

**AGENDA**

**Wednesday, July 17, 2024**

**1:00 p.m.**

**Join on your computer, mobile app or room device**

[Click here to join the meeting](#)

**Or call in (audio only)**

[+1 719-733-3651](tel:+17197333651),,972625975#

|                  |   |                               |
|------------------|---|-------------------------------|
| <b>1:00 p.m.</b> | <b>1. Call to Order</b>   | Chair Donelson                |
| <b>1:02 p.m.</b> | <b>2. Invocation and Pledge of Allegiance</b>   | Chair Donelson                |
| <b>1:05 p.m.</b> | <b>3. Consent Calendar</b>  | Chair Donelson                |
|                  | <p>These items will be acted upon as a whole unless a specific item is called for discussion by a Board Member or a citizen wishing to address the Utilities Board. (Any items called up for separate consideration shall be acted upon following Compliance Reports.)</p> <p><b>3a. Approval of Utilities Board Meeting Minutes: June 18, 2024 and June 20, 2024</b></p> <p><b>3b. Appointment of Chris Meyer as Regular Member of Utilities Policy Advisory Committee (UPAC)</b></p>  |                               |
| <b>1:10 p.m.</b> | <b>4. Customer Comments</b>   | Chair Donelson                |
|                  | <ul style="list-style-type: none"> <li>• During the customer comment period, comments are accepted for any topic not on the agenda.</li> <li>• Comments for specific agenda items will be taken following the presentation of the item and the Board's discussion.</li> <li>• Comments will be limited to three minutes per speaker, per item.</li> <li>• 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.</li> </ul> |                               |
| <b>1:15 p.m.</b> | <b>5. Recognition</b>   | Tara McGowan, General Manager |
|                  | <ul style="list-style-type: none"> <li>• Rotational Engineering Students</li> </ul> <p>Sarah LaBarre, Manager, Design Electric and Gas</p>  |                               |

|                      |  |  |
|----------------------|--|--|
| <b>1:30<br/>p.m.</b> | <b>6. Compliance Reports:</b> <ul style="list-style-type: none"> <li>• I-3 Financial Planning &amp; Budgeting G-8</li> </ul><br><b>E-2 CEO/Board Partnership Responsibilities</b> <ul style="list-style-type: none"> <li>• Water Outlook</li> <li>• Electric Cost Adjustment / Gas Cost Adjustment Monitoring</li> </ul> | Travas Deal, Chief Executive Officer           |
| <b>1:50<br/>p.m.</b> | <b>7. Items Called Off Consent Calendar</b>  | Chair Donelson                                 |
| <b>2:00<br/>min</b>  | <b>8. Eastern Wastewater System Expansion</b><br><u>Informational presentation</u> regarding the Eastern Wastewater System Expansion Program.  | Tara McGowan, General Manager                  |
| <b>2:20<br/>p.m.</b> | <b>9. Ft. Carson Water Intergovernmental Service Agreement (IGSA)</b><br><u>Informational presentation</u> regarding the Intergovernmental Support Agreement (IGSA) with Fort Carson.  | Charlie Cassidy, General Manager of Operations |
| <b>2:40<br/>p.m.</b> | <b>10. Board Member Updates</b>  | Board of Directors                             |
| <b>3:00<br/>p.m.</b> | <b>11. Summary of Board Actions</b>  | Gail Pecoraro, Utilities Board Administrator   |
| <b>3:10<br/>p.m.</b> | <b>12. Adjournment</b>   | Chair Donelson                                 |

## **MINUTES**

### **Colorado Springs Utilities Board Meeting Tuesday, June 18, 2024**

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

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

#### **Utilities Board Members Excused:**

None

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

Travas Deal, Renee Adams, Lisa Barbato, Mike Francolino, Tristan Gearhart, Somer Mese, Jay Anderson, Joe Awad, Kerry Baugh, Pattie Benger, Steve Berry, Nathan Bloomfield, Melissa Brown, Thad Clardy, Andy Colosimo, Amy Davis, Jessica Davis, Sarah Dickson, Kandy Drake, Erin Duran, Natalie Eckhart, Marcela Espinoza, Brian Fergen, Kimberly Girling, Kim Gortz, Brian Grim, Kelli Guadagnoli, Mallorie Hansen, Diana Harmon, Mike Hermann, Brittany Harrison, Corey Hazan, Adam Hegstrom, Julie Hein, John Hunter, Brenda Koskey, Sarah LaBarre, Ken Lazar, Chris LeLeux, Abe Lomax, Davi Longrie, Susan Lovejoy, Will Lundstrom, Patrick Malone, Jared Miller, Nick Miller, Michael Myers, Christian Nelson, Danielle Nieves, Jacqueline Nunez, Terrance Packard, David Padgett, Gail Pecoraro, Jessica Ramirez, Aisha Rogers, Kelly Roesch, Juan Santos, Scott Shirola, Steve Schaarschmidt, Bethany Schoemer, Leslie Smith, Stuart Smith, April Speake, Arica Stevens, Admar Susic, Matthew Thieme, Ellen Thommesen, Dave Thompson, Jennifer Valdois, Daniel Wallace, Al Wells and Justin Zeisler

