

AGENDA
Wednesday, April 20, 2022
1:00 p.m.
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1:00 p.m.	1. Call to Order	Chair Wayne Williams	
1:05 p.m.	2. Invocation and Pledge of Allegiance		
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 Wayne Williams	
	3a. Approval of Minutes: March 16, 2022	Chair Wayne Williams	Approval
1:15 p.m.	4. Recognition: <ul style="list-style-type: none"> • Wastewater Worker Appreciation Week and Peak Performance Awards through the National Association of Clean Water Agencies (NACWA) • American Water Works Association (AWWA) National Drinking Water Week 		Information
1:35 p.m.	5. 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. 	Chair Wayne Williams	Information

- **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.**

1:45 p.m.	6. Compliance Reports: I-2 Financial Condition and Activities (to include Contracts Over \$500K**) G-7 – Q4 I-12 Environmental Stewardship E-2 CEO Responsibilities <ul style="list-style-type: none"> • Water Outlook • Supply Chain Update • Fiber Update 	Aram Benyamin, Chief Executive Officer	Monitoring
1:55 p.m.	7. Items Called Off Consent Calendar		
2:05 p.m.	8. Electric Cost Adjustment (ECA) Monitoring and Proposed Gas Cost Adjustment (GCA)	Scott Shirola, Pricing and Rates Manager	Discussion
2:20 p.m.	9. Open Access Transmission Tariff (OATT) Revision	Scott Shirola, Pricing and Rates Manager	Discussion
2:35 p.m.	10. Community Focus Fund (CFF) Grants Program	April Speake, Public Affairs Lead	Discussion
2:50 p.m.	11. Board Member Updates	Board of Directors	Information
3:00 p.m.	12. Executive Session In accordance with City Charter art. III, § 3-60(d) and its incorporated Colorado Open Meetings Act, C.R.S. § 24-6-402(4)(e), and Utilities Board Bylaw Rules 10(c)(5), the Utilities Board, in Open Session, is to determine whether it will hold a Closed Executive Session on the following	David Beckett, Sr. Attorney - City of Colorado Springs	

matter: determining positions relative to matters that may be subject to negotiations and instructing negotiators regarding an intergovernmental agreement related to water rights.

The Chair of the Utilities Board shall poll the Utilities Board members, and, upon consent of two-thirds of the members present, may conduct a Closed Executive Session. In the event any Utilities Board member is participating electronically or telephonically in the Closed Executive Session, each Utilities Board member participating electronically or telephonically in the Closed Executive Session shall affirmatively state for the record that no other member of the public not authorized to participate in the electronic Closed Executive Session is present or able to hear the matters discussed as part of the Closed Executive Session. If consent to the Closed Executive Session is not given, the matters may be discussed in Open Session or withdrawn from consideration.

4:00 p.m. 13. Adjournment

Chair Wayne Williams

MINUTES
Colorado Springs Utilities Board Meeting
Wednesday, March 16, 2022

Utilities Board members present via Microsoft Teams or Blue River Conference Room:
Chair Wayne Williams, Vice Chair Mike O'Malley, Dave Donelson, Randy Helms, Bill Murray, Stephannie Fortune, Yolanda Avila, Nancy Henjum, and Tom Strand

Staff members present via Microsoft Teams or Blue River Conference Room: Aram Benyamin, Travas Deal, Lisa Barbato, Ryan Maecker, Shaun Thompson, Tara Kelley, Sarah Wilson, Jane Zook, Birgit Landin, Lisa Halcomb, Jennifer Kemp, Jason Messamer, Jessica Thiel, Tara McGowan, Rockie Wiley, Kevin Binkley, Jessica Rheinschmidt, Joe Awad, Mike Francolino, Kenneth Murry, and Andie Buhl

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

Citizens present via Microsoft Teams or Blue River Conference Room: Sam Masias

1. Call to Order

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

2. Invocation and Pledge of Allegiance

Pastor Bill Gandy delivered the invocation and Chair Williams led the Pledge of Allegiance.

3. Consent Calendar

3a. Approval of Minutes: February 16, 2022

3b. Resolution in Support of Candidates for Re-Appointment to the Southeastern Colorado Water Conservancy District Board

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

4. Recognition

Behind the Scenes – Martin Drake Power Plant Site Progress

Mr. Aram Benyamin, Chief Executive Officer, explained how coal was used for the last time at Martin Drake Power Plant in August 2021 and since then, Springs Utilities has made great progress toward bringing on new natural gas generators. He explained how coal handling equipment has been demolished and foundations have been laid for incoming equipment.

2022 WaterReuse Award for Excellence in Outreach and Education

Ms. Lisa Barbato, System Planning & Projects Officer, explained Springs Utilities derives more than half of its water from basins outside the Arkansas River Basin and DPR (direct potable reuse) is recognized in Springs Utilities' Sustainable Water Plan (Integrated Water Resource Plan) as a possible mechanism for stretching reusable supplies.

Ms. Barbato explained how the PureWater Colorado Mobile Demonstration project began in 2019 with a grant for \$350,000 from the Colorado Water Conservation Board – and its two primary purposes for education and outreach were:

- To advance the science and regulatory framework for DPR in Colorado.
- To raise awareness and educate a broad range of stakeholders in our community and region on the safety and value of purified water.

Ms. Barbato concluded by recognizing and thanking employees who participated in this project.

5. Fort Carson Intergovernmental Support Agreement (IGSA)

Mr. Travas Deal, Chief Operations Officer, explained how Springs Utilities and Ft. Carson have agreed to an Intergovernmental Support Agreement (IGSA) to provide electric and gas system services commencing Jan. 1, 2023.

Mr. Douglas Gabram, Army Lieutenant General, and Mr. Nate Springer, Army Colonel, gave an overview of the U.S. Army's water and energy strategic plans and thanked the organization for this partnership.

Chair Williams, Board Member Fortune, Mr. Benyamin, and on behalf of Colorado Springs Mayor Mr. John Suthers, Mr. Jeff Greene, City Chief of Staff, thanked Mr. Gabram and Mr. Springer for their partnership and for joining the Utilities Board meeting.

6. Customer Comments

Mr. Sam Masias spoke in support of Mr. Benyamin and expressed appreciation of his work and leadership at Springs Utilities.

Mr. Kenneth Murry, Energy Construction Operations Maintenance Manager, expressed thanks for Mr. Benyamin and shared support of his leadership.

7. Compliance Reports

- ER:1-3 Utilities Board Expected Results Year End Performance –Scorecard
- I-4 Risk Management (Annual City Auditor Report)
- I-8 Excellence in Governance Compliance Report Asset Protection
- E-2 CEO Responsibilities

- ECA/GCA Monitoring
- Water Outlook
 - Ms. Kalsoum Abbasi, Water Planning Supervisor, discussed the Water Outlook report and explained local weather conditions as of Feb. 28, 2022. She described visual representations of U.S. Drought Monitors in Colorado from Jan. 25, 2022 to March 8, 2022 and snow water equivalent maps of the Arkansas River and Colorado River Basin on March 14, 2022.
 - Ms. Abbasi described the statewide map of current snow water equivalent percentages and explained Colorado Springs water yields from 2001 – 2021.
 - Ms. Abbasi reviewed monthly water usage for February 2022 based on population served. She discussed Springs Utilities’ reservoir systems wide storage and said storage is average this time of year. Ms. Abbasi explained how Colorado Springs’ system wide storage is about 186,500 acre-feet, or 72% of capacity, which is the same as the longer-term (1991-2021) average of 72% for this time of year. This equates to about 2.6 years of demand in storage.
- Supply Chain Update
 - Mr. Benyamin explained how moving forward, Supply Chain updates will be included on the Board agenda under E-2 CEO Responsibilities.
- Women in Construction Engineering
 - Mr. Benyamin introduced Ms. Lisa Barbato as the new System Planning & Projects Officer and thanked Mr. Joe Awad, Planning and Engineering General Manager, and Ms. Sarah LaBarre, Engineering Manager, for serving in interim roles. Mr. Benyamin also introduced Mr. Mike Francolino as the new Chief Customer & Corporate Services Officer.
 - Ms. Barbato recognized Women in Construction Week, and a video was shared about women in construction engineering at Springs Utilities. Ms. Tara McGowan, Engineer Supervisor, expressed appreciation for her team and working at the organization.

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

Ms. Jessica Rheinschmidt, Information Technology Manager, provided a follow-up to Board Member Henjum’s question about updates to a risk management document. Ms. Rheinschmidt said Springs Utilities has a timeline to update that document by the end of the year.

Board Member Henjum congratulated Ms. Barbato on her new role and acknowledged Ms. Cindy Newsome, Public Affairs General Manager, and Mr. Earl Wilkinson III, Chief Water, Compliance & Innovation Officer, for their service at Springs Utilities.

8. Items Called Off Consent Calendar

None

9. Irrigation Efficiency Cost-Sharing Intergovernmental Agreement (IGA)

Ms. Barbato explained how the Colorado River Basin is experiencing the driest 22-year period in historical record and the organization recognizes the need to take proactive steps to reduce Colorado River water use. She listed collaborative efforts and benefits of the intergovernmental agreement (IGA) and defined key terms. Ms. Barbato and Mr. Pat Wells, Water Resources and Demand Management General Manager, expanded on the key terms, specifically the multi-season alfalfa pilot study, and explained contribution amounts.

Ms. Barbato concluded with next steps, which is to place this item on Consent at the March 22, 2022 City Council meeting.

10. Utilities Reliability Program (URP) Update

Mr. Benyamin explained what the Utilities Reliability Program (URP) is and recognized Ms. Jessica Thiel, Economic Development, Senior, for her work on the project.

Mr. Awad described the URP and its objectives, which are:

- Proactively and holistically replace aging infrastructure
- Add fiber optics
- Improve reliability
- Integrate plans for future growth and increased utility usage
- Enhance safety and health issues

Mr. Awad explained the project selection/prioritization criteria and overall benefits. He described a URP potential project heat map of where scheduled City and Springs Utilities projects are overlapping, and where overhead electric and cast-iron pipes are overlapping. He then explained the various projects of the URP and their corresponding scopes and schedules. Mr. Awad concluded with next steps for the URP.

Ms. Masias welcomed Ms. Barbato and expressed concerns about the plan(s) to upgrade and/or replace overhead poles on a regular basis throughout the city.

Mr. Awad explained the pole inspection process and thanked Mr. Rockie Wiley, Project Manager I, and Mr. Kevin Binkley, Project Supervisor, for assisting with and guiding the URP tour for Board Members on March 15, 2022.

Mr. Benyamin explained how the URP is one way to clean up all four utilities – including underground – but the organization is also looking at different categories of funding for undergrounding.

11. Board Member Updates

Chair Williams asked if Board Members would like to provide updates before Executive Session instead of after.

Board Member Henjum provided updates from the 2022 APPA (American Public Power Association) Legislative Rally.

Board Member Strand also thanked Mr. Wilkinson III and Ms. Newsome for their service to both the City and the organization and expressed gratitude to work with them.

12. CEO Performance Executive Session

Ms. Bethany Burgess, Office of the City Attorney, Utilities Division Chief, read the following language to enter Executive Session:

In accordance with City Charter, Article III, § 3-60(d) and its incorporated Colorado Open Meetings Law, C.R.S. § 24-6-402(4)(f), and Utilities Board Bylaw Rule 10(c)(6), the Utilities Board, in Open Session, is to determine whether it will hold an electronic Closed Executive Session on a personnel matter. The matter to be discussed is the 2021 year-end performance review of the Chief Executive Officer.

The Chair of the Utilities Board shall poll the Utilities Board members, and, upon the consent of two-thirds of the members present, may conduct an electronic Closed Executive Session. Each Utilities Board member participating in the electronic Closed Executive Session shall affirmatively state for the record that no other member of the public not authorized to participate in the electronic Closed Executive Session is present or able to hear the matters discussed as part of the electronic Closed Executive Session.

If consent to the electronic Closed Executive Session is not given, the item may be discussed in Open Session or withdrawn from consideration.

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

The Utilities Board took a break at 2:56 p.m. and entered Executive Session at 3:10 p.m.

The Utilities Board took a break at 4:45 p.m. and reconvened at 4:40 p.m.

The Utilities Board took a break at 6:50 p.m. and reconvened at 6:55 p.m.

The Utilities Board ended Executive Session at 7:18 p.m.

13. Adjournment

The meeting adjourned at 7:21 p.m.



Date: April 20, 2022

To: Utilities Board

From: Aram Benyamin, Chief Executive Officer

Subject: Wastewater Worker Appreciation Week and Peak Performance Awards through the National Association of Clean Water Agencies (NACWA)

Desired Action: Information

Previous Board Communications/Discussion: N/A

Executive Summary: Colorado Governor Jared Polis has declared April 17-23, 2022 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.

Background Information: 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. Our workers take great pride in providing quality customer service, maintaining award-winning 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 (LVSWRRF) and the J.D. Phillips Water Resource Recovery Facility are regulated through state-issued discharge permits. Our exemplary regulatory compliance with permit limits has once again been recognized through receipt of the Platinum Peak Performance Award from the National Association of Clean Water Agencies (NACWA) for five consecutive years of 100% compliance with our discharge permit for the Las Vegas Street Water Resource Recovery Facility. This is the third, consecutive Platinum Peak Performance Award received for this facility. The

award recognized today demonstrates 100% compliance with the LVSWRRF's permits from 2016-2020.

The variable nature of wastewater quantity and quality, the sensitivity of treatment biology, as well as increasingly more stringent regulatory requirements, highlight the hard work required to achieve this outstanding environmental record.

Springs Utilities collects and treats about 35 million gallons of wastewater daily through more than 1,760 miles of collection system piping, 20 lift stations and three resource recovery facilities.

Options: N/A

Recommendations: N/A



Date: April 20, 2022
To: Utilities Board
From: Aram Benyamin, Chief Executive Officer
Subject: American Water Works Association (AWWA) National Drinking Water Week

Desired Action: Information

Previous Board Communications/Discussion: N/A

Executive Summary: National Drinking Water Week is May 1-7 and it acknowledges the contributions of Springs Utilities' water operations, water quality, watershed management and water planning employees.

