

AGENDA
Wednesday, May 22, 2024
1:00 p.m.

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1:00 p.m.	1. Call to Order	Chair Dave Donelson
1:05 p.m.	2. Invocation and Pledge of Allegiance	Chair Dave 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 Dave Donelson
	3a. Approval of Utilities Board Meeting Minutes: April 17, 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 Dave Donelson
1:20 p.m.	5. Recognition <ul style="list-style-type: none"> • Drinking Water Week and Worker Appreciation • Employees who worked the 2024 Windstorm 	Tara Kelley, Wastewater Treatment Manager Chair Dave Donelson

1:35 p.m.	6.	Compliance Reports: I-2 Financial Condition and Activities Q4 2023 and Q1 2024 Update <ul style="list-style-type: none"> • Contracts Over \$500K***--G7 E-2 CEO / Board Partnership Responsibilities <ul style="list-style-type: none"> • ECA GCA Update • Water Outlook 	Travas Deal, Chief Executive Officer
1:40 p.m.	7.	Items Called Off Consent Calendar	
1:45 p.m.	8.	Resolution reaffirming the Arkansas Basin Preservation Principles and opposing City of Aurora’s water rights purchase in Otero County	Abigail Ortega, General Manager Resource Infrastructure Planning
2:00 p.m.	9.	Proposed changes to the Undergrounding Policy	Joe Award, General Manager, Systems Planning and Projects
2:30 p.m.	10.	Board Member Updates	Board of Directors
2:45 p.m.	11.	Summary of Board Actions	Gail Pecoraro, Utilities Board Administrator
2:50 p.m.	12.	Executive Session In accordance with City Charter art. III, § 3-60(d) and its incorporated Colorado Open Meetings Law, C.R.S. § 24-6-402(4)(d) and Utilities Board Bylaws Rules 10(c)(4) the Utilities Board, in Open Session, is to determine whether it will hold a Closed Executive Session on one issue. The issue to be discussed involves specialized details of security arrangements involving critical infrastructure and operational assets.	Renee Congdon, City Attorney’s Office – Utilities Division Chief
		The City Attorney’s Office, on behalf of the Chair of the Utilities Board, shall poll the Utilities Board members, and, upon consent of two-thirds of the members present, may conduct a Closed Executive Session. In the event any Utilities Board member is participating electronically or telephonically in the Closed Executive Session, each Utilities Board member participating electronically or telephonically in the Closed Executive Session shall affirmatively state for the record that no other member of the public not authorized to participate in the electronic Closed Executive Session is present or able to hear the matters discussed as part of the Closed Executive Session. If consent to the Closed Executive Session is not given, the item may be discussed in Open Session or withdrawn from consideration.	

3:45 **13. Adjournment**
p.m.

Chair Dave Donelson

MINUTES
Colorado Springs Utilities Board Meeting
Wednesday, April 17, 2024

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

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

Utilities Board Members Excused:

Randy Helms and Nancy Henjum

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

Travas Deal, Somer Mese, Mike Francolino, Tristan Gearhart, Lisa Barbato, Marcela Espinoza, Natalie Watts, Mike Myers, Jared Miller, Andy Colosimo, Diana Harmon, Al Wells, David Padgett, Christian Nelson, Nicholas Peters, Brian Wortinger, Brendan Cavanaugh, Michael Romero, Robert Palmer, Kany Drake, Jacqueline Nunez, Ian Gavin, Shane Kelley, Lorenzo Ruiz, Moses Keale II, Jessica Rheinschmidt, Jane Zook, Tyrone Johnson, Lauren Swenson, Katie Garrett, Adam Hegstrom, Bryan English and Chris Crook

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

Renee Congdon, Ryan Trujillo, Chris Bidlack, David Beckett and Alexander Ryden

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. Gail Pecoraro, Utilities Board Administrator, called the roll.

2. Invocation and Pledge of Allegiance

Mr. Chris Crook, Operations Supervisor I, delivered the invocation, and Chair Donelson led the Pledge of Allegiance.

3. Consent Calendar

3a. Approval of Utilities Board Meeting Minutes: March 20, 2024, Utilities Board Meeting

The Consent Calendar was unanimously approved.

4. Customer Comments

There were no customer comments.

5. Recognition

- Viewing of 100 Years of Service Videos

Mr. Andy Colosimo, General Manager of Public Affairs, stated that as part of the organization's 100th anniversary, the Public Affairs Department is kicking off a series of videos celebrating the organization's history. A new logo has been created for electronic use as well. Two videos were viewed.

- American Power Association's Diamond Designation

Mr. Nicholas Peters, General Manager of Operations Technical Services, presented the Diamond member plaque and designation that the organization achieved from the American Public Power Association. The RP3 designation evaluates utilities on four criteria: reliability, safety, workforce development, and system improvement. The Diamond Rating is the highest rating that an organization can achieve. Vice Chair Avila and Chair Donelson thanked the employees for their work toward this accomplishment.

- Wastewater Worker Appreciation Week

Ms. Lisa Barbato, Officer of System Planning and Projects, introduced Mr. Brian Wortinger, Water System Operations Manager, and Mr. Brendan Cavanaugh, Operations Superintendent over the three water resource recovery facilities. April 21 – 27 was declared Wastewater Worker Appreciation Week by Governor Jared Polis, honoring wastewater workers and their contributions in protecting Colorado's water resources and the environment. Two employee groups were present representing the Las Vegas Water Resource Recovery Facility and representatives from the collection side. Chair Donelson, Board Member Talarico, and Vice Chair Avila expressed their appreciation for the work these employees do daily.

6. Compliance Reports

- I-12 Environmental Stewardship

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

- E-2 CEO Responsibilities
 - Water Outlook

Ms. Katie Garrett, Water Resource Engineer, reviewed the local weather conditions as of March 31, 2024. She said there are abnormally dry conditions across a large portion of the western and eastern portions of Colorado as of April 11, 2024. Ms. Garrett

stated the snowpack in the Arkansas River Basin is 119% of normal as of April 10, 2024, and in the Colorado River Headwaters Basin is 106% of normal. She reviewed the 2024 water demands, the monthly water use for March and the 2024 actual water consumption. Reservoir system levels are above average and Colorado Springs' system-wide storage is at 85% of capacity. Ms. Garrett discussed that South Catamount Reservoir's capacity remains restricted for dam maintenance and the South Slope system pipeline to Tollefson Water Treatment Plant will continue to be offline until mid-May due to normal winter operations.

- ECA / GCA Update

Mr. Tristan Gearhart, Chief Financial Officer, gave an update on the Electric Cost Adjustment and Gas Cost Adjustment. We are in a continued monitoring month before we are at that next cycle where make any changes to those rates. Natural gas prices are continuing to level off after the slowdown of the heating season.

7. Items Called Off Consent Calendar

There were none.

8. Ordinance Approving 1st Amendment to 2005A Standby Bond Purchase Agreement

Mr. Adam Hegstrom, Treasury and Finance Manager, gave a high-level overview on the Standby Bond Purchase Agreement Renewal.

Colorado Springs Utilities has \$4.4 billion in assets with \$2.2 billion in long-term liabilities. These are 30-year bonds. Colorado Springs Utilities has about \$63 million of these bonds expiring in September 2024.

The Utilities Board unanimously approved the item to go on the April 23, 2024, City Council Consent agenda.

9. Colorado Centre Addition No. 3 Annexation

Mr. Bryan English, Development Projects Manager, provided a brief overview of where the Colorado Center Addition No. 3 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 the City's water supply exceptions. Per City Code, 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.

Board Member Risley made a motion to approve the annexation, and Board Member Leinweber seconded the motion. With a vote of 7-0, with Board Members Henjum and Helms excused, the Utilities Board unanimously approved to recommend

approval of extending water service to annexing property known as Colorado Centre Addition No. 3 subject to its future annexation.

10. Air Lane Addition Nos. 1-3 Public Right-Of Way Annexation

Mr. English provided a brief overview and of where Air Lane Addition Nos. 1-3 are located and stated this is a serial right-of-way annexation totaling 4.623 acres. The City received a quit claim deed from El Paso County. There are no existing utility services, and none are currently proposed. Mr. English advised the proposed right-of-way annexation meets both enclave and would result in extension of Springs Utilities water services boundary. Per City Code, 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.

Board Member Leinweber made a motion 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. Board Member Risley seconded the motion. With a vote of 7-0, with Board Members Henjum and Helms excused, the Utilities Board unanimously approved to recommend approval of extending water service to annexing property known as Air Lane Addition Nos. 1-3 Public Right of Way.

11. Space Village Road Addition Nos. 2 and 3 Right-of-Way Annexation

Mr. English provided a brief overview and of where Space Village Road Addition Nos. 2 and 3 are located and stated this is a serial right-of-way annexation totaling 4.623 acres. The City received a quit claim deed from El Paso County. There are no existing utility services. Mr. English advised the proposed right-of-way annexation meets both enclave and would result in extension of Springs Utilities' water services boundary. Per City Code, 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.

Board Member Crow-Iverson made a motion to recommend approval of extending water service to annexing property known as Space Village Road Addition Nos. 2 and 3. Vice Chair Avila seconded the motion. With a vote of 7-0, with Board Members Henjum and Helms excused, the Utilities Board unanimously approved to recommend approval of extending water service to annexing property known as Space Village Road Addition Nos. 2 and 3.

12. Dublin Park Addition No. 1 Annexation

Mr. English provided a brief overview and of where Dublin Park Addition No. 1 is located and stated this is a proposed annexation of a City-owned parcel and enclave totaling 2.058 acres. This is part of the Cottonwood Creek drainage area. The City received this parcel via resolution for Cottonwood Knolls development parkland dedication, but it was never annexed. This will be part of a stormwater improvement project. There is no existing utility service, and none are currently proposed.

There is an existing public wastewater main and electric line traversing the property. Mr. English advised the proposed annexation and extension of water service boundary meets City-owned property exception. Per City Code, 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.

Board Member Talarico made a motion to recommend approval of extending water service to the annexing property known as Dublin Park Addition No. 1. Vice Chair Avila seconded the motion. With a vote of 7-0, with Board Members Henjum and Helms excused, the Utilities Board unanimously approved to recommend approval of extending water service to annexing property known as Dublin Park Addition No. 1.

13. Resolution Approving Water Rights Acquisition

Ms. Kim Gortz, Water Supply Resource Manager, provided a brief overview of a proposal to acquire 82 shares of the Fort Lyon Canal Company from Jack K. Miller.

The Board unanimously agreed to add this to the May 14 City Council consent agenda.

14. Board Member Updates

Board Member Risley shared updates from the most recent Strategic Planning meeting, which took place on April 14, 2024. A new standing item, an economic development update, will be added to the agenda moving forward.

Board Member Talarico reminded Board Members of the May 21, 2024, Program Management Review Tour and meeting beginning at 12:30 p.m.

Chair Donelson thanked employees for their hard work and dedication during the recent windstorm and for their continued hard work during the ongoing Austin Bluffs and N. Academy Boulevard valve project.

15. Summary of Board Actions

The Utilities Board voted unanimously to recommend the ordinance approving the 1st amendment to 2005A Standby Bond Purchase Agreement.

The Utilities Board voted unanimously to recommend approval of extending water service to annexing property known as Colorado Center Addition No 3.

The Utilities Board voted unanimously to recommend approval of extending water service to annexing property known as Air Lane Addition Nos 1-3.

The Utilities Board voted unanimously to recommend approval of extending water service to annexing property known as Space Village Road Addition Nos. 2 and 3.

The Utilities Board voted unanimously to recommend approval of extending water service to annexing property known as Dublin Park Addition No 1.

The Utilities Board voted unanimously to place the Resolution Approving Water Rights Acquisition of Jack K. Miller Property on the City Council consent agenda.

16. Adjournment

The meeting adjourned at 2:26 p.m.

Board Memo Agenda Item

Staff Report

Date: (Date of Utilities Board Meeting)	May 20, 2024		
To:	Utilities Board		
From:	Travas Deal, Chief Executive Officer		
Subject:	Drinking Water Week and Worker Appreciation		
NARRATIVE:			
Desired Action: Choose only one	<input type="checkbox"/> Approval <input type="checkbox"/> Discussion <input checked="" type="checkbox"/> Information		
Executive Summary:	<p>Colorado Springs Utilities joined communities across North America in celebrating Drinking Water Week, an annual observance led by the American Water Works Association that took place May 5-11, 2024. Drinking Water Week serves to highlight the importance of safe drinking water and recognize the tireless efforts of local water professionals who ensure its availability. Springs Utilities recognizes that all water professionals – from engineers designing infrastructure to operators monitoring treatment plants around the clock to laboratory analysts confirming compliance with water quality standards – play a critical role in ensuring safe and reliable drinking water to our community. These dedicated employees work behind the scenes to make sure our customers’ taps keep flowing with fresh, clean water.</p> <p>At its summertime peak, Springs Utilities’ drinking water system treats and delivers more than 100 million gallons of water per day through more than 2,283 miles of potable water mains, 28 potable water distribution stations and five water treatment plants.</p>		
Benefits:	Colorado Springs Utilities Drinking Water Workers continue to provide exceptional service and serve as regional leaders.		
Board Policy: If this impacts one of the board policies, indicate that here.	N/A		
Cost / Budget: Include the projected cost or budget here.	N/A		
Affected Parties: This could include community groups, specific City Council Districts, other utilities, nonprofit organizations, certain neighborhoods, Colorado Springs Utilities employees, etc.	All Colorado Springs Utilities’ water customers		
Alternatives:	N/A		
Submitter:	Tara Kelley, Sage Church	Email Address:	tkelley@csu.org
Division:	Operations	Phone Number:	719.668.4477
Department:	Plants Dept and Others	Date Submitted:	05.07.2024
SPG Staff Use Only:	Consent Calendar <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		Item Number 05
ITEMS SUBMITTED AFTER THE DEADLINE WILL BE POSTPONED UNTIL THE NEXT UTILITIES BOARD MEETING			

Board Memo Agenda Item Staff Report

Date: (Date of Utilities Board Meeting)	May 22, 2024
To:	Utilities Board
From:	Travas Deal, Chief Executive Officer
Subject:	2024 Windstorm Employee Recognition

NARRATIVE:

Desired Action: Choose only one	<input type="checkbox"/> Approval <input type="checkbox"/> Discussion <input checked="" type="checkbox"/> Information
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Executive Summary:	<p>On Monday, May 6, wind gusts of nearly 100 mph damaged multiple power lines, causing an outage for more than 10,400 customers. Over a period of 52 hours, our crews restored power to every customer, completing 465 jobs and replacing 27 power poles. It took a total of about 3,770 employee work hours to complete this task. The afternoon of May 8, 2024 marked the end of our response to the May 2024 windstorm.</p> <p>Our employees excelled in their response, resulting in numerous positive remarks on social media, over email and to our crews. We want to recognize their dedication, teamwork and demonstration of responsibility.</p>
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Benefits:	N/A
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Board Policy: If this impacts one of the board policies, indicate that here.	N/A
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Cost / Budget: Include the projected cost or budget here.	N/A
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Affected Parties: This could include community groups, specific City Council Districts, other utilities, nonprofit organizations, certain neighborhoods, Colorado Springs Utilities employees, etc.	All employees, spanning multiple departments, involved in the May 2024 windstorm response.
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Alternatives:	N/A
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Submitter:	Alex Trefry	Email Address:	atrefry@csu.org
Division:	Public Affairs	Phone Number:	719.499.0511
Department:	Public Relations	Date Submitted:	05-09-2024

SPG Staff Use Only:	Consent Calendar <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	Item Number 05
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ITEMS SUBMITTED AFTER THE DEADLINE WILL BE POSTPONED UNTIL THE NEXT UTILITIES BOARD MEETING



Date: May 22, 2024

To: Utilities Board

From: Travas Deal, 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, 2023 – December 31, 2023
Policy Title (Number):	Financial Condition and Activities (I-2)	Reviewing Committees:	Finance; Program Management Review
Monitoring Type:	Internal; City Auditor	Monitoring Frequency:	Quarterly, Annually
Guidelines:	Local Vendor (G-7)		

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

1. *Operate within total appropriations for the fiscal year and inform the Utilities Board of:*
 - a. *Significant financial variances*
 - Fuel expenses are \$209.0 million or 39% under the approved budget primarily due to lower actual and forecasted 2023 natural gas prices than those projected at the time of the 2023 budget appropriation
 - Operating revenues are \$262.1 million or 21% under the approved budget mainly due to a decrease in fuel prices reflected in ECA / GCA. Non-Fuel revenue was down \$19.5 million with water making up \$16.1 million. Non-fuel sales were down due to weather.
 - Capital expenses are \$45.9 million or 11% under the approved budget primarily due to contractor production delays on the Operational Fiber Network project.
 - Non-fuel operating expenses are \$8.5 million or 2% under approved budget primarily due to labor and benefits shift to Capital.

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

As of the end of the fourth quarter of 2023:

- Operating and maintenance expenses exceeded the approved budget by \$0.4 million or <1% in Wastewater.
- Capital expenditures exceeded the approved budget by \$3.6 million or 9% in Gas and \$8.7 million or 33% in Common.

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

In the fourth quarter of 2023, there were three cancelled capital projects, two in electric and one in Common:

- Electric System Resiliency (194039) - \$3,000,000
- Nixon Unit 1 Secondary Superheater Replacement (193972) - \$1,500,000
- Plaza of the Rockies Divestment Project (596572) - \$800,000

In the fourth quarter of 2023, there were seven new capital projects, five in electric, one in water and one in common:

- Nixon 2 Generator Rotor Rewind (194086) - \$ 927,165
- Land Acquisitions - Non-project Related (596666) - \$774,650
- Santa Fe Substation (194029) - \$687,814
- Blue River Property Acquisition (394792) - \$617,482
- Front Range Power Plant CT1 Generator Stator Rewind (194092) - \$599,760
- Front Range Power Plant CT2 Generator Stator Rewind (194091) - \$599,760
- Powers Substation Transformer and Switchgear Replacement (194046) - \$556,085

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

In the fourth quarter of 2023, there were 36 new contracts initiated over \$500,000.