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

Sally Barber, Renee Congdon, David Beckett, Chris Bidlack, Nathan Endersbee, Jamie Fabos, Carley Hoff Michael Montgomery and Alexander Ryden

#### **Citizens present via Microsoft Teams or Blue River Conference Room:**

Larry Barrett, Josh Benninghoff, John Berdon, Michael Borden, Carrie Guy, Chris Meyer and Scott Schaffer

#### **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**

Jeff Hanson, Energy Infrastructure Planning Engineer, delivered the invocation, and Board Member Leinweber led the Pledge of Allegiance.

### **3. Consent Calendar**

#### **3a. Approval of Utilities Board Meeting Minutes: May 22, 2024, Utilities Board Meeting**

The Consent Calendar was unanimously approved.

### **4. Customer Comments**

There were no customer comments.

### **5. Recognition**

- Eaton Downtown Conference

Ms. Abigail Ortega, General Manager of Resource Infrastructure Planning recognized individuals that led the Eaton Electrical Network Systems Conference, which recently took place in Colorado Springs. Forty-one utilities from across North America attended the conference. Engineer Steve Schaarschmidt received an award recognizing his 40-years of participation with the group.

- Expanding Customer Excellence Award

Mr. Mike Francolino, Chief Customer and Enterprise Services Officer, recognized Colorado Springs Utilities, who was named a finalist in Customer Service (CS) Week's Expanding Excellence Award. CS Week is the educational and customer service professional association service the electric, gas and water/wastewater utility industry across the world. This award recognizes outstanding contributions, innovations, and technology excellence in utility customer services.

### **6. Compliance Reports**

- I-2 Financial Condition and Activities – Annual City Auditor's Report
- I-8 Asset Protection – Annual City Auditor's Report

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

Mr. Justin Zeisler, Water Resource Engineer, reviewed the local weather conditions as of June 18, 2024. The Colorado drought monitor shows areas of moderate drought with a small area of severe drought in the southwest and eastern parts of the state, with abnormally dry conditions across a portion of north, west and eastern Colorado.

Mr. Zeisler stated the Snowpack in the Arkansas River Basin is 425% of normal as of June 14, 2024, and in the Colorado River Basin is 128% of normal as of June 14. He reviewed the 2024 water demands, the monthly water use for May and the 2024 actual water consumption. Colorado Springs' system-wide storage is about 221,000 acre-feet, or 85.1% of capacity. This is 10.3% above the shorter-term (2001-2022) average of 74.8%. This equates to about 3.2 years of demand in storage. South Catamount Reservoir capacity remains restricted for planned dam maintenance. South Suburban Reservoir is drained for outlet work repairs.

The decision was made to include the Water Outlook report in the Utilities Board Packet for the remainder of the year, but no longer have a presentation at the Utilities Board meeting.

#### **7. Items Called Off Consent Calendar**

There were none.

#### **8. Utilities Policy Advisory Committee (UPAC) and Bylaws Update**

Ms. Bethany Schoemer, Strategic Planning and Governance Specialist Senior, reported on two proposed bylaw changes:

1. Adding language to ensure an assignment is completed within the timeframe of the Utilities Board that approved the assignment.
2. Establishing a UPAC liaison to provide support, guidance, direction to UPAC as they move through an approved assignment. This liaison will either be the Chair or Vice Chair of the Utilities Board.

Other changes include administrative clean up. UPAC Chair Larry Barrett spoke to the need for these changes.

Board Member O'Malley questioned the ability to complete an assignment within the new timeframe. Board Chair Donelson addressed this concern. Board Member Henjum shared this same concern. Additionally, she suggested a process be created for bringing assignment suggestions to the UPAC for vote of the Utilities Board for consideration. Board Member Talarico shared the idea of getting a report at the end of an assignment, even though all aspects of the assignment may not be completed.

Board Member Henjum made a motion to approve the UPAC Bylaws Update Changes, this was seconded by Board Member Helms. This motion passed unanimously on a vote of 9-0.