Background Information: We are responsible for providing safe and reliable water to our citizen owners. Our employees manage every aspect of water service – from securing and treating water supplies to delivering quality water to customers' homes and businesses.

Our water operations professionals maintain a vast and complex water system that includes 25 reservoirs, five treatment facilities, and more than 2,200 linear miles of transmission and distribution pipe. Day or night, our crews respond to make sure water keeps flowing.

Our watershed professionals protect the high mountain watersheds from which our water originates through effective forest service partnerships, wildfire mitigation and careful consideration of environmental impacts. These practices not only help preserve the quality of our water, but they also support healthy rivers, streams and outdoor recreation opportunities for all Coloradans.

Our environmental and laboratory professionals continually monitor our water quality and make sure it meets Environmental Protection Agency (EPA) standards. They provide those results to our customers through our annual water quality reports.

Our water planning professionals ensure we have the supplies we need for generations to come. They're exploring new ways to stretch our reusable supplies and take part in statewide conversations about the best way to manage Colorado's water resources through challenges that lie ahead. They also help our customers understand how to be wise water users while still maintaining healthy and vibrant landscapes that support the vitality of our beautiful community.

We thank our water professionals for their passion and dedication to serving our customers, our community and our environment.

Options: N/A

Recommendations: N/A



Date: April 20, 2022

To: Utilities Board

From: Aram Benyamin, Chief Executive Officer

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

Desired Action: Monitoring

Compliance: The CEO reports compliance with the instructions.

INSTRUCTIONS			
Category:	Utilities Board Instructions to the Chief Executive Officer	Reporting Timeframe:	October 1, 2021 – December 31, 2021
Policy Title (Number):	Financial Condition and Activities (I-2)	Reviewing Committees:	Finance; Program Management Review
Monitoring Type:	Internal; City Auditor	Monitoring Frequency:	Quarterly, Annually
Guidelines:	Local Vendor (G-7)		

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

1. *Operate within total appropriations for the fiscal year and inform the Utilities Board of:*
 - a. *Significant financial variances*
 - Significant financial variances for the year ended Dec. 31, 2021 compare actuals to the amended Ordinance No. 20-83 that increases the Annual Budget for the year ending Dec. 31, 2021 (Approved Budget). A supplemental budget appropriation was necessary, primarily due to increased fuel costs and capital expenditures.
 - Operating revenues are \$24.9 million or 2% below the Approved Budget due to actual weather conditions and timing of rate adjustments for the Electric Cost Adjustment (ECA) and Gas Cost Adjustment (GCA). Increased revenues anticipated in the supplemental appropriation were greater than actual ECA and GCA revenue.
 - Fuel expenses are \$5.7 million or 1% below the Approved Budget primarily due to increases anticipated in the supplemental appropriation that were greater than actual fuel expenses.

- Capital expenditures are \$45.2 million or 12% below the Approved Budget due to a decrease of \$25.6 million in securing water rights to support the Colorado River Contingency Plan delayed to 2022, \$10.9 million Advanced Metering Infrastructure (AMI) deployment stop work delay and \$6.4 million related to supply chain delays.
 - Non-fuel operating expenses are \$4.3 million or 1% under Approved Budget primarily due to the delay of Martin Drake Units 6 & 7 impairment and decommissioning costs.
- b. *Expenditures that exceed the Federal Energy Regulatory Commission capital and operating and maintenance budget classifications in electric, natural gas, water, wastewater and common.*

As of the end of 2021, Operating and Maintenance expenses exceeded the Approved Budget by \$1.7 million or 1% in electric and \$0.2 million or less than 1% in wastewater. Capital expenditures exceeded the budget by \$5.5 million or 37% in wastewater.

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

In the fourth quarter of 2021, there was one canceled capital project in common:

- Plaza of the Rockies Divestment Project (596572) - \$600,000

In the fourth quarter of 2021, there were four new capital projects, three in electric and one in wastewater:

- Colorado Centre Metropolitan District Wastewater Capacity Purchase (495407) - \$5,497,300
- Front Range Unit 3 Generator Rotor Rewind (193961) - \$655,500
- Nixon Transformer #2 and Switchgear #2 Replacement (193962) - \$620,857
- Fairview Transformer #1 Replacement (193939) - \$582,482

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

In the fourth quarter of 2021, there were 34 new contracts initiated over \$500,000.

Service	Description	Type	Contract Amount
Electric Service	Front Range Power Plant Long-Term Service Agreement	RELEASE	\$4,995,491
Electric Service	Kelker SEP Arc Resistant Switchgear	RELEASE	\$3,205,801
Electric Service	TNGG - Inlet Heating System	STANDARD	\$2,461,120
Multi Service	Serco T - Vehicle Maintenance - Target Jan-June 2022	RELEASE	\$2,040,356
Multi Service	ESRI Enterprise License Agreement 2022-2024	RELEASE	\$1,815,000
Water Service	Cathodic Protection for Finished Water System	RELEASE	\$1,477,489
Multi Service	2022 Directional Drill Equipment - Vermeer	STANDARD	\$1,308,320
Electric Service	Substation Transformer Products and Service	RELEASE	\$1,276,113
Electric Service	NX Transformer 2	RELEASE	\$1,241,713
Electric Service	Fairview #1 Transformer	RELEASE	\$1,164,963
Multi Service	Fleet -City of Colorado Springs Fuel Jan-June-2022	RELEASE	\$1,134,000
Electric Service	TNGG - Cable & Wire Qt# 0239117950	STANDARD	\$1,105,210
Multi Service	Milestone 6 - C2M+O System Integrator Implementation	RELEASE	\$1,052,157
Multi Service	Milestone 5 - C2M+O System Integrator Implementation	RELEASE	\$1,052,157
Multi Service	Milestone 4 - C2M+O System Integrator Implementation	RELEASE	\$1,052,157
Multi Service	Milestone 10 - C2M+O System Integrator Implementation	RELEASE	\$1,002,157
Multi Service	Milestone 3 - C2M+O System Integrator Implementation	RELEASE	\$1,002,157
Multi Service	Milestone 9 - C2M+O System Integrator Implementation	RELEASE	\$1,000,000
Multi Service	Milestone 7 - C2M+O System Integrator Implementation	RELEASE	\$1,000,000
Multi Service	lysc appshop per Matt M.	STANDARD	\$970,115
Electric Service	Sole Source of Utilicast Consultant	STANDARD	\$969,050
Multi Service	Milestone 2 - C2M+O System Integrator Implementation	RELEASE	\$902,157
Water Service	FLYR5 PRV Vault Improvements	STANDARD	\$769,569
Multi Service	Milestone 0 - C2M+O System Integrator Implementation	RELEASE	\$750,000
Multi Service	Milestone 1 - C2M+O System Integrator Implementation	RELEASE	\$750,000
Multi Service	Milestone 8 - C2M+O System Integrator Implementation	RELEASE	\$750,000

Electric Service	Fleet - Rival (Foremost) Hydrovac T7 (2)	RELEASE	\$714,980
Electric Service	TNGG - Structural Steel Fabrication	STANDARD	\$658,814
Electric Service	Emerson Master Agreement - SureService Task Order	RELEASE	\$639,968
Electric Service	SEP Horizon Substation High Steel	STANDARD	\$632,662
Multi Service	Sit/Stand Office Furniture, Components, and wood furniture	RELEASE	\$600,000
Electric Service	Drake Baseline Security Center Patching Services	RELEASE	\$582,350
Electric Service	TNGG - Cable Bus System QT# 3118-1	STANDARD	\$553,165
Electric Service	Sustainable Energy Plan (SEP) Project Portfolio Management (PoM) Services	RELEASE	\$535,098

In the fourth quarter of 2021, there were four existing contracts increasing to over \$500,000.

Service	Description	Type	Contract Amount	
			Prior Qtr. Amount	Q3 Amount
Electric Service	CM/GC Services for Drake TNGG Project	STANDARD	\$149,273	\$34,411,477
Multi Service	Managed Services for Oracle Databases	RELEASE	\$234,000	\$702,000
Electric Service	TNGG - Non-Segregated Bus Duct	STANDARD	\$498,158	\$590,314
Water Service	Homestake Otero Pump Room Floor Extension	RELEASE	\$497,524	\$552,525

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

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

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

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

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

Days Sales Outstanding (DSO) is the average number of days receivables remain outstanding before being collected. At the end of the fourth quarter of 2021, there is 26.56 of DSO.

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

These conditions have been achieved as of this monitoring report.

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

These conditions have been achieved as of this monitoring report.

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

Colorado Springs Utilities maintains written purchasing regulations that assure legal and fiscal compliance with competitive acquisition practices, avoid conflicts of interest, avoid favoritism, and promote procurement from local vendors. Total spending associated with purchase orders and contracts with local area addresses is at 22.8% for the fourth quarter, with a target of 30%.

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

During the fourth quarter of 2021, there were no significant financial impacts on the Municipal Government.



Date: April 20, 2022

To: Utilities Board

From: Aram Benyamin, 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, 2021 – December 31, 2021
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 2021, a total of 170 water and energy education classes, tours and webinars were made to youth and adults in the community. 6,851 customers participated in in-person classes and tours, 1,454 people participated in live webinars and 4,642 customers streamed recorded classes throughout the year. A total of nine water and energy rebate programs were offered for residential customers and 11 rebate programs for business customers.

To reduce annual water and energy consumption, we partnered with the Energy Resource Center and helped retrofit 219 homes through the Home Efficiency Assistance Program. In total, 2,091 kits were provided to customers, enabling the water and energy benefits from 4,182 WaterSense showerheads; 2,091 WaterSense kitchen aerators; 4,182 WaterSense bath aerators; and 8,364 Energy Star light-emitting diode (LED) bulbs. Many of these kits were distributed at food drives to customers who were also in need of food assistance. 713 efficiency kits were provided to students.

Customer rebates, direct-install, wholesale promotional, low-income efficiency and renewable energy programs resulted in an estimated total commodity savings of 55.1 million gallons of water, 40,156 million cubic feet of natural gas, 16,192 megawatt hours (MWh) of electricity consumption, and 3.9 megawatts (MW) of electricity demand. Water-wise rules contributed another 3.31 million gallons of water savings.

In 2021, account managers had more than 6,600 personal contacts with business customers discussing energy and water efficiency. In December, a new enhanced My Business Usage tool launched, allowing business customers to combine and aggregate their meters and accounts. This tool gives customers the ability to track and compare utility usage data against the weather and usage data from previous years. Data and alerts are accessible across many different devices, keeping customers up-to-date, even while on the go. There are also customizable markers along with other tools to help maximize efficiency savings, bring awareness and to better understand utility usage data.

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

Colorado Springs Utilities encourages efficient new construction, landscaping, and retrofits. We also promote energy and water efficient buildings and landscapes through our ongoing educational efforts. The Mesa Conservation and Environmental Center entered its 18th 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. While the Center was closed for most of 2021 due to the COVID-19 pandemic, it reopened in October 2021 and subsequently received more than 240 visitors.

Colorado Springs Utilities offers the Builder Incentive Program, which provided incentives direct to 21 participating home builders for construction of 1,146 new homes that are better than code minimum standards. Colorado Springs Utilities also provides rebates for certain features such as ENERGY STAR smart thermostats.

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 2021, annual emissions of sulfur dioxide (SO₂) have been reduced by more than 95%, nitrogen oxides (NO_x) by 75%, and carbon dioxide (CO₂) by more than 40%. The current fleet of alternative-fuel vehicles includes 11 electric hybrid vehicles, eight electric vehicles (EVs), 342 ethanol flex-fuel vehicles and 34 compressed natural gas (CNG) vehicles.

*There was a six-minute period of opacity excursion from Ray Nixon Power Plant Unit 1.

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 is now operating in full compliance of its effluent limits after experiencing difficulties with Total Phosphorus removal that is thought to have been started by complications from the COVID-19 pandemic. 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 Colorado Department of Public Health and Environment (CDPHE).

*There was one small-volume unplanned release of reclaimed water as result of a main break and one planned release of potable water exceeding the allowable pH and chlorine residual. As noted above, the JD Phillips WRRF also began meeting its total phosphorus removal limit which had been disrupted at the start of the COVID-19 pandemic.

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

The provision of utility services necessitates 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.*

The portion of the 2021 electric portfolio generated by carbon-free resources was 18.6%. Colorado Springs Utilities meets the renewable energy requirements of the Colorado Renewable Energy Standard (CORES) which requires municipal utilities to generate 10% of electricity from renewable sources. Colorado Springs Utilities currently has about 110 MW of supply-side solar energy generation at four locations, and 35 MW of local hydro-electric generation. In 2020, a Power Purchase Agreement was executed for the Pike Solar Project. This will add 175 MW of solar plus 25 MW of battery storage and will be in service by the end of 2023. In late 2020, Colorado Springs Utilities entered into a five-year Purchase Power Agreement for 60 MW of wind generation that extends until 2025.

In addition to supply-side resources, we continue to support the adoption of behind-

the-meter solar through a Renewable Energy Rebate. In 2021, customers interconnected more than 8 MW of rooftop solar, more than doubling the quantity of solar interconnected during any prior year.

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. Colorado Springs Utilities submitted its Clean Energy Plan (CEP) for meeting this goal to the CDPHE in December 2021. Additional renewable generation will be needed to meet these goals. As part of the transition to renewable energy, Colorado Springs Utilities ceased burning coal at the Martin Drake Power plant in August 2021.

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

Preconstruction environmental planning processes identify wildlife and wetland issues that may arise from construction projects. Electric system protection standards are updated for raptors, which use power poles as hunting perches and resting sites. Noxious weeds are identified and controlled on local and remote properties to promote healthier, more native ecosystems to support wildlife. Colorado Springs Utilities partners annually with Colorado Parks and Wildlife to relocate orphaned bear cubs onto remote watershed properties. We also collaborated with birders who conducted annual bird surveys and bird banding on our local properties to gather data on bird populations, habitat status and migration patterns. Working with Colorado Parks and Wildlife, we assisted with the relocation of a unique subspecies of cutthroat trout whose habitat was destroyed by a wildfire onto remote watershed lands.

- 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 that these 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.

