the finest in the country. The Center received 3,500 visitors in the building in 2023 and thousands more visited the garden without entering the building.

The ReToolCOS zoning code update limits turfgrass installation in new homes and businesses to no more than 25% of the irrigable landscape. This code change influenced nearly 35 acres of irrigated commercial landscapes and nearly 900 homes, resulting in annual water savings of more than 1 million gallons.

3. *Ensure emissions from operations meet or surpass air quality regulations.*

Colorado Springs Utilities meets air quality expectations through a combination of effective operations and maintenance, pollution controls, fuel selection and use of renewable energy. Colorado Springs Utilities has a diverse portfolio of electric generating resources, including fossil fuel fired units, such as coal or natural gas, and renewables, such as hydroelectric or solar power. Between 2005 and 2023, annual emissions have been reduced by more than 95% for sulfur dioxide (SO₂), by more than 80% for nitrogen oxides (NO_x), and by more than 55%, for carbon dioxide (CO₂). The current fleet of alternative-fuel vehicles

includes 11 electric hybrid vehicles, eight electric vehicles (EVs), 343 ethanol flex-fuel vehicles, and 40 compressed natural gas (CNG) vehicles.

* There was one event resulting from two consecutive four-hour rolling periods of NO_x emissions exceedance from Drake Unit A3, which was the result of a malfunction condition.

4. *Ensure local ground and surface water discharges from operations meet or surpass surface water and groundwater quality standards.*

Discharges from Colorado Springs Utilities operations are of a quality that is consistent with permit requirements through the operation of advanced wastewater treatment technology and an industrial pretreatment program to control pollutants into the wastewater treatment system. Colorado Springs Utilities' power plants are designed for zero discharge or to discharge water to the wastewater treatment facility for treatment. The Las Vegas Street Water Resource Recovery Facility (WRRF) has installed infrastructure and revised operational practices to meet permit limits for nutrients that became effective in 2020.

The JD Phillips WRRF (JDP) has been operating a demonstration project since 2019 to reduce nutrients for which a formal Site Location Amendment request has been made to the Colorado Department of Public Health and Environment (CDPHE) for the permanent process modification. Colorado Springs Utilities continues its participation in the CDPHE's Policy 17-1 Voluntary Incentive Program, which encourages reductions in total phosphorous and total inorganic nitrogen and should provide for additional compliance time for future nutrient criteria. In 2023 the JDP experienced a number of treatment issues that led to a number of permit exceedances (as noted below) between March and August. As a result, the plant's flow was redirected to the Las Vegas Street WRRF in early August until such time that the plant can be recalibrated. Ongoing work in 2024 includes initiating a Studies and Alternatives Analysis (SAA) to be followed by detailed design for Biological Nutrient Removal upgrades at the plant to reliably meet current and future permit limits, which will likely result in capital improvements.

Rehabilitation of the diversion structure is currently underway and is anticipated to be in operation by late spring / early summer of 2024. The diversion structure is upstream of the JDP and will allow for the "peaks" in diurnal flow and load to be diverted to the Las Vegas Street WRRF. The diversion structure is expected to assist operations by limiting peak diurnal flows and loadings.

At Clear Spring Ranch, groundwater quality monitoring is regularly performed in association with the on-site placement of biosolids, coal combustion residuals, and water treatment residuals. The results are annually reported to the CDPHE.

*During 2023, JDPWRRF exceeded the total suspended solids (TSS) maximum seven-day average effluent permit limit, the TSS maximum 30-day average effluent permit limit, the minimum TSS removal effluent permit limit, the phosphorous 95th percentile effluent permit limit, and the ammonia 30 day average effluent permit limit resulting in a series of Compliance Advisories issued by the CDPHE. LVSWRRF had a release of

partially treated wastewater due to a UV discordance, and a WET test failure. There were two upset-related reportable wastewater releases.

5. *Maintain or enhance the visual appeal of utility operations where cost effective.*

The provision of utility services necessitates the operation of extensive and highly visible infrastructure such as power plants, water and wastewater treatment facilities, pump stations, power lines, electric substations, and work centers. The location and design of these facilities can dramatically impact the vistas of an area. The overall impact can often be diminished or blended with the surroundings to make them less obtrusive. Colorado Springs Utilities strives to receive input from the community on any facility built or externally remodeled, including the addition of recreational amenities on properties with Colorado Springs Utilities operations, such as watersheds.

6. *Ensure the community receives a portion of its electric needs from renewable sources.*

As a part of the 2020 Electric Integrated Resource Plan (EIRP), the Utilities Board selected a Sustainable Energy Plan that will reduce greenhouse gas (GHG) emissions by at least 80% by 2030 and 90% by 2050. In 2022, the Utilities Board approved a Clean Energy Plan showing how Colorado Springs Utilities will meet an 80% GHG reduction from 2005 levels by 2030, as caused by retail electric sales in Colorado. The Clean Energy Plan was verified by the Colorado Department of Public Health and Environment and submitted to the Public Utilities Commission in June 2022.

In 2023, Colorado Springs Utilities added an additional 175 MW of solar capacity to its renewable energy portfolio. Colorado Springs Utilities exceeds the Colorado Renewable Energy Standard requirements, which obligates municipal utilities to generate 10% of electricity from renewable sources. In 2023, 22.2% of the electric load was served by carbon free resources. Colorado Springs Utilities' portfolio currently includes 285 MW of supply-side solar energy generation that supplied 6.8% of energy, 104 MW of local hydro-electric generation that supplied 11.3% of energy, and 60 MW of wind that supplied 4.1% of energy.

The elimination of coal generation is a key component of Colorado Springs Utilities' path toward a clean energy future. Colorado Springs Utilities retired the existing units at the Martin Drake Power Plant in August 2022 and plans to retire the remaining coal-fired generation at the Nixon Power Plant by the year 2029.

Colorado Springs Utilities has plans to add 100 MW of battery storage by May 2025. Colorado Springs Utilities is also evaluating proposals to add 1,500 MW of generation resources and an additional 200 MW of battery storage online by May 2028. Storage capacity will help Colorado Springs Utilities integrate renewable generation and minimize the necessity to use carbon intense fossil fuel generation.

7. *Strive to preserve and protect wildlife, wildlife habitat, and wetlands during construction and operation of facilities and infrastructure.*

Pre-construction environmental review processes identify potential wildlife and wetland issues, allowing for avoidance, minimization, and mitigation throughout the lifecycle of construction projects. Operations actively protects avian wildlife through its Avian Protection Program, which includes but is not limited to annual avian safety trainings for electric operations crews, conducting pre-construction nest surveys, conducting removals of inactive nests from active facilities as necessary, and retrofitting electric systems to protect avian wildlife from potential interactions with those systems. Noxious weeds are identified and controlled on local and remote properties to promote healthier native ecosystems that support wildlife. Colorado Springs Utilities partners as needed with Colorado Parks and Wildlife to relocate orphaned bear cubs onto remote watershed properties and collaborates with the local community to conduct annual bird surveys and bird banding on our properties to gather data on bird populations, habitat status and migration patterns.

8. *Strive to preserve and protect cultural and historic sites during construction and operation of facilities and infrastructure.*

Colorado Springs Utilities conducts cultural and historical research and surveys as part of property acquisitions and construction projects to ensure important resources are identified and preserved. Any significant cultural resources encountered during a project, including buildings or structures older than 50 years, are evaluated by professional archaeologists to ensure the preservation of these cultural resources as required. Forest management activities on watershed properties are conducted in a manner that ensures protection of on-site cultural resources.

In 2023 Colorado Springs Utilities collaborated with the City of Colorado Springs, State Historic Preservation Office, and the US Army Corps of Engineers to ensure protection of historic features in Monument Creek as part of the Monument Creek Stabilization Project between Mesa Road and Bijou Street.

9. *Engage the community in Utilities Board decisions on Colorado Springs Utilities' operations that affect the environment.*

Community education and outreach programs convey the value of our services and promote utility efficiency and safety. In 2023, staff presented numerous online and in-person water, energy, and safety programs to student and adult audiences. Methodology included community event booths, facility tours, adult presentations, teacher workshops, student programs, landscape classes and webinars, public meetings, town halls, and the annual Water and Energy Tours for stakeholders around the state. Colorado Springs Utilities also conducted six town halls and seven public meetings for customers to understand Utilities Board decisions. In total, 38,332 customer connections were made, and 557 events

were attended. A total of 16 Raptor Protection Program presentations were made to teach the community about powerline safety for birds, and our environmental stewardship efforts around utility services.

10. Strive to minimize or reuse waste generated by Colorado Springs Utilities to reduce impact on the environment.

In 2023, Colorado Springs Utilities' e-waste recycling program sent 42 tons of electronic waste components and 9,449 mercury-containing lamps to be recycled.

In addition, 8,950 gallons of used oil, 661 gallons of antifreeze, and more than 943 tons of steel, aluminum, copper, brass, iron, and tin was recycled.

In 2023, more than 20,000 tons of fly ash was beneficially re-used for liquid waste solidification, and 151 tons of porcelain was crushed and re-used locally as road base for curb and gutter projects.

Nearly 70,000 tons of construction debris (including more than 5,160 tons of asphalt and 9,872 tons of concrete removed from job excavation activities) was accepted for recycling at the Sand Creek Recycling Center. After separation, the soil is re-used locally as construction fill and the asphalt and concrete are crushed and re-used locally.



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Water Outlook

Katie Garrett, P.E.

Water Resource Engineer, Water Resource Planning

April 17, 2024

Local Weather Conditions as of March 31, 2024

Precipitation (Inches of Moisture)

- March 2024 – 1.50 in. (190% of normal)
- 2024 YTD Total – 3.49 in. (249% of normal)

Average Temperature (Degrees F)

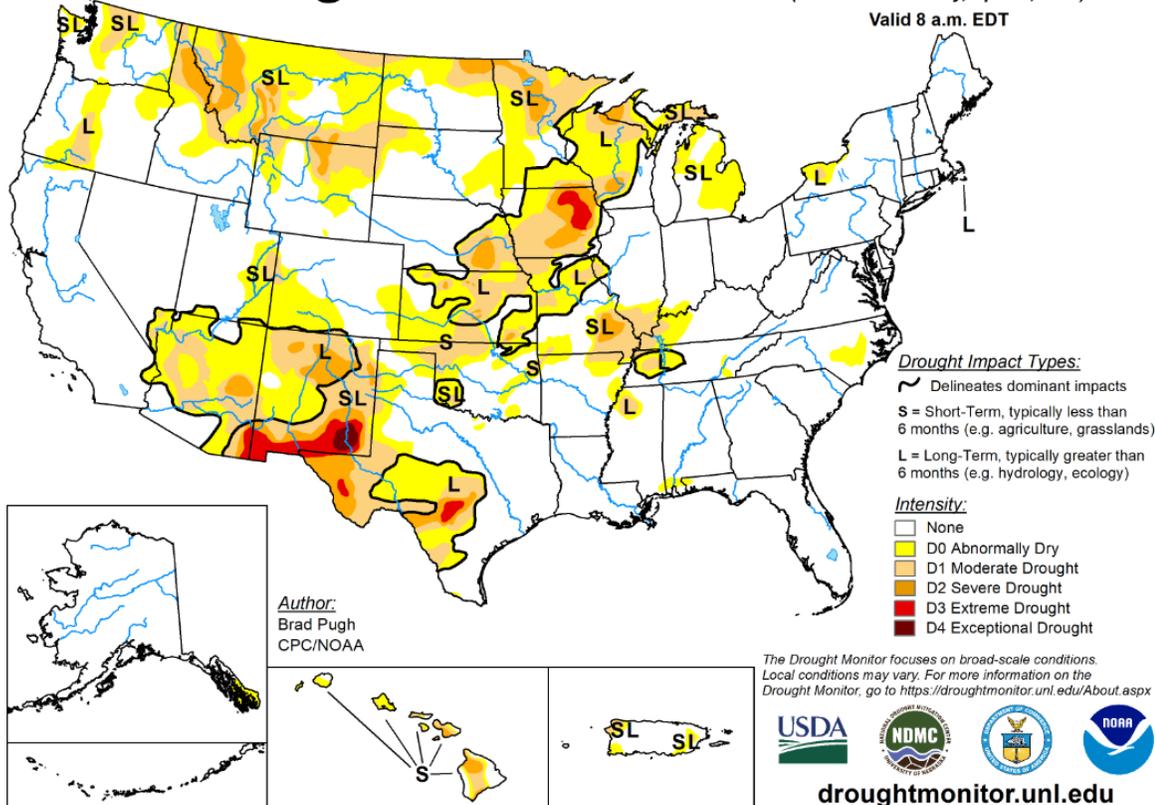
- March 2024 – 42.0 Deg. (0.8 deg. above normal)
- 2024 YTD Average – 36.8 Deg. (1.3 deg. above normal)