#### **9. Utilities Board Bylaw Updates**

Ms. Schoemer presented proposed updates to the Utilities Board Bylaws to mirror the same language as the UPAC bylaws, which is that there is a Board Liaison to the Utilities Board Advisory Committee (UPAC).

Board Member Helms made a motion to approve the update to the Utilities Board Bylaws. This was seconded by Board Member Henjum. This motion passed unanimously on a vote of 9-0.

#### **10. UPAC Assignment Scope**

Two different assignments were reviewed and discussed as possible assignments for UPAC: To examine nuclear power options for Colorado Springs Utilities and a new undergrounding policy.

Board Chair Donelson explained the possible nuclear energy assignment, and Vice Chair Avila spoke to the possible undergrounding policy assignment.

Board Member Henjum asked questions regarding both the nuclear and undergrounding policy assignments. Ms. Henjum asked how far out the organization is to look into nuclear energy. CEO Travas Deal stated it could be included in an upcoming Energy Integrated Resource Plan (EIRP).

Board Members O'Malley and Leinweber voiced interest in developing a process for Board Members to submit future UPAC assignments. This would be beneficial for future Boards.

Board Member Crow-Iverson made a motion to bring forward the nuclear power option as the next UPAC assignment. Board Member Leinweber seconded this motion. This motion passed on a vote of 8-1 with Board Member Avila voting against.

Board Member Henjum made a motion to bring forward the undergrounding policy as the next UPAC assignment. Board Member Avila seconded this motion. This motion failed on a vote of 3-6 with Board Members Crow-Iverson, Donelson, Helms, O'Malley, Risley and Talarico voting against.

#### **11. 2024AB Bond Ordinance**

Mr. Adam Hegstrom, Manager of Treasury and Finance, reviewed the 2024AB Bond Ordinance. This is a substantial bond transaction for the organization. The debt issuance working timetable was reviewed. Next steps include rating agency presentations on July 8, First Reading of Ordinance at City Council on July 9, Second Reading of Ordinance and Ordinance Approval at City Council on July 23, Due Diligence Call on July 24, Bond Pricing on Aug. 6 and an Issuance Closing on Aug. 20.

This item was unanimously approved to move forward to the City Council consent calendar on July 9, 2024, for the first reading.

#### **12. I-3 Policy Update – Utilities construction of water and wastewater distribution/collection infrastructure**

Mr. Scott Shirola, Pricing and Rates Manager, reviewed recommended changes to the I-3 Policy with regard to Springs Utilities construction of water and wastewater

distribution/collection infrastructure. The recommended revision is the addition of paragraph number eight: Inform Utilities Board determinations to design and construct water distribution and/or wastewater collection systems as defined in sections VIII,B,1 and IX, C, 1 of Utilities Rules and Regulations.

Board Member Henjum made a motion to accept proposed changes to the I-3 Financial Planning and Budgeting per City Code section 12.1.105 and Excellence in Governance Policy Manual, Policy C-6. Board Member Helms seconded this motion. This motion passed on a vote of 6-0 with Board Members Avila, Crow-Iverson and Talarico excused.

### **13. Electric Cost Adjustment / Gas Cost Adjustment Filing**

Mr. Shirola shared that natural gas prices are slowly starting to rise after the heating season.

As of May 31, 2024, the ECA under collection balance was \$4.0 million. This under collection balance changed by \$3.6 million from the \$7.6 million under collection balance reported last month. On March 26, 2024, City Council approved the ECA rate of \$0.0255 per kWh effective April 1, 2024. Utilities will continue to provide regular updates to the Utilities Board as appropriate.

As of May 31, 2024, the GCA over collection balance was \$5.8 million. This over collection balance changed by \$0.1 million from the \$5.7 million over collection balance reported last month. On March 26, 2024, City Council approved the GCA rate of \$0.0810 per Ccf effective April 1, 2024. Utilities will continue to provide regular updates to the Utilities Board as appropriate.

The organization is making the recommendation to hold the rates flat at this time. The next scheduled quarterly rate adjustment presentation is September 2024. Since there is no September Board meeting scheduled, this would go to a City Council Board meeting in September. No action is needed since there is no increase in rates.

### **14. Arkansas Basin Water Sharing Program Water Rights Acquisition**

Ms. Kim Gortz, Manager of Water Resources, and Mr. Kelly Roesch, Arkansas Valley Field Office Project Manager, gave a presentation on the Arkansas Basin Water Sharing Program Water Rights acquisition.