In 2021, Colorado Springs Utilities worked closely with the United States Air Force Academy and the State Historic Preservation Office to evaluate possible impacts to cultural resources along the route of a proposed 10-mile wastewater pipeline. Native American tribes with interest in the project location were also consulted. Forest management activities on watershed properties are conducted in a manner that ensures protection of on-site cultural resources.

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

In 2021, Colorado Springs Utilities conducted a pilot project for direct potable re-use

(DPR) of water and conducted 49 tours of the pilot project treatment system, with a total of 945 attendees. More than 85% of the attendees tasted the purified water with favorable feedback. Additionally, Colorado Springs Utilities gave four public presentations, attended three community events, gave 11 school and college tours and created two videos for customers to learn about the DPR process. The project was featured in 10 stories in local news media.

Following significant public outreach to develop different portfolios in the 2020 Electric Integrated Resource Plan, in 2021 we began implementation work for the selected EIRP portfolio.

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

In 2021, our e-waste recycling program sent 15 tons of electronic waste components and 5,219 mercury-containing lamps to be recycled.

In addition, 10,631 gallons of used oil, 698 gallons of antifreeze, and more than 1,076 tons of steel, aluminum, copper, brass, iron, and tin were recycled.

In 2021:

- More than 6,800 tons of fly ash was beneficially reused in flowable fill.
- More than 23,000 tons of fly ash was reused for liquid waste solidification.
- Nearly 13,000 tons of bottom ash was beneficially reused in the production of cement.

Nearly 50,000 tons of construction debris (including more than 12,349 tons of asphalt and 12,291 tons of concrete removed from job excavation activities) was accepted for recycling at the Sand Creek Recycling Center.

After separation, the soil is reused locally as construction fill and the asphalt and concrete are crushed and reused locally. In 2021, 248 tons of porcelain was crushed and reused locally as road base for curb and gutter projects.



Date: April 20, 2022
To: Utilities Board
From: Aram Benyamin, Chief Executive Officer
Subject: **Excellence in Governance Monitoring Report**
Utilities Board/Chief Executive Officer Partnership Expectations (E-2)

Desired Action: Monitoring

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

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 2022 Water Outlook using data as of March 31, 2022

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

2022 Demands: March use averaged 41.2 million gallons per day (MGD), which was about 4.5% less than last March. Year-to-date demand is averaging 40.7 MGD, which is 4.9% less than last year at this time. Temperatures in March were below the 30-year average at 41.1 degrees Fahrenheit, which was 0.1 degrees below normal. Year-to-date temperatures have averaged 34.9 degrees Fahrenheit, which is 0.6 degrees below normal. Total precipitation for March was 0.81 inches, which was 103% of normal. Year-to-date precipitation is 1.59 inches, which is 114% of normal.

Current Reservoir Levels: Local storage is currently at about 50,767 acre-feet (77% of capacity). The 1991-2020 average is 74% of capacity. Rampart Reservoir is at 86% of capacity, and Pikes Peak storage is at 62% of capacity. System wide, total storage is about 188,700 acre-feet (73% of capacity). Last year at this time, total system wide storage was 72% of capacity. It was about 79% at this same time in 2020, about 73% of capacity in 2019, about 82% of capacity in 2018, about 79% of capacity in 2017, about 82% of capacity in 2016, about 78% of capacity in 2015, about 61% of capacity in 2014 and about 49% in 2013. The 1991-2021 average system wide storage for the end of March is 74% of capacity.

Water Supply Outlook: Extreme drought conditions have eased slightly in eastern Colorado with cooler and wetter February weather and conditions held steady in western

Colorado. The 12-week Evaporative Drought Demand Index (EDDI) still shows a dry evaporative demand across most of Colorado; Persistence of this signal into spring and summer could predict deepening drought. The three-month climate outlook predicts higher chances of above-average temperatures and higher chances of below-average precipitation across Colorado. Snowpack is near average across central Colorado and below average in the Yampa/White and Arkansas River Basins. Our February yield forecasting predicts 95% of average water collection system yield. We continue to monitor snowpack, demand and storage to maximize available water supply.

Operational Notes: Total system storage is at 73% of capacity and holds about 2.7 years of demand, which is slightly below average for the end of March. Local storage contains about 256 days of demand.

Supply Chain Update

Material lead times continues to increase. Based on the Institute for Supply Management (ISM):

- Economic activity in the manufacturing sector grew in March, with the overall economy achieving a 22nd consecutive month of growth.
- The Backlog of Orders Index registered 60%, 5 percentage points lower than the February reading of 65%. The U.S. manufacturing sector remains in a demand-driven, supply chain-constrained environment. A higher percentage indicates a higher manufacturing backlog. The higher percentage leads to increased lead times. We want to see this index continue to trend down.
- The Employment Index registered 56.3%, 3.4 percentage points higher than the February reading of 52.9%. Of 18 manufacturing industries, 10 reported employment growth in March. An Employment Index above 50.5% is generally consistent with an increase in the Bureau of Labor Statistics (BLS) data on manufacturing employment.
- To summarize from ISM, new manufacturing orders, production and employment are growing; supplier deliveries are slowing at a faster rate; backlogs continue to grow; customers' inventories remain at very low levels and prices continue to increase.

General Statement: Material costs also continue to increase. Based on the Institute for Supply Management (ISM):

- The Prices Index registered 87.1%, an increase of 11.5 percentage points compared to the February reading of 75.6%, indicating raw materials prices increased for the 22nd consecutive month.
- This is the 19th straight month that the index has been above 60%. In March, all 18 industries reported paying increased prices for raw materials.

What actions are we taking?

- We continue to partner with local, state, and federal officials regarding global supply chain disruptions impacting the availability and price of transformers.
- As we continue to experience increases in our material lead times and cost, here are some of the actions we are taking to address these challenges.
 - Assessing and adjusting our minimum/maximum inventory levels.
 - Requesting our core distributors hold more inventory.
 - Increasing the number of approved manufacturers and distributors.

- Leveraging international sources of supply.
- Leveraging our Large Public Power Council (LPPC) members, co-ops and Investor-Owned Utilities.
- Leveraging market intelligence to validate supplier price increases.
- Evaluating the opportunity of leveraging standard materials vs. materials manufactured specifically for Colorado Springs Utilities.
- Improving the overall accuracy of our materials reservation system.
- Improving overall cycle counts to ensure a high level of accuracy.



Colorado Springs Utilities
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Water Outlook

Justin Zeisler, P.E.

Water Resources Engineer, Water Conveyance

April 20, 2022

Local Weather Conditions as of March 31, 2022

Precipitation (Inches of Moisture)

- March 2022 – 0.81 in. (102.5% of normal)
- 2022 YTD Total – 1.59 in. (113.6% of normal)

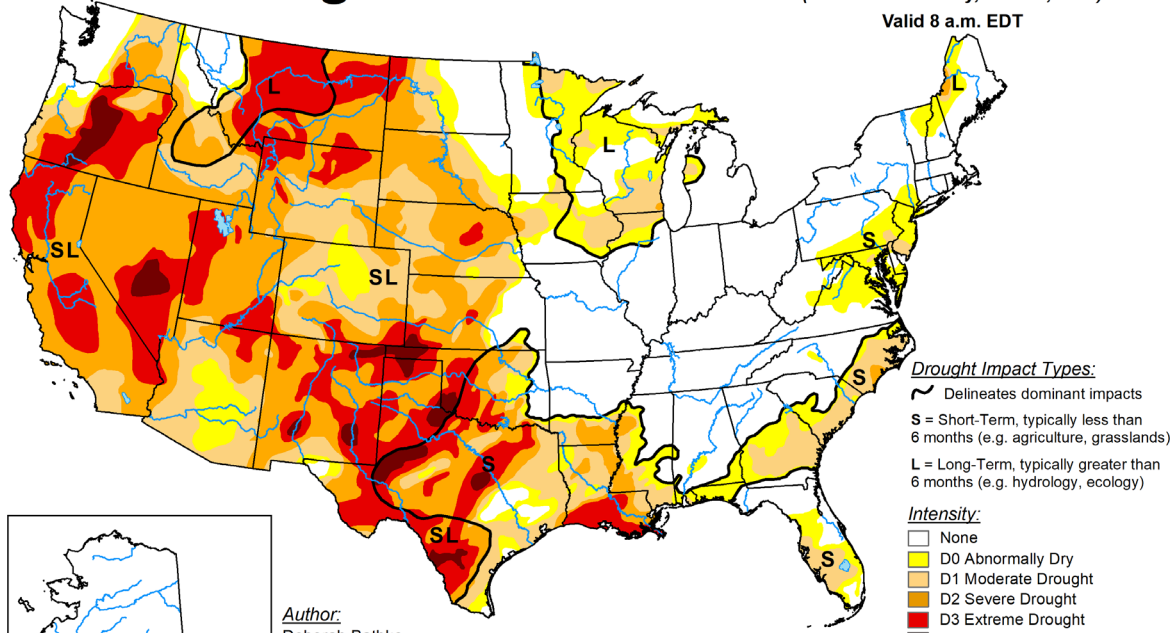
Average Temperature (Degrees F)

- March 2022 – 41.1 Deg. (0.1 deg. below normal)
- 2022 YTD Average – 34.9 Deg. (0.6 deg. below normal)



U.S. Drought Monitor

March 29, 2022
 (Released Thursday, Mar. 31, 2022)
 Valid 8 a.m. EDT



Drought Impact Types:

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

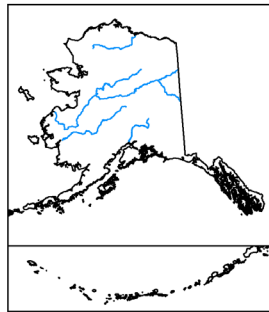
Intensity:

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

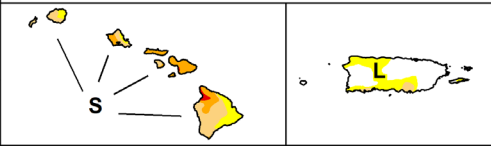
The Drought Monitor focuses on broad-scale conditions. Local conditions may vary. For more information on the Drought Monitor, go to <https://droughtmonitor.unl.edu/About.aspx>



droughtmonitor.unl.edu

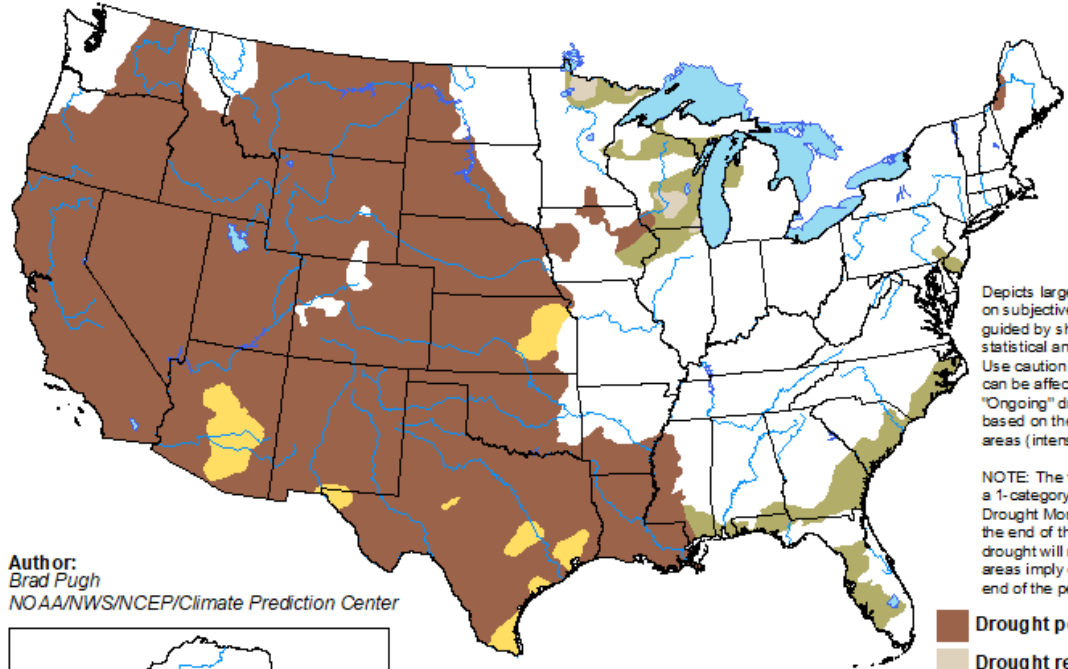


Author:
 Deborah Bathke
 National Drought Mitigation Center



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

Valid for March 17 - June 30, 2022
 Released March 17



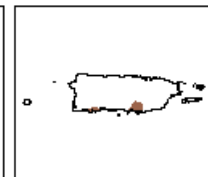
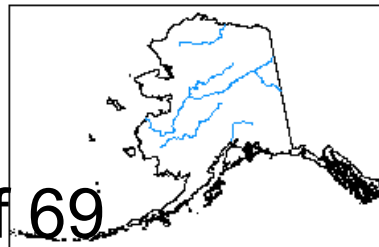
Depicts large-scale trends based on subjectively derived probabilities guided by short- and long-range statistical and dynamical forecasts. Use caution for applications that can be affected by short lived events. "Ongoing" drought areas are based on the U.S. Drought Monitor areas (intensities of D1 to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