Service	Description	Type	Contract Amount
Electric Service	Front Range Power Plant CT1 and CT2 Generator Stator Rewind Materials	RELEASE	\$3,998,398
Electric Service	Flying Horse Substation Series Reactor Construction	STANDARD	\$2,897,165
Electric Service	Front Range Power Plant Long Term Service Agreement	RELEASE	\$2,199,995
Multi Service	2024 Blanket Fuel Agreement w/ City of Colorado Springs	RELEASE	\$2,000,000
Multi Service	NAPA Parts and Services	RELEASE	\$2,000,000
Electric Service	Substation Transformer Products and Service	RELEASE	\$1,881,416
Electric Service	Quote# 70012576 Substation Transformer Products and Service	RELEASE	\$1,836,101

Electric Service	Front Range Power Plant Long Term Service Agreement	RELEASE	\$1,656,403
Multi Service	purchase available 2023 F150's Altec off lot Crew Cab 5.5 unit (chassis')	RELEASE	\$1,382,900
Wastewater Service	Purchase new units U98003, U98004, U98005 - 2023 John Dere 8RT 370 tractors, & disk	RELEASE	\$1,280,194
Multi Service	HEAP Program (2024 year)	RELEASE	\$1,270,526
Gas Service	16" Steel Pipe Marksheffel Connector GPAP Expansion	STANDARD	\$1,218,336
Electric Service	NGG Spare parts - Proposal # 1662529 Rev 1	STANDARD	\$1,130,255
Wastewater Service	Task Order Wastewater Rehabilitation Program_2023 CSRR 125 CIPP	RELEASE	\$1,109,185
Water Service	Task Order - URP-0023 Water Main and Service Line Replacement	RELEASE	\$1,098,848
Electric Service	Mass Deployment Zone 21 - TMD	RELEASE	\$975,771
Multi Service	Birdsall 02 Cooling Tower Upgrade and Replacement	STANDARD	\$963,722
Electric Service	Mass Deployment Zone 20 - TMD	RELEASE	\$882,060
Multi Service	Infor SaaS Solution	RELEASE	\$864,000
Water Service	Contract Lower Skyway Pump Station Replacement Project (SAA, Design, and ESDCs)	STANDARD	\$806,820
Electric Service	Purchase Nixon Baghouse Bags for bag change out.	STANDARD	\$779,463
Multi Service	LYSC09 - IR Fleet Maintenance Shop Construction	STANDARD	\$761,762
Multi Service	Enterprise Network Rebuild	RELEASE	\$626,218
Electric Service	November Forecast - Held at Irby	RELEASE	\$608,486
Multi Service	CISCO Products and services	RELEASE	\$583,098
Service	Description	Type	Contract Amount
Multi Service	Purchase new units U86001, 02, 03 2023 CAT 430 backhoes w/ hammers/ compactors with service contract	RELEASE	\$581,003
Wastewater Service	Middle Tributary Lift Station and Force Main Rehabilitation	RELEASE	\$565,580
Multi Service	2023 Dataraker Renewal	RELEASE	\$546,498
Water Service	Alley main 18th to 20th between W Platte Ave and W Bijou St_FWLAP	RELEASE	\$542,270
Electric Service	Mass Deployment Zone 22 - TMD	RELEASE	\$541,443
Electric Service	SPAG FO System Testing	STANDARD	\$536,336
Electric Service	801 & 701 Switch Order	STANDARD	\$528,165
Wastewater Service	JDPWRRF Inlet Secondary Clarifier Gates Replacement project	STANDARD	\$517,935
Water Service	Valve raiser upfit for new units U4027 & U4028	RELEASE	\$512,732
Electric Service	Cable & Wire Alliance HELD AT IRBY	RELEASE	\$503,136

Electric Service	DRENNAN ROAD, 8655 - HORIZON SUBSTATION AUGUST - OCTOBER PARTIAL BILLING	RELEASE	\$501,339
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In the fourth quarter of 2023, there were three existing contracts increasing to over \$500,000.

Service	Description	Type	Contract Amount	
			Prior Qtr. Amount	Q2 Amount
Multi Service	Altec Monthly Fees 2022-2023	RELEASE	\$271,728	\$555,390
Water Service	Preliminary and Final Design of the Wilson Tank Replacement	RELEASE	\$469,011	\$512,130
Wastewater Service	Study and Alternative Analysis for Wastewater Diversion Structure Replacement Project	RELEASE	\$320,248	\$501,318

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 2023, there is 33.35 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 the applicable sections of the Colorado State Procurement Code and Springs Utilities procurement policies and 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 24.7% 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 2023, there were no significant financial impacts on the Municipal Government.



Date: May 22, 2024

To: Utilities Board

From: Travas Deal, 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:	January 1, 2024 – March 31, 2024
Policy Title (Number):	Financial Condition and Activities (I-2)	Reviewing Committees:	Finance; Program Management Review
Monitoring Type:	Internal; City Auditor	Monitoring Frequency:	Quarterly, Annually
Guidelines:	Local Vendor (G-7)		

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

1. *Operate within total appropriations for the fiscal year and inform the Utilities Board of:*
 - a. *Significant financial variances*
 - Fuel expenses are projected to be \$148.7 million or 35% under the approved budget primarily due to lower actual and forecasted 2023 natural gas prices than those projected at the time of the 2023 budget appropriation.
 - Operating revenues are currently \$58.2 million or 19% under the approved budget due to a decrease in fuel costs that are being reflected in lower ECA / GCA revenue.
 - Capital expenses are projected to be \$6.0 million or 1% over the approved budget primarily related to four key areas; the Penrose Dam Emergency, two activities funded 95%-100% by Contribution-in-aid-of-Construction (CIAC); Airport & Powers - Electric Relocation and Entregris - 8" Plastic Mainline Extension 7,000'. The remaining is a shift in Administrative and General Expense from Operations and Maintenance to Capital.
 - Non-fuel operating expenses are projected to be \$9.7 million or 2% over approved budget primarily related to unplanned and unbudgeted projects and programs of work.

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

As of the end of the first quarter of 2024:

- Operating and maintenance expenses are projected to exceed the approved budget by \$0.1 million or <1% in Wastewater and \$6.7 million or 3% in Administrative and General
- Capital expenditures are projected to exceed the approved budget by \$2.0 million or 1% in Electric, \$2.9 million or 7% in Gas, \$0.7 million or 2% in Wastewater, and \$1.3 million or 5% in Common

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

In the first quarter of 2024, there was 13 canceled capital projects, three in Electric, one in Gas, three in Water, one in Wastewater, four in Common, and one in Multi:

- Advanced Technologies Campus (596664) - \$2,162,590
- New Substation - Northeast Area of Existing Service Territory (194030) - \$2,000,000
- Ruxton 24" and 30" Raw Water Main Replacement/Rehabilitation (394790) - \$2,000,000
- SEP Risk Tracking (193926) - \$1,838,000
- Data Analytics & AI (596715) - \$1,000,273
- Roadmap Defined Projects (596594) - \$1,000,273
- William Creek Substation (194034) - \$840,000
- Public Improvements-Wastewater (480015) - \$800,000
- SEP New Gas Propane Air Plant (293166) - \$736,000
- Homestake Suction Line Debris Screen (394740) - \$515,000
- Edge Computing Technology (596738) - \$500,136
- Clear Spring Ranch Dam Construction Upgrade (796741) - \$500,068
- Penrose Dam Rehabilitation (394787) - \$500,000

In the first quarter of 2024, there were 17 new capital projects, nine in Electric, two in Gas, three in Water, and three in Common:

- Management Reserve (100905,200905,300905,400905,500905) - \$11,286,580
- SEP Jackson Fuller Energy Storage (194073) - \$6,787,657
- Front Range Power Plant CT2 Generator Stator Rewind (194091) - \$3,974,720
- Penrose Dam Emergency (394791) - \$2,771,790
- Electric System Resiliency (194039) - \$2,666,427
- Front Range Power Plant CT1 Generator Stator Rewind (194092) - \$2,429,551
- Kettle Creek 12.5kV Feeder Addition (193889) - \$2,024,950
- Arkansas Basin Storage (394755) - \$1,900,000
- Fuller Transformer Addition & Getaways (192503) - \$1,326,433
- Airport & Powers - Electric Relocation (194103) - \$1,300,000
- Entregis - 8" Plastic Mainline Extension 7000' (293210) - \$1,100,000
- SECC Building HVAC Upgrade (596631) - \$887,026
- Leon Young Service Center Roof Upgrade and Replacement (596497) - \$771,963

- Front Range Power Plant CT2 Generator Rotor Rewind (194095) - \$707,223
- Gas Tapping and Stopping Equipment (293196) - \$654,698
- SDS Pump Station and Treatment Plant Program Upgrade (394793) - \$560,000
- United States Air Force Academy Visitors Center – 3,200' of 600 Amp Mainline Extension (193740) - \$504,102

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

In the first quarter of 2024, there were 29 new contracts initiated over \$500,000.

Service	Description	Type	Contract Amount
Electric Service	Network Fiber COSB Route B	STANDARD	\$11,606,520
Electric Service	Front Range CT1 and CT2 Generator Repairs	RELEASE	\$6,063,120
Gas Service	Steel Pipeline Construction-Marksheffel Connector Gas Propane Air Plant Expansion	STANDARD	\$5,276,455
Water Service	South Catamount Dam Rehabilitation Project - Coating Services	STANDARD	\$4,640,106
Electric Service	Contract_FR2309 Front Range Power Plant High Energy Pipe Inspection and Repair Piping	STANDARD	\$3,198,791
Electric Service	Task Order - ETRM SPP RTOW Implementation	RELEASE	\$2,129,000
Multi Service	2024 - Customer Payment Options and Kiosk Pilot	RELEASE	\$2,000,000
Water Service	Purchase new units U6413 & U6414, 2025 Western Star 49X AquaStar vac/ recycler	RELEASE	\$1,566,612
Electric Service	72.5kV, 115kV, and 230kV SF6 Circuit Breaker Switchgear Alliance	RELEASE	\$1,467,276
Wastewater Service	NMCI and the Middle Tributary Lift Station Interceptor Connection Project	STANDARD	\$1,445,000
Water Service	AMI_2024 Water Construction Task Order	RELEASE	\$1,400,152
Wastewater Service	LVSRRF Influent Junction Box Replacement Design	STANDARD	\$1,257,491
Electric Service	Arc Resistant Switchgear Proposal# 254363 Rev 3	RELEASE	\$1,157,515
Electric Service	Arc Resistant Switchgear - Fontanero Substation	RELEASE	\$1,093,197
Electric Service	ABB Industry Care Extension Task Order	RELEASE	\$985,987
Wastewater Service	Wastewater Rehabilitation Program_2023 LCERP 128 CIPP	RELEASE	\$951,130
Multi Service	Amendment 010 Extend Optimization of Hypercare	RELEASE	\$756,491
Electric Service	Purchase new unit U3037, Altec Freightliner 125' aerial	RELEASE	\$682,058
Multi Service	Oracle Utilities CC&B Licenses and Support	RELEASE	\$673,118
Electric Service	Power Line Clearing Services - Map SW-3	RELEASE	\$664,891
Electric Service	Cable & Wire Alliance HELD AT IRBY	RELEASE	\$608,486
Electric Service	Cable & Wire Alliance HELD AT IRBY	RELEASE	\$608,486
Electric Service	Cable & Wire Alliance HELD AT IRBY	RELEASE	\$608,486

Water Service	Task Order_Cathodic Protection General Construction_Academy Blvd Condition Assessment, Test Station	STANDARD	\$606,203
Electric Service	Power Line Clearing Services_NE-3	RELEASE	\$590,920
Multi Service	High Efficiency Cooling 2024 Midsteam Program	RELEASE	\$580,754
Service	Description	Type	Contract Amount
Electric Service	Fan Deck, Fan Deck Joist and Drift Eiminator Replacement	RELEASE	\$579,172
Electric Service	Conceptual Fiber Network Architecture and System Level Design and Market Analysis	RELEASE	\$509,082
Multi Service	LYSC CSU stock Landis+Gyr AMI Warehouse Stock Material	RELEASE	\$504,560

In the first quarter of 2024, there were two existing contracts increasing to over \$500,000.

Service	Description	Type	Contract Amount	
			Prior Qtr. Amount	Q2 Amount
Electric Service	2023 Vehicle Purchases- U29047, 48, 49 & 50 chassis'	RELEASE	\$483,940	\$510,780
Water Service	Homestate 66" Inline Valve on the Discharge Line	STANDARD	\$443,183	\$504,440

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 first quarter of 2024, there is 27.2 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 the applicable sections of the Colorado State Procurement Code and Springs Utilities procurement policies and 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 30% for the first quarter, with a target of 30%.

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

During the first quarter of 2024, there were no significant financial impacts on the Municipal Government.



Date: May 22, 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.

May 2024 Water Outlook using data as of April 30, 2024

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

2024 Demands

April use averaged 50.4 million gallons per day (MGD), which was about 2.2 percent greater than last April. Temperatures in April were above the thirty-year average at 50.2 degrees Fahrenheit, which was 2.7 degrees above normal. Total precipitation for April was 1.51 inches, which is above normal. Year to date precipitation is 5.00 inches, which is 175 percent of normal.

Current Reservoir Levels

Local storage is currently at about 54,830 acre-feet (83 percent of capacity). The 1991-2020 average is 80 percent of capacity. Rampart Reservoir is at 94 percent of capacity, and Pikes Peak storage is at 65 percent of capacity. System wide, total storage is about 210,600 acre-feet (81 percent of capacity). Last year at this time, total system wide storage was 71 percent of capacity. It was about 71 percent at this same time in 2022, about 70 percent of capacity in 2021, about 78 percent of capacity in 2020, about 71 percent of capacity in 2019, about 80 percent of capacity in 2018, about 78 percent of capacity in 2017, about 78 percent of capacity in 2016, and about 80 percent of capacity in 2015. The 1991-2021 average system wide storage for the end of April is 72 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 development is likely in western Colorado between now and July 31, 2024. The three-month climate outlook shows equal chances for above-average and below-average precipitation across the northeast portion of the state with slightly higher chances for below-average precipitation across the southwest portion of Colorado. The three-month outlook also shows higher chances for above average temperatures across Colorado.

Operational Notes

South Catamount Reservoir capacity remains restricted for planned dam maintenance. South Suburban Reservoir is drained for outlet work repairs. The South Slope system pipeline to Tollefson Water Treatment Plant has been removed from service for normal winter operations but will resume water deliveries in mid-May. Total system storage is at 81 percent of capacity and holds about 3.1 years of demand, which is above average for the end of April. Local storage contains about 291 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 April 30, 2024, the ECA under collection balance was \$7.6 million. The under collection balance changed by \$1.2 million from the \$8.8 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 April 30, 2024, the GCA over collection balance was \$5.7 million. The over collection balance changed by \$0.4 million from the \$6.1 million over collection balance reported last month. Utilities will continue to provide regular updates to the Utilities Board as appropriate.



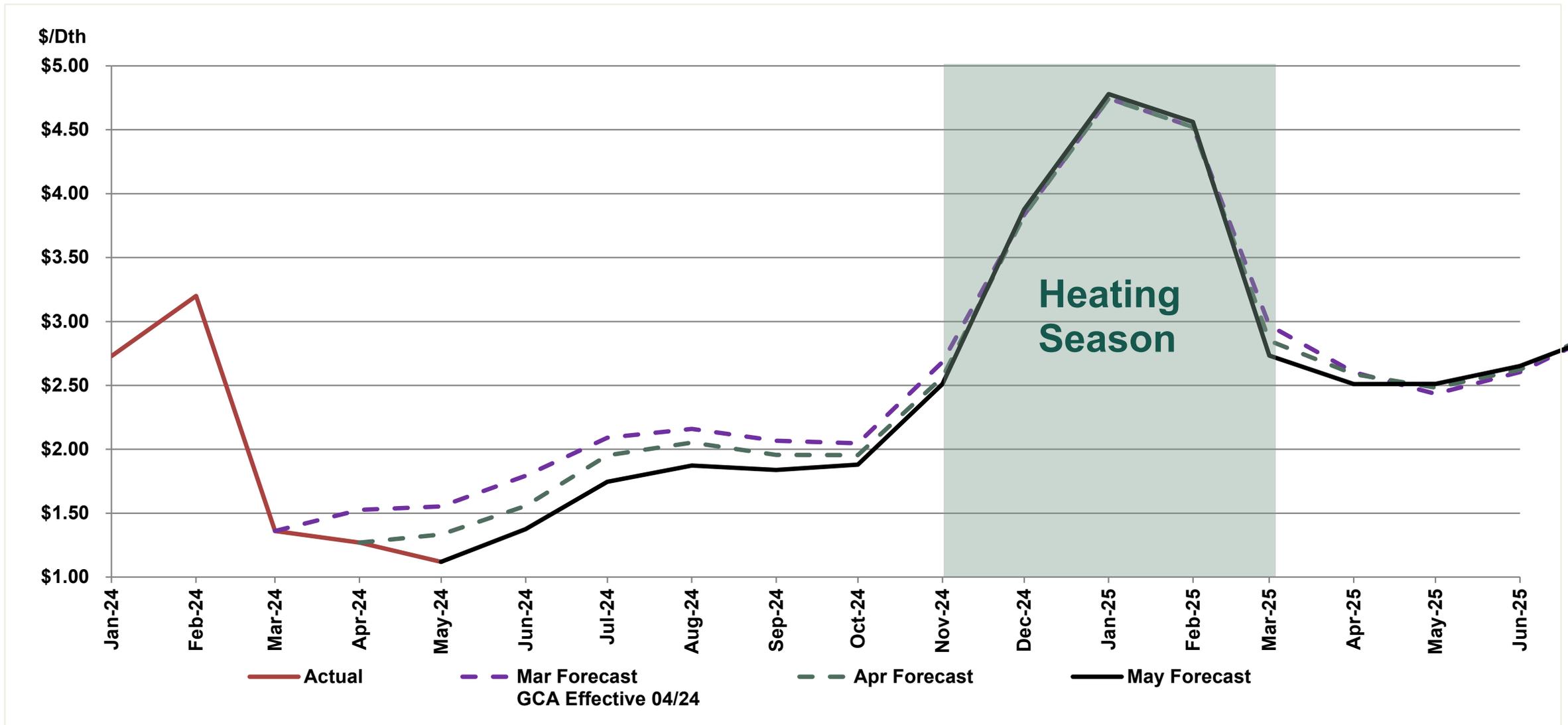
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Electric Cost Adjustment Gas Cost Adjustment