This item was approved to move forward to the July 9, 2024, City Council meeting.

### **15. Board Member Updates**

#### **Board Member Helms**

Front lines of fiber installation in his neighborhood seem to be going very well. This includes problems with the aftermath.

#### **Board Member Henjum**

Gave a brief review of the June 17, 2024 Finance Committee Meeting. She shared her appreciation with staff for their hard work put into the recent State of the Utilities. Colorado Springs Utilities will be sponsoring the screening of the film Mirasol on July 19 – this is a film on water rights.

#### **Board Member Risley**

On June 26 from 4 to 6 p.m., Kim Gortz and Board Member Risley will be leading a conversation at El Pomar Pavilion House. Please make sure to get your tickets.

#### **Board Chair Donelson**

Thanked the leadership team and employees for all they do to keep our city as a premiere place to live.

### **16. Summary of Board Actions**

- Approval of May 22, 2024 Utilities Board Minutes
- Approval of Utilities Board Advisory Committee (UPAC) and Bylaws Update – Motion by Board Member Henjum and seconded by Board Member Helms. This passed on a vote of 9–0.
- Approval of Utilities Board Bylaw Changes – Motion by Board Member Helms, seconded by Board Member Henjum. This passed on a vote of 9–0.
- Approval of UPAC nuclear power research assignment. Motion by Board Member Crow-Iverson, seconded by Board Member Leinweber. Passed on a vote of 8–1, with Board Member Avila voting against.
- Approval to place 2024AB Bond Ordinance on the July 9, 2024, City Council agenda.
- Approval of I-3 Policy Update – Utilities construction of water and wastewater distribution/collection infrastructure. Motion by Board Member Henjum, seconded by Board Member Helms. Passed on a vote of 6-0, with Board Members Avila, Crow-Iverson and Talarico being excused.
- Approval to place Arkansas Basin Water Sharing Program Water Rights Acquisition to July 9, 2024, City Council meeting.

### **17. Adjournment**

The meeting adjourned at 3:36 p.m.

**MINUTES**  
**Colorado Springs Utilities Board Meeting**  
**Thursday, June 20, 2024**

**Utilities Board members present in Mesa Conference Room:**

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

**Utilities Board Members Excused:**

None

**Staff members present in Mesa Conference Room:**

Travas Deal, Renee Adams, Lisa Barbato, Tristan Gearhart, Joe Awad, Alex Baird, Steve Berry, Gabe Caunt, Marcela Espinoza, Dan Hodges, John Hunter, David Longrie, Jessie Marshall, Nicole Means, Christian Nelson Abigail Ortega, Gail Pecoraro, Kathryn Rozwod, Bethany Schoemer, Scott Shirola, Leslie Smith, Heather Tocci and Jane Zook

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

Renee Congdon, Chris Bidlack, Victoria Classen and Elli Harris Mevis

**Citizens present via Microsoft Teams or Blue River Conference Room:**

None

**1. Welcome**

Ms. Lisa Barbato, Chief System Planning and Projects Officer, welcomed Board Members to the Mesa Conservation Center at 10:10 a.m. Ms. Barbato reviewed the agenda for the meeting.

**2. 2025 Legislative Early Forecast**

Mr. Dan Hodges, Manager of Government Affairs, reviewed changes in the State of Colorado's House of Representatives seats. Changes include:

- Term limits in the chairs of the House Energy and Environment Committee and the House Finance Committee.

Changes in the State of Colorado's Senate include:

- Term limits in the chairs of the Senate President, the Senate Transportation Energy Committee, and the Joint Budget Committee Vice Chair.

Mr. Hodges also reviewed Historic Party Control and Emerging 2025 Issues.

- Two major pieces of legislation are anticipated in 2025:
  - Colorado’s net metering statutes.
  - Reduction in greenhouse gas emissions target from 100 percent by 2050, to near 100 percent by 2040.

Board Members inquired how turnover in House and Senate seats is expected to impact emerging 2025 issues. Mr. Hodges explained that specifics remain unknown

### **3. Check- In On Plan**

Mr. Travas Deal, Chief Executive Officer, outlined the organization’s future plans to implement changes due to customer growth, reliability, and rates. The organization is looking at more options for fossil fuel. The Utilities Board will be making decisions on investing in reliable energy to meet the regulatory 80 percent carbon reduction and the required 100 percent by 2040 legislative changes. The purpose of today’s meeting is to provide information to meet these changes. The estimated cost of changes is \$1.5 million. Board Member Henjum, Board Member Donelson and Board Member Risley spoke in support of future rate changes.