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

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

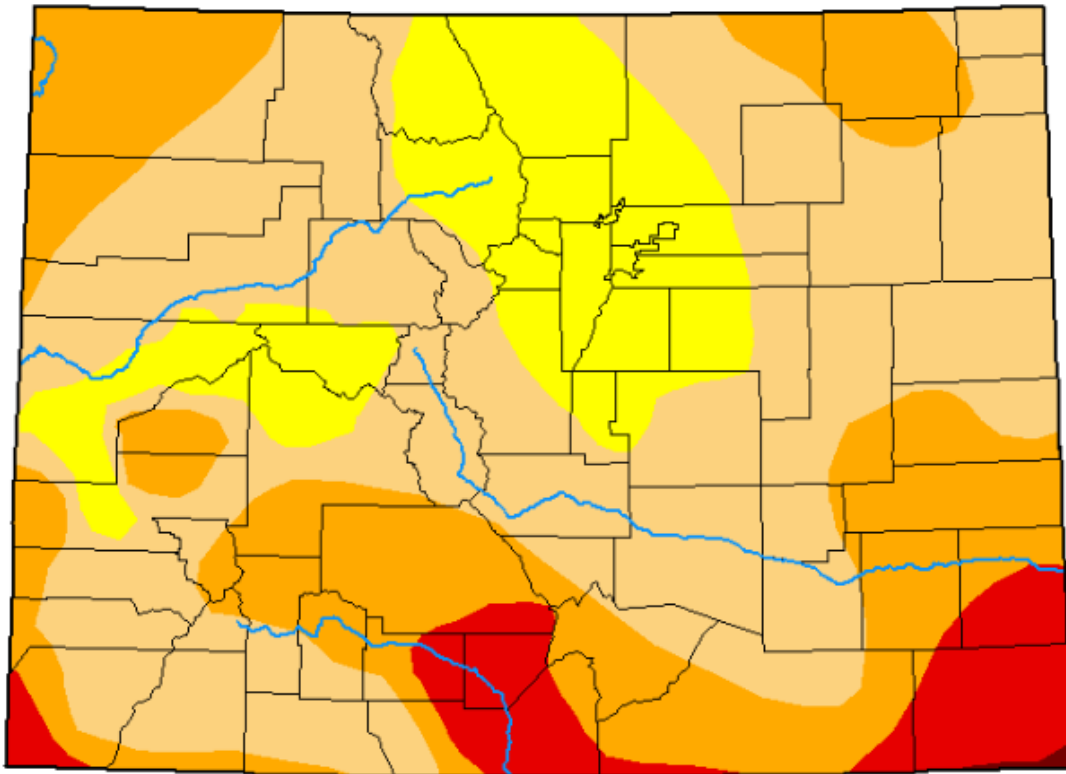


Author:
 Brad Pugh
 NOAA/NWS/NCEP/Climate Prediction Center









U.S. Drought Monitor Colorado

March 29, 2022
(Released Thursday, Mar. 31, 2022)
Valid 8 a.m. EDT



Intensity:

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

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

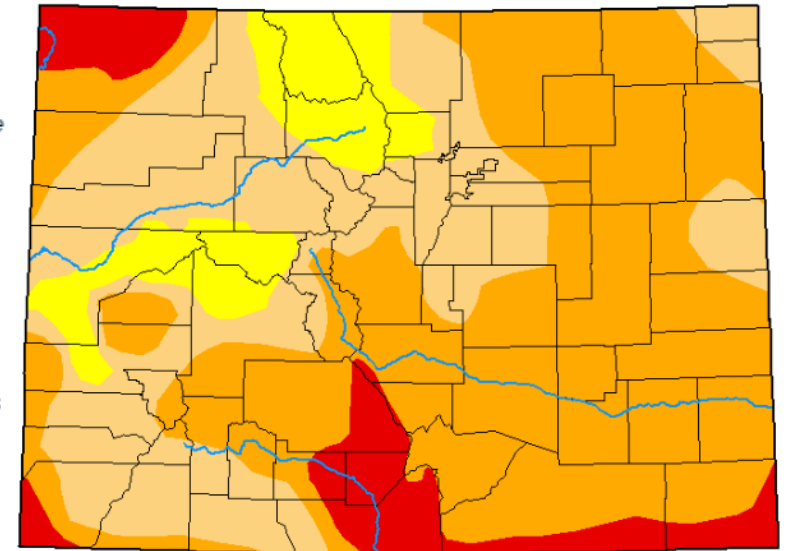
Author:

Deborah Bathke
National Drought Mitigation Center

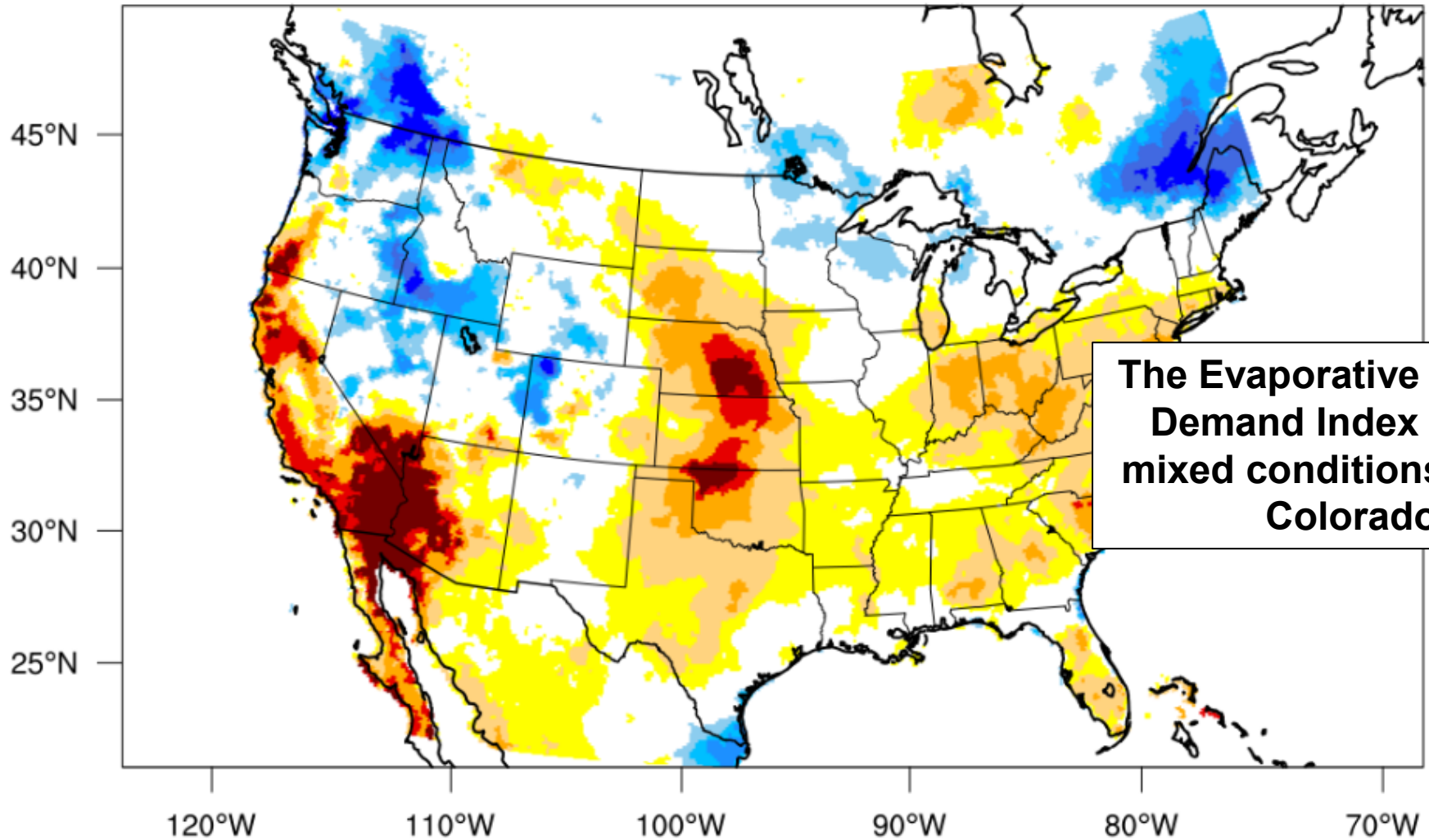


droughtmonitor.unl.edu

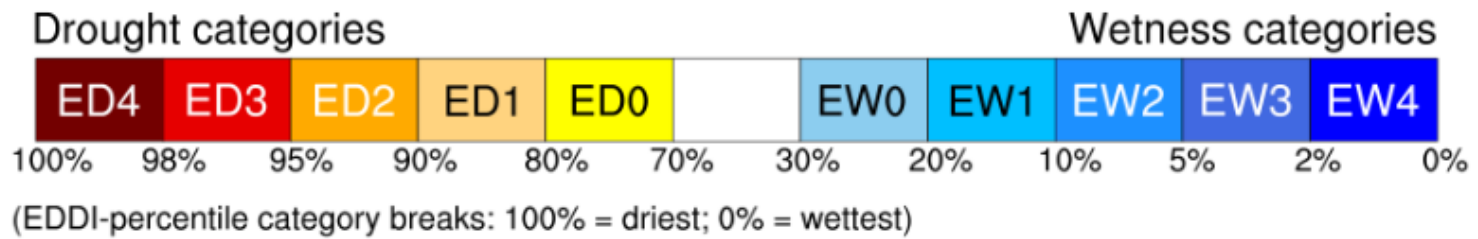
Last Month: February 22, 2022



12-week EDDI categories for March 28, 2022



The Evaporative Drought Demand Index shows mixed conditions across Colorado

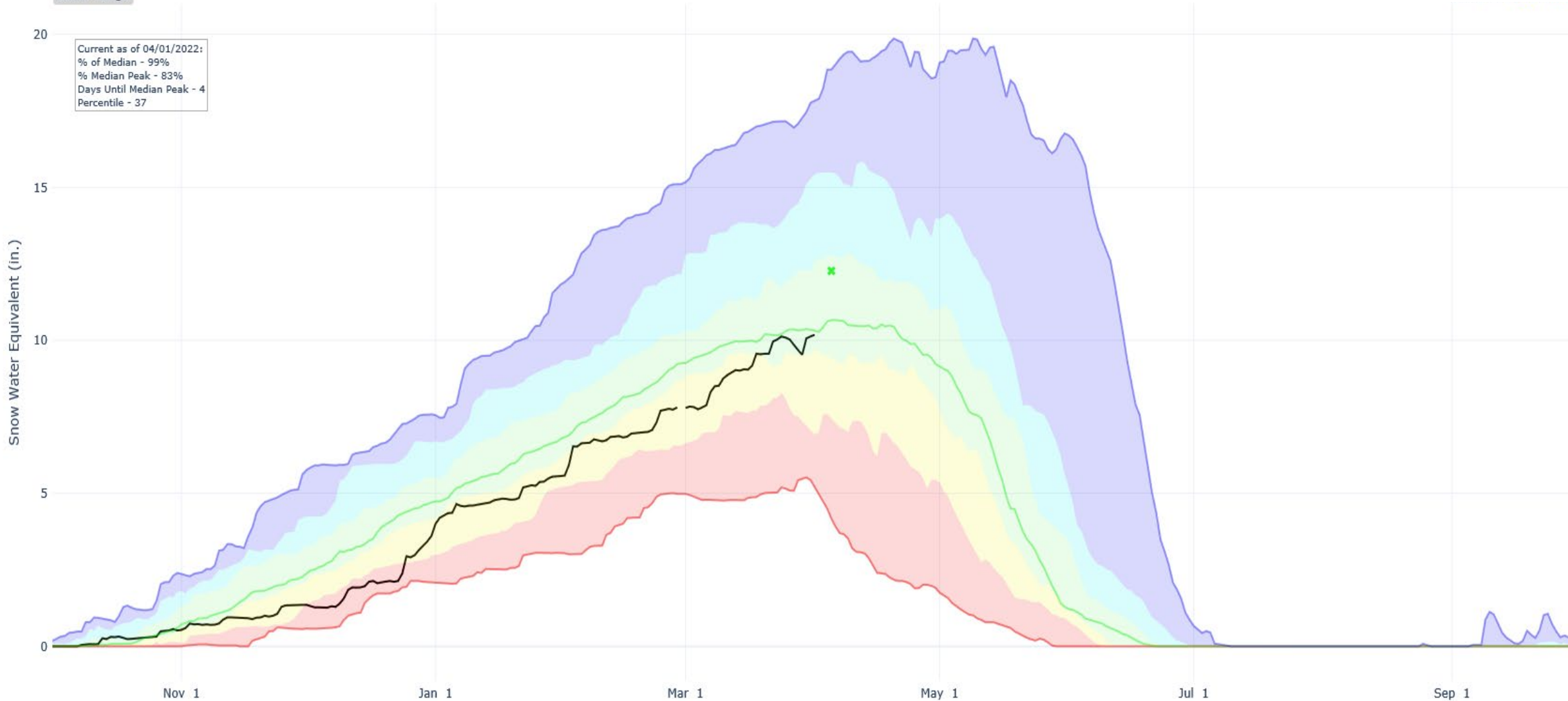


SNOW WATER EQUIVALENT IN UPPER ARKANSAS

Reset Range

Current as of 04/01/2022:
% of Median - 99%
% Median Peak - 83%
Days Until Median Peak - 4
Percentile - 37