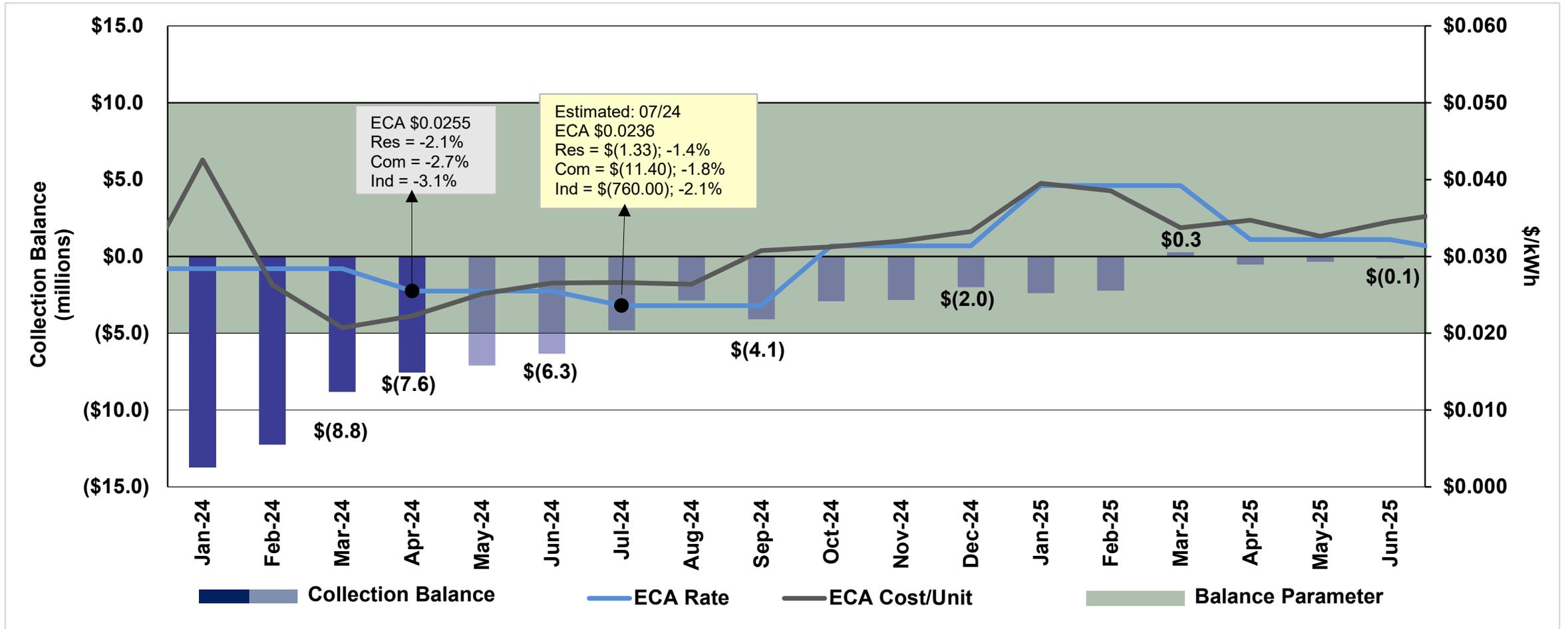
Scott Shirola, Pricing and Rates Manager

May 22, 2024

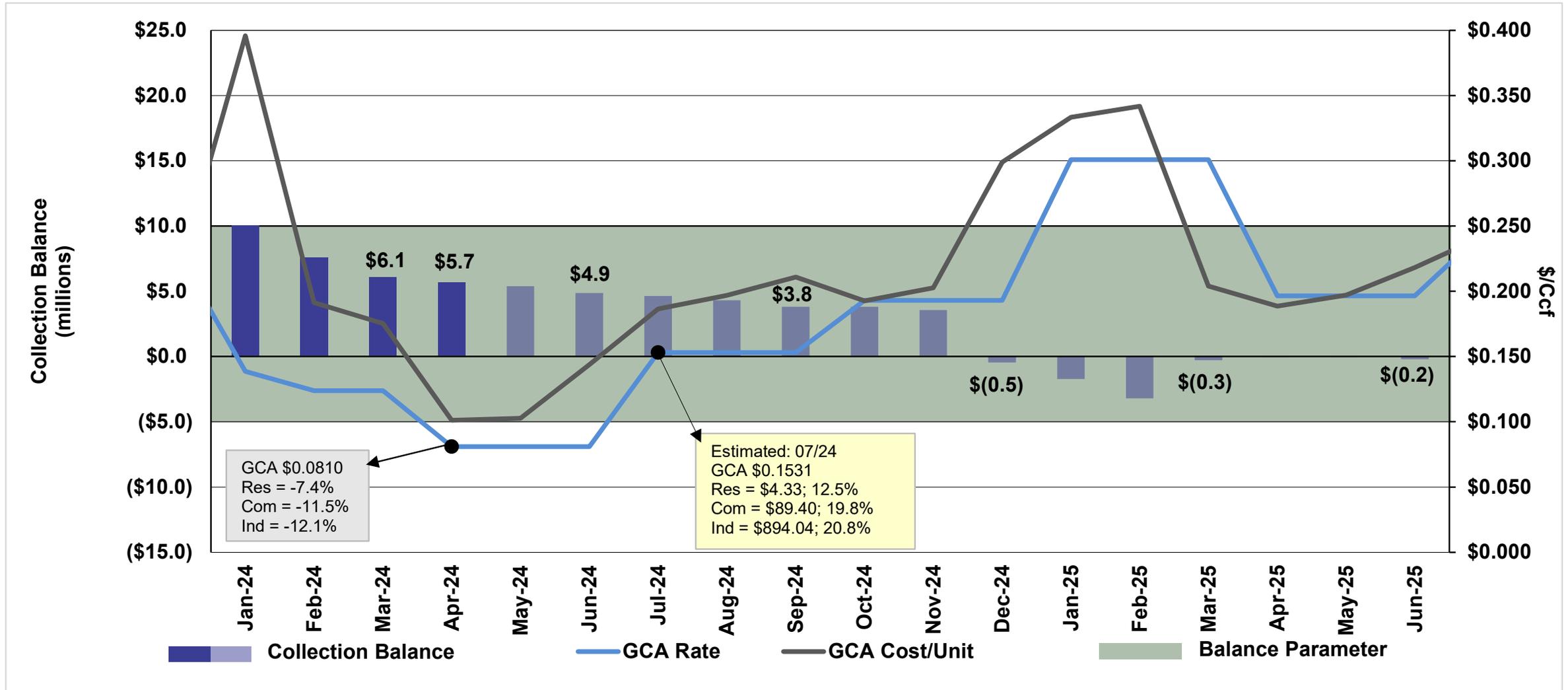
Natural Gas Prices as of May 1, 2024



ECA Projections May 2024



GCA Projections May 2024





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Water Outlook

Justin Zeisler, P.E.

Water Resource Engineer, Water Resource Planning

May 22, 2024

Local Weather Conditions as of April 30, 2024

Precipitation (Inches of Moisture)

- April 2024 – 1.51 in. (104% of normal)
- 2024 YTD Total – 5.00 in. (175% of normal)

Average Temperature (Degrees F)

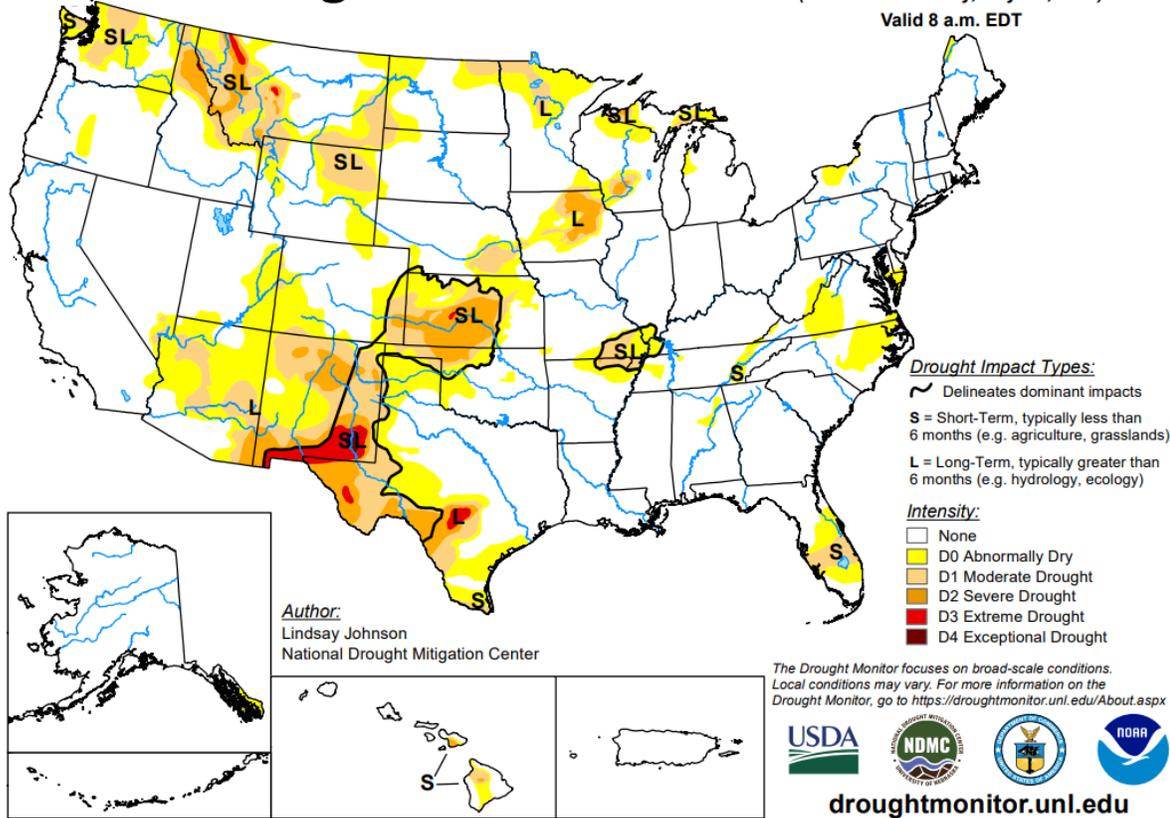
- April 2024 – 50.2 Deg. (2.7 deg. above normal)
- 2024 YTD Average – 40.1 Deg. (1.6 deg. above normal)



DROUGHT MONITOR

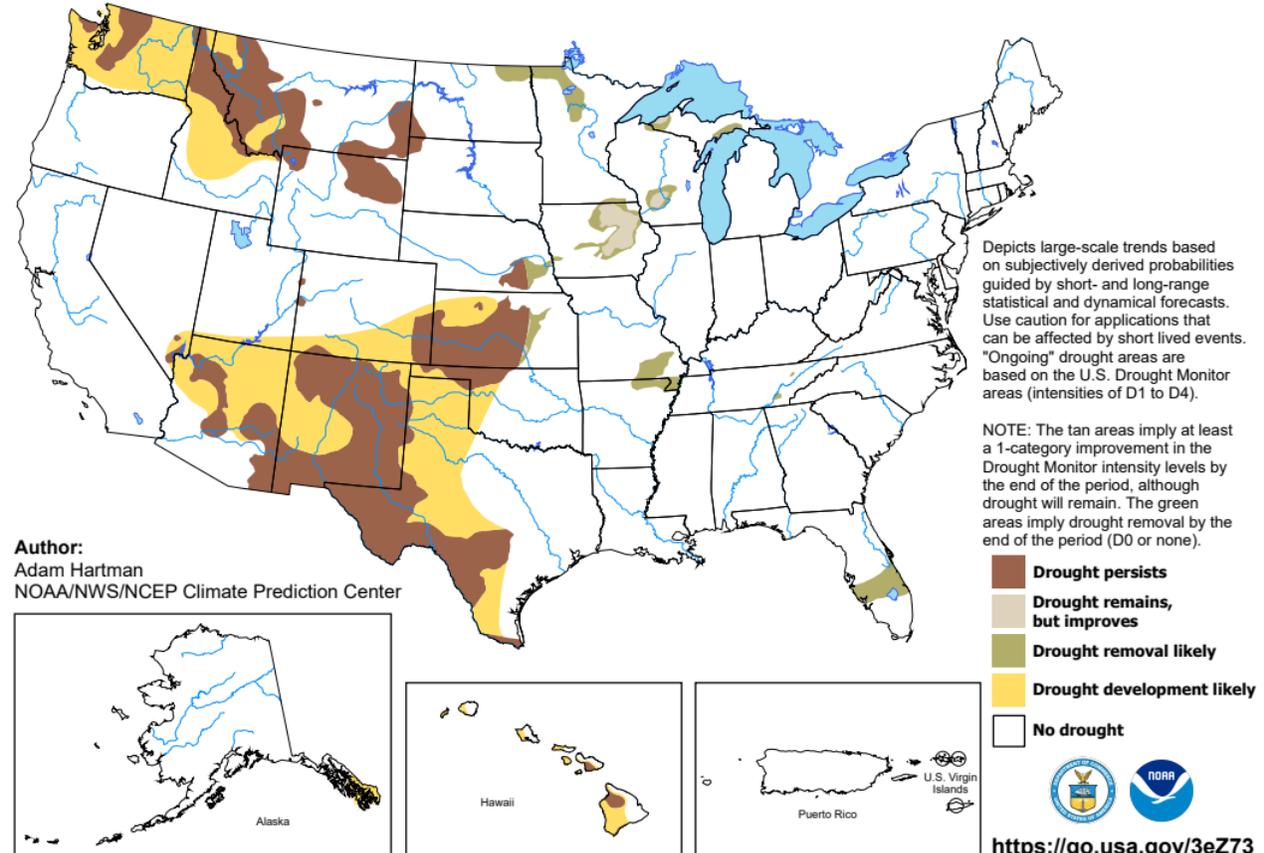
U.S. Drought Monitor

May 14, 2024
 (Released Thursday, May 16, 2024)
 Valid 8 a.m. EDT



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

Valid for May 16 - August 31, 2024
 Released May 16, 2024

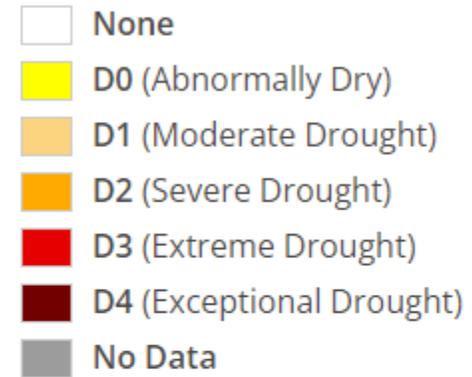


Colorado

Map released: Thurs. May 16, 2024

Data valid: May 14, 2024 at 8 a.m. EDT

Intensity



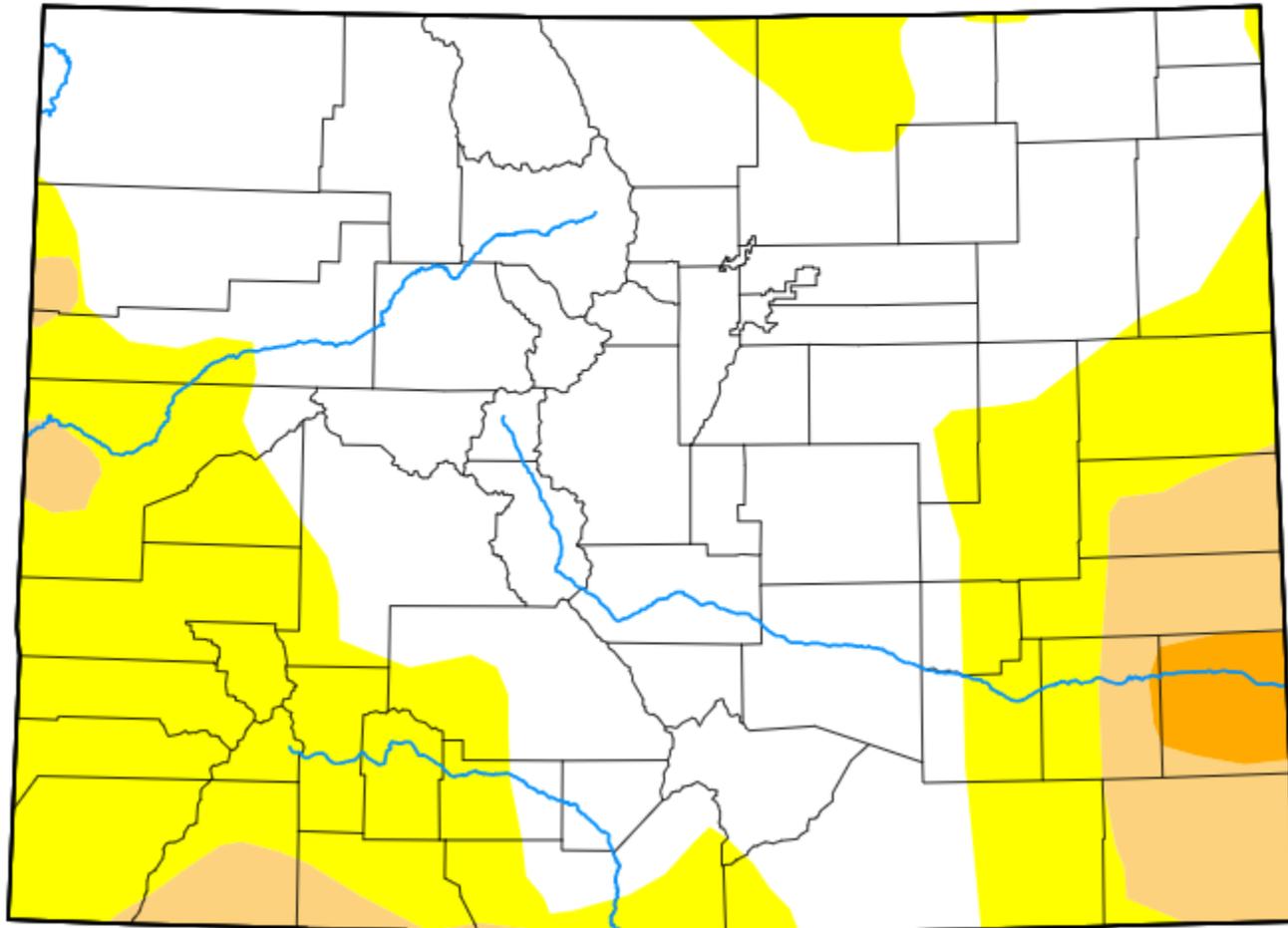
Authors

United States and Puerto Rico Author(s):