Due to changes in technology and the need to move quickly to meet regulatory changes, the organization sometimes is unable to run a full lifecycle for assets. Board Member O’Malley stated there needs to be a smart transition to bring on the necessary technology to accomplish these changes and utilize their current assets.

### **4. Sustainable Energy Plan Update**

- **Current Projects**

Ms. Jessie Marshall, Energy Projects Manager, reviewed the current Sustainable Energy Plan and reviewed current projects. She provided a Project Map for 2022-2027. There are five projects in the North System, three in the Central System, and three in the South System.

The Energy Projects Schedule for 2022-2027 was reviewed.

- **New Generation**

Ms. Marshall reviewed the Program Background and Scope and the Program Contracting Strategy – 3 RFP.

- **Purchase Power Agreement (PPA)**

Contracting strategies include Purchase Power Agreement (PPA), Progressive Design Build, Energy Storage Agreement (a battery very of PPA) and EPC. Board Member Henjum asked how the organization addresses the unknown of quality. There are many things that factor into decisions including price and the ability of the contractor to complete the work. Risks can include regulatory, supply chain, and financial. Board Member O’Malley asked if there was the ability to “float” for two years.

- **Natural Gas Generation**

The natural gas generation timeline was highlighted. This timeline goes through 2028. The location has not been determined, and the organization is currently in the engineering, design, and equipment ordering phase.

Projects will be divided into sub teams to execute each of the individual scopes: Utilities Internal Team, Contractor, and Owner’s Advisor. Board Member Risley asked which company was hired. Staff indicated Burns McDonald was hired.

## **5. IRP Alignment and Financial Impacts**

Ms. Kathryn Rozwod, Energy Resource Planning Supervisor, reviewed additional considerations considered in Integrated Resource Planning (IRP) alignment, and scenario and risk mitigation. Board Member Risley asked if contract provisions include fixed pricing for 20 to 30 years out.

- **Financial Impacts**

Mr. John Hunter, Financial Planning and Risk Manager, reviewed proposed rate increases through 2029 to cover the cost of Electric Gas Generation and SEP (base rates), Electric Renewable PPA & Battery (ECA), Natural Gas IRP (base rates), and Natural Gas Capacity (GCC). Anything beyond 2030 will be determined by new regulations and inflation.

The rates will be comparable for business and residential customers.

## **6. Energy Vision**

Mr. David Longrie, Energy Resource Planning and Innovation Manager, reviewed the energy vision that was approved in 2020. Planning drivers and trends were explained. The biggest challenge is decarbonization.

Seven focus areas include:

1. Regional transmission organization readiness
2. Renewable energy integration
3. Resource connectivity
4. Vehicle to grid integration
5. Optimized transmission capacity
6. Microgrid potential study
7. Clean heat plan and beneficial building electrification

## **7. Confirm Plan Direction**

Mr. Deal asked if there were concerns for the Energy Vision. The organization will be keeping the Board updated as vendors are selected through the RFP process. Board member O’Malley asked how rate payers will be communicated with regarding the drivers behind this. The current State of the Utility and efforts by the Public Affairs

Department have occurred and are being planned. Mr. Deal pointed out that everything being anticipated is out of necessity.

Board Chair Donelson said that the Board is being asked to communicate the plan that was voted in last summer is still being followed.

## **8. Lunch / Potential Future Generation**

Ms. Rozwod outlined potential future resources:

- Geothermal / thermal heating services
- Thermal storage
- Hydrogen – this is a very new technology, mostly produced near bodies of water.
- Renewable Natural Gas (RNG) – We would partner with other utilities to bring this to the community. There are limits to this option.
- Pumped storage – A feasibility study was recently conducted which showed several challenges and financial implications. The reservoirs being considered in the study were Nichols, Northfield, and Tesla. This would be approximately 400 mw.
- Nuclear small modular reactor (SMR) –this option is not available yet. Colorado has not approved Nuclear as a clean energy resource. The timeframe for permitting in the state of Colorado is 3 to 4 years. The next UPAC Assignment is to evaluate Nuclear energy.

## **9. Energy Vision Activity Overview**

- **Renewable Energy Integration and Energy Wise**

Mr. Gabe Caunt, Engineer Supervisor DSM and Distributed Energy Strategies, presented graphs on the effect that solar can have on energy demand.

There are 250 batteries on the Springs Utilities System, four percent of homes in the Springs Utilities system are on solar. Board Member O’Malley suggested an incentive for customers.

Mr. Caunt also discussed electric vehicles and the impact of unmanaged EV charging.