Snowpack in the Arkansas River Basin is 99% of normal



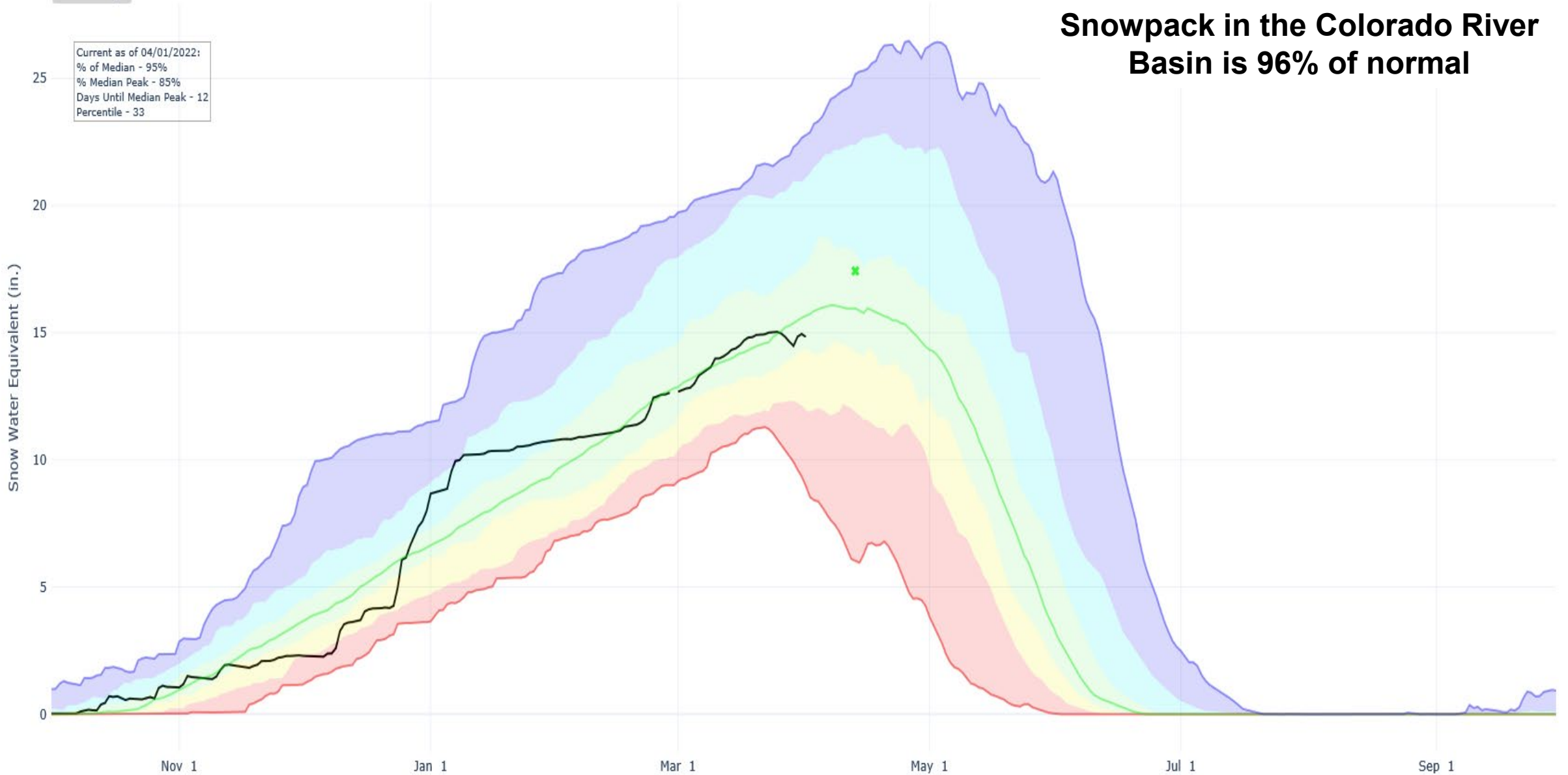
SNOW WATER EQUIVALENT IN COLORADO HEADWATERS

Reset Range

[Link to data: CSV / JSON](#)

Current as of 04/01/2022:
% of Median - 95%
% Median Peak - 85%
Days Until Median Peak - 12
Percentile - 33

Snowpack in the Colorado River Basin is 96% of normal

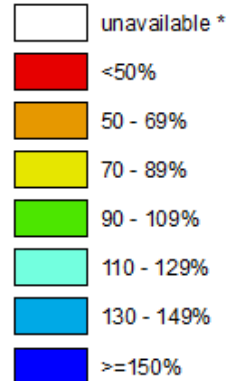


Colorado SNOTEL Current Snow Water Equivalent (SWE) % of Normal

Mar 31, 2022

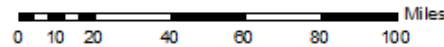
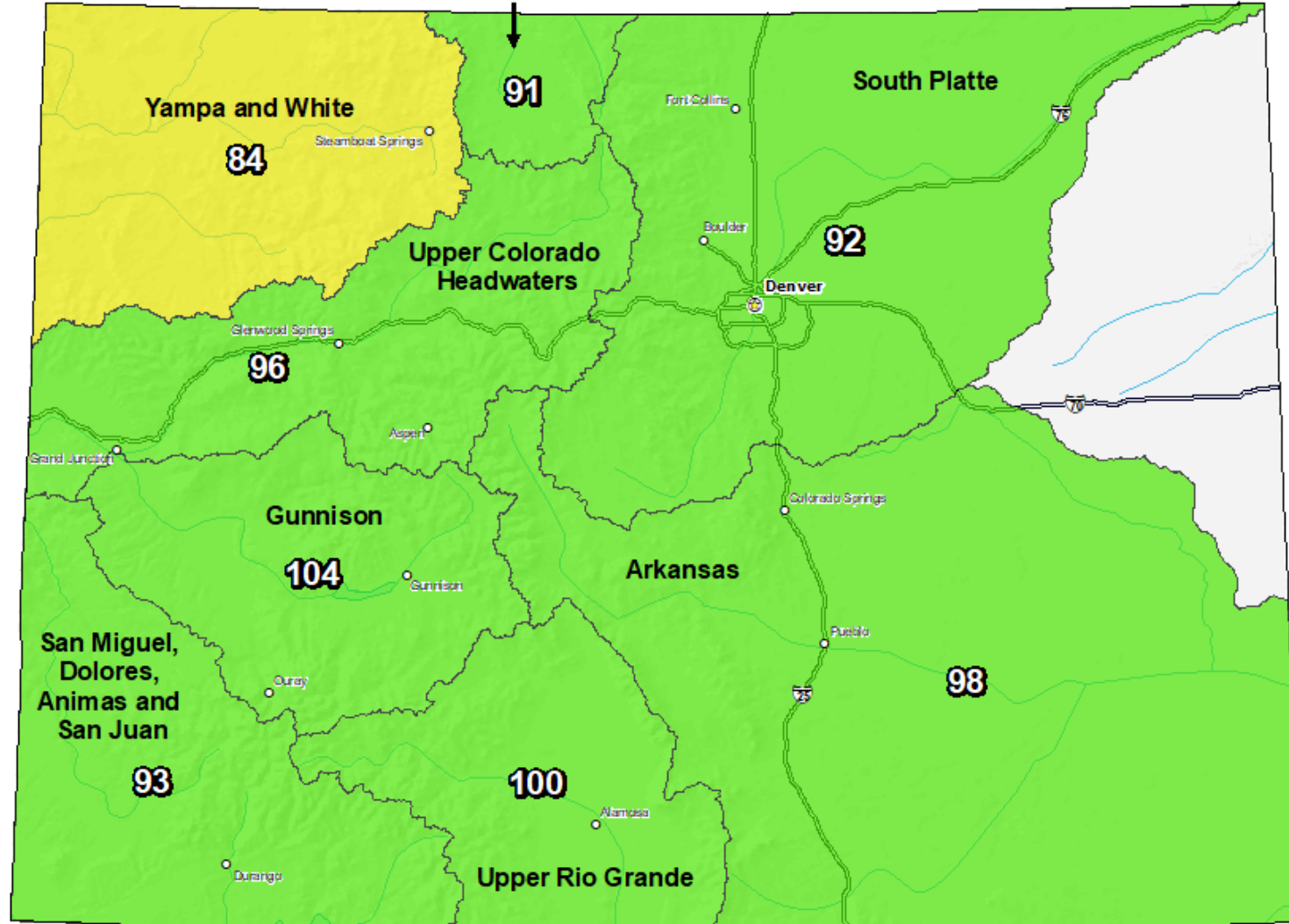
Laramie and North Platte

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



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

*Provisional Data
Subject to Revision*



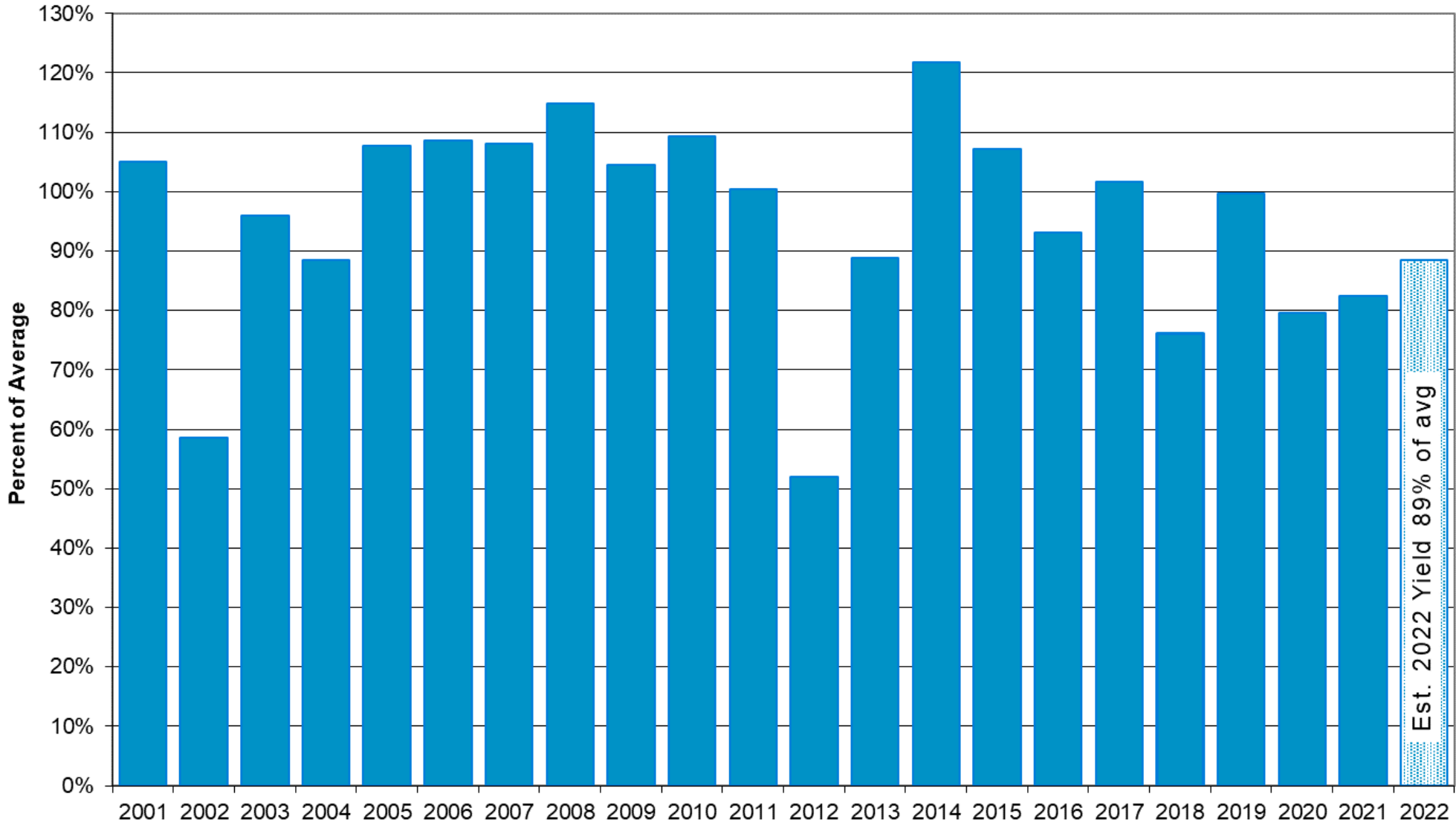
The snow water equivalent percent of normal represents the current snow water equivalent found at selected SNOTEL sites in or near the basin compared to the average value for those sites on this day. Data based on the first reading of the day (typically 00:00).

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



Colorado Springs Water Yields 2001 - 2021

Percent of Average Yield



2022 Demands

March

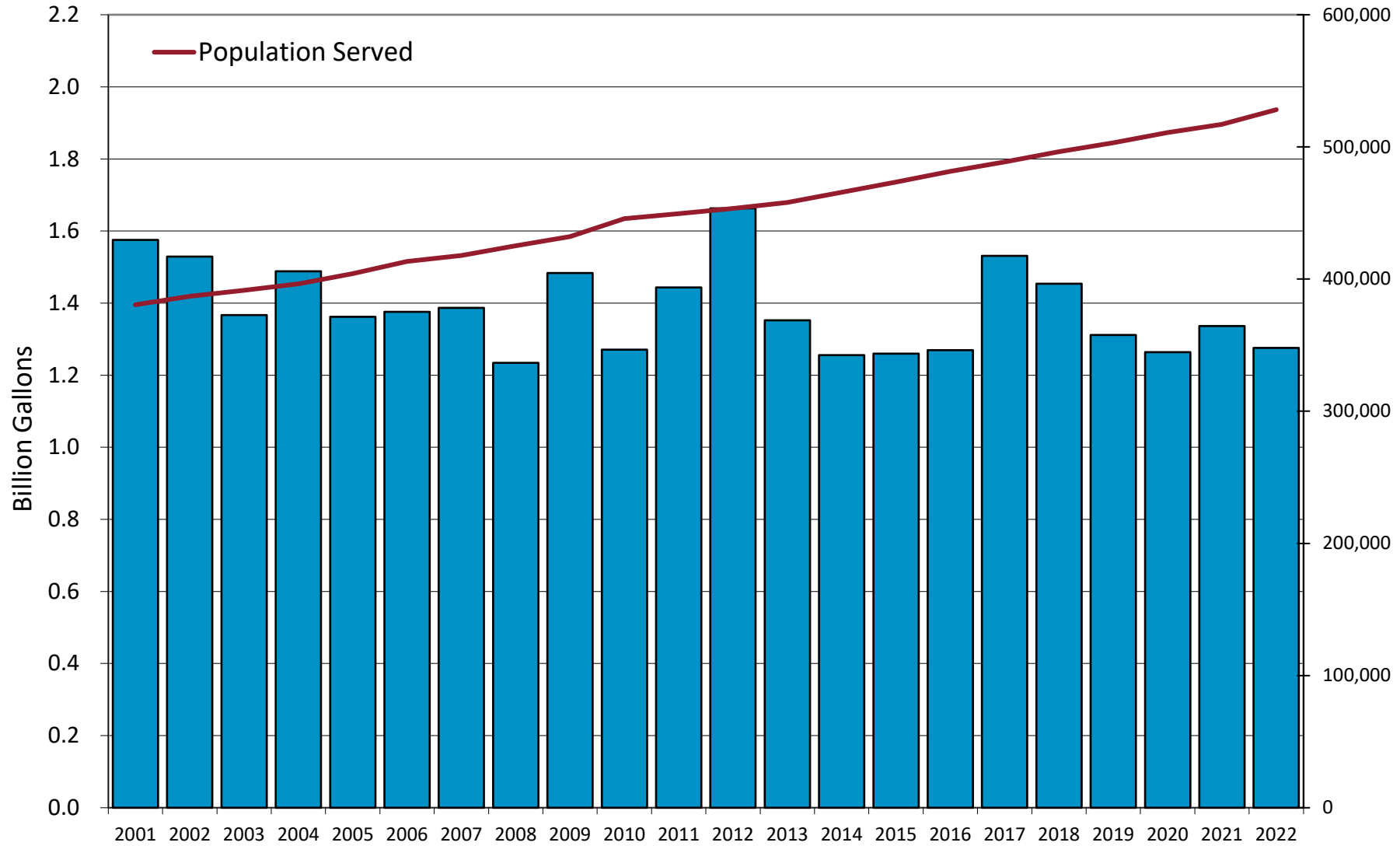
- Averaged 41.2 MGD
- 4.5% less than March 2021