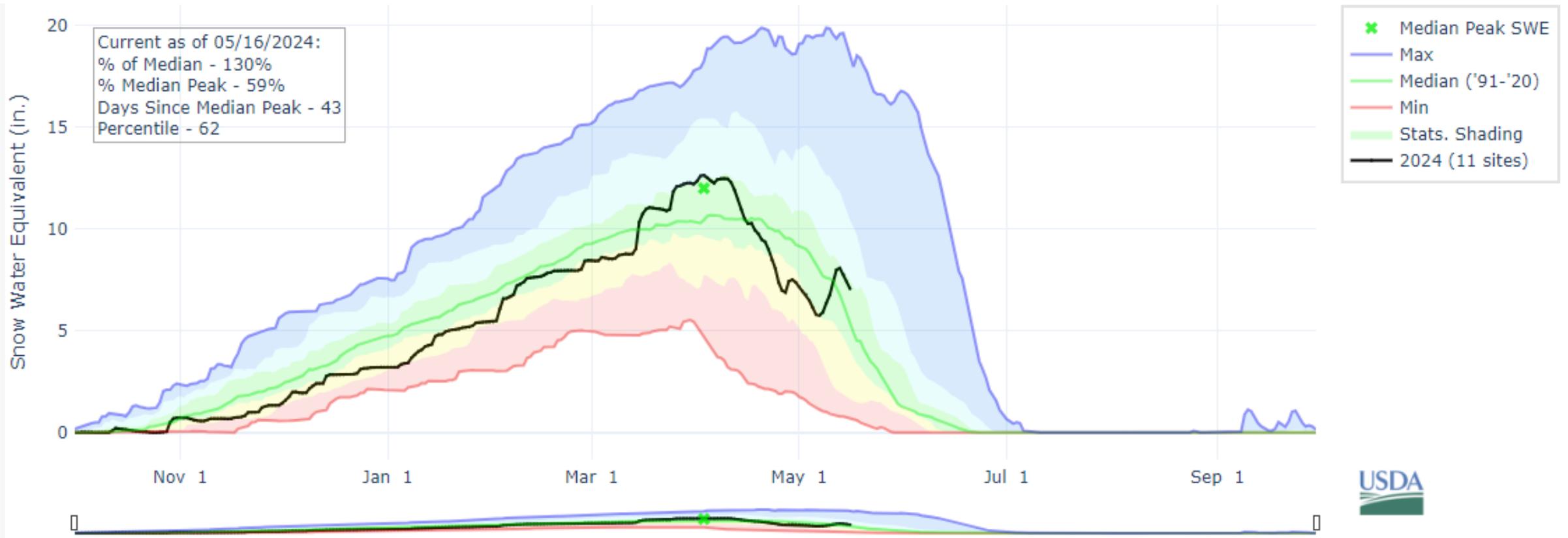
[Lindsay Johnson](#), National Drought Mitigation Center

Pacific Islands and Virgin Islands Author(s):

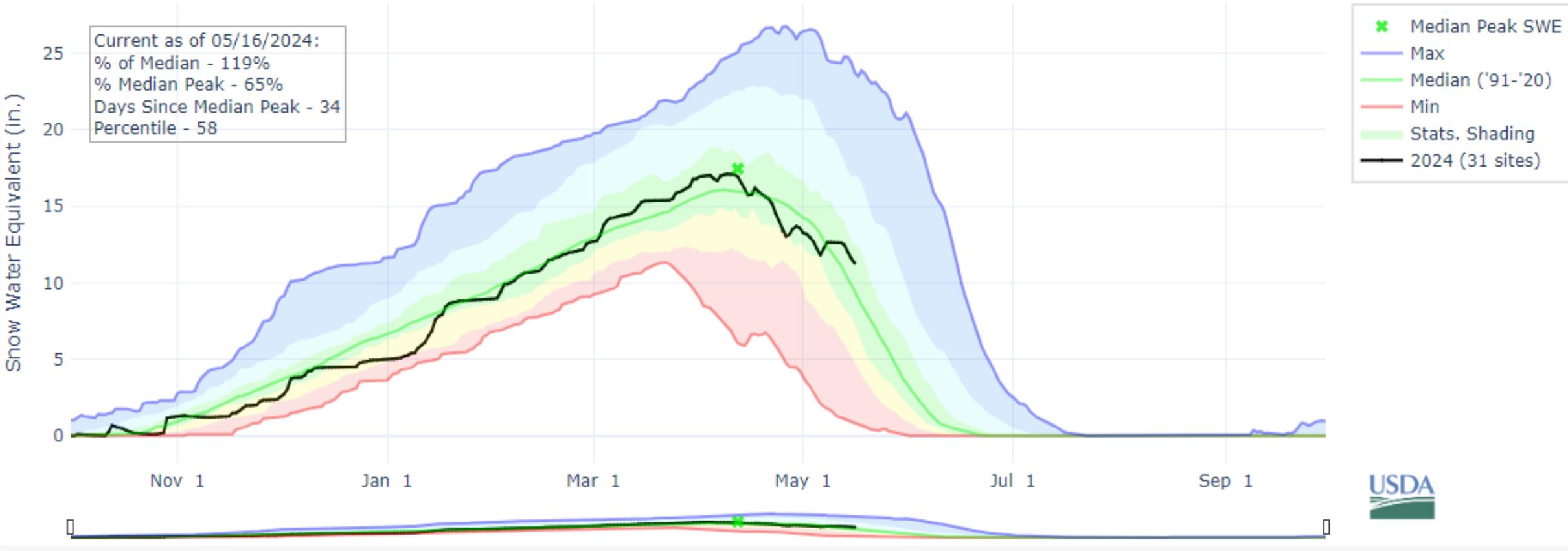
[Richard Tinker](#), NOAA/NWS/NCEP/CPC

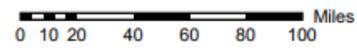
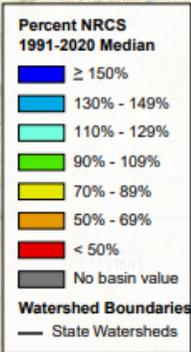
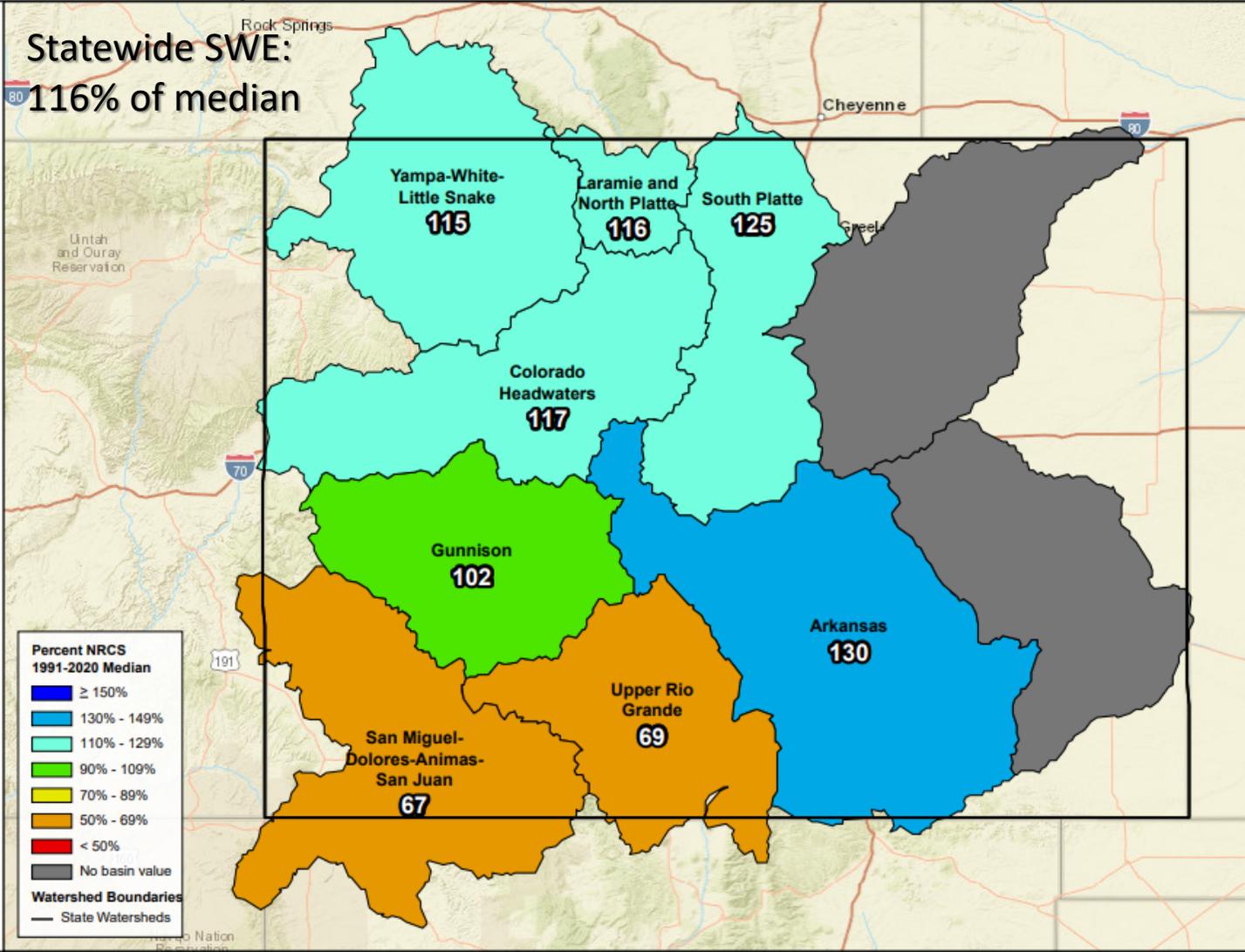


Snowpack in the Arkansas River Basin is 130% of normal



Snowpack in the Colorado River Headwaters Basin is 119% of normal





SNOTEL sites – May 15

Hoosier Pass (Blue River system)

149% of median

Independence Pass (Twin Lakes system)

149% of median

Fremont Pass (Homestake system)

116% of median

Glen Cove (Pikes Peak)

529% of median

2024 Demands

April

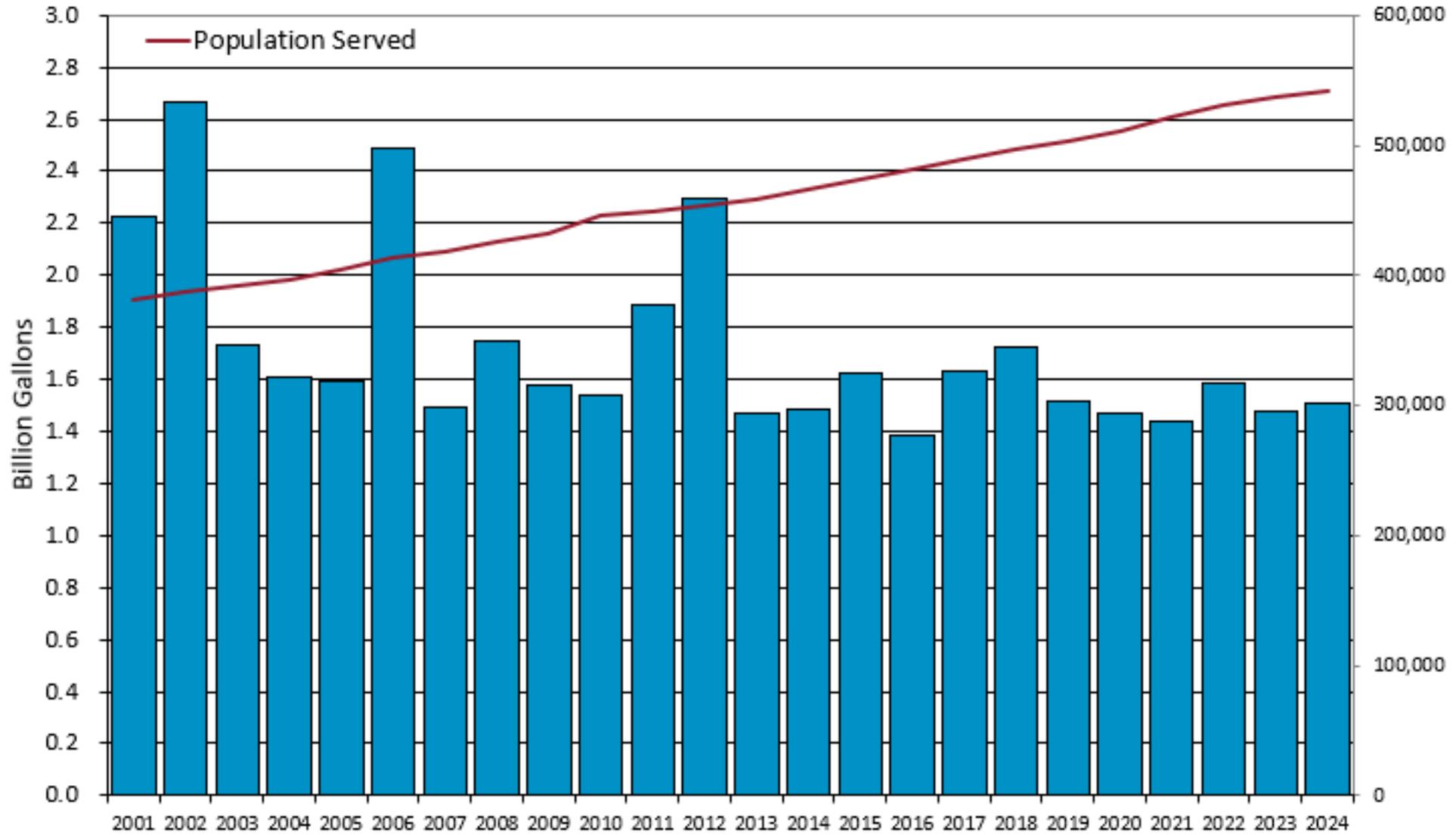
- Averaged 50.4 MGD
- 2.2% greater than April 2023

2024 Year to Date through April 30

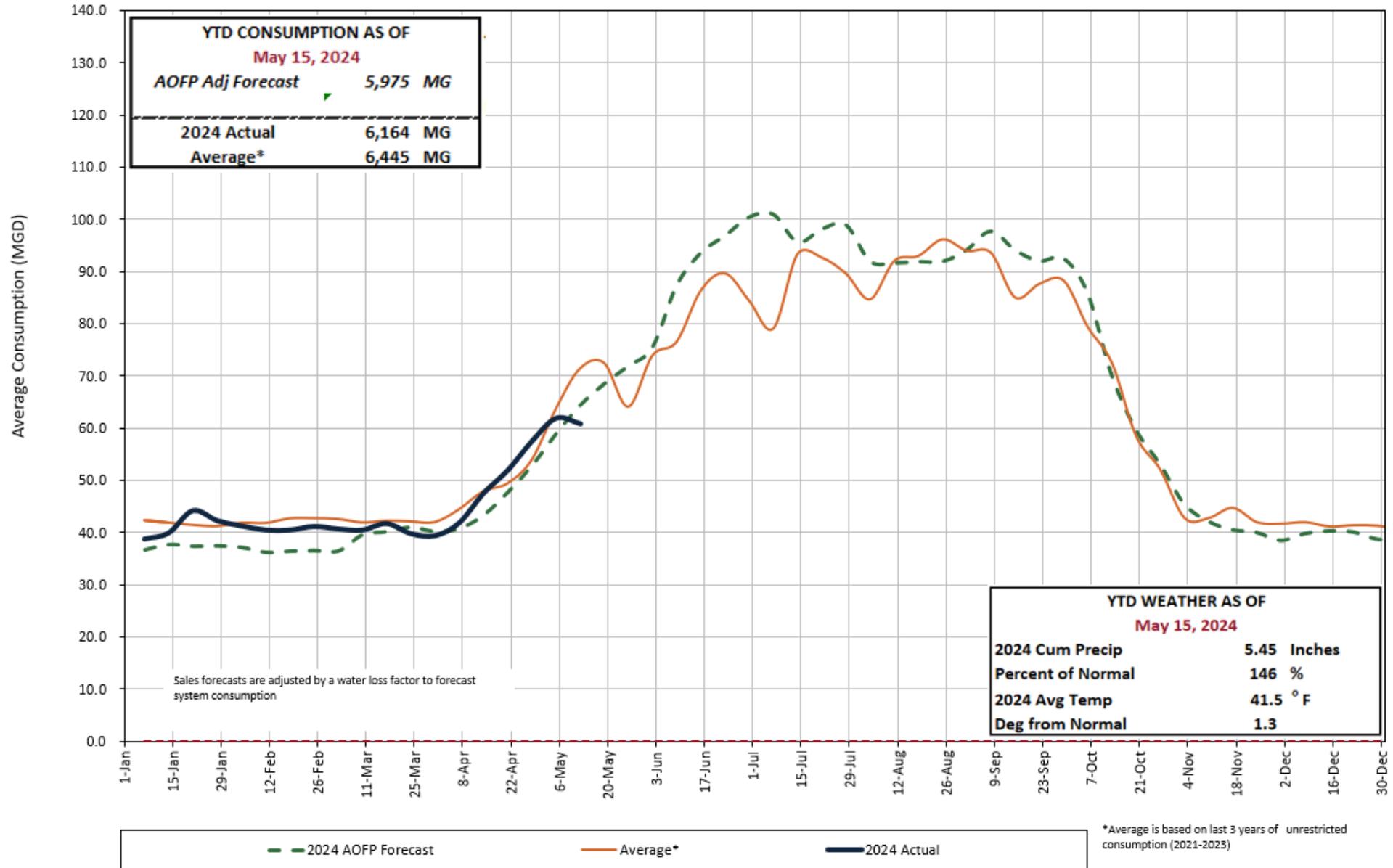
- Averaging 43.2 MGD, 5.2 BG total
 - 2.2% less than 2023
 - 0.12 Billion Gallons less than 2023