DROUGHT MONITOR

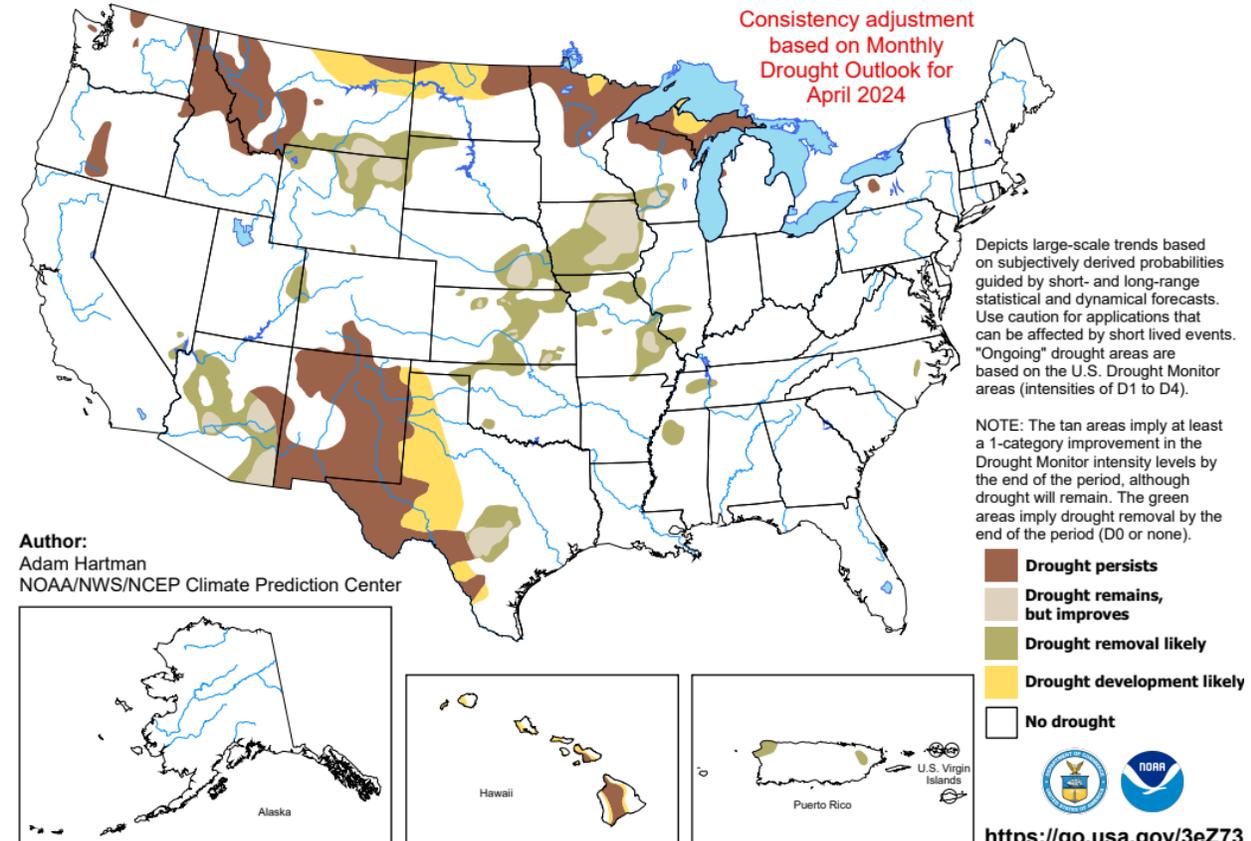
U.S. Drought Monitor

April 9, 2024
 (Released Thursday, Apr. 11, 2024)
 Valid 8 a.m. EDT



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

Valid for April 1 - June 30, 2024
 Released March 31, 2024



Colorado

Map released: Thurs. April 11, 2024

Data valid: April 9, 2024 at 8 a.m. EDT

Intensity

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

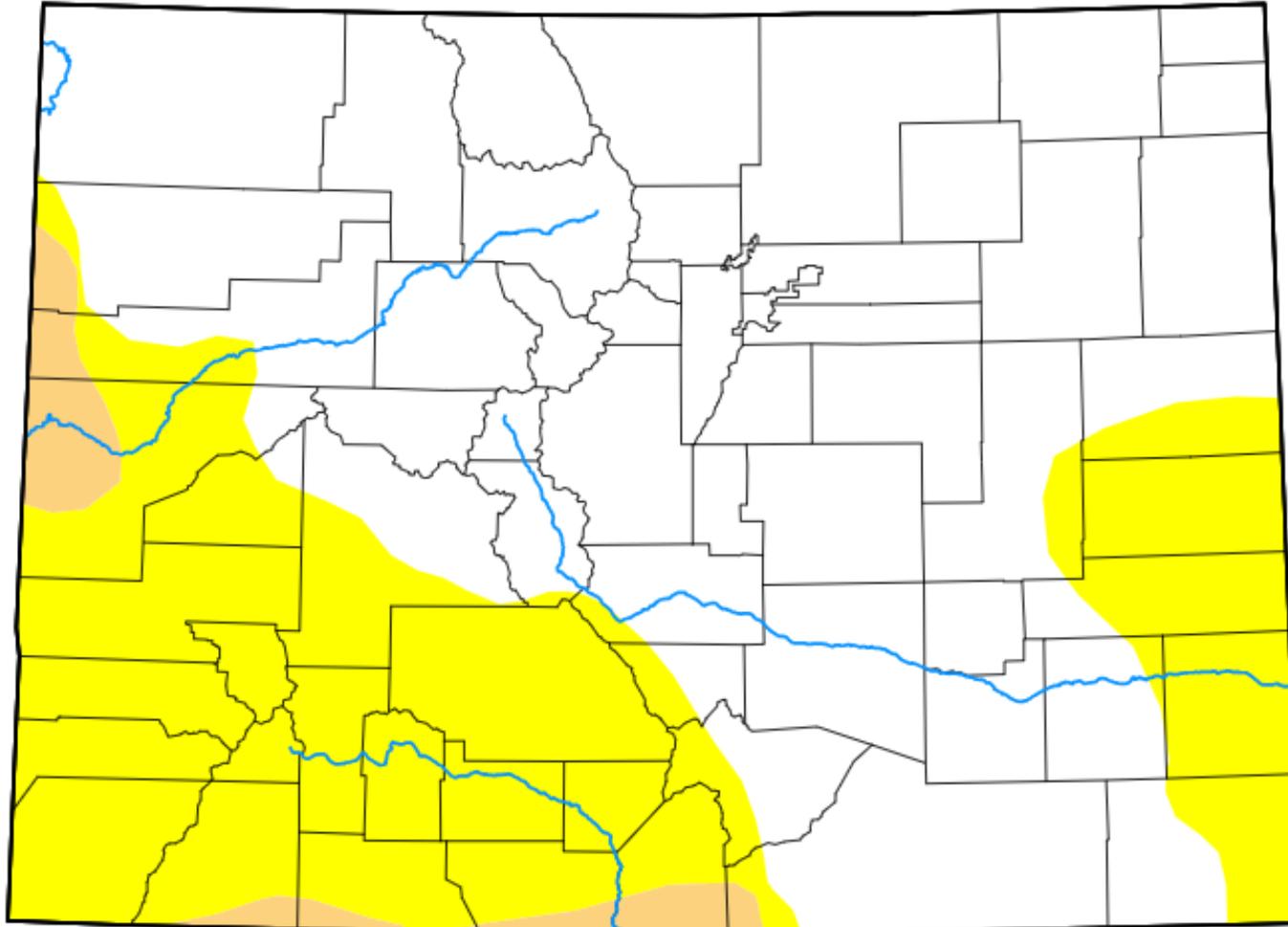
Authors

United States and Puerto Rico Author(s):

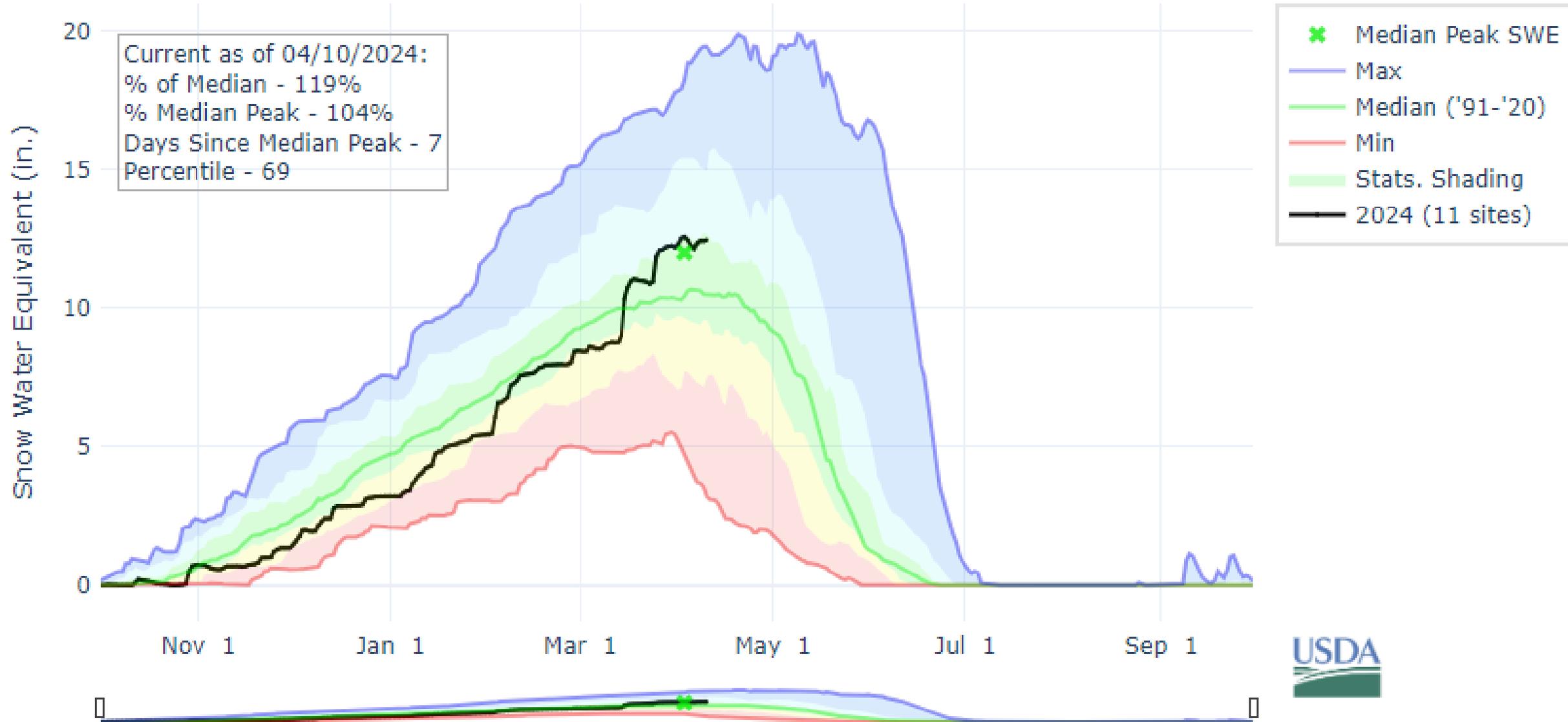
[Brad Pugh](#), NOAA/CPC

Pacific Islands and Virgin Islands Author(s):

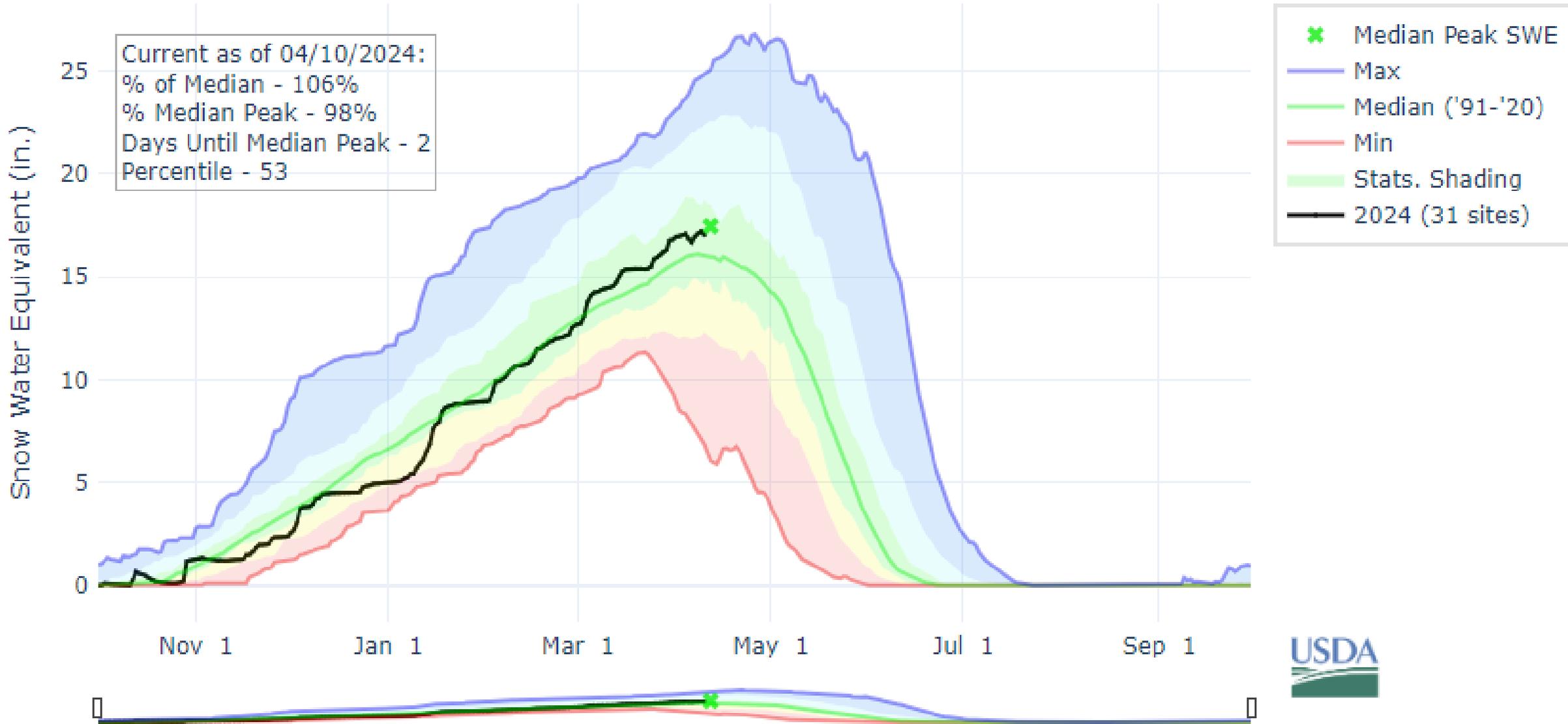
[Anthony Artusa](#), NOAA/NWS/NCEP/CPC

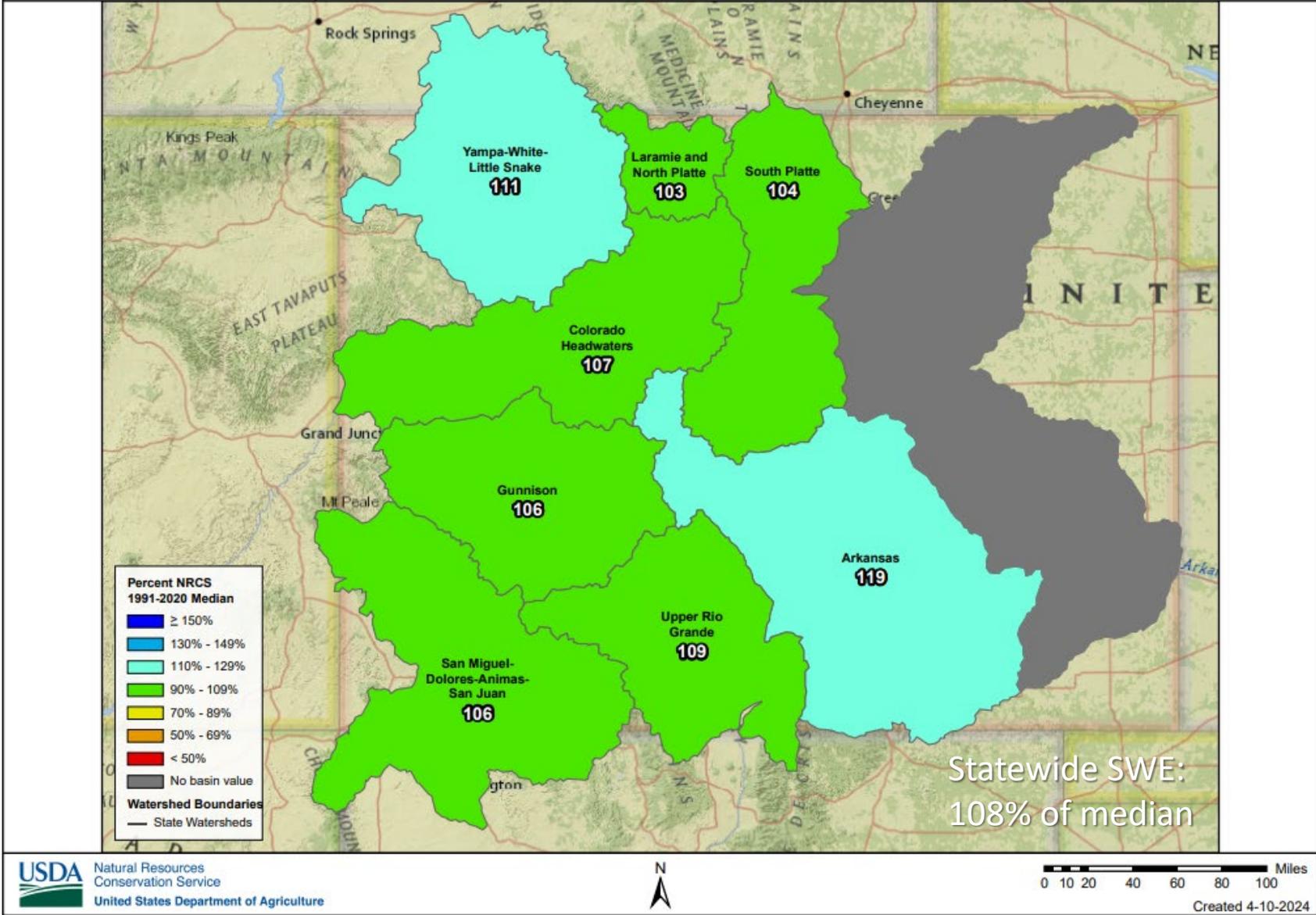


Snowpack in the Arkansas River Basin is 119% of normal



Snowpack in the Colorado River Headwaters Basin is 106% of normal





SNOTEL sites – April 10

Hoosier Pass (Blue River system)