2022 Year to Date

- Averaging 40.7 MGD, 3.67 BG total
 - 4.9% less than 2021
 - 0.187 Billion Gallons less than 2021



Monthly Water Use for March



Reservoir Levels

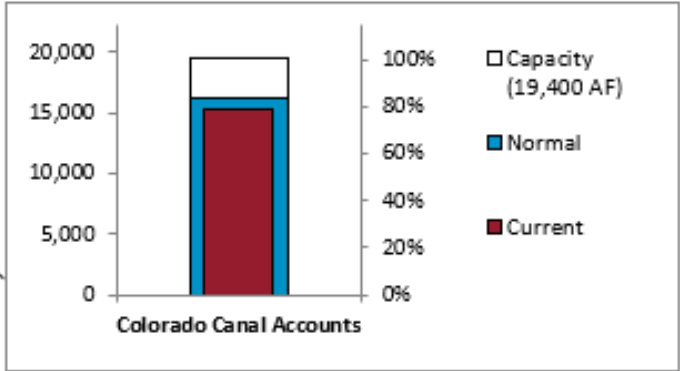
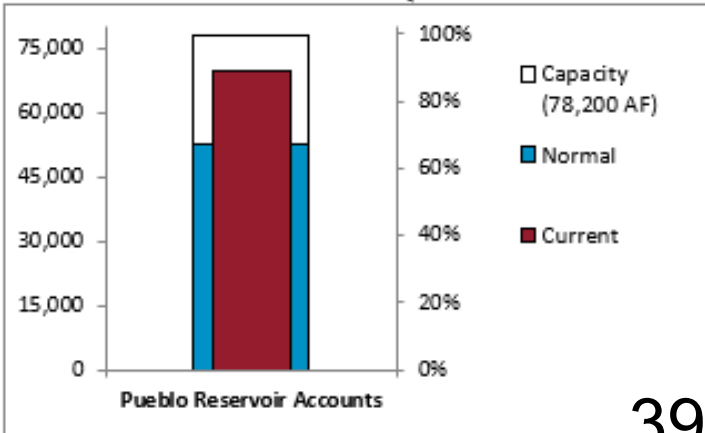
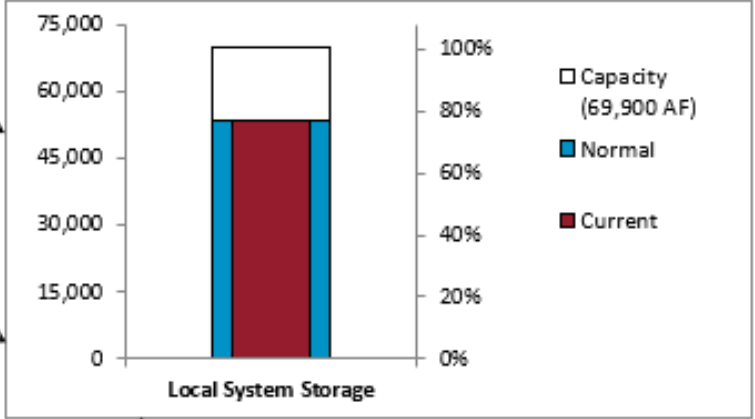
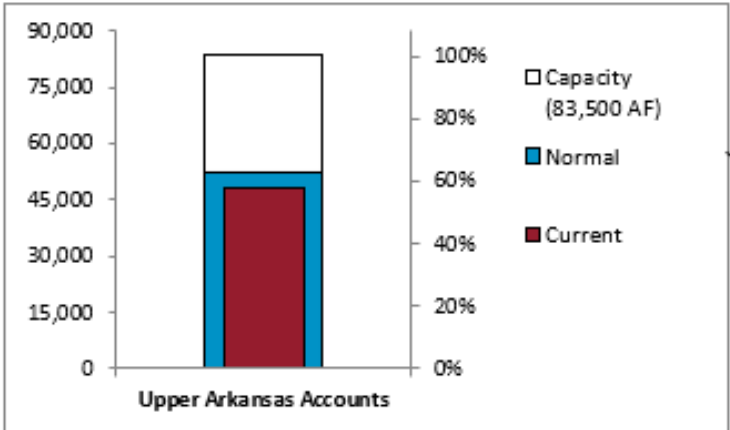
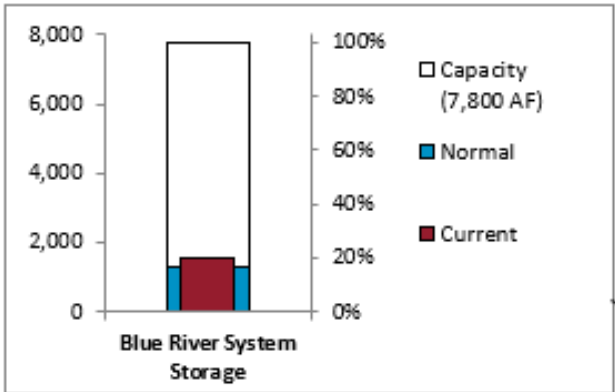
March 31, 2022

- Pikes Peak 62 %
 - 91-21 Avg. 67 %
- Rampart 86 %
 - 91-21 Avg. 86 %
- Local Total 77 %
 - 91-21 Avg. 79 %
- System Total 73 %
 - 91-21 Avg. 74 %

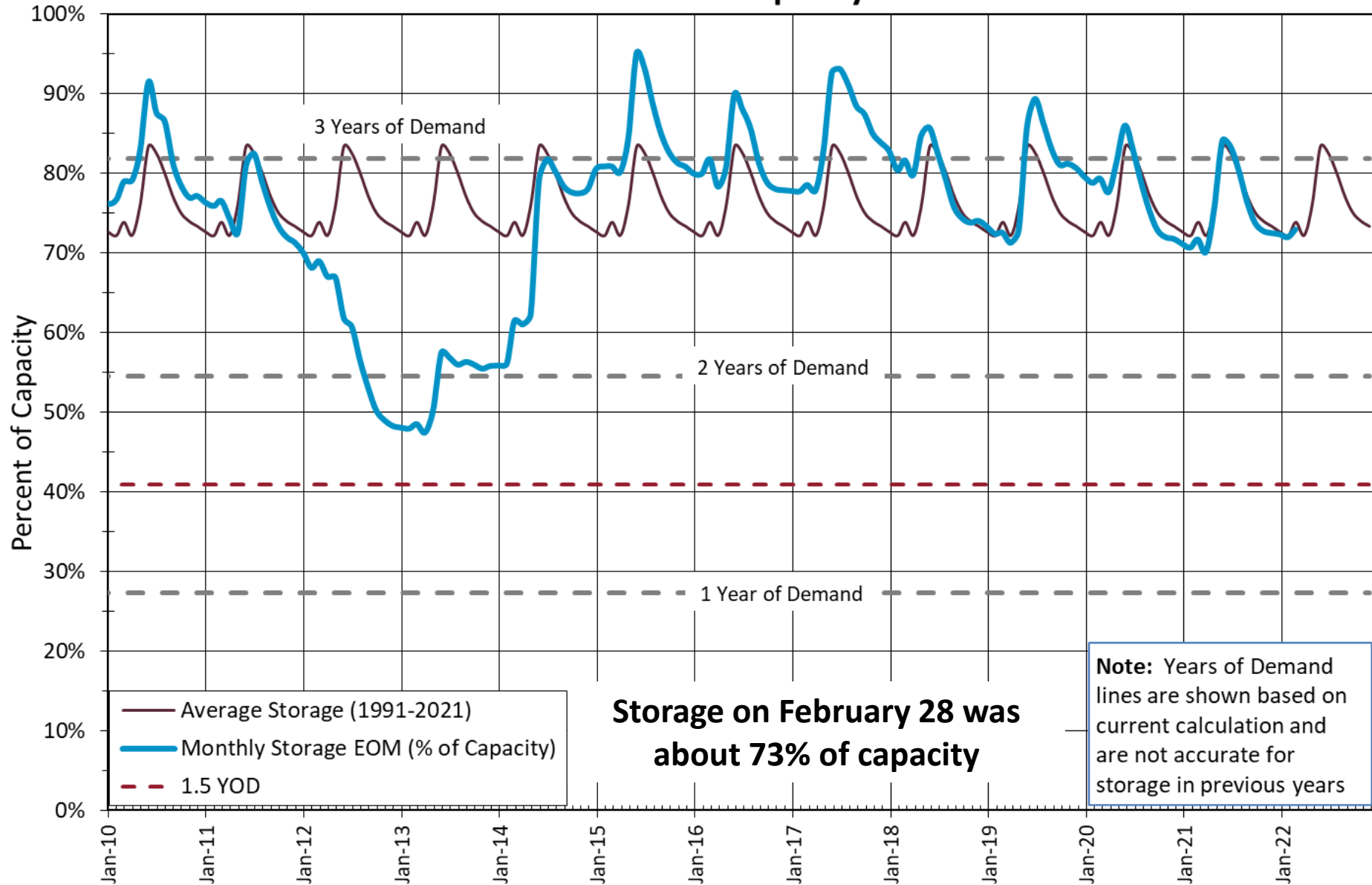


Colorado Springs' System Wide Storage:

March 31, 2022	188,700 af
	72.9 %
2001-2021 avg	176,200 af
	68.1 %
Average YTD Demand	40.7 MGD



Monthly Storage Percent of Capacity



2022 Regional Water Contracts

Donala Water & Sanitation District

- Through March 31, 2022: Conveyed 0.0 AF for \$10,940
- Premium to Municipal Government: \$1,823

Security Water District

- Through March 31, 2022: Conveyed 0.0 AF for \$8,325
- Premium to Municipal Government: \$1,388

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

- Through March 31, 2022: Leased 3.0 AF for \$1,647
- Premium to Municipal Government: \$274

Total 2022 YTD Revenue from Regional Contracts: \$20,912



Water Outlook

- Situation Outlook Summary
 - System-wide storage at 73% of capacity, same as our long-term average
 - About 2.7 years of demand in storage, based on the past 3 years of demand
 - Have 256 days of demand in local storage
- The 12-week EDDI shows somewhat dry evaporative demands in eastern CO and somewhat wet ED in western CO; Conditions have improved, but a resurgence the dry signal could predict a summer drought
- Three-month outlook predicts
 - Higher chances of above-average temperatures across Colorado
 - Higher chances of below-average precipitation across Colorado
- We continue to monitor snowpack, demand and storage to maximize available water supply



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Date: April 20, 2022
To: Utilities Board
From: Aram Benyamin, Chief Executive Officer
Subject: Electric Cost Adjustment (ECA) Monitoring and Proposed Gas Cost Adjustment (GCA)

Desired Action: Discussion

Previous Board Communications/Discussion: Continuous monitoring of Electric Cost Adjustment (ECA) and Gas Cost Adjustment (GCA) is performed with monthly updates provided to the Utilities Board.

Executive Summary: Colorado Springs Utilities will inform Utilities Board of the proposed fuel related adjustment to be filed at the City Council meeting on April 26, 2022, and if approved, effective May 1, 2022.

Background Information: City Council approved:

- On January 25, 2022, the ECA rate of \$0.0364 per kWh effective February 1, 2022; and
- On January 25, 2022, the GCA rate of \$0.6928 per Ccf effective February 1, 2022

Colorado Springs Utilities' staff continues to provide regular updates to the Utilities Board and will recommend timely adjustments. Utilities is proposing a two-month (May- June) forecast calculation period, inconsistent with the Cost Adjustment Guidelines, to align rate effective dates with standard calendar quarters beginning in July 2022.