Monthly Water Use for April



2024 Actual Consumption (Weekly Data)



Reservoir Levels

May 15, 2024

- Pikes Peak 65 %
 - 91-20 Avg. 69 %
- Rampart 96 %
 - 91-20 Avg. 89 %
- Local Total 85 %
 - 91-20 Avg. 81 %
- System Total 80 %
 - 91-20 Avg. 74 %

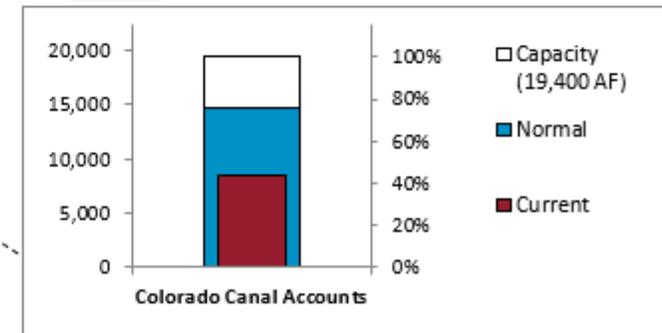
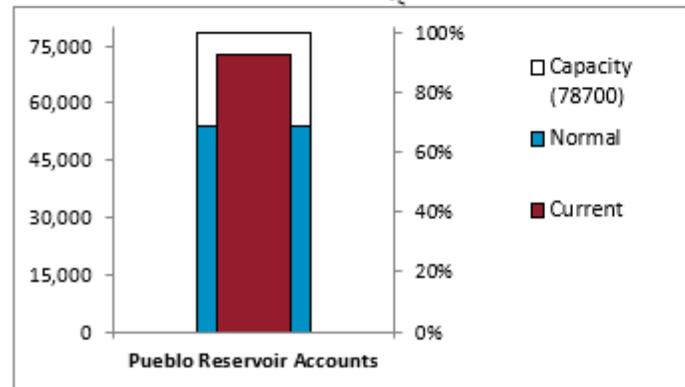
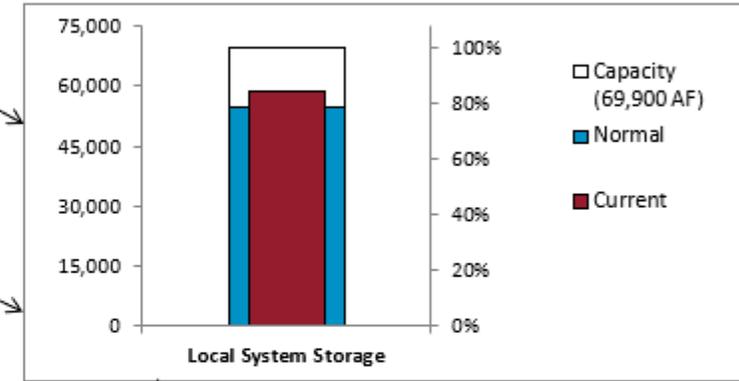
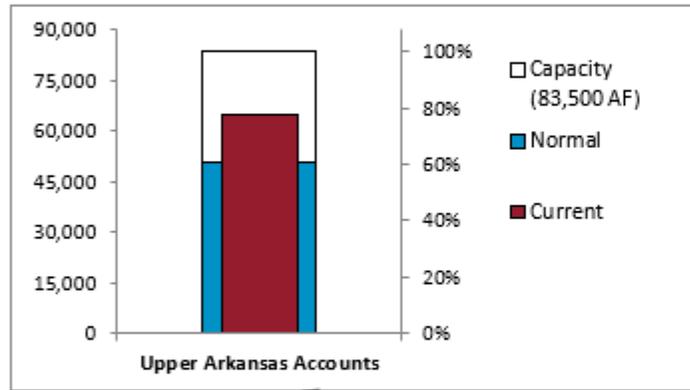
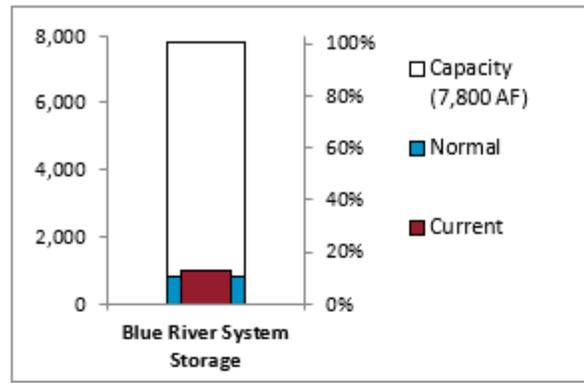


Colorado Springs' System Wide Storage:

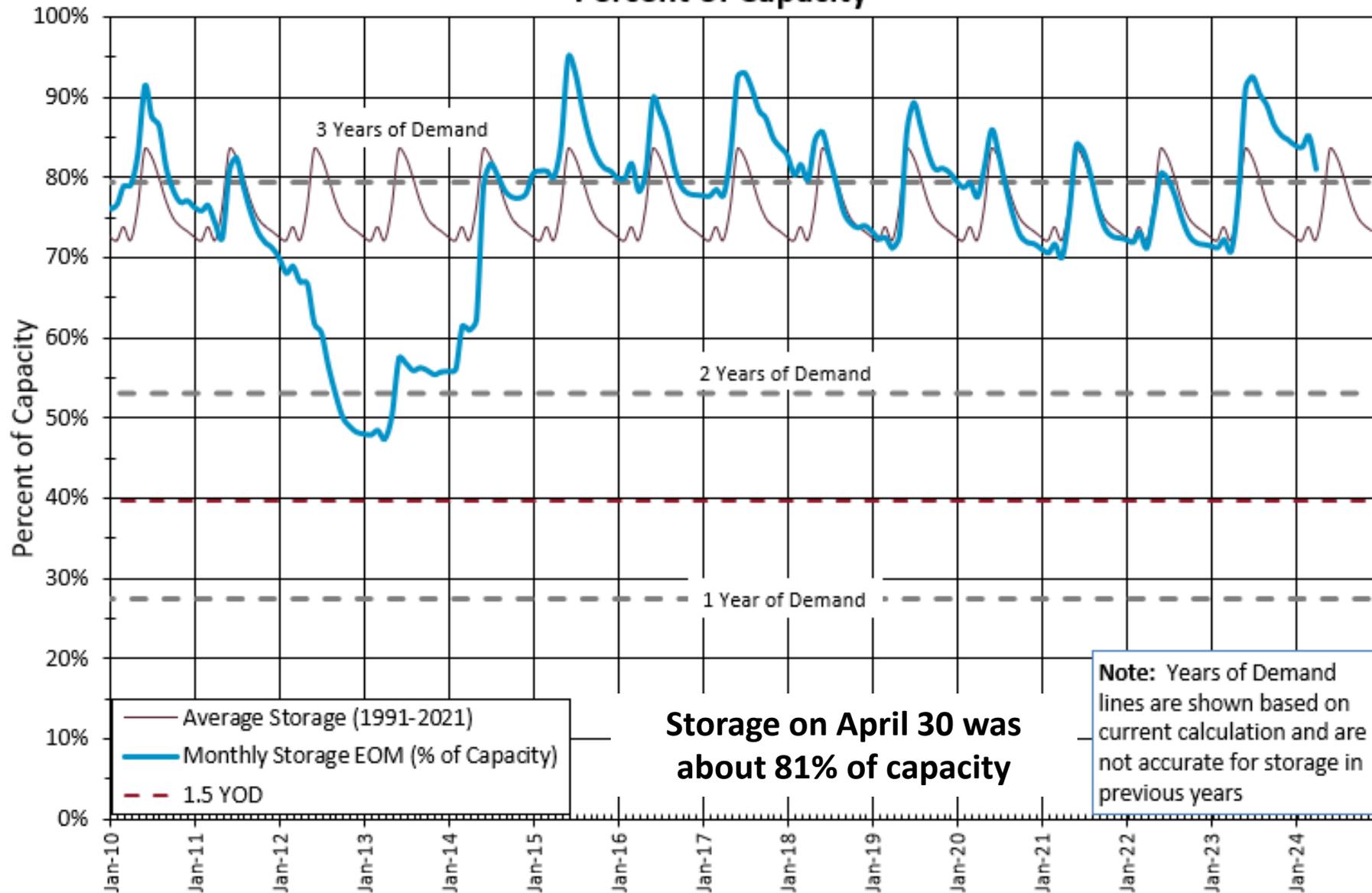
May 15, 2024 **206,500 af**
79.5 %

2001-2022 avg **174,900 af**
67.3 %

Average YTD Demand **45.3 MGD**



Monthly Storage Percent of Capacity



**Storage on April 30 was
about 81% 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 79.5% of capacity, about 6% above our long-term average
 - About 3.1 years of demand in storage, based on the past 3 years of demand
 - Have 296 days of demand in local storage
- Three-month outlook predicts
 - Higher chances for above average temperatures across Colorado
 - Higher chances for below average precipitation across 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 Suburban Reservoir is drained for outlet work repairs
- South Slope system pipeline to Tollefson WTP is removed from service for normal winter operations, but will resume water deliveries in mid May



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Board Memo Agenda Item

Staff Report

Date: May 22, 2024
To: Utilities Board
From: Travas Deal, Chief Executive Officer
Subject: A Resolution reaffirming the Arkansas Basin Preservation Principles and opposing City of Aurora's water rights purchase in Otero County

NARRATIVE:

Desired Action: Approval

Executive Summary: In 2003, the City of Colorado Springs, alongside Southeastern, Lower Arkansas, and Upper Arkansas Water Conservancy Districts, the City Council of Pueblo, and Pueblo Board of Water, ratified the Arkansas Preservation Principles. This decision grew out of the City of Aurora's acquisition of agricultural water rights in the Lower Arkansas Valley. The principles were adopted with the belief that collaboration among the signatories would enhance their ability to protect their shared interests in the Arkansas River Basin. Now, two decades later, the Arkansas River Basin faces a new challenge as Aurora seeks to purchase and transfer agricultural water out of the Lower Arkansas Valley. Colorado Springs Utilities seeks to reaffirm its commitment to the principles and express its opposition to Aurora's new purchase.

Benefits: Colorado Springs Utilities is committed to the protection of the Arkansas River Basin and has spent significant time and effort developing relationships with farmers in the Lower Arkansas Valley through its Water Sharing Program. Springs Utilities and those farmers now face the threat of new water being permanently transferred out of a water-short basin. Standing with our partners is important, builds trust and protects the Arkansas Basin as a whole.

Board Policy: I-7 Water Resource Management

Cost/Budget: N/A

Affected Parties: Existing and future customers of Colorado Springs Utilities and our neighbors and partners in the Lower Arkansas Valley.

Alternatives: Approve or not approve

Submitter: Abigail Ortega	Email address: ajortega@csu.org
Division/ Department: System Planning & Projects and Infrastructure & Resource Planning	Phone number: 719-668-8037
	Date submitted: May 6, 2024

SPG Staff Use Only: Consent Calendar	<input type="checkbox"/>	Yes	<input checked="" type="checkbox"/>	No	ITEM NO. 9
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ITEMS SUBMITTED AFTER THE DEADLINE WILL BE POSTPONED UNTIL THE NEXT UTILITIES BOARD MEETING.



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**Resolution Reaffirming the Arkansas Basin
Preservation Principles
and
Opposing City of Aurora's Water Rights
Purchase in Otero County**

Abby Ortega, General Manager

Infrastructure and Resource Planning

June 11, 2024

Fryingpan- Arkansas Project

Multi-purpose federal project approved in 1962 to benefit the Arkansas Basin, municipal, agricultural, industrial and recreational users.

The first delivery of Fryingpan-Arkansas Project water occurred in July 1972.

Southeast Colorado Water Conservancy District (SECWCD) is responsible for repayment and administration of the Project

El Paso County/Colorado Springs residents make up approximately seventy percent (70%) of the SECWCD's constituents



Arkansas Basin Preservation Principles

2004 The SECWCD, LAVWCD, UAWCD, Pueblo Water, City of Pueblo, and Colorado Springs sign Arkansas Basin Preservation Principles.

2022 Colorado Springs and Bent County sign IGA and agree to abide by the Preservation Principles.

2003/2004 Aurora signs IGAs with Southeast and Upper Arkansas Conservancy Districts to settle cases

1996 Colorado Springs identifies SDS as a priority water resource project and starts permitting.

Aurora needs water storage in Pueblo Reservoir and SECWCD approvals.

1980's-1990's Aurora purchases Rocky Ford Ditch shares and enters water court processes.

Aurora Caitlin Ditch Project

2003 IGA with SECWCD states: “Aurora shall not initiate or seek to implement any further permanent transfer of water rights not presently owned or under contract by Aurora” and Aurora would develop new water supplies within the Arkansas River Basin exclusively from “interruptible supply agreements or water bank transactions”

Aurora recently purchased 4,000 shares of stock in the Catlin Canal Company and other water rights, together with 5,475 acres of land in Otero County, Colorado, in the Arkansas River Basin

SECWCD Board of Directors adopted Resolution No. 2024 – 03D on April 9, 2024, urging Aurora to refrain from violations of the 2003 SECWCD IGA

Resolution Considerations

1. Reaffirm commitment to Preservation Principles
2. Affirm purpose of Bent County IGA is to prevent transfer of water out of the Arkansas River basin.
3. Aurora's transaction is contrary to the Preservation Principles and Utilities is obligated to oppose.
4. Support SECWCD and regional efforts to uphold the Preservation Principles.
5. Urge Aurora to honor its commitments in the 2003 IGA with SECWCD and abstain from permanent transfers.



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RESOLUTION NO. ____ - 24

A RESOLUTION IN SUPPORT OF THE ARKANSAS RIVER
WATER PRESERVATION PRINCIPLES AND IN SUPPORT
OF REGIONAL EFFORTS TO ENSURE THAT ARKANSAS
RIVER BASIN WATER IS NOT PERMANENTLY
TRANSFERRED OUT OF THE BASIN

WHEREAS, in 2003, the Pueblo City Council, the Colorado Springs City Council, the Board of Water Works of Pueblo, Colorado, the Board of Directors of the Lower Arkansas Valley Water Conservancy District, the Board of Directors of the Upper Arkansas Water Conservancy District, and the Board of Directors of the Southeastern Colorado Water Conservancy District collectively adopted the Arkansas River Water Preservation Principles (“Preservation Principles”) to, inter alia, “safeguard and preserve for present and future generations the water available for diversion and use within the Arkansas River Basin” and “to impose appropriate conditions and limitations on the transfer of water and water rights from the Arkansas River Basin”; and

WHEREAS, the City of Colorado Springs, acting through its enterprise Colorado Springs Utilities (“Utilities”), and the County of Bent, Colorado (“Bent County”) entered into an Intergovernmental Agreement in October, 2022 (“2022 Bent County IGA”), whereby they agreed, inter alia, to abide by the Preservation Principles and acknowledged that the harm from water projects that increase the diversion of water from the Arkansas River Basin to another river basin outweigh any benefits to the parties and agreed that each party shall endeavor to oppose any such project to the maximum extent possible; and

WHEREAS, the Southeastern Colorado Water Conservancy District (“SECWCD”) was created for the purpose of developing and administering the Fryingpan-Arkansas Project (“Project”), which is a transmountain diversion which supplies southeastern Colorado with improved supplemental water supply for irrigation, municipal and industrial uses, hydroelectric power generation, and recreational opportunities; and

WHEREAS, El Paso County/Colorado Springs residents make up approximately seventy percent (70%) of the SECWCD’s constituents (636,963 out of 907,622) and Colorado Springs Utilities (“Utilities”) uses the Project to obtain and deliver water to its customers; and

WHEREAS, SECWCD and the City of Aurora, acting by and through its Utility Enterprise (“Aurora”) entered into an Intergovernmental Agreement in October 2003 (“2003 SECWCD IGA”) whereby Aurora agreed, inter alia, that “Aurora shall not initiate or seek to implement any further permanent transfer of water rights not presently owned or under contract by Aurora” and that Aurora would develop new water supplies within the Arkansas River Basin exclusively from “interruptible supply agreements or water bank transactions” during the term of the 2003 SECWCD IGA; and

WHEREAS, Aurora recently purchased Arkansas River Basin water rights, including over 4,000 shares of stock in the Catlin Canal Company and other water rights, together with 5,475 acres of land in Otero County, Colorado, in the Arkansas River Basin (“Aurora Transaction”); and

WHEREAS, Aurora intends to export the water it acquired under the Aurora Transaction to its service area outside of the Arkansas River Basin; and

WHEREAS, the SECWCD Board of Directors adopted Resolution No. 2024 – 03D on April 9, 2024, urging Aurora to refrain from violations of the 2003 SECWCD IGA in the interests of regional cooperation and building relationships between water rights owners and municipal entities in the Arkansas River Basin; and

WHEREAS, the parties to the Preservation Principles have made an ongoing commitment to sustainable agriculture in the Arkansas River Valley; and

WHEREAS, City Council has determined that it is the best interests of the citizens of the City and the Utilities’ customers for City Council to: (1) reaffirm its commitment to the Preservation Principles; (2) affirm its belief that the Aurora Transaction is contrary to the Preservation Principles and that Utilities is obligated to oppose the Aurora Transaction under the Bent County IGA; and (3) affirm its commitment to support SECWCD and encourage Aurora to honor its commitments under the 2003 SECWCD IGA.