116% of median

Independence Pass (Twin Lakes system)

112% of median

Fremont Pass (Homestake system)

98% of median

Homestake snow course 105% of median (April 05)

Glen Cove (Pikes Peak)

237% of median

2024 Demands

March

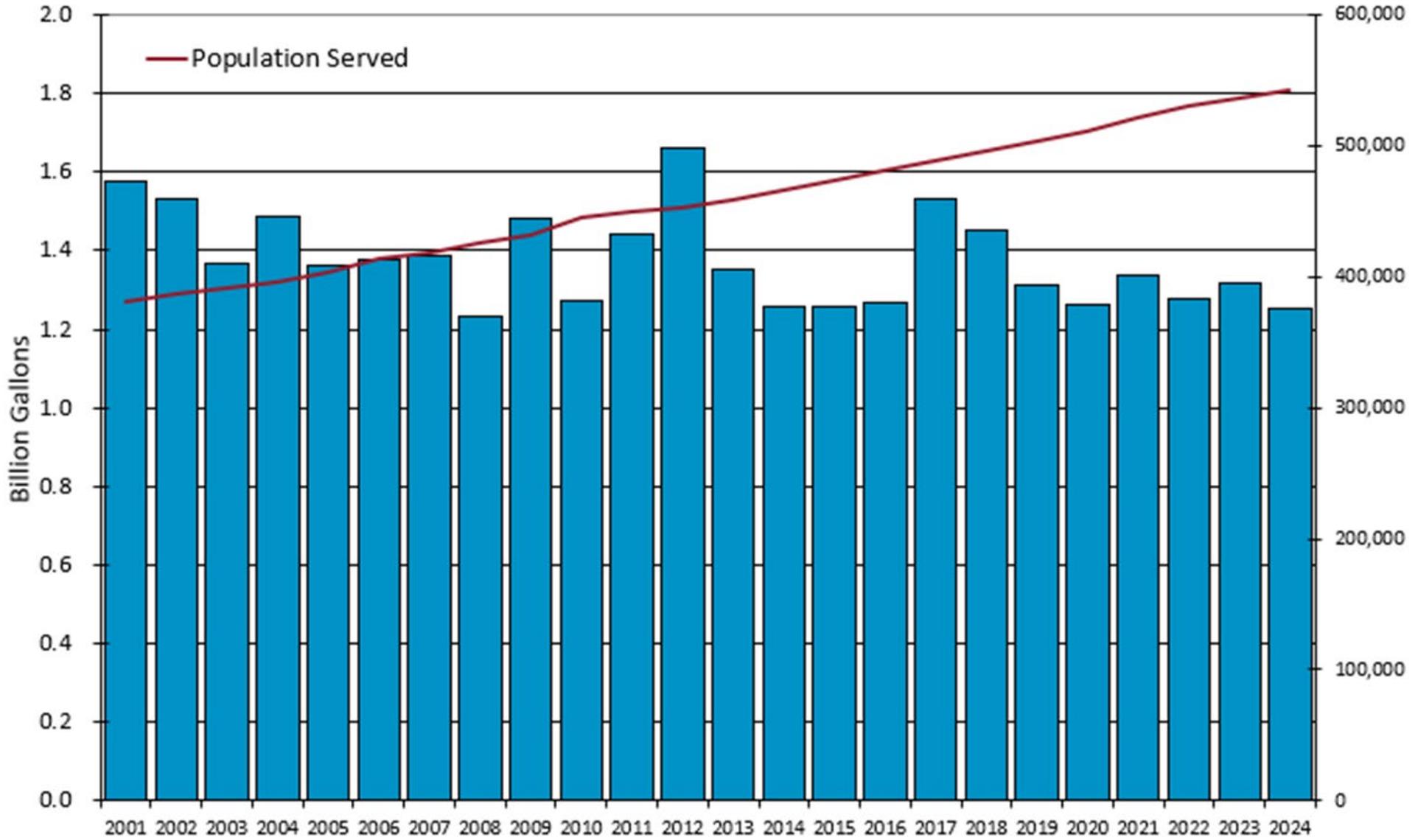
- Averaged 40.5 MGD
- 4.6% less than March 2023

2024 Year to Date through March 31

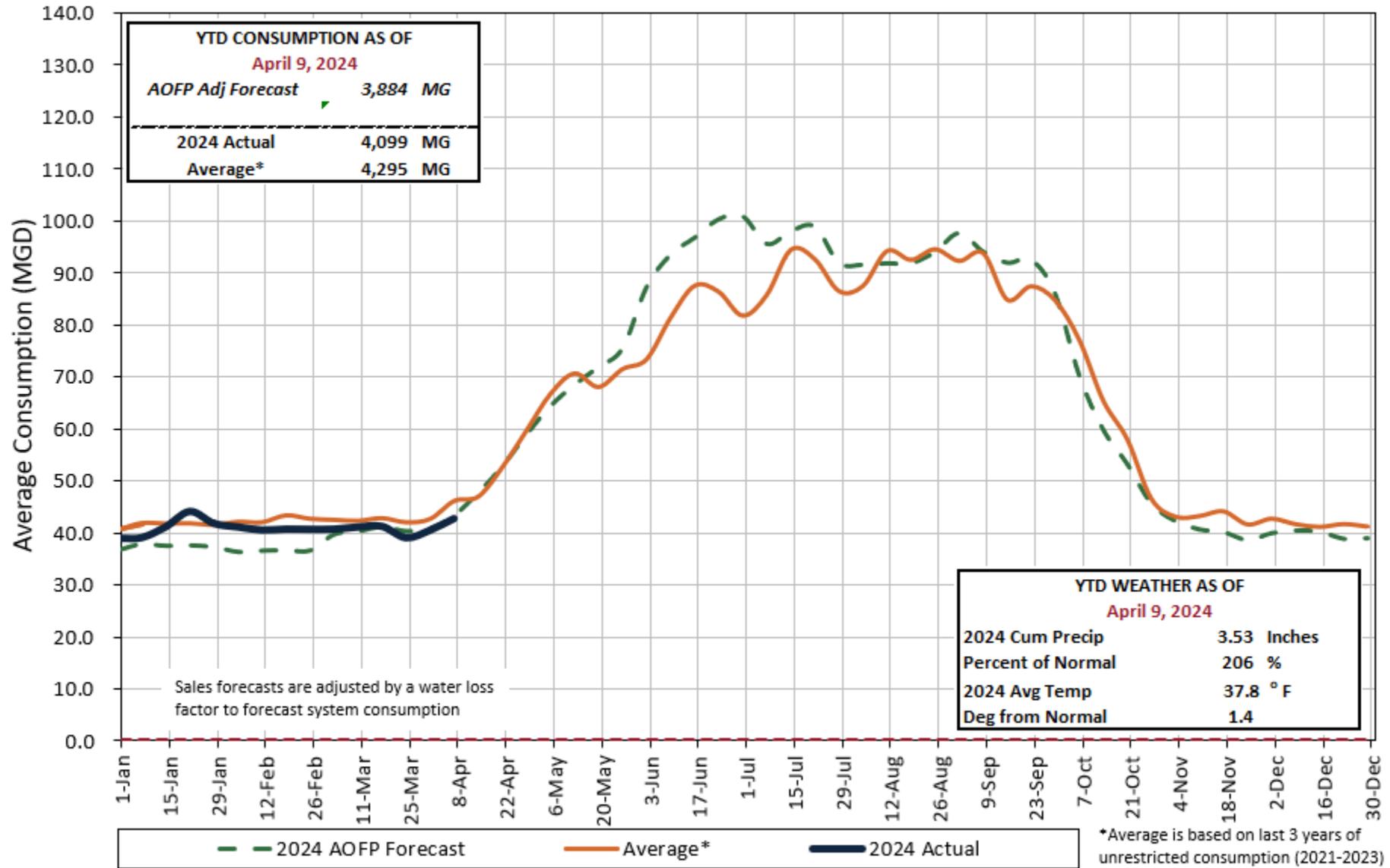
- Averaging 40.9 MGD, 3.7 BG total
 - 3.9% less than 2023
 - 0.15 Billion Gallons less than 2023



Monthly Water Use for March



2024 Actual Consumption (Weekly Data)

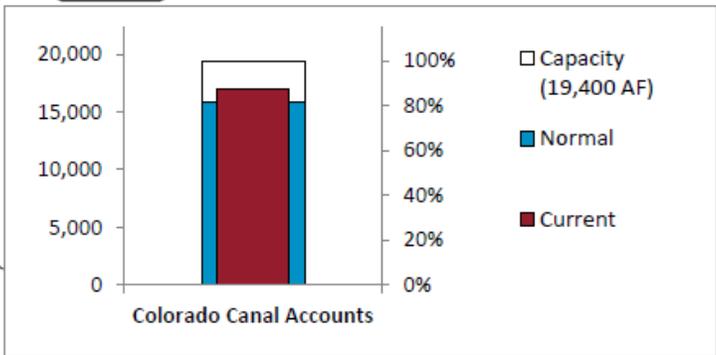
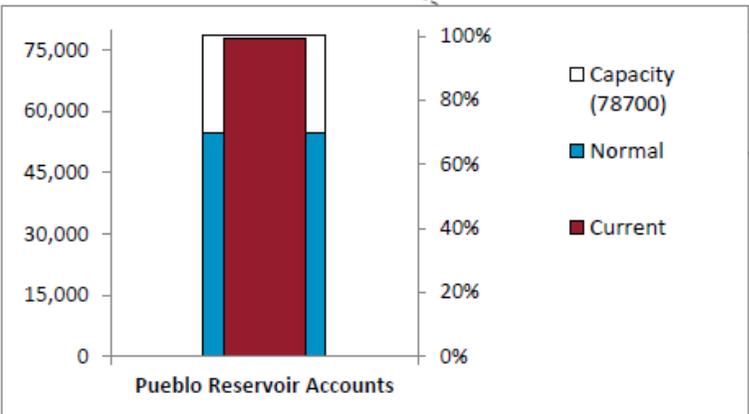
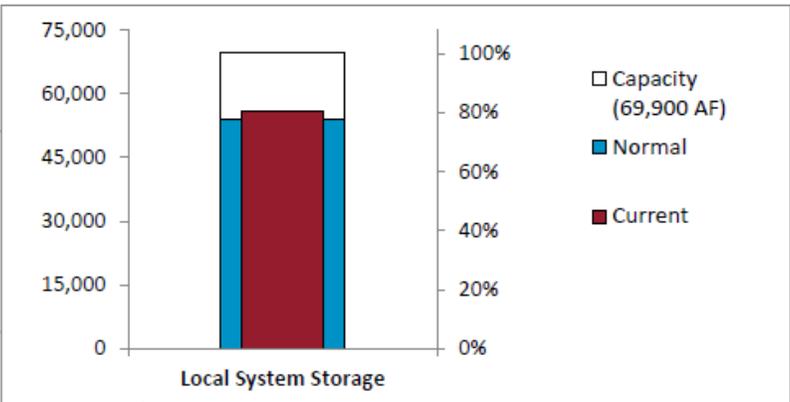
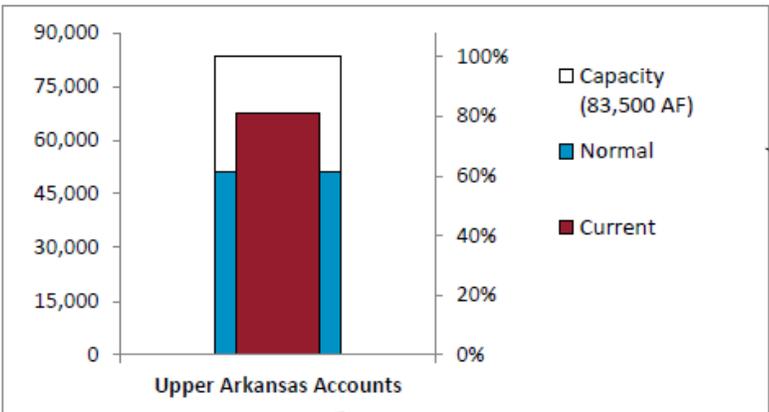
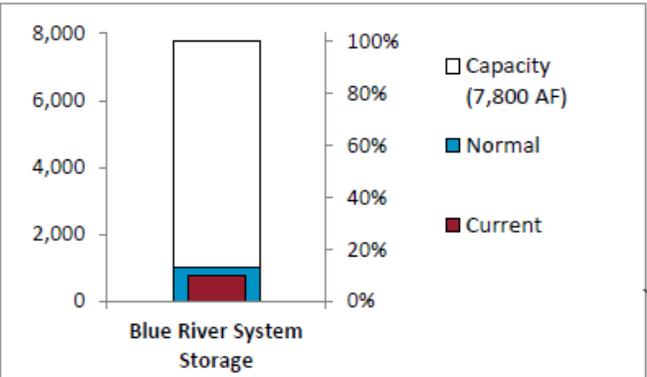


Colorado Springs' System Wide Storage:

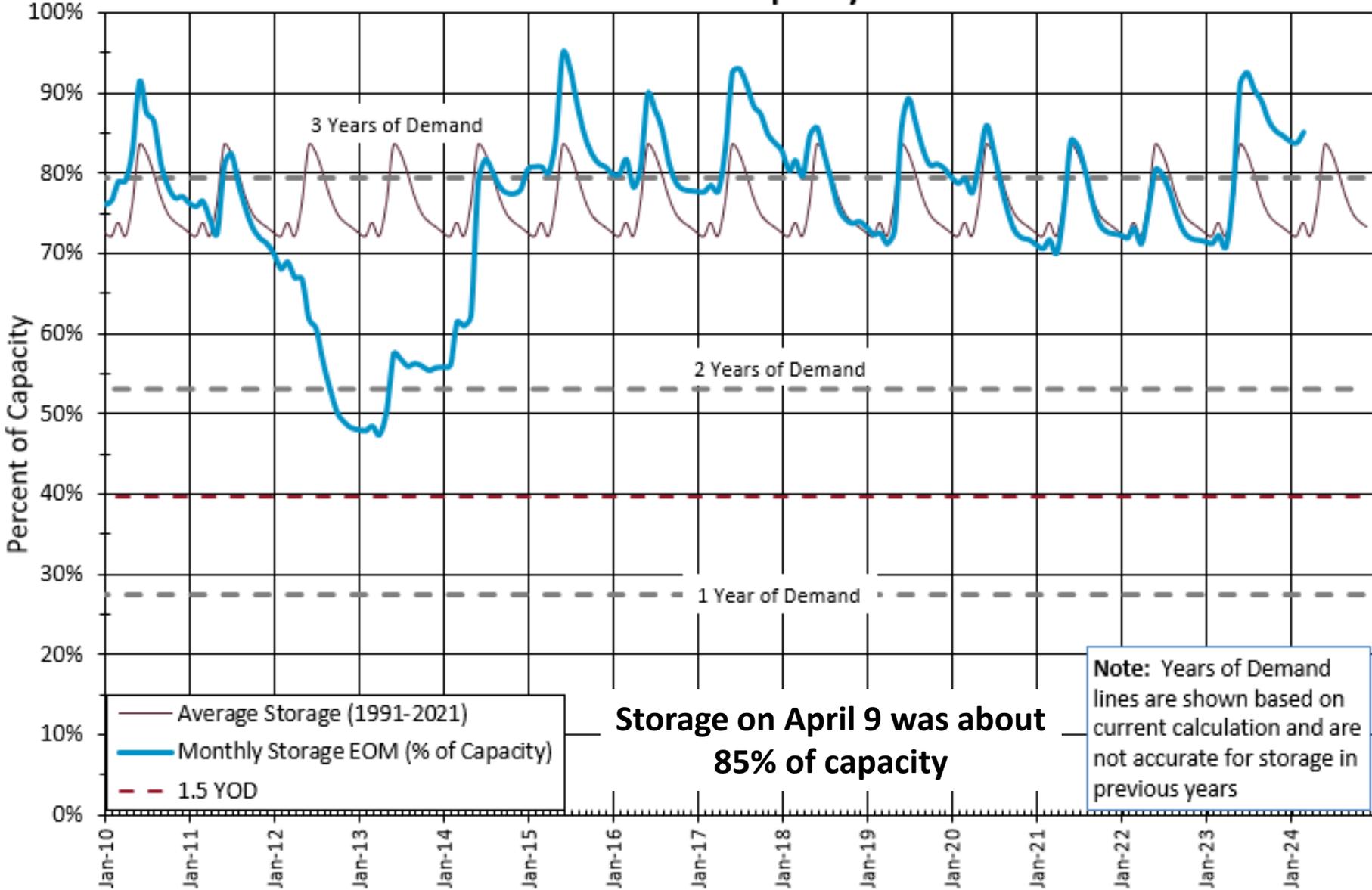
April 9, 2024 : 219,700 af
84.6 %

2001-2022 avg : 176,600 af
68.0 %

Average YTD Demand : 41 MGD



Monthly Storage Percent of Capacity



Storage on April 9 was about 85% of capacity

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

Water Outlook

- Situation Outlook Summary
 - System-wide storage is at 84.6% of capacity, about 11% above our long-term average
 - About 3.2 years of demand in storage, based on the past 3 years of demand
 - Have 280 days of demand in local storage
- Three-month outlook predicts
 - Equal chances for above-average and below-average precipitation across most of Colorado with the northeast corner of the state showing higher chances for above average precipitation
 - Equal chances for above-average and below-average temperatures across the northeast portion of the state with slightly higher chances for above average temperatures across the rest of Colorado
- We continue to monitor snowpack, demand and storage to maximize available water supply

Operational Notes

Storage Conditions

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



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Date: April 17, 2024

To: Utilities Board

From: Travas Deal, Chief Executive Officer

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

Desired Action: Monitoring

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

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

April 2024 Water Outlook using data as of March 31, 2024

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

2024 Demands

March use averaged 40.5 million gallons per day (MGD), which was about 4.6 percent less than last March. Temperatures in March were above the thirty-year average at 42.0 degrees Fahrenheit, which was 0.8 degrees above normal. Total precipitation for March was 1.50 inches, which is above normal. Year to date precipitation is 3.49 inches, which is 249 percent of normal.

Current Reservoir Levels

Local storage is currently at about 52,310 acre-feet (79 percent of capacity). The 1991-2020 average is 79 percent of capacity. Rampart Reservoir is at 88 percent of capacity, and Pikes Peak storage is at 66 percent of capacity. System wide, total storage is about 221,200 acre-feet (85 percent of capacity). Last year at this time, total system wide storage was 72 percent of capacity. It was about 73 percent at this same time in 2022, about 72 percent of capacity in 2021, about 79 percent of capacity in 2020, about 73 percent of capacity in 2019, about 82 percent of capacity in 2018, about 79 percent of capacity in 2017, about 82 percent of capacity in 2016, and about 78 percent of capacity in 2015. The 1991-2021 average system wide storage for the end of March is 74 percent of capacity.

Water Supply Outlook

The U.S. Drought Monitor shows pockets of moderate/severe drought conditions throughout the U.S. The Colorado drought monitor shows some areas of moderate drought in the southern part of the state, with abnormally dry conditions across a large portion of western Colorado. The seasonal drought outlook predicts drought will persist in isolated parts of southern Colorado between now and June 30, 2024. The three-month climate outlook shows equal chances for above-average and below-average precipitation across most of Colorado with the northeast corner of the state showing higher chances for above average precipitation. The three-month outlook also shows equal chances for above-average and below-average temperatures across the northeast portion of the state with slightly higher chances for above average temperatures across the rest of Colorado.

Operational Notes

South Catamount Reservoir capacity remains restricted for planned dam maintenance. The South Slope system pipeline to Tollefson Water Treatment Plant has been removed from service until spring of 2024 for normal winter operations. Total system storage is at 85 percent of capacity and holds about 3.2 years of demand, which is above average for the end of March. Local storage contains about 277 days of demand.

Electric Cost Adjustment (ECA)

On March 26, 2024, City Council approved the ECA rate of \$0.0255 per kWh effective April 1, 2024. As of March 31, 2024, the ECA under collection balance was \$8.8 million. The under collection balance changed by \$3.5 million from the \$12.3 million under collection balance reported last month. Utilities will continue to provide regular updates to the Utilities Board as appropriate.

Gas Cost Adjustment (GCA)

On March 26, 2024, City Council approved the GCA rate of \$0.0810 per Ccf effective April 1, 2024. As of March 31, 2024, the GCA over collection balance was \$6.1 million. The over collection balance changed by \$1.5 million from the \$7.6 million over collection balance reported last month. Utilities will continue to provide regular updates to the Utilities Board as appropriate.



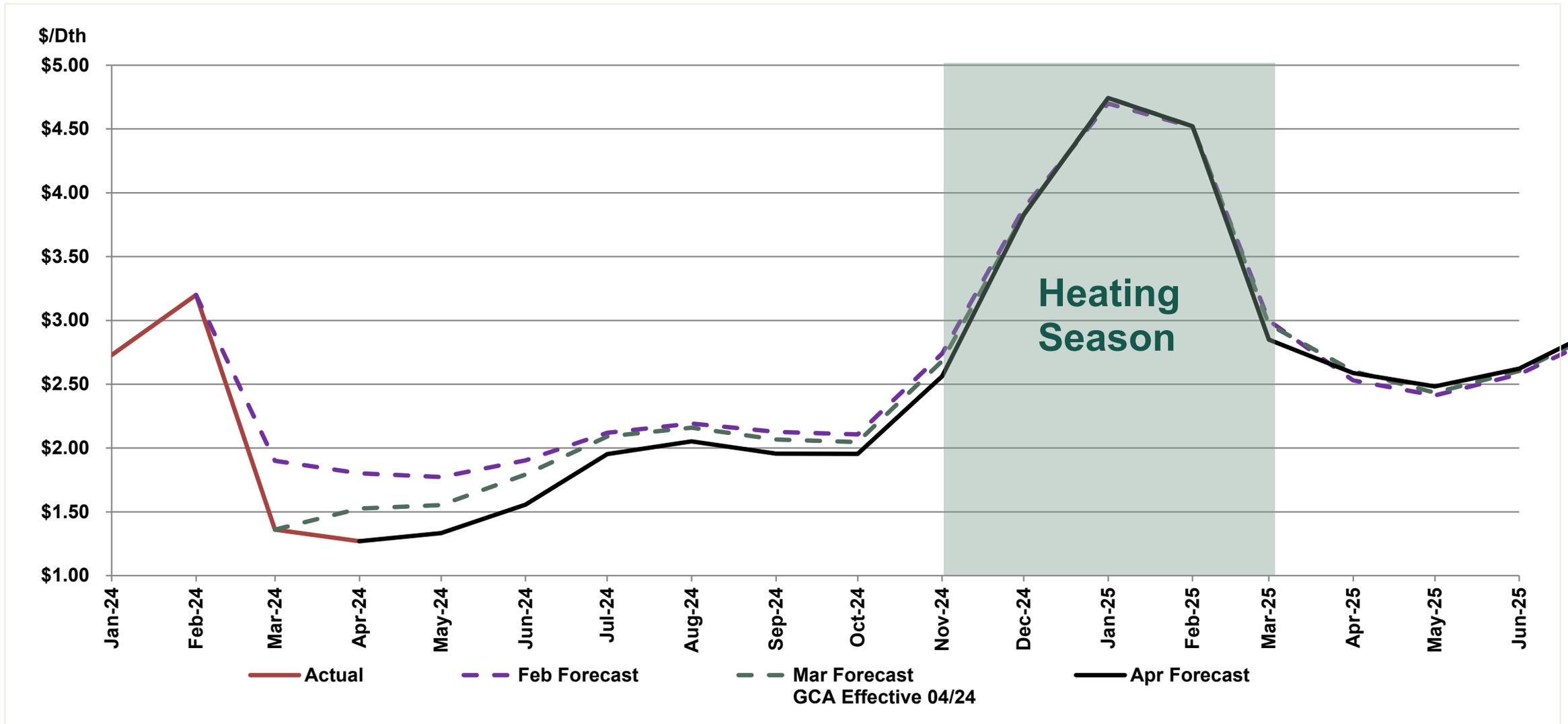
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Electric Cost Adjustment Gas Cost Adjustment

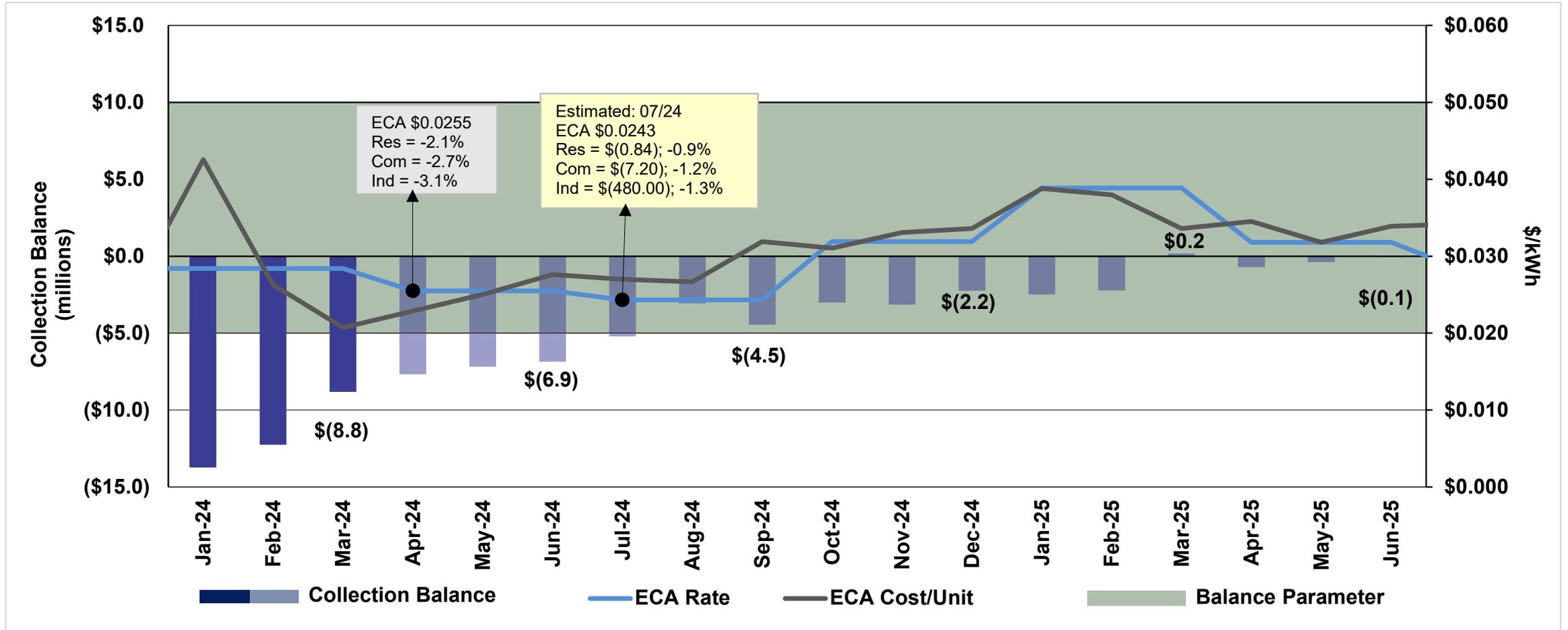
Scott Shirola, Pricing and Rates Manager