Mr. Scott Shirola, Pricing and Rates Manager, shared the Energy – Wise Transition. The on-peak period is 4 to 8 p.m. There are currently 9,000 customers on net metering. Three different rate options are being looked at for the Energy -Wise Program – Energy-wise (Standard Time of Day), Energy-wise Plus (Optional Time of Day); and Fixed Seasonal (optional anytime rate)

The proposed effective date of Time-of-Day rates is to be determined in 2025. The Energy-Wise rate is to be revenue neutral on current rates. Summer on-peak rates are higher than winter on-peak rates.

- **Regional Transmission Organization**

Mr. Daniel Strickland, Energy Trading Analyst Supervisor, discussed the Regional Transmission Organization (RTO). An RTO is an agreement that Springs Utilities has joined that performs certain services, provides benefits, but also faces challenges. An RTO is a deregulated power market that makes a larger pool to draw energy from.

Colorado Springs Utilities is not generally an energy exporter, but rather an energy importer. Board Member O'Malley asked how this will affect the organization's reliability. Mr. Alex Baird, Fuels and Purchase Power Manager, said there are multiple aspects to ensure we have enough generation to support our transmission and distribution. Mr. Deal said this will help ensure we will always have enough energy to cover our load, plus an 18 percent reserve.

- **Microgrid Pilot**

Ms. Rozwod spoke about this exciting program -- the Mesa Campus Microgrid. This will include 1 mw of battery storage, up to five acres for solar array (1.6 mw), and a microgrid controller and recloser. This topic will be covered at a future Lunch and Learn.

## **10. Adjournment**

Board Chair Donelson thanked the employees that made today's presentation possible. He also thanked the Board for their attendance at today's meeting.

The meeting adjourned at 1:56 p.m.

# Board Memo Agenda Item

## Staff Report

|   |   |                        |                   |
|---|---|------------------------|-------------------|
| <b>Date:</b><br>(Date of Utilities Board Meeting)   | July 17, 2024   |                        |                   |
| <b>To:</b>  | Utilities Board   |                        |                   |
| <b>From:</b>  | Travas Deal, Chief Executive Officer  |                        |                   |
| <b>Subject:</b>   | Appointment of Chris Meyer as Regular Member of Utilities Policy Advisory Committee (UPAC)  |                        |                   |
| <b>NARRATIVE:</b>   |   |                        |                   |
| <b>Desired Action:</b><br>Choose only one   | <input checked="" type="checkbox"/> Approval<br><input type="checkbox"/> Discussion<br><input type="checkbox"/> Information   |                        |                   |
| <b>Executive Summary:</b>   | <p>Chris Meyer was appointed as an alternate member to the Utilities Policy Advisory Committee (UPAC) by the Utilities Board on Sept. 27, 2023. Mr. Meyer has been recommended to fill a regular member vacancy by Utilities Board Chair Dave Donelson and UPAC Chair Larry Barrett. Mr. Meyer will be filling the remainder of Ms. Hilary Dussing's term, which term expires Sep. 30, 2025.</p> <p>The UPAC is a fact-finding body whose mission is to review, analyze and, when appropriate, provide recommendations to the Utilities Board regarding the various overall strategic operating and financial policies for Colorado Springs Utilities.</p> <p>Except when filling a vacancy, all regular members begin with one, three-year term. A member may be reappointed by the Utilities Board for up to two additional three-year terms, plus additional service if the original appointment filled a vacancy for less than 50% of an unexpired term. No member may consecutively serve more than three, three-year terms. The Utilities Board may fill any vacancy with either an alternate member or another selected candidate.</p> |                        |                   |
| <b>Benefits:</b>  | N/A   |                        |                   |
| <b>Board Policy:</b><br>If this impacts one of the board policies, indicate that here.  | UBA-2: Appoint Utilities Policy Advisory Committee members and Customer Advisory Group members.   |                        |                   |
| <b>Cost / Budget:</b><br>Include the projected cost or budget here.   | N/A   |                        |                   |
| <b>Affected Parties:</b><br>This could include community groups, specific City Council Districts, other utilities, nonprofit organizations, certain neighborhoods, Colorado Springs Utilities employees, etc. | Utilities Board members, Utilities Policy Advisory Committee members and Colorado Springs Utilities staff who support these two bodies.   |                        |                   |
| <b>Alternatives:</b>  | The Utilities Board may fill the vacancy with another eligible candidate.   |                        |                   |
| <b>Submitter:</b>   | Bethany Schoemer  | <b>Email Address:</b>  | bschoemer@csu.org |
| <b>Division:</b>  | Administrative and Human Resources  | <b>Phone Number:</b>   | 719-668-3811      |
| <b>Department:</b>  | Public Affairs  | <b>Date Submitted:</b> | June 25, 2024     |
| <b>SPG Staff Use Only:</b>  | Consent Calendar <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No  |                        | Item Number 8     |