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

Section 1. City Council reaffirms its commitment to the Preservation Principles and to developing the City’s future water supplies with consideration to sustainable agriculture in the Lower Arkansas Valley.

Section 2. City Council affirms its understanding that a central purpose of the Preservation Principles and the 2022 Bent County IGA, is to prevent out-of-basin entities such as Aurora from purchasing any additional agricultural water rights and permanently transferring those water rights out of the Arkansas River Basin for municipal use.

Section 3. City Council believes that Aurora’s purchase of additional Arkansas River Basin water rights for transfer out of the Arkansas River Basin is contrary to the

Preservation Principles and that Utilities is obligated to oppose the Aurora Transaction under the Bent County IGA.

Section 4. City Council affirms its support of SECWCD and regional efforts to uphold the Preservation Principles.

Section 5. City Council urges Aurora to honor its commitments under the 2003 SECWCD IGA to (a) abstain from initiating or seeking to implement any further permanent transfers of water rights not owned or under contract by Aurora at the time of the 2003 SECWCD IGA and (b) only developing new water supplies from the Arkansas River Basin exclusively from “interruptible supply agreements or water bank transactions”.

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

Council President

ATTEST:

Sarah B. Johnson, City Clerk

Board Memo Agenda Item

Staff Report

Date: (Date of Utilities Board Meeting)	May 22, 2024
To:	Utilities Board
From:	Travas Deal, Chief Executive Officer
Subject:	Proposed Changes to the Undergrounding Policy
NARRATIVE:	
Desired Action: Choose only one	<input checked="" type="checkbox"/> Approval: Vote to adopt one or more resolutions modifying the undergrounding policy with respect to the planned Kelker to South Plant 115kV Transmission Line.
Executive Summary:	<p>Colorado Spring Utilities' policy regarding undergrounding of electric transmission lines is documented in City Code § 12.2.203 and the Electric Line Extension and Service Standards, as amended (ELESS). ELESS § 3.03 provides that "[n]ew electric transmission facilities will typically be constructed overhead ... [and] consideration for placement underground will be made on a case-by-case basis where overhead line congestion and other factors necessitate."</p> <p>As part of its Electric Integrated Resource Plan, Utilities is designing and constructing a 115kV transmission line that will connect the Kelker Substation to the South Plant Substation. Springs Utilities' plan for the project is to design and construct the entire project overhead. Colorado Springs Utilities has received two requests for modifications to its existing policy regarding undergrounding portions of the Kelker to South Plant transmission line.</p> <p>Board Member Talarico has proposed a modification to the policy which would direct Springs Utilities to underground the Kelker to South Plant transmission line where it overlaps the COS Creek Plan.</p> <p>Board Member Avila has proposed a modification to the policy which would direct Springs Utilities to underground the Kelker to South Plant transmission line where it is adjacent (within 250 feet) of residential properties.</p>
Benefits:	TBD
Board Policy: If this impacts one of the board policies, indicate that here.	P-3 Unified Utilities Board Direction to the Chief Executive Officer I-13 Community Investment
Cost / Budget: Include the projected cost or budget here.	Without any changes to the policy, the project budget is \$20,900,000. Board Member Talarico's proposed change would increase the Project budget by \$5,700,000. Board Member Avila's proposed change would increase the Project budget by \$6,100,000.
Affected Parties: This could include community groups, specific City Council Districts, other utilities, nonprofit organizations, certain neighborhoods, Colorado Springs Utilities employees, etc.	Pikes Peak Waterways, residential neighborhoods adjacent to the route of the Kelker to South Plant transmission line, ratepayers.

Alternatives:		<ol style="list-style-type: none"> 1. Make no changes to the policy. 2. Adopt resolution implementing Board Member Talarico's proposed policy changes. 3. Adopt resolution implementing Board Member Avila's proposed policy changes. 	
Submitter:	Joe Awad	Email Address:	Jawad@csu.org
Division:	SPP	Phone Number:	719 668 3504
Department:	Engineering and Design Dept	Date Submitted:	May 20, 2024
SPG Staff Use Only:	Consent Calendar <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Item Number	9
ITEMS SUBMITTED AFTER THE DEADLINE WILL BE POSTPONED UNTIL THE NEXT UTILITIES BOARD MEETING			



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

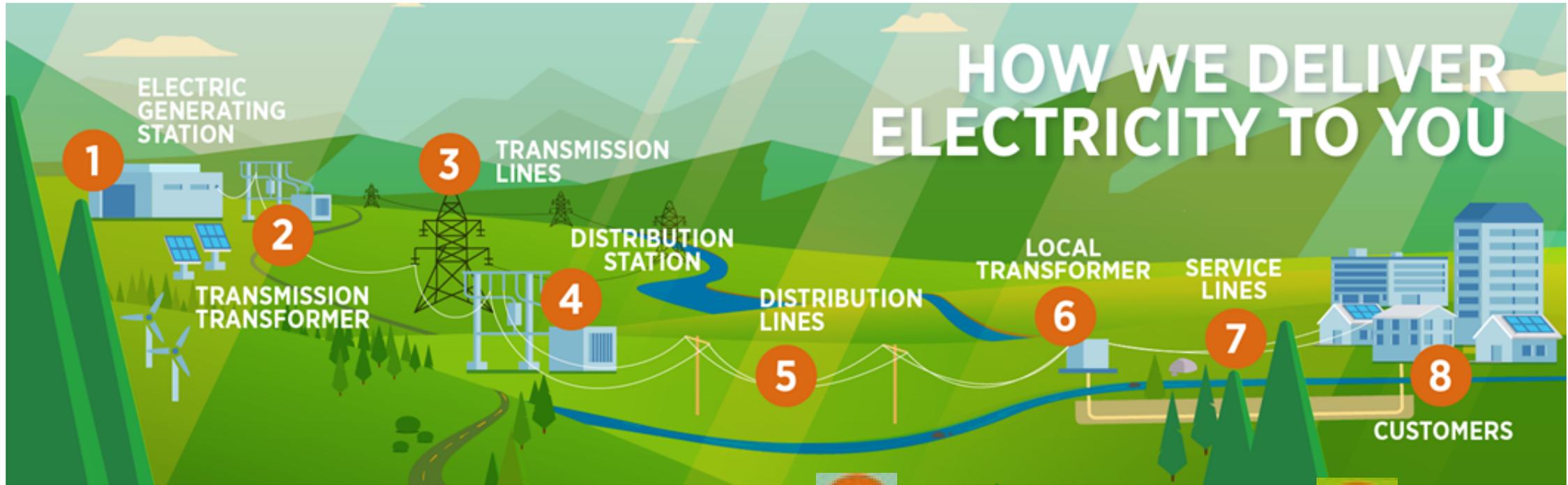
Proposed Changes to the Undergrounding Policy

May 22, 2024 – Utilities Board Meeting

Drew Latrell, Engineer V

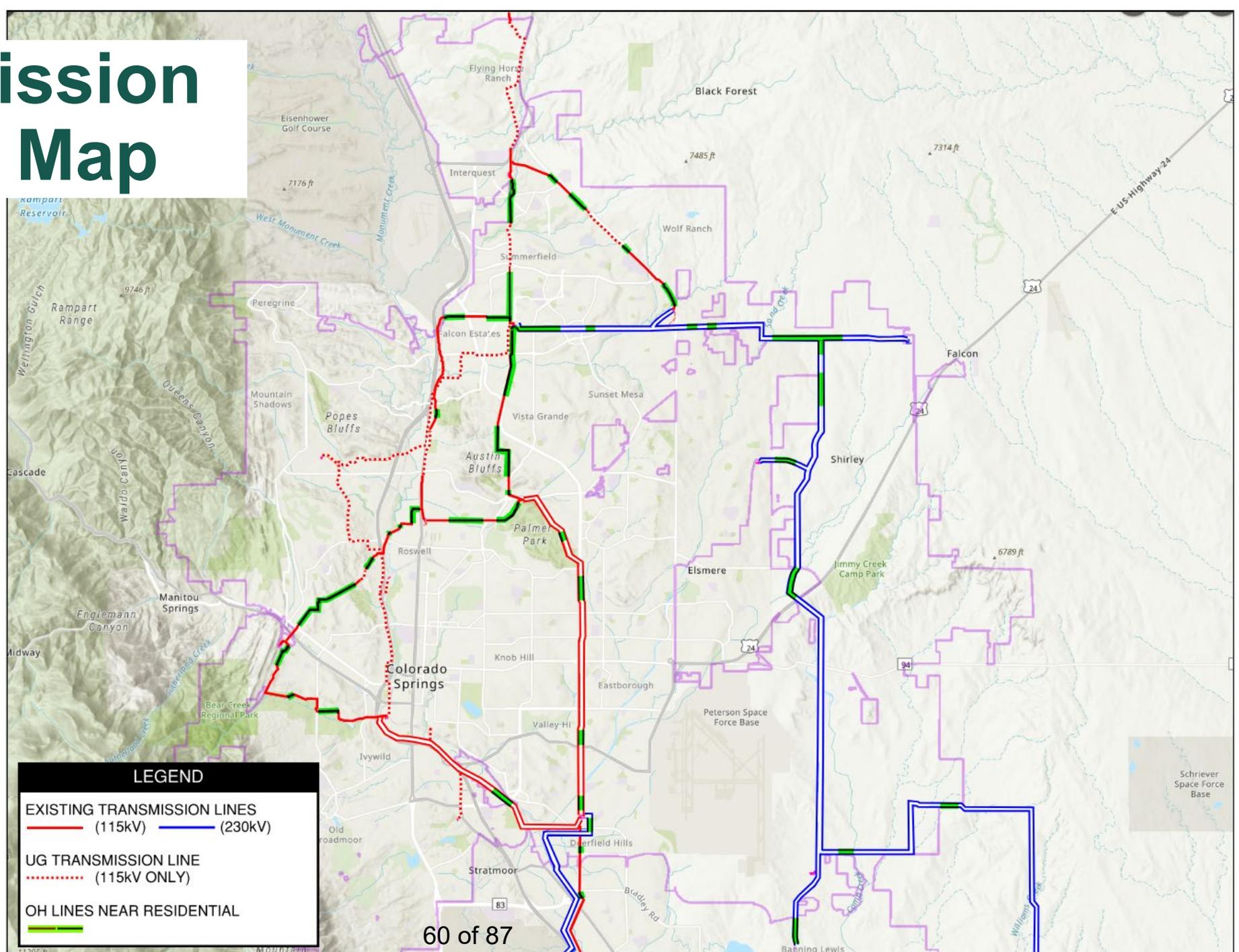
Joe Awad, General Manager

Electric System Overview



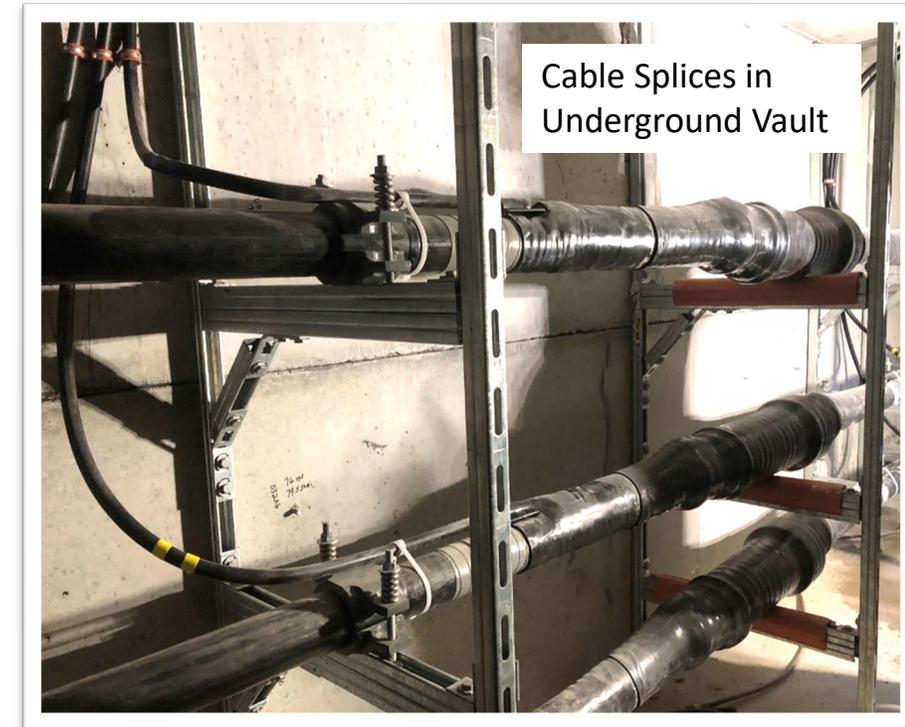
Electric Systems	Transmission 3	Distribution 5
Voltage	115,000 and 230,000 Volts	12,500 and 34,500 Volts
Total Miles (approx.)	240	3900+
% Overhead	90 %	21%
% Underground	10%	79%

Transmission System Map

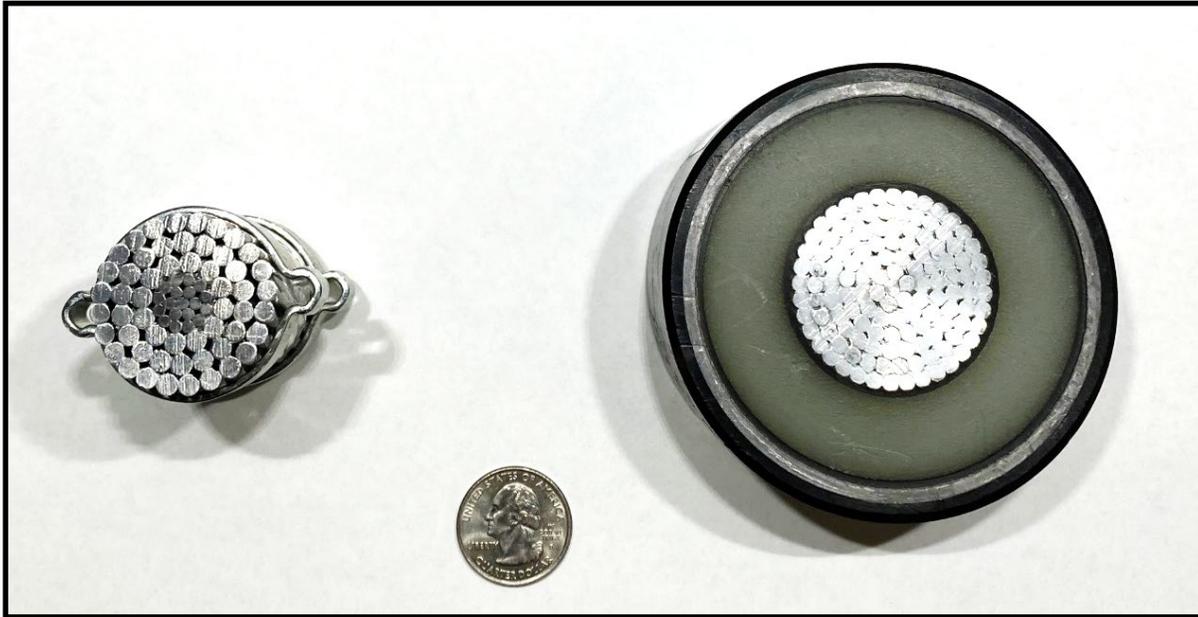


Electric Transmission Line Costs

- Expected typical costs
 - Overhead (OH) 115kV – \$4M/mile
 - Underground (UG) 115kV – \$12M/mile
- Contributing factors
 - Conductor cost:
 - OH - \$7/ft for standard conductor
 - UG - \$35/ft for custom cable
 - Land:
 - OH can cost \$500k - 4M+/mi for 100-ft easement
 - UG is routed in rights-of-way where possible but may require restoration at ~\$150k-500k/mi
 - Supporting elements:
 - OH – towers every 300 - 1000-ft at \$50k - \$200k/ea
 - UG – vaults & unique splices every ½-mi (~\$100k/set) and concrete duct bank (~\$1.5M/mi)



Typical Overhead and Underground Conductors

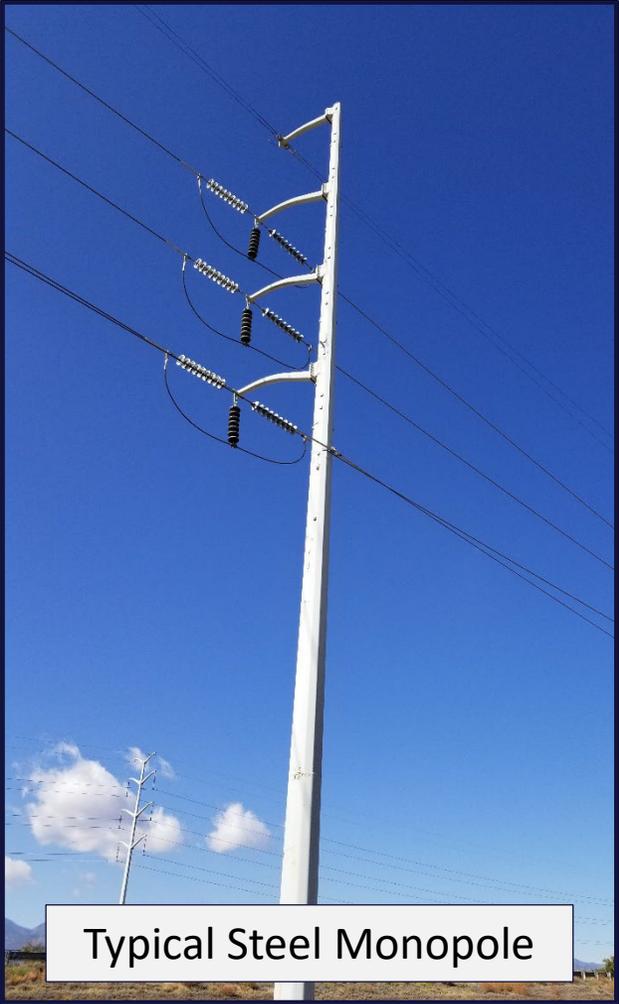


Typical Overhead Conductor and Underground Cable



Underground Reel on Custom Trailer for Cable Pulling

Typical Transmission Structures



Typical Steel Monopole



Steel Lattice Tower



Wood Framed Structure

Undergrounding Structures





Attributes and Considerations

Attribute	Overhead	Underground
Standardization	<ul style="list-style-type: none"> Limited to 6-8 conductors standards; common in industry; 99.5% OH nationwide Readily supported by multiple US manufacturers 	<ul style="list-style-type: none"> Typically Overseas suppliers Custom made cable; limited vendors Products not readily interchangeable
Installation	<ul style="list-style-type: none"> Splices every 3+ miles 	<ul style="list-style-type: none"> Splices +/- 1/2 mile (splice potential failure) in underground vaults
O&M	<ul style="list-style-type: none"> Life expectancy of 80 – 100-years with minor maintenance 	<ul style="list-style-type: none"> Cable and splices may require replacement after 30 – 40-years due to design life of insulation materials
Repairs	<ul style="list-style-type: none"> Required parts can be obtained from several vendors quicker return to service 	<ul style="list-style-type: none"> Requires expensive spare part inventory Repairs in confined space; resource intensive; may take weeks to repair
Reliability	<ul style="list-style-type: none"> Minimal faults and outages; outages typically only due to extreme weather events 	<ul style="list-style-type: none"> Reliable and less vulnerable to outside events Primary threat comes from “dig-ins” or similar construction activities or equipment failures or water intrusion