April 17, 2024

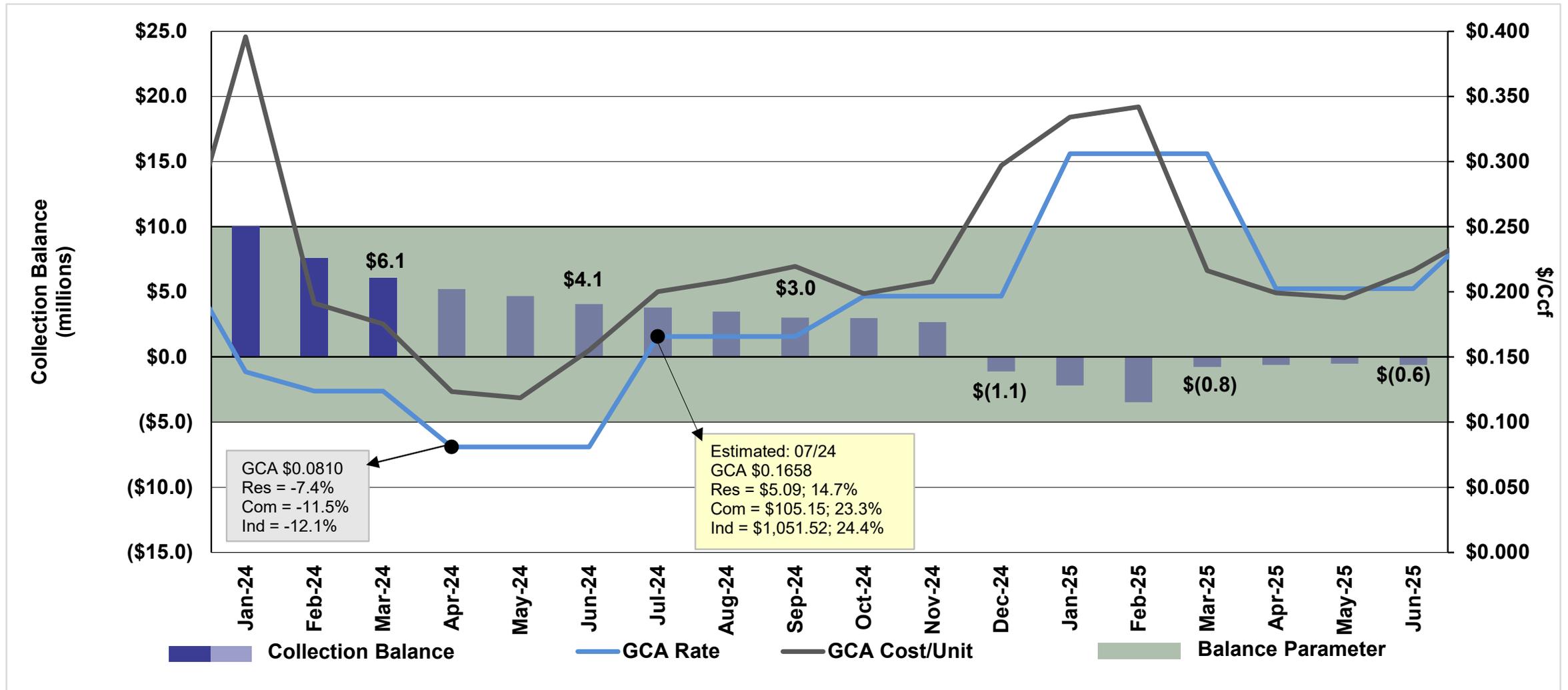
Natural Gas Prices as of April 1, 2024



ECA Projections April 2024



GCA Projections April 2024





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Board Memo Agenda Item

Staff Report

Date: April 17, 2024
To: Utilities Board
From: Travas Deal, Chief Executive Officer
Subject: Ordinance Approving 1st Amendment to 2005A Standby Bond Purchase Agreement

NARRATIVE:

Desired Action: Discussion

Executive Summary: The Ordinance addresses approval of the first amendment to the 2005A Standby Bond Purchase Agreement ('SBPA') and the related amended and restated Fee Agreement with Bank of America, N.A. The current SBPA for the 2005A Bonds routinely expires this fall. Colorado Springs Utilities has elected to renew the 2005A SBPA agreement with Bank of America, N.A. for a term of five years. Springs Utilities intends to present the ordinance at the April 23, 2024, and May 14, 2024 City Council meetings.

Benefits: Extending this agreement keeps Springs Utilities in compliance with the bond ordinance, provides credit support certainty for a substantially extended period of time (reducing risk), as well as provides cost savings versus the current agreement.

Board Policy: N/A

Cost/Budget: This item is budgeted for and this proposal would provide 9% savings per year versus the current agreement.

Affected Parties: N/A

Alternatives: Springs Utilities is required by bond ordinance to maintain credit support for the 2005A issuance. Colorado Springs Utilities could choose to enter into an agreement with a different counterparty. However, analysis suggests Springs Utilities would be unable to do so without incurring higher costs than the proposed action today.

Submitter: Adam Hegstrom

Email address: ahegstrom@csu.org

Division/ Planning and Finance Division /

Phone number: 719-668-8530

Department: Treasury and Finance

Date submitted: April 1, 2024

SPG Staff Use Only: Consent Calendar

Yes

x

No

ITEM NO.

8

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



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Standby Bond Purchase Agreement Renewal

Adam S. Hegstrom
Treasury and Finance Manager
April 17, 2024

Plan of Finance Objectives

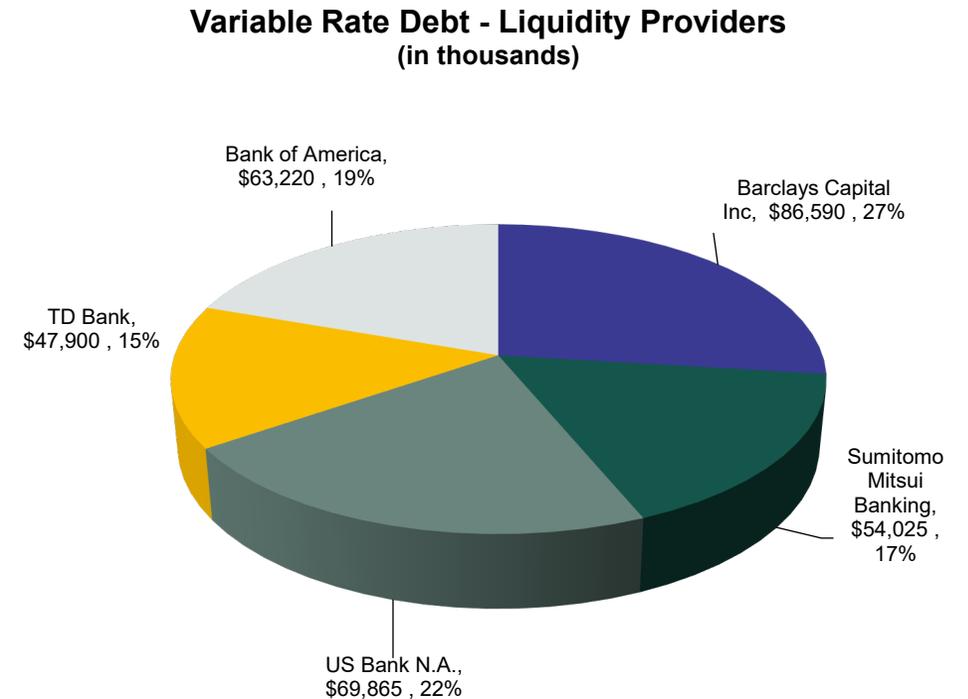
Plan of Finance efforts are dedicated toward four key objectives:

1. Fund the debt-backed portion of Springs Utilities' upcoming capital plan
2. Manage and optimize Springs Utilities' current debt portfolio
3. Procure and manage debt-supporting instruments and ancillary services
4. Manage credit rating agency relationships



Background – Liquidity Providers

- Variable Rate Demand Bonds (VRDBs) - \$321.6 million outstanding
 - Long-term bonds whose interest rate resets weekly
 - Remarketers set said rates, and place bonds current holders no longer want with new owners
 - **Liquidity providers temporarily backstop the bonds if no buyers are available**
 - NOTE: All CSU VRDBs have a matched interest rate swap to hedge any movements in rates (synthetically fixed).



Liquidity Renewal

- Utilities' 2005A Standby Bond Purchase Agreement ('SBPA') expiring in September 2024
 - Outstanding par amount of \$63,220,000
 - Liquidity fee of 33 bps
- Analysis performed to determine most cost-effective options
 - Replace existing liquidity facility (RFP)
 - Negotiate renewal with current provider – Bank of America, N.A.
- Result
 - Renew 2005A SBPA with Bank of America, N.A.
 - 5-year term at 30 bps with no make-whole provision
 - Savings of 3 bps

Next Steps

- Renewal of this agreement requires authorization from City Council through an ordinance
- Key Dates

SBPA / Liquidity Renewal Actions:	Date
Update to Finance Committee	April 15, 2024
Presentation to Utilities Board	April 17, 2024
1 st Reading of SBPA Renewal Ordinance at City Council	April 23, 2024
2 nd Reading of SBPA Renewal Ordinance at City Council	May 15, 2024
Execution of Agreement	May 22, 2024



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ORDINANCE NO. 24-__

AN ORDINANCE OF THE CITY OF COLORADO SPRINGS, COLORADO APPROVING AND AUTHORIZING THE EXECUTION AND DELIVERY OF A FIRST AMENDMENT TO STANDBY BOND PURCHASE AGREEMENT AMONG THE CITY OF COLORADO SPRINGS, COLORADO, COMPUTERSHARE TRUST COMPANY, N.A., AS TENDER AGENT, AND BANK OF AMERICA, N.A., AND AN AMENDED AND RESTATED FEE AGREEMENT BETWEEN THE CITY OF COLORADO SPRINGS, COLORADO AND BANK OF AMERICA, N.A., RELATING TO THE CITY OF COLORADO SPRINGS, COLORADO, VARIABLE RATE DEMAND UTILITIES SYSTEM SUBORDINATE LIEN IMPROVEMENT REVENUE BONDS, SERIES 2005A; AND PROVIDING OTHER MATTERS RELATING THERETO.

WHEREAS, the City of Colorado Springs, Colorado (the “City”) is a municipal corporation and a home rule city duly organized and existing under the laws of the State of Colorado and, in particular, under the provisions of Article XX of the Constitution of the State of Colorado and the Charter of the City (the “Charter”); and

WHEREAS, the City now owns and operates a municipal water system, electric light and power system, gas system, wastewater system and certain other systems heretofore designated by the City Council (the “Council”) of the City, constituting the Utilities created by the Charter; and

WHEREAS, the City has previously entered into a Standby Bond Purchase Agreement dated September 1, 2019 (the “Original Agreement”), by and among the City, Wells Fargo Bank, N.A., as tender agent and paying agent, and Bank of America, N.A. (the “Bank”), and that certain Fee Agreement dated September 13, 2019 (the “Original Fee Agreement”) between the City and the Bank, in each case with respect to the City of Colorado Springs, Colorado, Variable Rate Demand Utilities System Subordinate Lien Improvement Revenue Bonds, Series 2005A (the “2005A Bonds”); and

WHEREAS, the Original Agreement expires on September 13, 2024, unless extended; and

WHEREAS, the City wishes to extend the Expiration Date of the Original Agreement and make other modifications to the Original Agreement pursuant to a First Amendment to Standby Bond Purchase Agreement (the “First Amendment”) among the City, Computershare Trust Company, N.A., as successor to Wells Fargo Bank, N.A., and the Bank; and

WHEREAS, the City wishes to make certain changes to the Original Fee Agreement pursuant to an Amended and Restated Fee Agreement (the “Amended Fee Agreement” and together with the First Amendment, the “Extension Documents”) between the City and the Bank; and

WHEREAS, the Council has determined that the public interest and necessity require the City to enter into the Extension Documents; and

WHEREAS, there has been presented to the Council proposed forms of the Extension Documents.

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

Section 1. Ratification and Approval of Prior Actions. The Council hereby ratifies, approves and confirms all action heretofore taken (not inconsistent with the provisions of this ordinance) with respect to the Original Agreement, the Original Fee Agreement, and the Extension Documents.

Section 2. Approval of Extension Documents. The forms, terms and provisions of the Extension Documents are hereby approved, and the City shall enter into and perform the Extension Documents in the forms presented to the Council at this meeting, with only such changes therein, if any, as are not inconsistent herewith. The Chief Executive Officer of the Utilities and the Chief Planning and Finance Officer of the Utilities (each an “Authorized Officer”) are each hereby authorized and directed to execute and deliver the Extension Documents including any changes authorized by this Section 2 which have been approved by the Authorized Officer.

Section 3. Future Extensions. Each Authorized Officer is hereby further authorized to enter into and execute and deliver such documents as may be necessary in connection with amendments to the Extension Documents from time-to-time to facilitate the extension for one or more years without further action by the Council so long as: (i) the initial fee rates shall not be greater than 1% (100 basis points) higher than fees set forth in the related documents for the prior term, (ii) the other terms and conditions of any such extension (including any amendment to the Original Agreement or the Original Fee Agreement required to implement such extension) are substantially similar to the terms and conditions of the Original Agreement and the Original Fee Agreement, as amended by the Extension Documents, and (iii) the municipal advisor to the Utilities certifies in writing that the fee rates in such extension are consistent with the market at such time (taking into account, among other considerations, the costs of securing and negotiating a replacement credit agreement with a replacement bank with comparable credit ratings, including attorney fees, as well as any trading advantage or disadvantage associated with a replacement bank).

Section 4. Other Actions. The officers of the City and the officers of the Utilities of the City shall execute and deliver such other agreements, certificates, instruments and documents and take all action necessary or reasonably required to effectuate the provisions of the Extension Documents.

Section 5. Repealer. All bylaws, orders, resolutions and ordinances of the City, or parts thereof, inconsistent herewith are hereby repealed to the extent only of such inconsistency. This repealer shall not be construed to revive any other such bylaw, order, resolution or ordinance of the City, or part thereof, heretofore repealed.

Section 6. Severability. If any section, subsection, paragraph, clause or other provision of this ordinance for any reason is invalid or unenforceable, the invalidity or

unenforceability of such section, subsection, paragraph, clause or other provision shall not affect any of the remaining provisions of this ordinance.

Section 7. Effective Date and Publication. This ordinance upon passage shall be entered upon the journal of the Council's proceedings, shall be kept in the book marked "Ordinance Record" and authenticated as required by the Charter, shall be published twice in a legal newspaper of general circulation in the City in compliance with the requirements of the Charter, with the first publication to be at least ten (10) days before final passage by Council of this ordinance, and the second publication to be any time after its final adoption. The Council hereby determines that it is appropriate that publication of this ordinance by title with a summary written by the City Clerk, together with a statement that this ordinance is available for public inspection and acquisition in the office of the City Clerk, shall be sufficient publication pursuant to Section 3-80 of the Charter and this ordinance shall be so published. This ordinance shall be in full force and effective five (5) days after its final publication.

[Remainder of page intentionally left blank]

INTRODUCED, READ, PASSED ON FIRST READING, APPROVED AND ORDERED PUBLISHED BY TITLE AND SUMMARY THIS 23rd DAY OF APRIL, 2024.

Finally Passed May 14, 2024

Randy Helms, Council President

ATTEST:

Sarah B. Johnson, City Clerk

Blessing A. Mobolade, Mayor

(Attach Affidavit of Publication, by Title and Summary,
of Ordinance No. 24-__ upon First Reading)

(Attach Affidavit of Publication, by Title and Summary,
of Ordinance No. 24-__ upon Second Reading)

Board Memo Agenda Item

Staff Report

Date: April 17, 2024
To: Utilities Board
From: Travas Deal, Chief Executive Officer
Subject: Colorado Centre Addition No. 3 Annexation

NARRATIVE:

Desired Action: Vote whether to recommend approval of extending water service to property outside City limits

Executive Summary:

- City of Colorado Springs accepted annexation petition for Colorado Centre Addition No. 3.
 - Two (2) parcels totaling 33.264 acres.
 - Owner proposes office, retail, and light-industrial uses.
- If approved by City Council, annexation would result in the extension of Springs Utilities' water service boundary and permit provision of Springs Utilities water service.
- Extending water service into any area not within either the existing City limits or the water service boundary is subject to the recommendation of approval by the Utilities Board and approval by City Council (City Code 12.4.305.A.).
- Property meets de minimis impact to City's water supply and enclave exceptions (12.4.305.B.3.).
- Property currently located within Springs Utilities' natural gas service territory.
- There has been no previous Utilities Board action for this property.