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

**RESOLUTION NO. 24-03**

**A RESOLUTION OF THE COLORADO SPRINGS  
UTILITIES BOARD APPOINTING CHRIS MEYER  
AS A REGULAR COMMITTEE MEMBER OF THE  
UTILITIES POLICY ADVISORY COMMITTEE (UPAC)  
EFFECTIVE AUG. 1, 2024**

- WHEREAS, the Utilities Policy Advisory Committee (UPAC) is composed of citizens appointed by the Utilities Board; and
- WHEREAS, UPAC is a fact-finding body whose mission is to review, analyze and, when appropriate, provide recommendations to the Utilities Board regarding the various overall strategic operating and financial policies for Colorado Springs Utilities; and
- WHEREAS, the Bylaws of UPAC contain rules regarding terms of committee membership eligibility; and
- WHEREAS, Chris Meyer has been an alternate committee member of the UPAC since Sept. 27, 2023; and
- WHEREAS, a regular member vacancy currently exists due to the resignation of Hilary Dussing; and
- WHEREAS, Chris Meyer is eligible and willing to accept appointment as a regular member to fill the remainder of Hilary Dussings' unexpired term through Sept. 30, 2025.

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

Chris Meyer is hereby appointed as a regular committee member of the Utilities Policy Advisory Committee effective Aug. 1, 2024 through Sept. 30, 2025.

Dated at Colorado Springs, Colorado this 17<sup>th</sup> day of July, 2024.

BY \_\_\_\_\_  
Dave Donelson, Chair of the Utilities Board

ATTEST:

\_\_\_\_\_ Travas Deal, Secretary

# Board Memo Agenda Item

## Staff Report

|   |  |                       |                  |
|---|--|-----------------------|------------------|
| <b>Date:</b><br>(Date of Utilities Board Meeting)   | July 17, 2024  |                       |                  |
| <b>To:</b>  | Utilities Board  |                       |                  |
| <b>From:</b>  | Travas Deal, Chief Executive Officer   |                       |                  |
| <b>Subject:</b>   | Rotational Engineer Recognition  |                       |                  |
| <b>NARRATIVE:</b>   |  |                       |                  |
| <b>Desired Action:</b><br>Choose only one   | <input type="checkbox"/> Approval<br><input type="checkbox"/> Discussion<br><input checked="" type="checkbox"/> Information  |                       |                  |
| <b>Executive Summary:</b>   | <p>The Rotational Engineering Program is designed to develop a pipeline of qualified engineers to fill the labor needs of our operations and to proactively address the lack of engineering talent availability. By hiring entry level engineers and taking them through a rotational training program, we are growing our internal engineering talent needed to sustain the vision of Colorado Springs Utilities.</p> <p>The Rotational Engineering Program is a 12-month program with two key phases. The first phase is a 6-week introduction to the business and operations fundamentals of Colorado Springs Utilities. The second phase of the program is 10-months of in-depth training and hands-on experience aligned with the engineers' degree discipline. The engineers will gain valuable experience and build a foundation of technical knowledge from a wide variety of engineering work areas.</p> <p>Since 2022, we have had five engineers complete the Rotational Engineering Program who are now contributing to engineering roles across the organization. The third cohort, all electrical engineers, started on June 10, 2024.</p> |                       |                  |
| <b>Benefits:</b>  | Preparing a pipeline of engineers to fill key engineering roles.   |                       |                  |
| <b>Board Policy:</b><br>If this impacts one of the board policies, indicate that here.  | N/A  |                       |                  |
| <b>Cost / Budget:</b><br>Include the projected cost or budget here.   | N/A  |                       |                  |
| <b>Affected Parties:</b><br>This could include community groups, specific City Council Districts, other utilities, nonprofit organizations, certain neighborhoods, Colorado Springs Utilities employees, etc. | N/A  |                       |                  |
| <b>Alternatives:</b>  | N/A  |                       |                  |
| <b>Submitter:</b>   | Sarah LaBarre  | <b>Email Address:</b> | slabarre@csu.org |
| <b>Division:</b>  | System Planning and Projects   | <b>Phone Number:</b>  | 719-668-4993     |

|   |  |                 |              |
|---|--|-----------------|--------------|
|   |  |                 |              |
| <b>Department:</b>  | Engineering Design   | Date Submitted: | May 31, 2024 |
| <b>SPG Staff Use Only:</b>  | 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 |  |                 |              |