Industry Peers

- Platte River Power Authority (PRPA) – www.prpa.org
 - Community owned wholesale generation and transmission provider serving Ft. Collins, Estes Park, Longmont, & Loveland
 - 263 miles wholly owned; 522 miles jointly owned; 92% overhead
 - Notes that “...OH provides advantages including higher levels of capacity per cost, quicker construction/repair/inspection/maintenance, and greater life span”
 - UG considered in special circumstances (e.g. near airport) or where involved parties are willing to pay the cost differential
- Others
 - USA:
 - Total transmission (> 100kV) is approximately 385,000-mi
 - Underground transmission estimated at 2,045-mi or about 0.5%
 - PSCo and Tri-State Generation & Transmission:
 - Underground miles not published but both note similar advantages and concerns

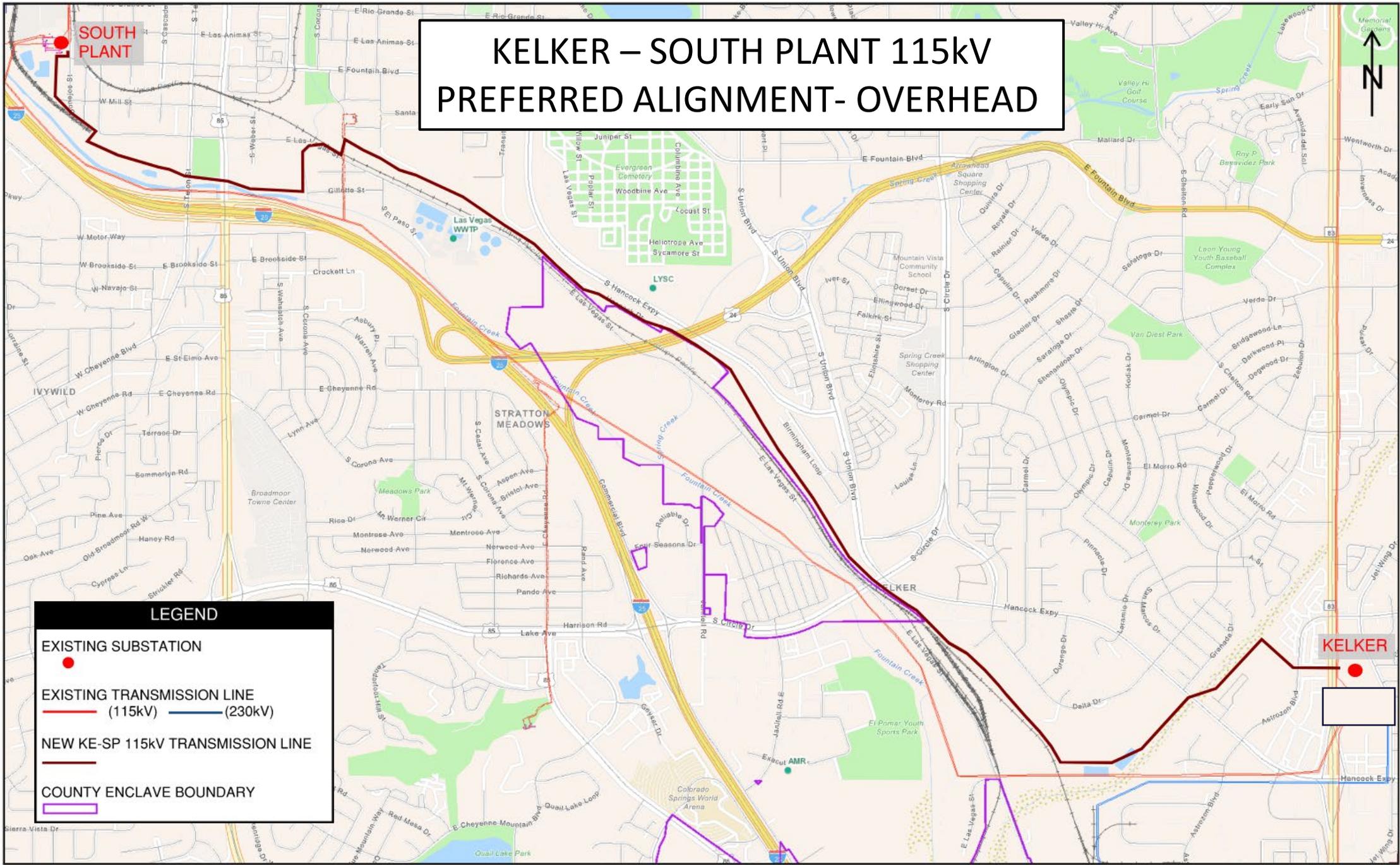
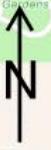
Current Construction Practice and Policy

- Transmission typically constructed overhead:
 - Cost effective; reliable
- Underground construction may occur
 - If there is congestion overhead, or
 - Requestor shares the cost of undergrounding:
 - Variable 50/50 to 70/30 cost sharing
 - a System Improvement Agreement (SIP) is in place:
 - Utilities will provide an estimate
 - Requestor makes deposits
 - Utilities seeks refund or additional payments at completion of the undergrounding
- Affirmed by Utility Board (UB) at the UB meeting October 18, 2023

Transmission Projects

- Current/ Active Projects- in design
 - Kelker to South Plant
 - 5.5 miles- Overhead; \$ 20,900,000; design, procurement on hold
 - Midway to Kelker
 - 17 miles double circuit w/ new 230kV and rebuild of existing 115kV- Overhead
 - 1500-ft of ea. circuit underground (due to congestion); \$60,000,000; design at 60%
 - Used as the basis for project budgeting
- Planned - not yet designed - New transmission projects
 - 80 miles Overhead
 - Regulatory: Interconnecting new generating resources
 - Reliability
 - Growth

KELKER – SOUTH PLANT 115kV PREFERRED ALIGNMENT- OVERHEAD



LEGEND

- EXISTING SUBSTATION
●
- EXISTING TRANSMISSION LINE
— (115kV) — (230kV)
- NEW KE-SP 115kV TRANSMISSION LINE
—
- COUNTY ENCLAVE BOUNDARY
□

Cost Estimate for Current Plan

- Current Plan – Build the entire Kelker to South Plant Transmission Line overhead

Current Policy and Current Plan:

- A: Overhead (entire line- 100% OH) – Utilities Cost: **\$ 20,900,000**
- B: Since undergrounding is not planned there is no Cost Sharing

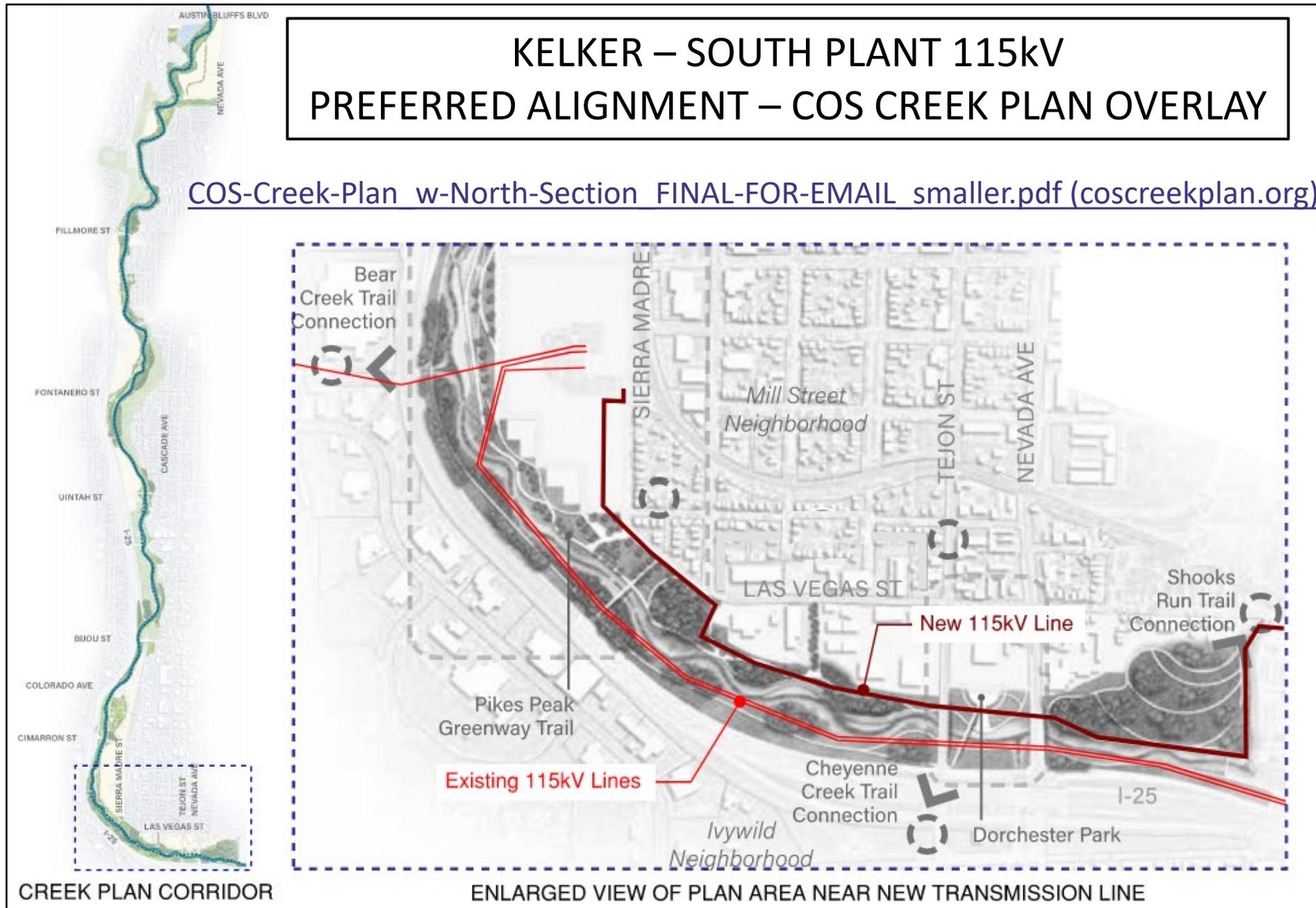
Note: All costs are estimated since the design is either conceptual or not 100% completed

Proposed Revisions to Current Plan

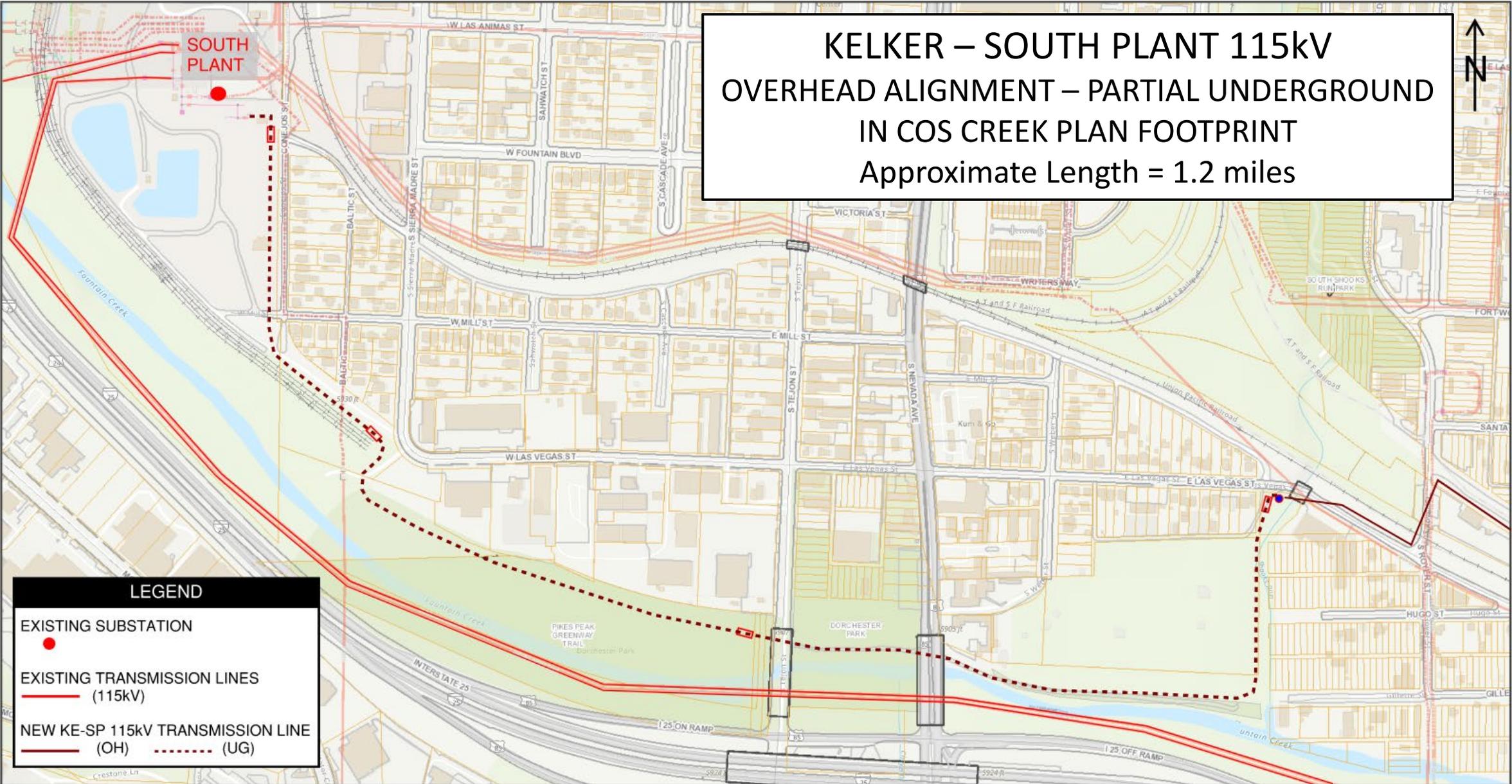
- UB Member Talarico's Request:
 - All new transmission lines located within the footprint of the COS Creek Plan will be constructed underground including Kelker to South Plant transmission line.
 - No cost sharing

KELKER – SOUTH PLANT 115kV PREFERRED ALIGNMENT – COS CREEK PLAN OVERLAY

[COS-Creek-Plan w-North-Section FINAL-FOR-EMAIL smaller.pdf \(coscreekplan.org\)](#)



**KELKER – SOUTH PLANT 115kV
OVERHEAD ALIGNMENT – PARTIAL UNDERGROUND
IN COS CREEK PLAN FOOTPRINT
Approximate Length = 1.2 miles**



LEGEND

- EXISTING SUBSTATION
●
- EXISTING TRANSMISSION LINES (115kV)
—
- NEW KE-SP 115kV TRANSMISSION LINE
— (OH) - - - (UG)

UB Member Talarico Proposal- Cost Estimate

Current Policy : Cost Sharing Required

• Overhead Portion- 100% Utilities' Share:	\$ 17,800,000
• Underground- Utilities' Share:	\$ 4,400,000
• Underground- Requestors' Share/ SIP:	<u>\$ 4,400,000</u>
	\$ 26,600,000

Proposal : No Cost Sharing:

• Overhead Portion- 100% Utilities' Share:	\$ 17,800,000
• Underground- Utilities' Share:	\$ 8,800,000
• Underground- Requestors' Share/ SIP:	<u>\$ 0</u>
	\$ 26,600,000

Incremental Cost Increase to Utilities= \$5,700,000 when compared to 100% OH

Proposed Revisions to Current Plan

- UB Vice Chair Avila's Request:
 - New 115 kV transmission lines from the Kelker substation to the South Plant substation adjacent to residential area must be constructed underground
 - No cost sharing