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

Board Policy: City Code section 12.4.305, subject to approval of annexation by City Council

Cost/Budget: From a four-service utility perspective, significant costs exist for developing electric generation capacity for all new system loads.

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

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

Submitter: Bryan English, PMP

Email address: benglish@csu.org

Division/ System Planning and Projects

Phone number: 719-668-8119

Department: Customer Utilities Connections

Date submitted: April 1, 2024

SPG Staff Use Only: Consent Calendar

Yes

X

No

ITEM NO.

9

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



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Colorado Centre Addition No. 3 Annexation

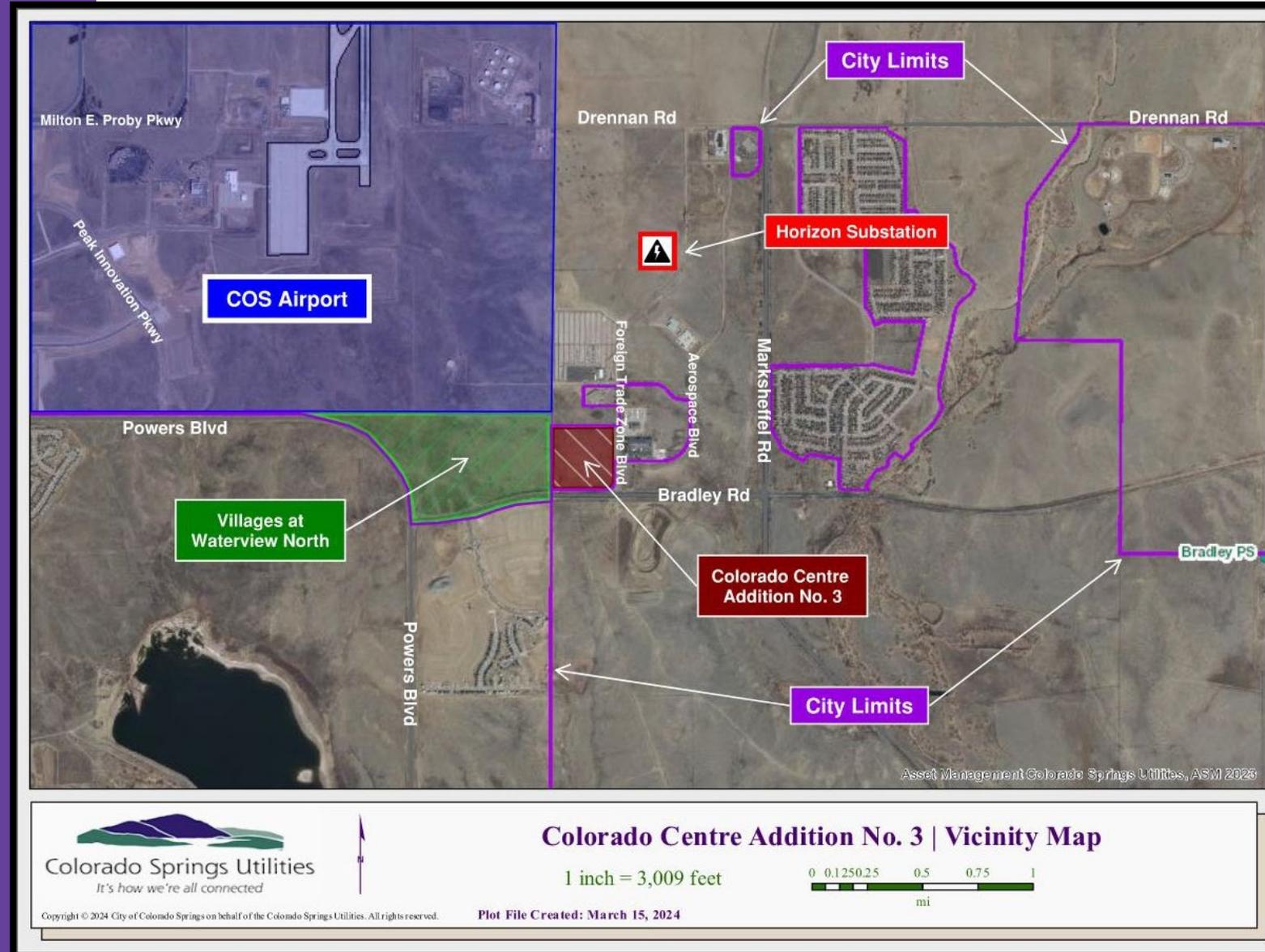
April 17, 2024, Utilities Board Meeting

Bryan T. English, PMP, Development Projects Manager

Customer Utilities Connections

Colorado Centre Addition No. 3

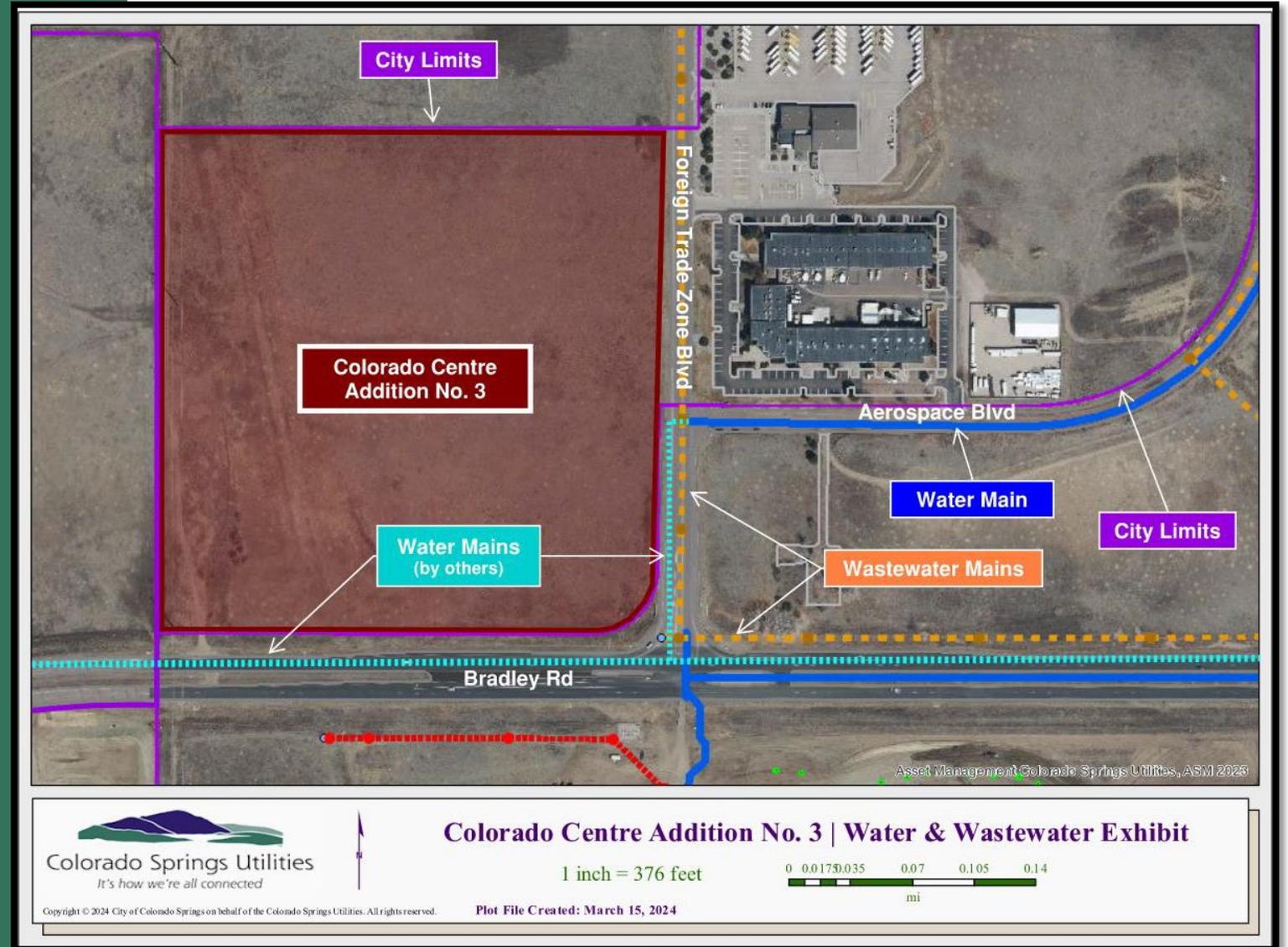
- Owner-initiated, voluntary annexation
- Located southeast of Colorado Springs Airport at northwest corner of Bradley Road and Foreign Trade Zone Blvd
- Proposed annexation consists of two (2) parcels totaling 33.264 acres
- Property is now an enclave due to recent Villages at Waterview North annexation
- Owner/developer proposing office, retail and light-industrial uses
 - Aerospace Business Center



Four-Service Perspective

Water and Wastewater

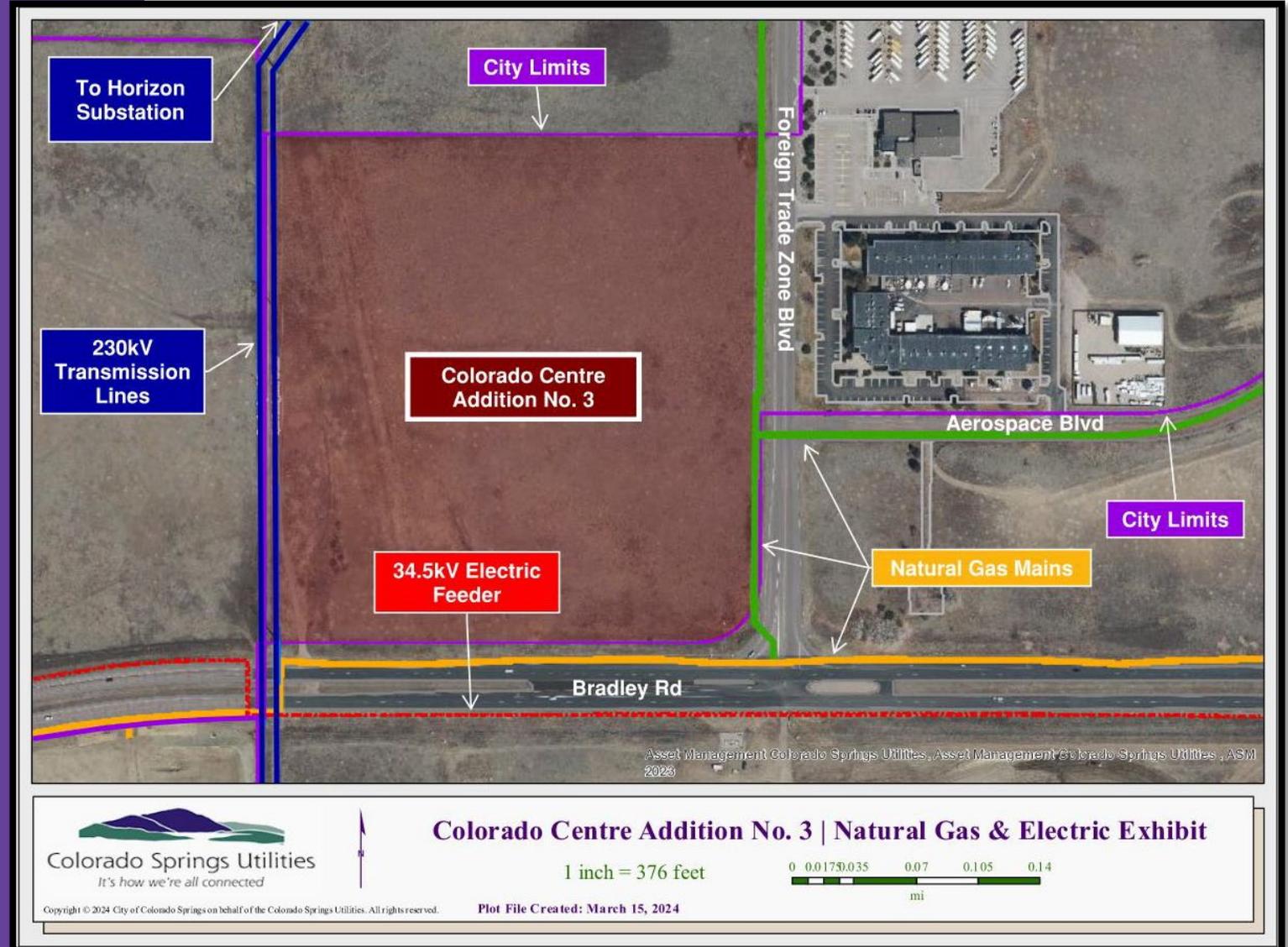
- Wastewater service and treatment capacity available through Lower Fountain agreement
 - Subject to annexation, Springs Utilities has obligation to serve
 - First-come, first-serve basis
 - Would contribute to EWSE through cost recovery
- Other developers currently constructing water main extensions in area



Four-Service Perspective

Natural Gas and Electric

- Property located in Springs Utilities natural gas service area
- Horizon Electric Substation located north of property
- Significant costs exist for developing electric generation capacity for all new system loads
- Electric service territory invasion
 - Just compensation to incumbent provider (MVEA) would apply
- Any required utility service extensions would be in accordance with existing development policies



City Code 12.4.305

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

1. 128% of existing water usage* plus projected demand for proposed water extension(s), and 25% of the perimeter of the area is contiguous with City limits,

OR

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

OR

3. The area is an enclave, or
The area is owned or leased by the City, or
The extension will have a de minimis impact on the overall City's available water supply.

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

Utilities Application of City Code 12.4.305

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

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

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

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

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

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

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

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

Application of City Code 12.4.305

Per City Code 12.4.305.B.3.

- Proposed annexation and extension of water service boundary meets de minimis impact to City's existing water supply and enclave exceptions
 - Projected water demand (PWD): 26 AFY
 - De minimis policy: $PWD < 57 \text{ AFY}$
 - $26 \text{ AFY} < 57 \text{ AFY}$

Utilities Board Action

Per City Code 12.4.305.A.

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



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Board Memo Agenda Item

Staff Report

Date: April 17, 2024
To: Utilities Board
From: Travas Deal, Chief Executive Officer
Subject: Air Lane Addition Nos. 1-3 Public Right-of-Way Annexations

NARRATIVE:

Desired Action: Vote whether to recommend approval of extending water service to property outside City limits

Executive Summary:

- City of Colorado Springs accepted annexation petitions for portions of Air Lane right-of-way.
- If approved by City Council, annexation would result in the extension of Springs Utilities' water service boundary, creating the potential for future water service(s).
- Extending water service into any area not within either the existing City limits or the water service boundary is subject to the recommendation of approval by the Utilities Board and approval by City Council (City Code 12.4.305.A.).
- Property meets the City-owned property exception (City Code 12.4.305.B.).
- There has been no previous Utilities Board action for these rights-of-way.

Benefits: Extension of Springs Utilities' water service boundary approval of annexation would support potential future water services and incremental revenue.

Board Policy: City Code section 12.4.305 subject to approval of annexation by City Council

Cost/Budget: Costs are expected to be null or de minimis.