Alternatives:

N/A

Recommendations: Colorado Springs Utilities is proposing a filing at the April 26, 2022, City Council meeting to adjust the GCA rate effective May 1, 2022. The proposed rate adjustments change the current effective:

- GCA rate to \$0.4505 per Ccf



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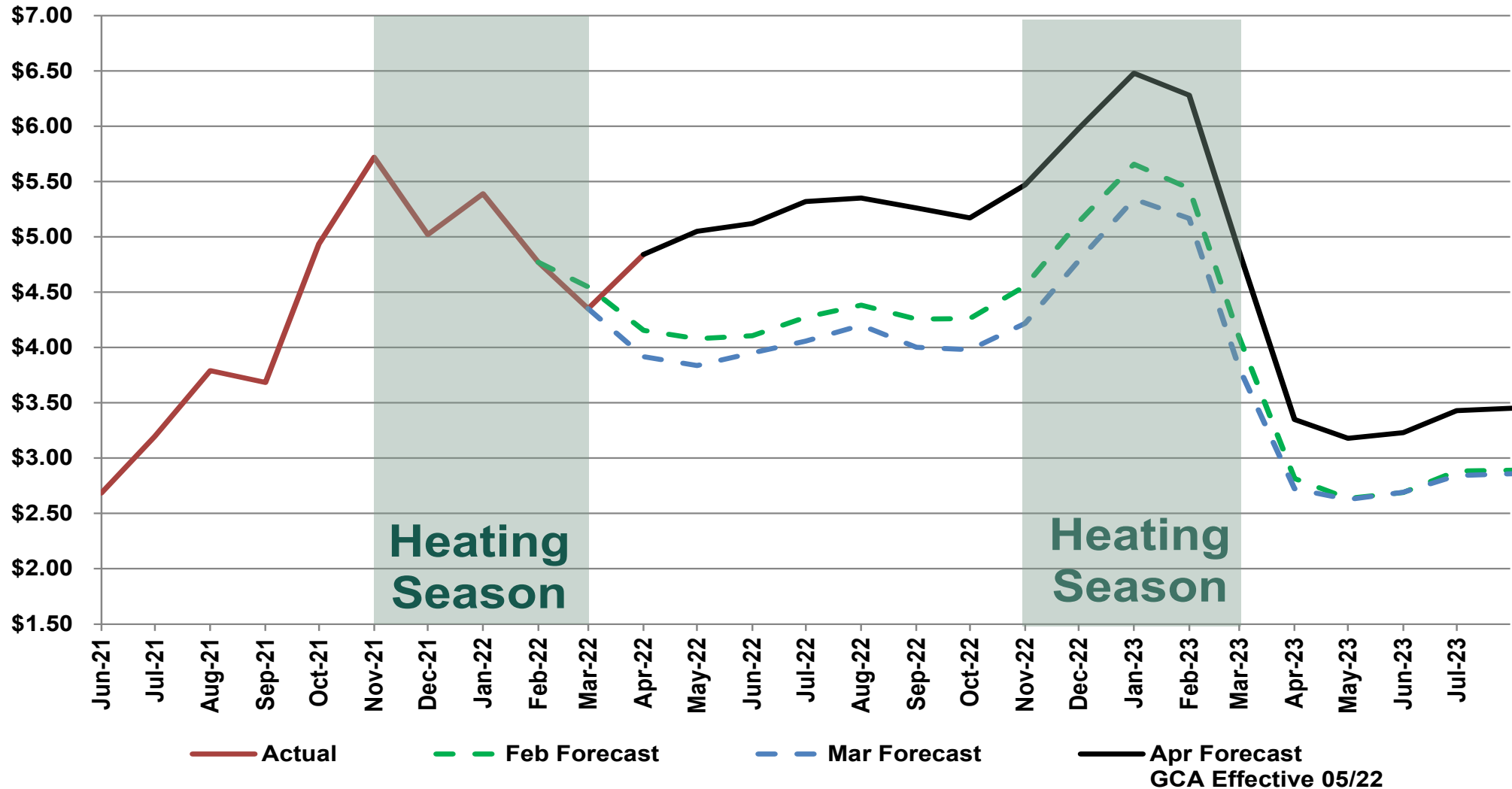
Electric Cost Adjustment Gas Cost Adjustment

Scott Shirola, Pricing and Rates Manager

April 20, 2022

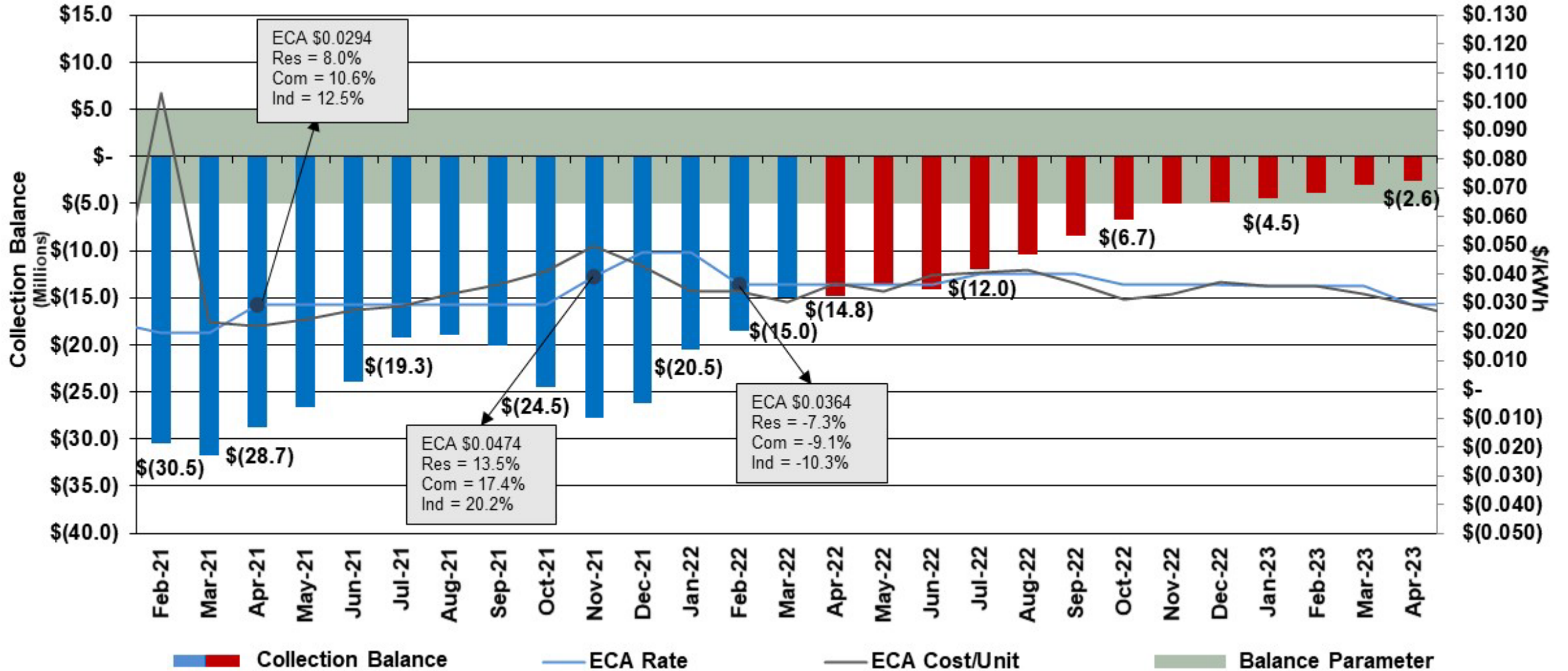
Natural Gas Prices as of April 1, 2022

\$/Dth

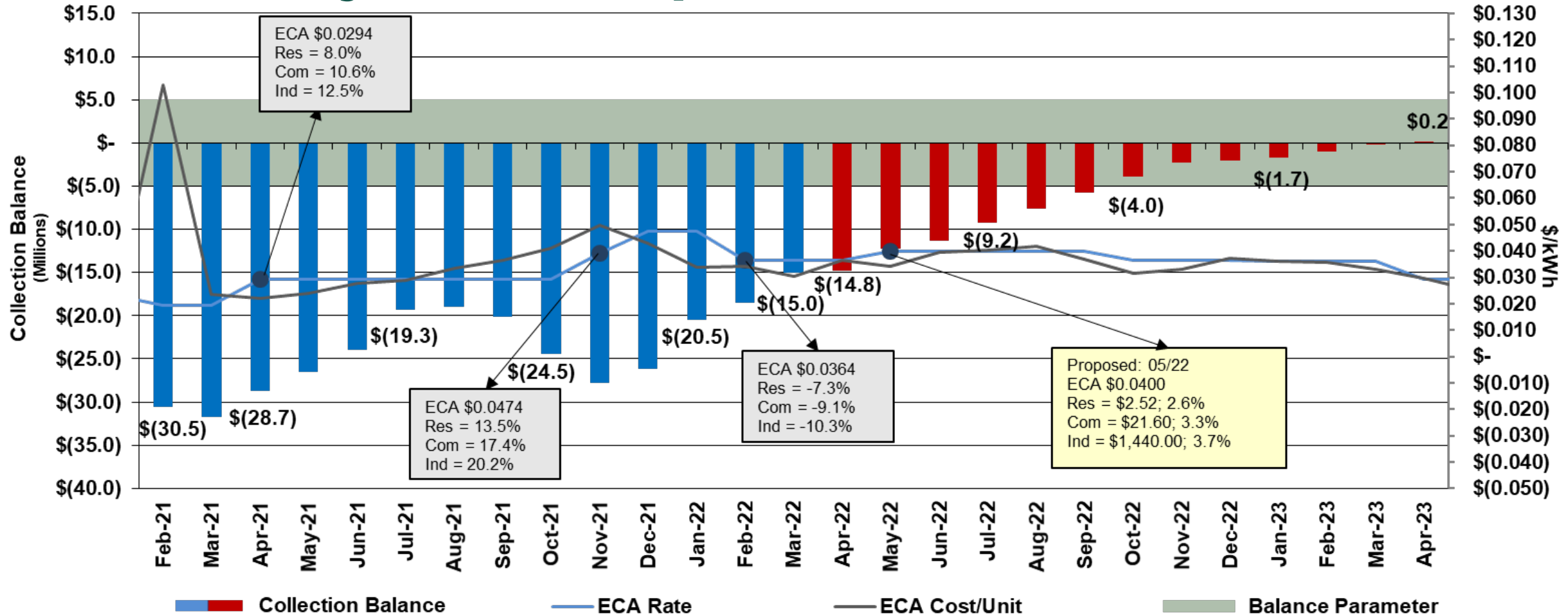


Electric Cost Adjustment Monitoring

ECA Projections April 2022 – No Rate Change

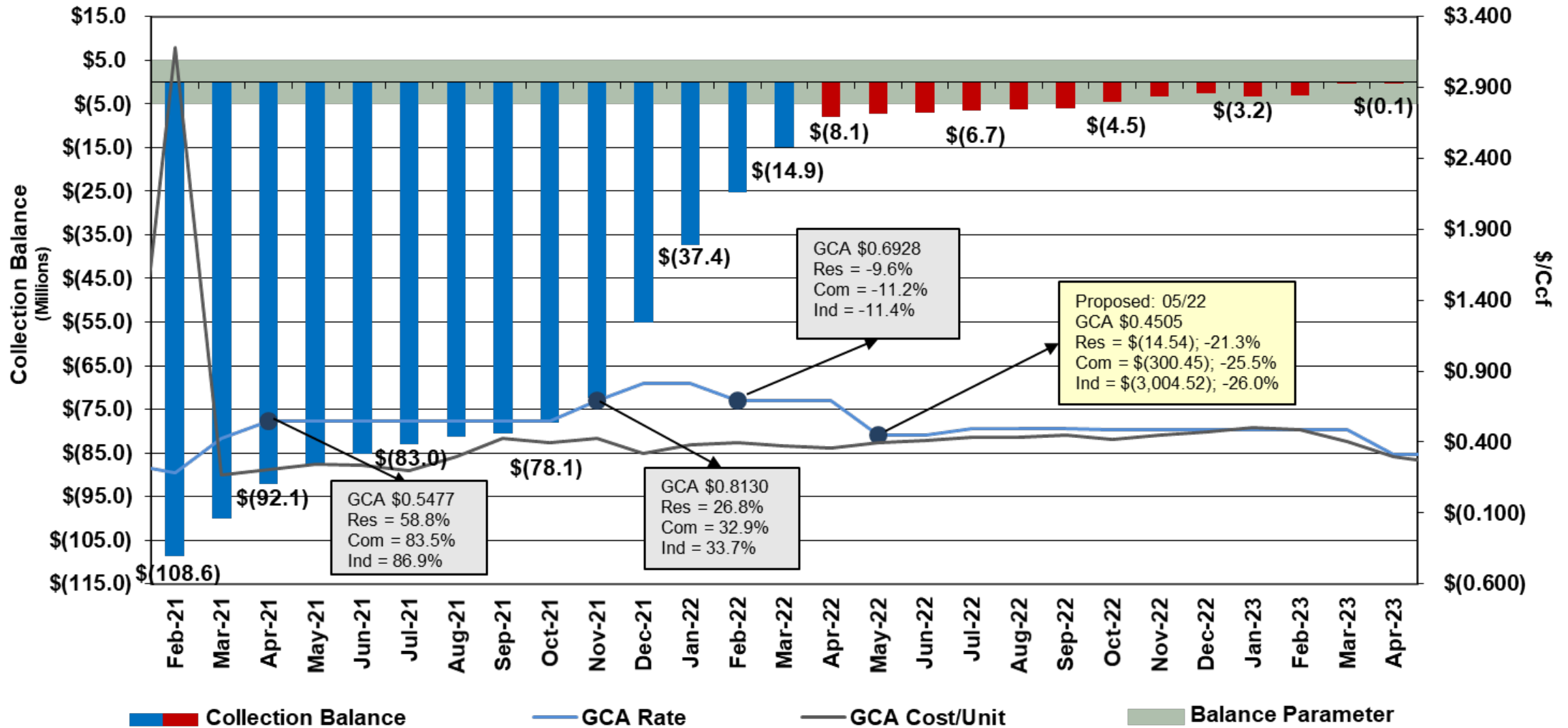


ECA Projections April 2022 – Guidelines



Quarterly Gas Cost Adjustment

GCA Projections April 2022



Sample Total Monthly Bill

Proposed Effective 5/1/22

Line No.	Rate Class	Current Effective	Proposed	Proposed Increase/ (Decrease)	% Change
<u>(a)</u>	<u>(b)</u>	<u>(c)</u>	<u>(d)</u>	<u>(e)</u> <u>(d) - (c)</u>	<u>(f)</u> <u>(e) / (c)</u>
1	Residential				
2	Electric	\$ 98.12	\$ 98.12	\$ -	0.0%
3	Gas	68.12	53.58	(14.54)	-21.3%
4	Water	74.93	74.93	-	0.0%
5	Wastewater	33.38	33.38	-	0.0%
6	Total	\$ 274.55	\$ 260.01	\$ (14.54)	-5.3%
7	Commercial				
8	Electric	\$ 662.83	\$ 662.83	\$ -	0.0%
9	Gas	1,178.64	878.19	(300.45)	-25.5%
10	Water	231.21	231.21	-	0.0%
11	Wastewater	116.26	116.26	-	0.0%
12	Total	\$ 2,188.94	\$ 1,888.49	\$ (300.45)	-13.7%
13	Industrial				
14	Electric	\$ 38,419.34	\$ 38,419.34	\$ -	0.0%
15	Gas	11,574.18	8,569.66	(3,004.52)	-26.0%
16	Water	3,027.71	3,027.71	-	0.0%
17	Wastewater	1,455.76	1,455.76	-	0.0%
18	Total	\$ 54,476.99	\$ 51,472.47	\$ (3,004.52)	-5.5%

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

Sample Total Monthly Bill Reference

- Sample Total Monthly Bill calculations for current and proposed rates assume:
 - Residential - 30 days, 700 kWh (Electric), 60 Ccf (Natural Gas), 1,100 cf (Water Inside City Limits), and 700 cf (Wastewater Inside City Limits)
 - Commercial - 30 days, 6,000 kWh (Electric), 1,240 Ccf (Natural Gas), 3,000 cf (Water Inside City Limits), and 3,000 cf (Wastewater Inside City Limits)
 - Industrial - 30 days, 400,000 kWh and 1,000 kW (Electric), 12,400 Ccf (Natural Gas), 50,000 cf (Water Inside City Limits), and 50,000 cf (Wastewater Inside City Limits)



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Date: April 20, 2022
To: Utilities Board
From: Aram Benyamin, Chief Executive Officer
Subject: Open Access Transmission Tariff (OATT) Revision

Desired Action: Discussion

Previous Board Communications/Discussion: A summary of the Open Access Transmission Tariff (OATT) revisions was provided to Utilities Board Finance Committee at the April 15, 2022 meeting.