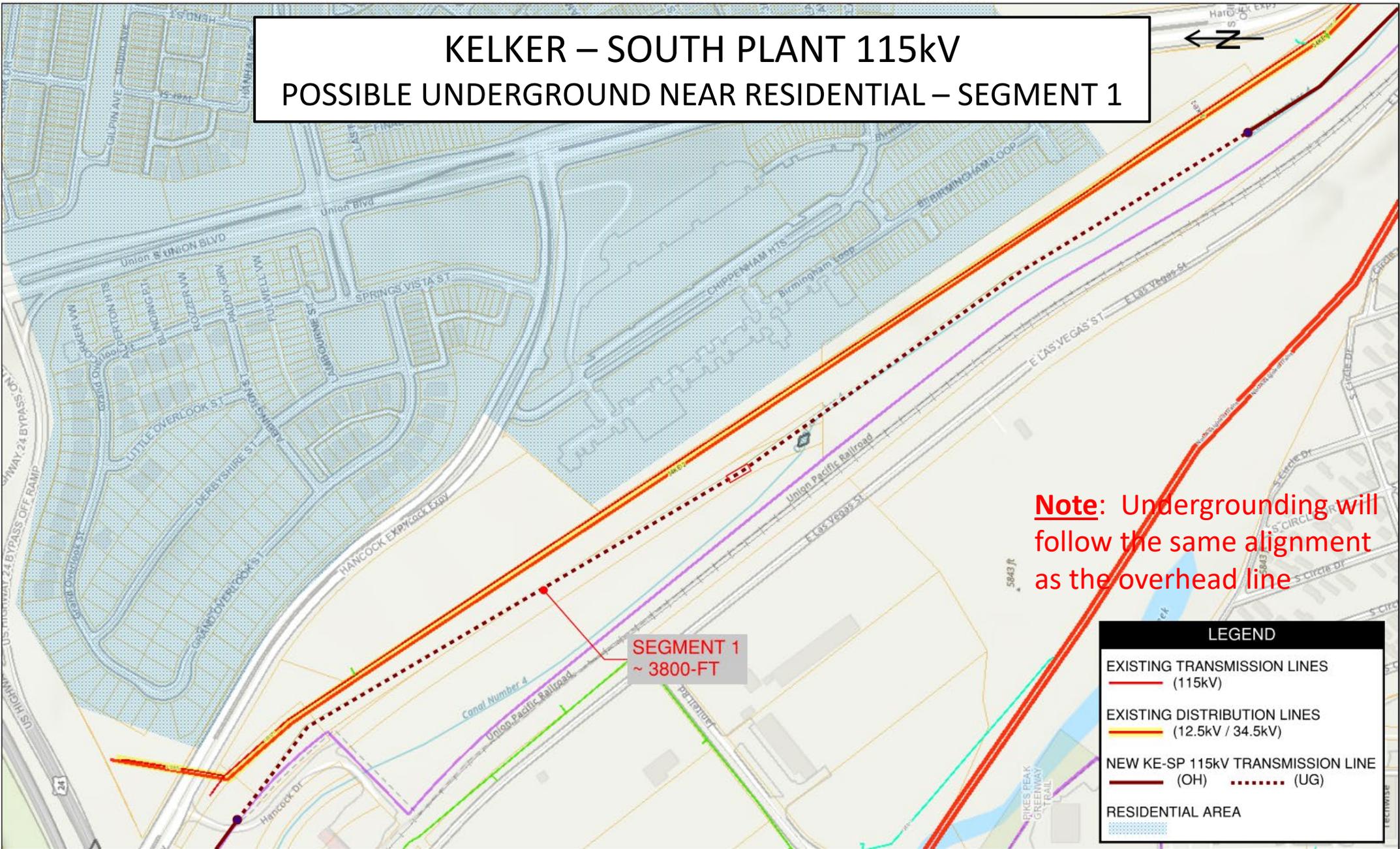
**KELKER – SOUTH PLANT 115kV
OVERHEAD ALIGNMENT – PARTIAL UNDERGROUND
IN RESIDENTIAL AREAS WITHIN 250 ft FROM
T-LINE CENTER LINE TO PROPERTY BOUNDARY**
Approximate Length = 1.8 miles

Note: No change in easement requirement for building the transmission lines adjacent to the residential areas shown

LEGEND

- EXISTING SUBSTATION
- EXISTING TRANSMISSION LINE (115kV) (230kV)
- NEW KE-SP 115kV TRANSMISSION LINE
- NEW LINE SEGMENT NEAR RESIDENTIAL

KELKER – SOUTH PLANT 115kV POSSIBLE UNDERGROUND NEAR RESIDENTIAL – SEGMENT 1



Note: Undergrounding will follow the same alignment as the overhead line

**KELKER – SOUTH PLANT 115kV
POSSIBLE UNDERGROUND NEAR
RESIDENTIAL – SEGMENT 2**

Note: Undergrounding will follow the same alignment as the overhead line

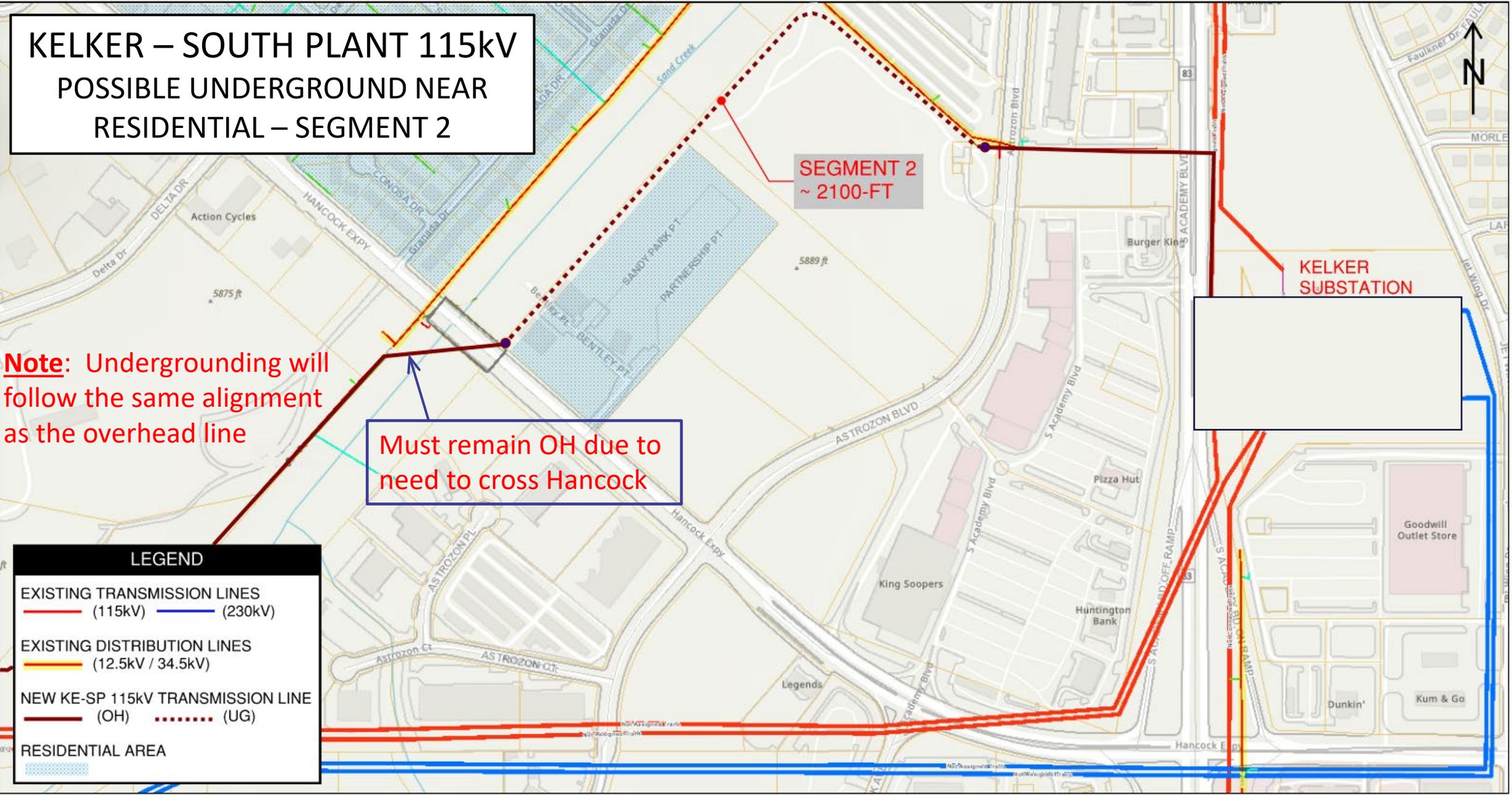
Must remain OH due to need to cross Hancock

SEGMENT 2
~ 2100-FT

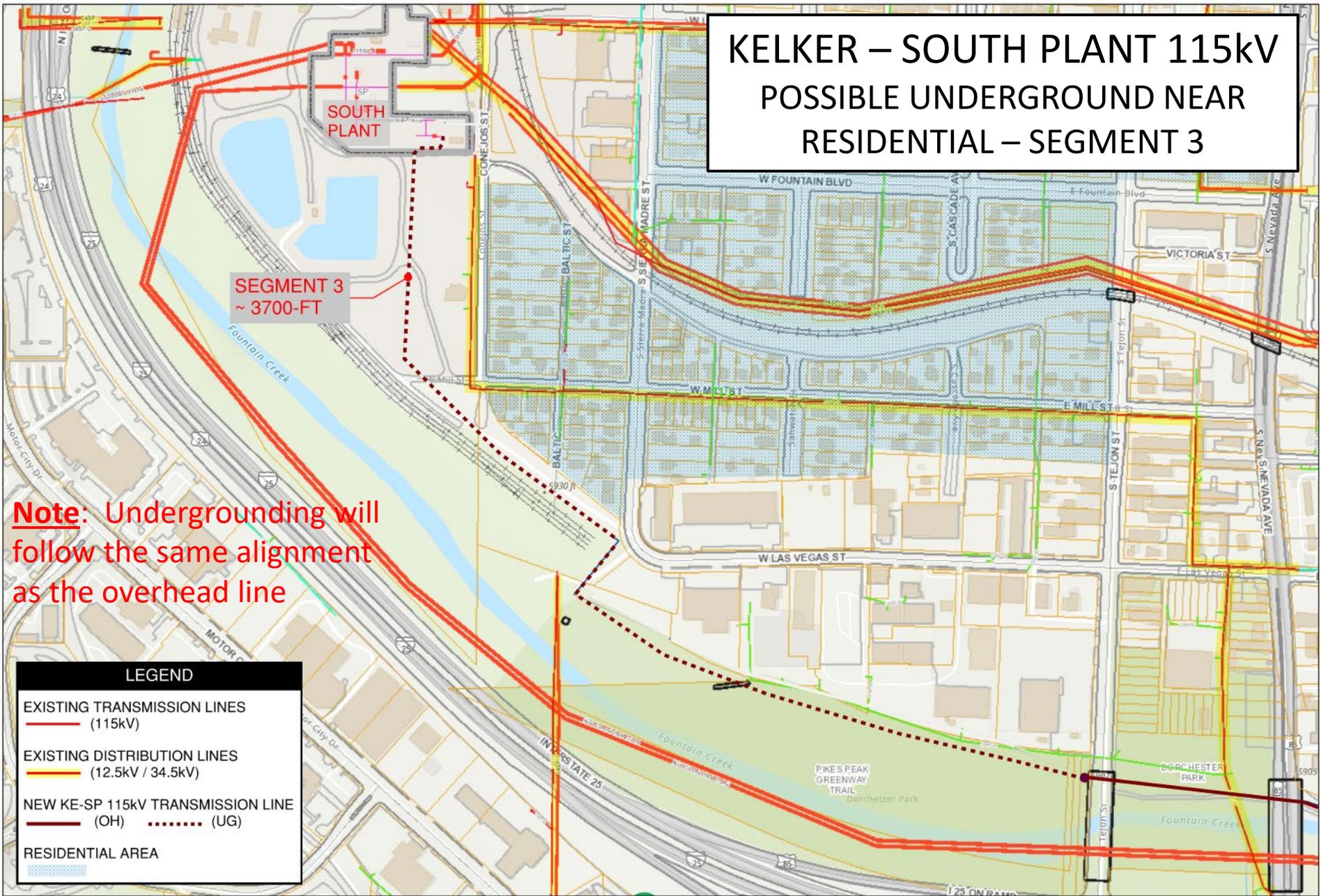
KELKER
SUBSTATION

LEGEND

- EXISTING TRANSMISSION LINES
 - (115kV) [Red line]
 - (230kV) [Blue line]
- EXISTING DISTRIBUTION LINES
 - (12.5kV / 34.5kV) [Orange line]
- NEW KE-SP 115kV TRANSMISSION LINE
 - (OH) [Solid red line]
 - (UG) [Dotted red line]
- RESIDENTIAL AREA [Blue hatched pattern]



KELKER – SOUTH PLANT 115kV POSSIBLE UNDERGROUND NEAR RESIDENTIAL – SEGMENT 3



Note: Undergrounding will follow the same alignment as the overhead line

LEGEND	
EXISTING TRANSMISSION LINES (115kV)	
EXISTING DISTRIBUTION LINES (12.5kV / 34.5kV)	
NEW KE-SP 115kV TRANSMISSION LINE (OH)	
NEW KE-SP 115kV TRANSMISSION LINE (UG)	
RESIDENTIAL AREA	

UB Vice Chair Avila Proposal- Cost Estimate

Current Policy : Cost Sharing Required

• Overhead Portion- 100% Utilities' Share:	\$ 14,400,000
• Underground- Utilities' Share:	\$ 6,300,000
• Underground- Requestors' Share/ SIP:	<u>\$ 6,300,000</u>
	\$ 27,000,000

Proposal : No Cost Sharing:

• Overhead Portion- 100% Utilities' Share:	\$ 14,400,000
• Underground- Utilities' Share:	\$ 12,600,000
• Underground- Requestors' Share/ SIP:	<u>\$ 0</u>
	\$ 27,000,000

Incremental Cost Increase to Utilities= \$6,100,000 when compared to 100% OH

Alternatives:

1. Maintain current policy as is
2. Adopt Resolution implementing UB Member Talarico's proposal
3. Adopt Resolution implementing UB Vice Chair Avila's proposal

Considerations:

- Impacts:
 - Future and planned Transmission projects (cost, schedule, reliability)
 - Future requests
 - Life cycle cost (Capital, Borrowing, O&M, Repairs and Replacement)
- Decision will allow
 - Complete easement acquisition
 - Project design and procurement to progress
 - Determination of impact on capital budget for current and future projects
 - Re-evaluate the construction schedule and impact on reliability

RESOLUTION NO. 24-XX

A RESOLUTION DIRECTING THE CEO TO UNDERGROUND PORTIONS OF THE KELKER-SOUTH PLANT 115kV TRANSMISSION LINE ADJACENT TO RESIDENTIAL AREAS

WHEREAS, Colorado Spring Utilities' (Utilities) policy regarding undergrounding of electric transmission lines is documented in City Code § 12.2.203 and the Electric Line Extension and Service Standards, as amended (ELESS); and

WHEREAS, ELESS § 3.03 provides that "[n]ew electric transmission facilities will typically be constructed overhead ... [and] consideration for placement underground will be made on a case-by-case basis where overhead line congestion and other factors necessitate"; and

WHEREAS, as part of its Electric Integrated Resource Plan, Utilities is designing and constructing a 115kV transmission line that will connect the Kelker Substation to the South Plant Substation (Project); and

WHEREAS, Utilities' plan for the Project is to design and construct the entire Project overhead; and

WHEREAS, Colorado Springs Utilities Board of Directors (Utilities Board) has considered the needs of the community and Utilities' ratepayers as well as the financial implications of constructing portions of Project underground; and

WHEREAS, Utilities Board desires to direct the Chief Executive Officer of Utilities to underground portions of the Project that are adjacent to residential areas, meaning within 250 feet of the Project, as depicted on Exhibit A, attached hereto and incorporated herein.

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

Section 1. Utilities Board hereby directs Utilities' Chief Executive Officer to underground those portions of the Project that are adjacent to residential areas, as indicated on Exhibit A attached hereto, encompassing approximately 1.8 miles of the Project and to not seek cost recovery from the property owners benefitted from this policy direction.

Section 2. This Resolution shall take effect as of the date and time of its approval.

DATED at Colorado Springs, Colorado, this 22nd day of May, 2024.

Dave Donelson, Utilities Board Chair

ATTEST:

Travas Deal, Secretary

RESOLUTION NO. 24-XX

A RESOLUTION DIRECTING THE CEO TO UNDERGROUND PORTIONS OF THE KELKER-SOUTH PLANT 115KV TRANSMISSION LINE WITHIN THE FOOTPRINT OF THE COS CREEK PLAN

WHEREAS, Colorado Spring Utilities' (Utilities) policy regarding undergrounding of electric transmission lines is documented in City Code § 12.2.203 and the Electric Line Extension and Service Standards, as amended (ELESS); and

WHEREAS, ELESS § 3.03 provides that “[n]ew electric transmission facilities will typically be constructed overhead ... [and] consideration for placement underground will be made on a case-by-case basis where overhead line congestion and other factors necessitate”; and

WHEREAS, as part of its Electric Integrated Resource Plan, Utilities is designing and constructing a 115kV transmission line that will connect the Kelker Substation to the South Plant Substation (Project); and

WHEREAS, Utilities' plan for the Project is to design and construct the entire Project overhead; and

WHEREAS, Utilities, the City of Colorado Springs, and Pikes Peak Waterways entered into an agreement at the end of 2022, in which the parties agreed to collaborate to implement the COS Creek Plan; and

WHEREAS, the COS Creek Plan establishes a vision for the future of the Fountain Creek Watershed with a specific focus on segments of the Monument Creek and Fountain Creek adjacent to Downtown Colorado Springs; and

WHEREAS, approximately 1.2 miles of the Project coincides with the footprint of the COS Creek Plan; and

WHEREAS, Utilities Board has considered the needs of the community and Utilities' ratepayers as well as the financial implications of constructing portions of Project underground; and

WHEREAS, Colorado Springs Utilities Board of Directors (Utilities Board) supports the COS Creek Plan and supports undergrounding the Portions of the Project that overlap the footprint of the COS Creek Plan; and

WHEREAS, Utilities Board desires to direct the Chief Executive Officer of Utilities to underground portions of the Project that overlap the footprint of the COS Creek Plan, as depicted on Exhibit A, attached hereto and incorporated herein.

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

Section 1. Utilities Board hereby directs Utilities' Chief Executive Officer to underground those portions of the Project that overlap the footprint of the COS Creek Plan, as indicated on Exhibit A attached hereto, encompassing approximately 1.1 miles of the Project and to not seek cost recovery from the property owners benefitted from this policy direction.

Section 2. This Resolution shall take effect as of the date and time of its approval.

DATED at Colorado Springs, Colorado, this 22nd day of May, 2024.

Dave Donelson, Utilities Board Chair

ATTEST:

Travas Deal, Secretary