Affected Parties: City of Colorado Springs Public Works, El Paso County, residents of the City of Colorado Springs and El Paso County, and Springs Utilities citizen-owners.

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

Submitter: Bryan English, PMP	Email address: benglish@csu.org
Division/ Department: System Planning and Projects, Customer Utilities Connections	Phone number: 719-668-8119
	Date submitted: April 1, 2024

SPG Staff Use Only: Consent Calendar	<input type="checkbox"/>	Yes	<input checked="" type="checkbox"/>	No	ITEM NO. 10
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ITEMS SUBMITTED AFTER THE DEADLINE WILL BE POSTPONED UNTIL THE NEXT UTILITIES BOARD MEETING.



Colorado Springs Utilities
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Air Lane Addition Nos. 1-3 Right-of-Way Annexations

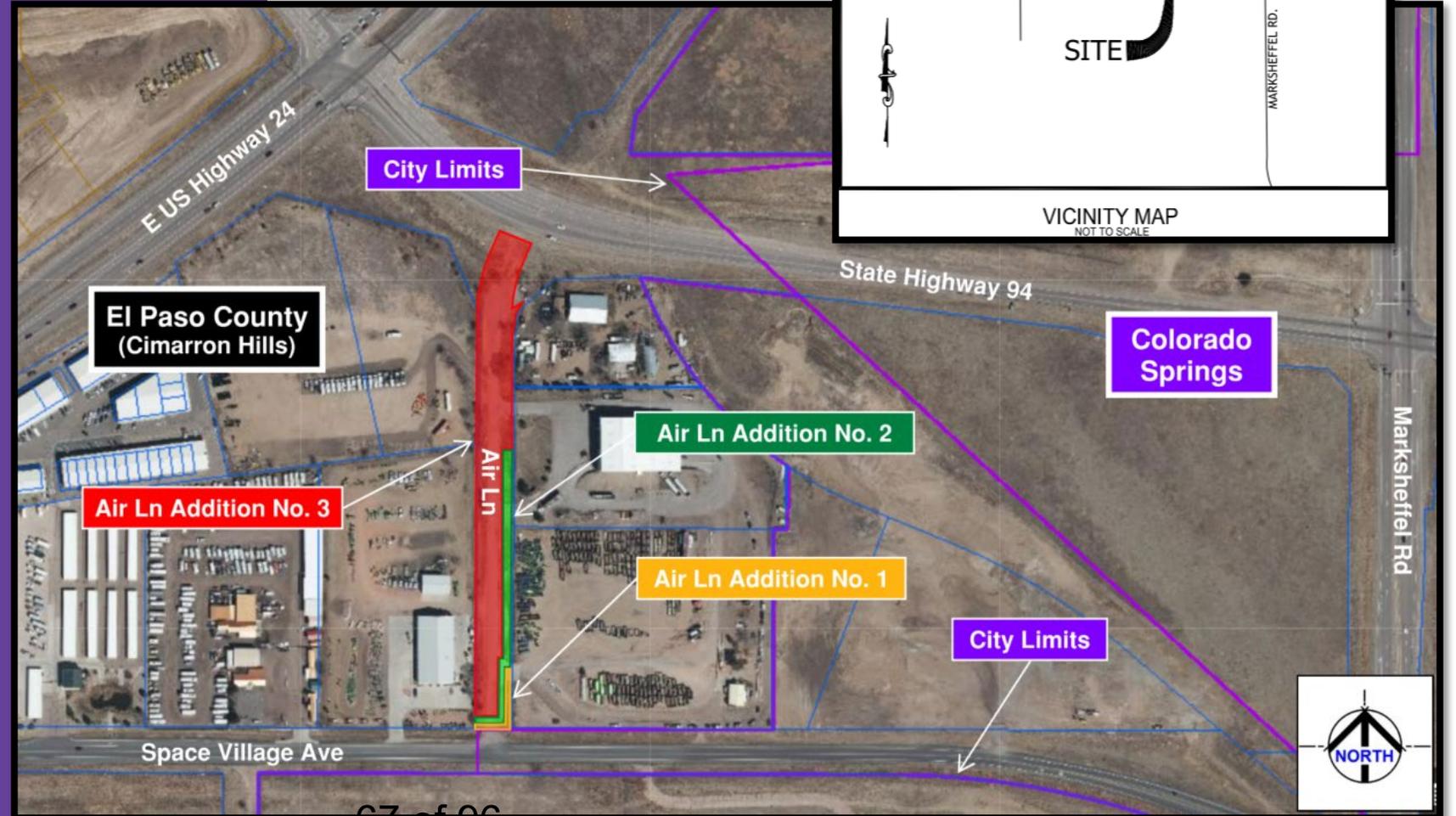
April 17, 2024, Utilities Board Meeting

Bryan T. English, PMP, Development Projects Manager

Customer Utilities Connections

Air Lane Addition Nos. 1-3

- Serial right-of-way (ROW) annexations totaling 4.623 acres
- City received quit claim deed from El Paso County to delineate O&M responsibilities between parties
- City's standard practice to annex City ROWs when eligible
- No existing utility services and none currently proposed



City Code 12.4.305

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

1. 128% of existing water usage* plus projected demand for proposed water extension(s), and 25% of the perimeter of the area is contiguous with City limits,

OR

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

OR

3. The area is an enclave, or
The area is owned or leased by the City, or
The extension will have a de minimis impact on the overall City's available water supply.

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

Application of City Code 12.4.305

Per City Code 12.4.305.B.3.

- Proposed annexation and extension of water service boundary meets City-owned property exception

Utilities Board Action

Per City Code 12.4.305.A.

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



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Board Memo Agenda Item

Staff Report

Date: April 17, 2024
To: Utilities Board
From: Travas Deal, Chief Executive Officer
Subject: Space Village Road Addition Nos. 2 and 3 Right-of-Way Annexations

NARRATIVE:

Desired Action: Vote whether to recommend approval of extending water service to property outside City limits

Executive Summary:

- City of Colorado Springs accepted an annexation petition for portions of Space Village Road right-of-way.
- If approved by City Council, annexation would result in the extension of Springs Utilities' water service boundary, creating the potential for future water service(s).
- Extending water service into any area not within either the existing City limits or the water service boundary is subject to the recommendation of approval by the Utilities Board and approval by City Council (City Code 12.4.305.A.).
- Property meets the City-owned property exception (City Code 12.4.305.B.).
- There has been no previous Utilities Board action for this right-of-way.

Benefits: Extension of Springs Utilities' water service boundary approval of annexation would support potential future water services and incremental revenue.

Board Policy: City Code section 12.4.305 subject to approval of annexation by City Council

Cost/Budget: Costs are expected to be null or de minimis.

Affected Parties: City of Colorado Springs Public Works, El Paso County, residents of the City of Colorado Springs and El Paso County, and Springs Utilities customers.

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

Submitter: Bryan English, PMP

Email address: benglish@csu.org

Division/ Department: System Planning and Projects,
Customer Utilities Connections

Phone number: 719-668-8119

Date submitted: April 1, 2024

SPG Staff Use Only: Consent Calendar

Yes

X

No

ITEM NO. 11

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



Colorado Springs Utilities
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Space Village Avenue Addition Nos. 2-3 Right-of-Way Annexations

April 17, 2024, Utilities Board Meeting

Bryan T. English, PMP, Development Projects Manager

Customer Utilities Connections

Space Village Avenue Addition Nos. 2-3

- Serial right-of-way (ROW) annexation totaling 4.623 acres
- City received quit claim deed from El Paso County (EPC) to delineate O&M responsibilities between parties
- City's standard practice to annex City ROWs when eligible
- No existing utility services



City Code 12.4.305

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

1. 128% of existing water usage* plus projected demand for proposed water extension(s), and 25% of the perimeter of the area is contiguous with City limits,

OR

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

OR

3. The area is an enclave, or
The area is owned or leased by the City, or
The extension will have a de minimis impact on the overall City's available water supply.

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

Application of City Code 12.4.305

Per City Code 12.4.305.B.3.

- Proposed annexation and extension of water service boundary meets City-owned property exception

Utilities Board Action

Per City Code 12.4.305.A.

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



Colorado Springs Utilities[®]

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Board Memo Agenda Item

Staff Report

Date: April 17, 2024
To: Utilities Board
From: Travas Deal, Chief Executive Officer
Subject: Dublin Park Addition No. 1 Annexation

NARRATIVE:

Desired Action: Vote whether to recommend approval of extending water service to property outside City limits

Executive Summary:

- City of Colorado Springs accepted an annexation petition for a 2.058-acre City-owned parcel and enclave located with the Cottonwood Creek drainage area to facilitate completion of a stormwater improvement project.
- If approved by City Council, annexation would result in the extension of Springs Utilities' water service boundary, creating the potential for future water service(s).
- Extending water service into any area not within either the existing City limits or the water service boundary is subject to the recommendation of approval by the Utilities Board and approval by City Council (City Code 12.4.305.A.).
- There is no existing water service(s) and the City is not proposing any new water service(s).
- Property meets City-owned property exception (City Code 12.4.305.B.).

Benefits: Extension of Springs Utilities' water service boundary approval of annexation would support potential future water services and incremental revenue.

Board Policy: City Code section 12.4.305 subject to approval of annexation by City Council

Cost/Budget: Costs are expected to be null or de minimis.

Affected Parties: City of Colorado Springs Public Works, El Paso County, residents of the City of Colorado Springs and El Paso County, and Springs Utilities customers.

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

Submitter: Bryan English, PMP

Email address: benglish@csu.org

Division/ Department: System Planning and Projects,
Customer Utilities Connections

Phone number: 719-668-8119

Date submitted: April 1, 2024

SPG Staff Use Only: Consent Calendar

Yes

X

No

ITEM NO. 12

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



Colorado Springs Utilities
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Dublin Park Addition No. 1 Annexation

April 17, 2024, Utilities Board Meeting

Bryan T. English, PMP, Development Projects Manager

Customer Utilities Connections

Dublin Park Addition No. 1

- Proposed annexation of City-owned parcel and enclave totaling 2.058 acres
- Part of Cottonwood Creek drainage area
- City received parcel in May 1990 via resolution for Cottonwood Knolls development parkland dedication – never annexed
- Will be part of stormwater improvement project
- No existing utility services and none currently proposed
- Existing public wastewater main and electric transmission line traverse property



City Code 12.4.305

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

1. 128% of existing water usage* plus projected demand for proposed water extension(s), and 25% of the perimeter of the area is contiguous with City limits,

OR

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

OR

3. The area is an enclave, or
The area is owned or leased by the City, or
The extension will have a de minimis impact on the overall City's available water supply.

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

Application of City Code 12.4.305

Per City Code 12.4.305.B.3.

- Proposed annexation and extension of water service boundary meets City-owned property exception

Utilities Board Action

Per City Code 12.4.305.A.

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



Colorado Springs Utilities[®]

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Board Memo Agenda Item

Staff Report

Date: April 17, 2024
To: Utilities Board
From: Travas Deal, Chief Executive Officer
Subject: Resolution Approving Water Rights Acquisition

NARRATIVE:

Desired Action: Informational presentation

Executive Summary: Colorado Springs Utilities entered into a Purchase and Sale Agreement (“PSA”) to acquire 82 shares in the Fort Lyon Canal Company (“FLCC” Shares) which will yield an average of 82 acre-feet per year from Jack K Miller, as well as real property covenants, and agreements necessary for Colorado Springs Utilities to use the water derived from the shares. The total cost for the acquisition is up to \$656,000 with additional closing costs expected. The acquisition and subsequent Water Court applications necessary to use the water derived from the shares require City Council approval and staff plans to bring a separate resolution authorizing the acquisition and filing of the Water Court applications to City Council for consideration on the consent calendar at its May 14, 2024 meeting.

Benefits: This project is consistent with policy direction contained in Springs Utilities’ 2017 Integrated Water Resource Plan and the Colorado Water Plan to pursue municipal water supply in a way that maintains the viability of agriculture in communities of the Lower Arkansas Basin.

Board Policy: I-7 Water Resource Management

Cost/Budget: The cost for this acquisition is \$656,000 with additional closing costs if City Council approves the proposed resolution.

Affected Parties: Existing and future customers of Colorado Springs Utilities

Alternatives: Approve or not approve Colorado Springs Utilities bringing a resolution approving the transaction to City Council for consideration on the consent calendar of Council’s regular meeting on May 14, 2024.

Submitter: Anna Sherohman on behalf of
Abigail Ortega
Division/ System Planning & Projects and
Department: Water Resources Management

Email address: asherohman@csu.org

Phone number: 668-8037

Date submitted: April 1, 2024

SPG Staff Use Only: Consent Calendar

Yes

X

No

ITEM NO. 13

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



Colorado Springs Utilities
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Arkansas Basin Water Sharing Program Water Rights Acquisition

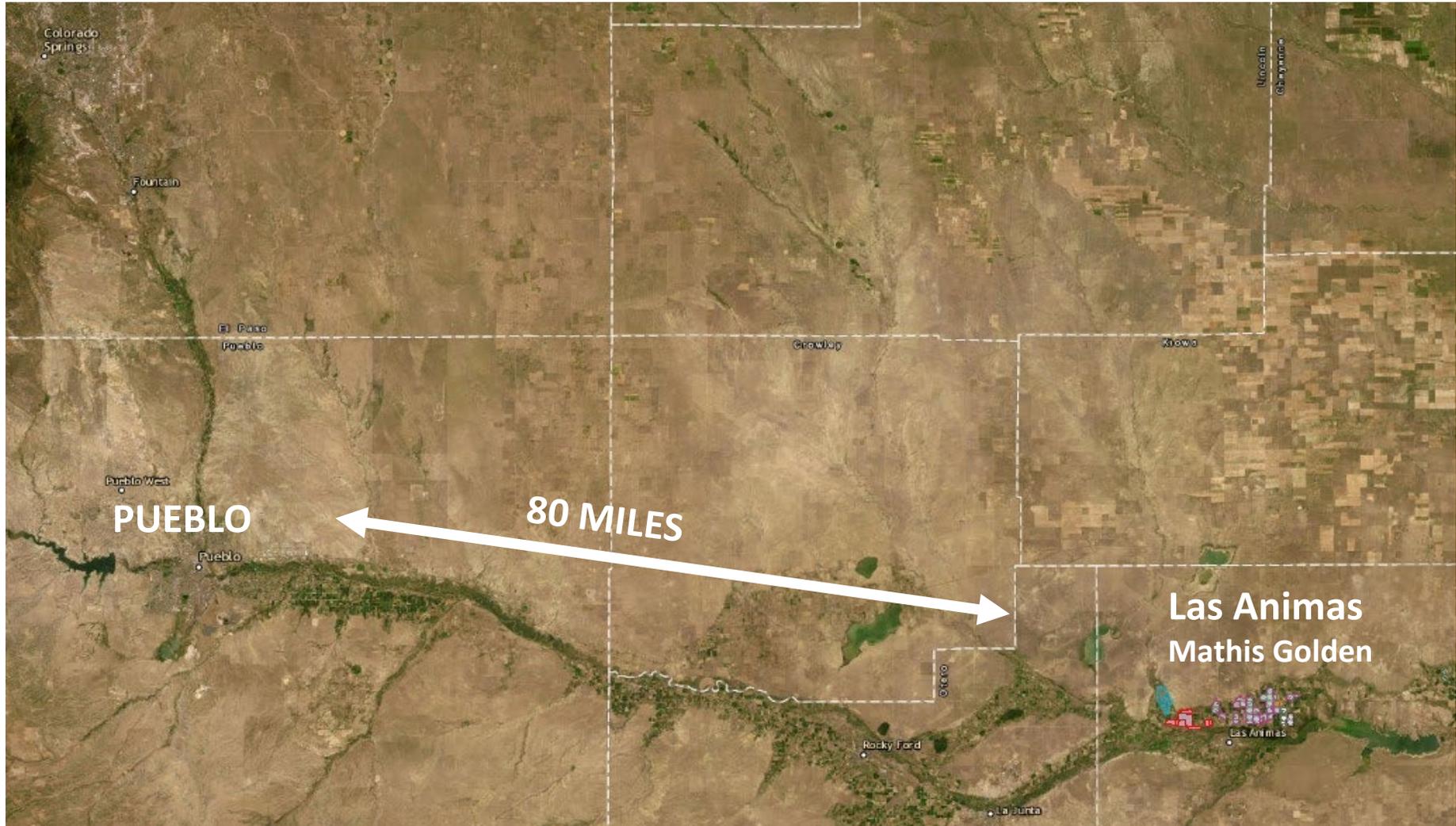
Kim Gortz, Manager, Water Resource
**Kelly Roesch, Project Manager, Arkansas Valley Field
Office**