Executive Summary: Utilities last updated the OATT in 2019 based on participation in the Joint Dispatch Agreement (JDA), administered by Public Service Company of Colorado. In May 2021, Springs Utilities announced it would join the Southwest Power Pool (SPP) Western Energy Imbalance Service (WEIS) Market. We will be joining the SPP WEIS market in August 2022.

Background Information: After Springs Utilities' announcement in May 2021, various groups across the organization have been meeting regularly to prepare for implementation. As part of the implementation, we need to update the OATT to revise various references, terms, conditions, schedules and attachments associated with the transition from the JDA to WEIS.

Options: N/A

Recommendations: Request a Public Hearing date with City Council on May 24, 2022 for consideration of the necessary Open Access Transmission Tariff (OATT) revisions.



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Open Access Transmission Tariff (OATT) Revision

Scott Shirola, Pricing and Rates Manager

April 20, 2022

OATT Background

- Springs Utilities is a transmission provider offering non-discriminatory wholesale high voltage service.
 - Federal Energy Regulatory Commission (FERC)
 - Customers are outside of Springs Utilities' service territory or receive service under Contract Service – Military Wheeling (ECW)
- Enables participation in wholesale power market.
 - Participation benefits Colorado Springs Utilities customers
- Springs Utilities OATT: 2000 (initial), 2005, 2009 and 2018 revised, and 2019 – Joint Dispatch Agreement (JDA).
- Transition from JDA to an imbalance market requires revisions to OATT terms and conditions.

JDA and Imbalance Market

Current

- JDA pools resources to serve aggregate demand economically in hourly real-time increments.
- Public Service Company of Colorado administers the market.

Proposed

- Southwest Power Pool (SPP) Western Energy Imbalance Service (WEIS).
 - Broadens pool of resources to serve aggregate demand.
 - Increased granularity with five-minute real-time increments.
 - Increased opportunity for financial benefit.
- SPP administers the market.

Summary of OATT Revisions

- Remove obsolete JDA terms and conditions and Schedule 10.
- Add WEIS definitions and other conforming terms and conditions.
- Modify Schedule 4, Energy Imbalance Service.
- Add Schedule 8A, WEIS Joint Transmission Service.
- Replace Attachment M JDA provisions with WEIS market provisions.
 - Permits WEIS participation.
 - Revises the treatment of Network Resources and Real Power Losses and the standard related to Indemnification.
 - Describes the business terms for participating in the WEIS.
- OATT revisions mirror those of the other WEIS participants.

OATT Filing Calendar

- Utilities Board Communication
 - 04/15/2022: Finance Committee
 - 04/20/2022: Utilities Board
- Regulatory Procedure
 - 05/24/2022: Rate Filing and Request for Hearing Date
 - 06/28/2022: Rate Hearing
 - 07/12/2022: Decision and Order
 - 08/01/2022: Changes Effective



Colorado Springs Utilities[®]

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Date: April 20, 2022
To: Utilities Board
From: Aram Benyamin, Chief Executive Officer
Subject: Community Focus Fund (CFF) Grants Program

Desired Action: Discussion

Previous Board Communications/Discussion: N/A

Executive Summary: Colorado Springs Utilities has been investing in our community for many years; however, our community investments were not formalized until 1997 with the chartering of the Community Focus Fund (CFF) Program by City Council resolution. The charter specified the ability to provide funding to local nonprofits in support of the overall CFF volunteer program.

From 1998 to 2013, hundreds of local nonprofits and educational institutions received support for programs and projects that improved the lives of the citizens of the communities we serve. Original focus areas specified in the CFF Program Charter include: seniors, youth, affordable housing, safety and health, education, environment and community.

In 2019, the Utilities Board directed Colorado Springs Utilities to allocate 100% of CFF grant funding to nonprofit organizations in support of affordable housing.

Colorado Springs Utilities recently approved \$2 million annually for development fees, energy efficiency and water conservation capital offsets for affordable housing. Community investment represents a positive return on investment for Colorado Springs Utilities.

Options: N/A

Recommendations: N/A



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Community Focus Fund (CFF) Grants Program

April Speake, Community Relations Lead

April 20, 2022

Background

1997: Official Charter of the CFF Program by City Council resolution

Official Charter Focus:

- Seniors
- Youth
- Affordable Housing
- Safety and Health
- Education
- Environment
- Community



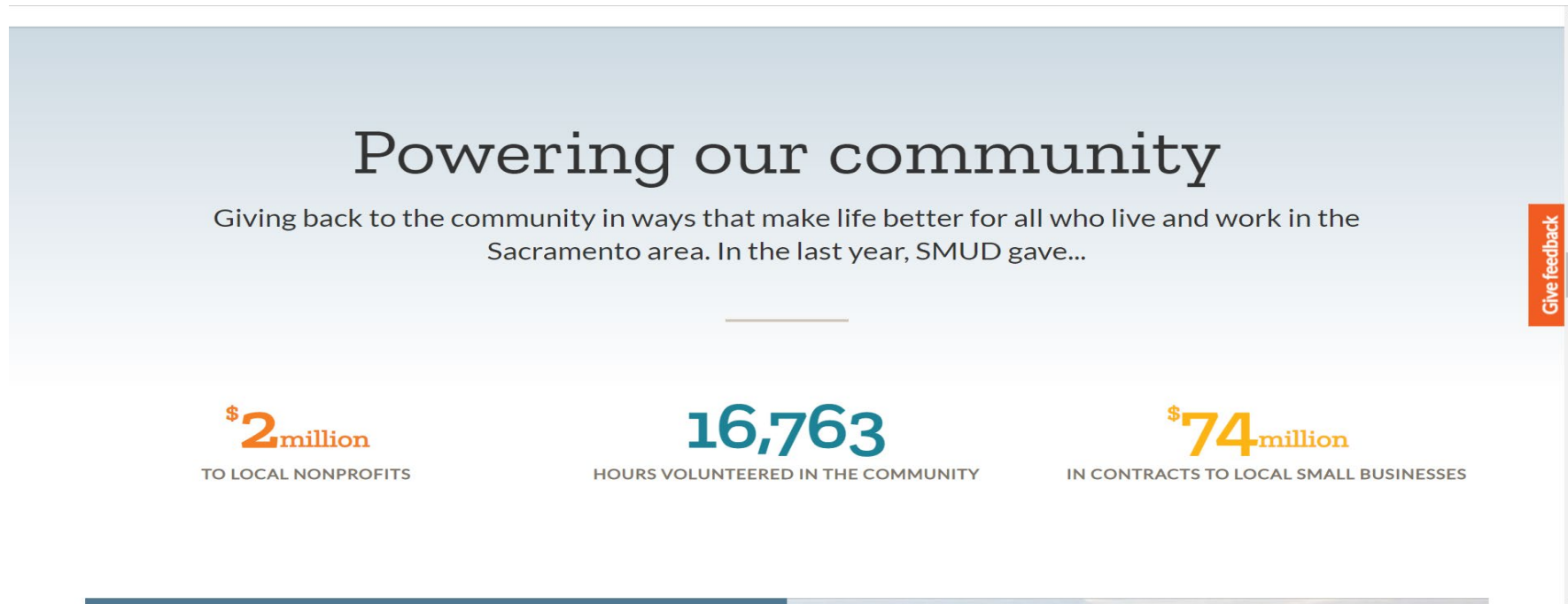
Background

Community Investment	2014	2015	2016	2017	2018	2019	2020	2021
CFF Grants	\$0	\$0	\$0	\$0	\$256,000	\$256,000	\$256,000	\$256,000
Focus Area	N/A	N/A	N/A	N/A	Original Charter	Affordable Housing	Affordable Housing	Affordable Housing
Number of Grantees	0	0	0	0	63	13	15	15

Other Municipal Utilities

Arizona Salt River Project has donated \$1.35 million to help support members of their community during the pandemic. This includes \$500,000 to local nonprofits. Through these organizations, funds were used to provide essential services and financial help for struggling customers.

Sacramento Municipal Utility District



The screenshot displays a website section titled "Powering our community" with the subtitle "Giving back to the community in ways that make life better for all who live and work in the Sacramento area. In the last year, SMUD gave...". Below this, three statistics are presented: "\$2million TO LOCAL NONPROFITS", "16,763 HOURS VOLUNTEERED IN THE COMMUNITY", and "\$74million IN CONTRACTS TO LOCAL SMALL BUSINESSES". A "Give feedback" button is visible on the right side of the page.

Metric	Value
Amount donated to local nonprofits	\$2 million
Hours volunteered in the community	16,763
Amount in contracts to local small businesses	\$74 million

Community Investment

Community investment represents a positive return on investment for Colorado Springs Utilities. We are directly tied to this community and its success, our organization's strength and vitality depend on the education, health, and welfare of the community in which we operate.

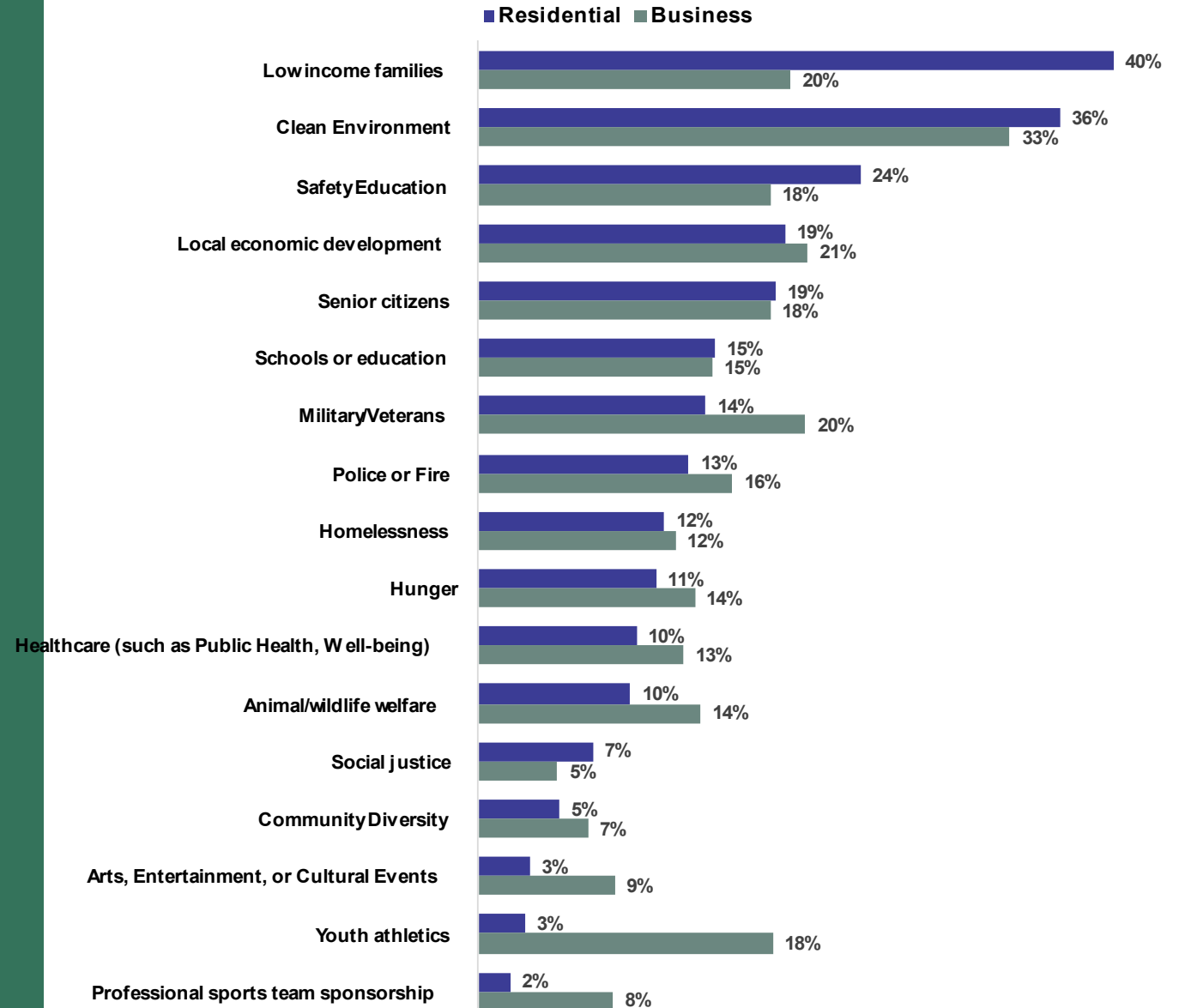
Nonprofit investment:

- Enhances our reputation as a trusted community partner.
- Demonstrates commitment to the community which directly impacts customer satisfaction as measured by the J.D. Power and Associates studies.
- Supports the economic sustainability of local nonprofits which are our business customers and the employers of many of our residential customers.
- Expands and supports the potential volunteer opportunities for our employees through the Community Focus Fund program.

Most Important Cause For Residential And Business Customers

Which do our customers feel we should support?

Colorado Springs Utilities



Summary

- **Approved CFF Grant funding in the amount of \$256,000 is in the 2022 budget**
- **We are poised to move forward on Monday, April 25th**
- **Nonprofits have been directed to check the Colorado Spring Utilities website for guidelines and application**