April 17, 2024

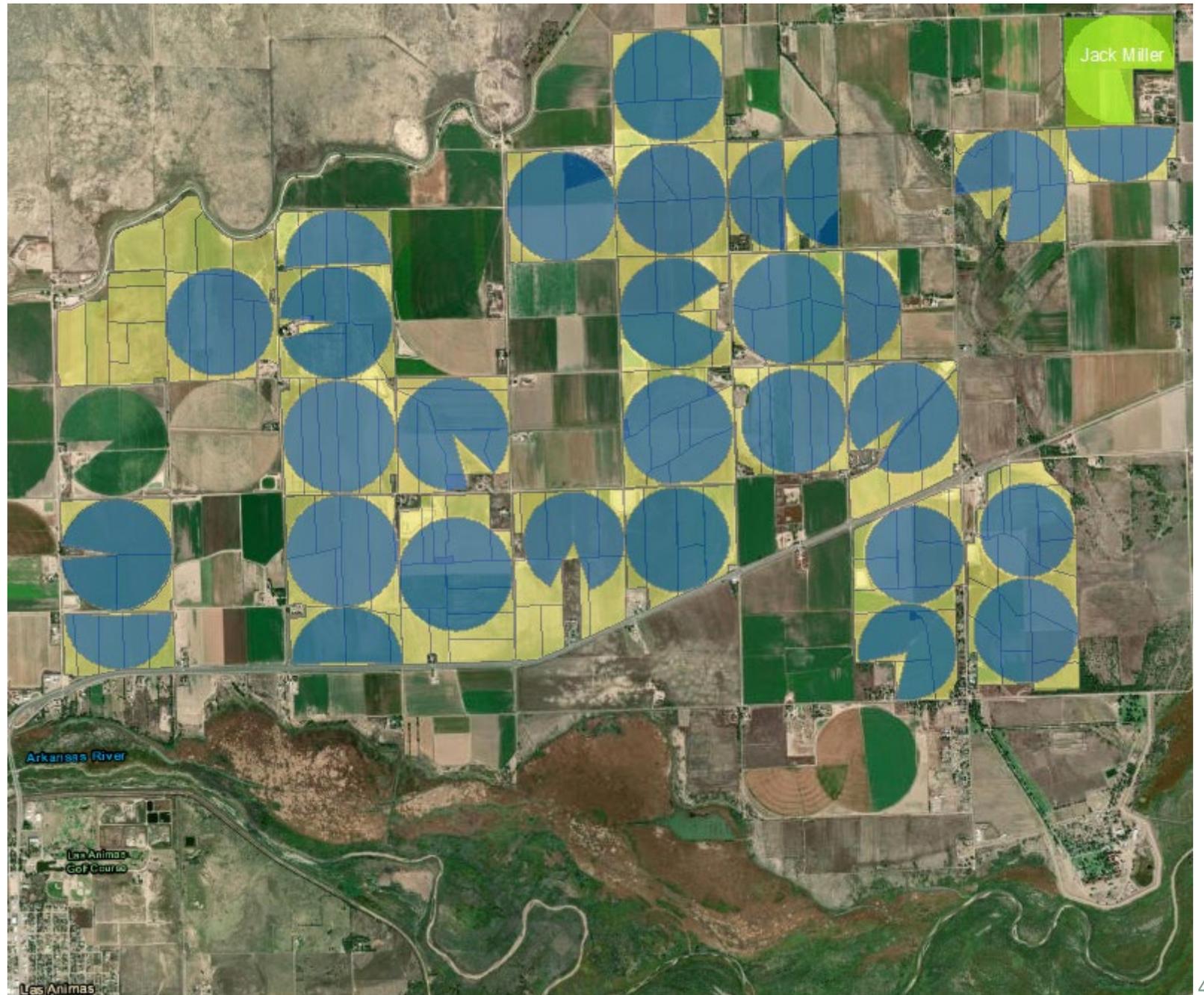
Arkansas Basin Water Sharing



Site location

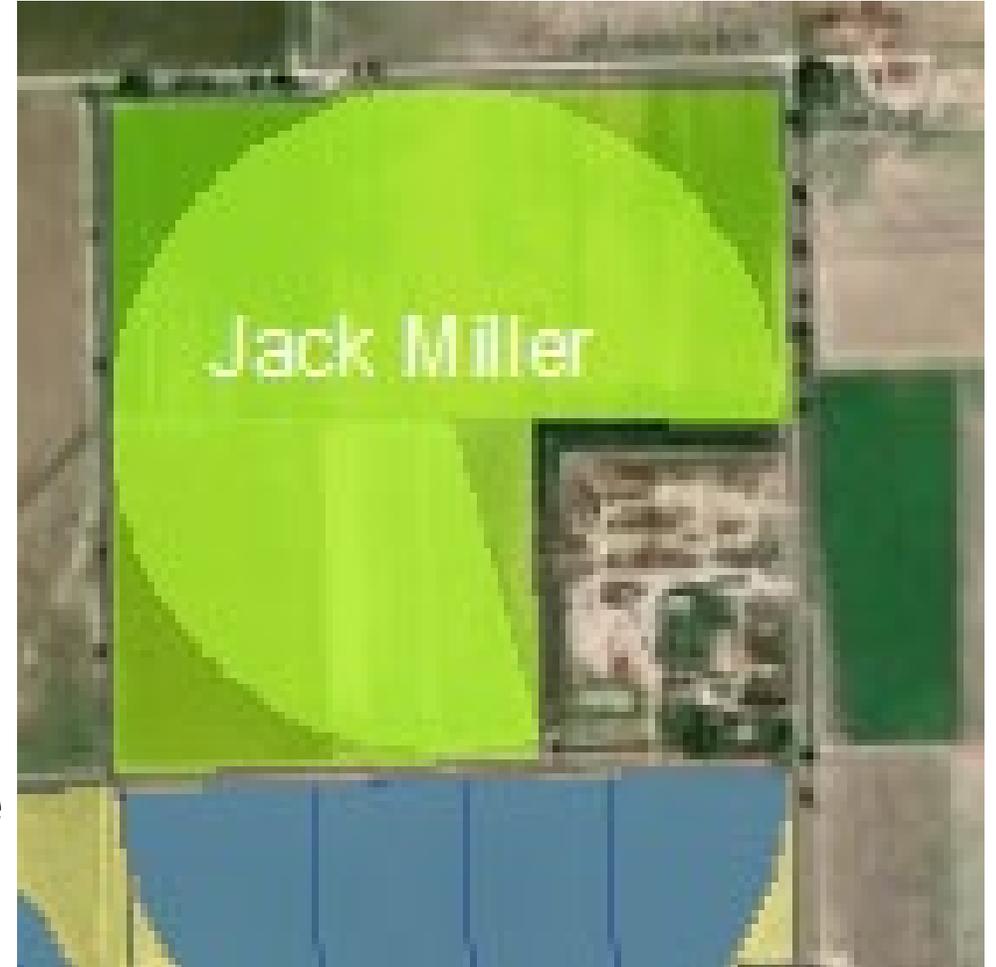


Jack Miller Farms



Project-Overview

- Farm historically irrigated with 260 Fort Lyon Canal Company (FLCC) shares
- 134 Flood irrigated Acres converted to center pivot
- 1 Center pivot installed
- 92 Acres now irrigated by center pivot
- 42 Previously irrigated acres outside of center pivot



Key Terms

- Utilities to acquire 82 of the 260 FLCC shares for \$533,000 (\$6,500/Share)
- Utilities to pay Miller \$123,000 (\$1,500/Share) to assist with irrigation improvement costs.
- PSA signed 2/7/2024 to allow Miller to obtain financing for the sprinkler purchase and install.
- Adding these shares to Utilities portfolio would increase the ownership of shares in lateral 119, for efficient management.
- Acquisition is consistent with the Bent County IGA.

Timeline – Next Steps

- Purchase and Sale Agreement signed February 2024
- Utilities Board consideration – April 2024
- Due diligence to be completed
- City Council consideration May 2024
- Closing June 14, 2024
- Will require FLCC, Bent County, and Water Court approval prior to use.

Questions?



Colorado Springs Utilities[®]

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RESOLUTION NO. ____ - 24

A RESOLUTION AUTHORIZING THE PURCHASE OF FORT LYON CANAL COMPANY STOCK OWNED BY JACK K MILLER FOR COLORADO SPRINGS UTILITIES AND AUTHORIZING THE FILING OF WATER COURT APPLICATIONS FOR CHANGES OF WATER RIGHTS AND APPROPRIATIVE RIGHTS OF EXCHANGE

WHEREAS, Colorado Springs Utilities (“Utilities”), an enterprise of the City of Colorado Springs (the “City”) recent water supply planning documents, including its Integrated Water Resources Plan, demonstrate that Utilities needs additional water supplies, including supplies derived from the Arkansas River Basin, to meet an approximately 35,000 annual acre-foot supply gap based on the reasonably anticipated future demands of its customers over a reasonable planning period; and

WHEREAS, consistent with the Colorado Water Plan and the acquisition strategies outlined in the Integrated Water Resource Plan, Utilities is pursuing the acquisition of water supplies from the Arkansas River Basin; and

WHEREAS, the Charter of the City of Colorado Springs, § 6-50 provides: “The City shall have the authority to buy, exchange, augment, lease, own and control water and water rights”; and

WHEREAS, the City, on behalf of Utilities, and Jack K Miller entered into that certain Purchase and Sale Agreement dated February 9, 2024 (the “Purchase Agreement”) for the purchase of eighty two (82) shares of stock (“FLCC Shares”) in the Fort Lyon Canal Company (“FLCC”), and easements to construct, operate, and maintain augmentation and return flow facilities on Jack K Miller’s farm, and a condition of the purchase and sale is that Jack K Miller will encumber his real property with restrictive covenants that require Jack K Miller to dry up and revegetate portions of his farm which will allow Utilities to fully utilize the water rights associated with the FLCC Shares to dry-up and revegetate portions of the Farm (collectively, the “Property”); and

WHEREAS, the FLCC Shares represent an ownership interest in senior Arkansas River water rights; and

WHEREAS, the FLCC Shares are anticipated to yield approximately 82 acre-feet of renewable and reusable water to Utilities per year; and

WHEREAS, the acquisition of the Property is in the public interest and is required to meet Utilities’ water customers’ long-term water demands; and

WHEREAS, the acquisition of the Property is further supported by Utilities’ Excellence in Governance Policy Manual, Instruction No. I-7, which requires that Utilities’ Chief Executive Officer “direct that new and existing water resources and systems are aggressively developed”; and

WHEREAS, acquisitions of water rights are not subject to the procedures of *The City of Colorado Springs Procedure Manual for the Acquisition and Disposition of Real Property Interest* (“Real Estate Services Manual”), however, Colorado Springs Utilities has attempted to follow the Real Estate Services Manual to the greatest extent practical; and

WHEREAS, Utilities and Jack K Miller agree that the purchase price to be paid by Utilities for the Property is \$656,000.00; and

WHEREAS, Utilities requests the approval of City Council to purchase the Property for a purchase price of \$656,000.00; and

WHEREAS, in order to use, reuse, and successively use the historical consumptive use water derived from the FLCC Shares, and other Arkansas Basin water rights in which the City acquires an interest (collectively the “Arkansas Basin Rights”), the City, on behalf of Utilities, must change the type and place of use of such water rights and must be able to deliver such water from points on the Arkansas River and its tributaries to structures upstream in the Arkansas River Basin for subsequent delivery to its existing and future service area; and

WHEREAS, the Colorado Springs City Council has consistently directed Utilities to develop all feasible means of implementing the use, reuse, and successive use of the City’s water resources; and

WHEREAS, it is technologically and economically feasible for the City, acting by and through Utilities, to change the type and place of use of the water derived from its Arkansas Basin Rights and exchange said water from points on the Arkansas River and its tributaries upstream to other structures in the Arkansas River Basin for subsequent delivery to customers in its existing and future service area; and

WHEREAS, it is necessary and desirable for the City to file applications and to obtain decrees in District Court, Water Division 2, for adjudication of changes of water rights and conditional appropriative rights of exchange that will allow Utilities to fully use, reuse, and successively use to extinction the historical consumptive use water derived from its Arkansas Basin Rights.

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

Section 1. City Council finds the acquisition of the Property to be in the public interest and in compliance with the City Charter, City Code, and all other applicable laws, and hereby authorizes the purchase and acceptance of the Property.

Section 2. City Council authorizes the purchase of the Property from Jack K Miller for the agreed upon amount of \$656,000.00 with any additional closing costs.

Section 3. Utilities' Chief Executive Officer and the City's Real Estate Services Manager are authorized to execute all documents necessary to complete the acquisition of the Property and to take all steps necessary to accept the transfer of the Property to the City from Jack K Miller.

Section 4. City Council affirms the City's intent to fully use, reuse, and successively use to extinction the historical consumptive use water derived from its Arkansas Basin Rights through changes of water rights and conditional appropriative rights of exchange.

Section 5. The officers and staff of Utilities are hereby directed to take all actions reasonable and necessary to obtain a judicial confirmation of the changes of water rights and conditional appropriative rights of exchange described herein, including the filing of applications in District Court, Water Division 2, that change the type and place of use and will allow the City to fully use, reuse, and successively use the historical consumptive use water derived from its Arkansas Basin Rights. All actions previously taken by officials and staff on behalf of the City in the planning and furtherance of such changes of water rights and conditional appropriative rights of exchange are hereby ratified and confirmed.

Dated at Colorado Springs, Colorado, this _____ day of May, 2024.

Council President

ATTEST:

Sarah B. Johnson, City Clerk