**Date:** July 17, 2024

**To:** Utilities Board

**From:** Travas Deal, Chief Executive Officer

**Subject:** **Excellence in Governance Monitoring Report  
Utilities Board Instructions to the Chief Executive Officer  
Financial Planning and Budgeting (I-3)**

**Desired Action:** Monitoring

**Compliance:** The CEO reports compliance with the instructions.

| INSTRUCTIONS           |  |                       |                                    |
|------------------------|--|-----------------------|------------------------------------|
| Category:              | <b>Utilities Board Instructions to the Chief Executive Officer</b> | Reporting Timeframe:  | <b>June 1, 2023 – May 31, 2024</b> |
| Policy Title (Number): | <b>Financial Planning and Budgeting (I-3)</b>                      | Reviewing Committee:  | <b>Finance</b>                     |
| Monitoring Type:       | <b>Internal</b>  | Monitoring Frequency: | <b>Annual</b>                      |
| Guidelines:            | <b>Water Reserve Account (G-8)</b>                                 |                       |                                    |

**The Chief Executive Officer shall direct that financial planning and budgeting is multi-year and includes planning assumptions, capital and operations expenses and projections of revenues and cash flow. Accordingly, the CEO shall:**

- 1. Maintain financial stability by meeting Utilities Board approved financial metrics that support an AA long-term credit rating.*

Colorado Springs Utilities is committed to achieving the outcomes most important to the Utilities Board and its customers: competitive utility rates; safe, reliable service; and outstanding customer experience, while maintaining financial metrics that support a “AA” credit rating. This “AA” credit rating is ensured by setting targets in the annual budget and five-year financial plan combined with monthly forecast and financial modeling reviews. In July and August 2023, Moody’s Investors Service Inc. and S&P Global Ratings affirmed Colorado Springs Utilities’ “Aa2” and “AA+” ratings, respectively and S&P removed the negative outlook note from the rating. In November 2023, Fitch Ratings provided a “Review No Action” rating maintaining Springs Utilities’ rating at “AA”.

- 2. Financially position the enterprise to meet long-range infrastructure funding requirements while moderating customers' average base bill adjustments.*

Colorado Springs Utilities maintains solid financial metrics to ensure the AA bond rating. Conservative budget practices combined with our strong credit profile will help moderate customer bill adjustments while meeting long-range infrastructure funding requirements.

- 3. Use planning assumptions that accurately forecast revenues and expenses.*

Forecasts for revenue requirements, capital spending, bond funding needs, and operating and maintenance expenses are based on assumptions that align with our five-year business plan. Historical weather data and key economic metrics are provided by local and state specific economist and demographers.

- 4. Direct that a water reserve account is established and maintained to manage water sales volatility.*

A water reserve account has been established and is funded annually when actual revenue is greater than budget to manage water sales volatility. The water reserve account enables revenues to be stabilized and is one of the ways Colorado Springs Utilities safeguards current and future customers from being unduly burdened during unpredictable seasonal weather volatility.

The balance of the account at the end of the reporting period was \$16.7 million.

- 5. Use financial methods that share the cost of utility infrastructure between current and future customers.*

The mix of cash and debt financing allows the organization to share the cost appropriately between current and future rate payers. Our current five-year capital plan is approximately \$708 million per year, and we expect to cash fund up to 26% of the spend. Strong infrastructure planning practices (I-6 Governance Compliance Reporting) supports our capital investment planning for our current customers.

- 6. Use risk-based modeling and a defined enterprise procedure to prioritize operations and maintenance infrastructure.*

Colorado Springs Utilities uses risk-based modelling and data to plan and prioritize rehabilitation and replacement efforts for high-risk assets. In addition, strong infrastructure planning practices (I-6 Governance Compliance Reporting) support condition assessments of our linear and vertical assets across our services to develop a risk-based prioritization of our capital investment. Used together, risk-based modeling and infrastructure planning determine our prioritization approach for asset maintenance.



**Date:** July 17, 2024

**To:** Utilities Board

**From:** Travas Deal, Chief Executive Officer

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

**Desired Action:** Monitoring

| EXPECTATIONS   |   |
|----------------|---|
| Category:      | <b>Utilities Board/Chief Executive Officer Partnership Expectations</b> |
| Policy Number: | <b>E: 2 (Chief Executive Officer Responsibilities)</b>                  |

**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.**

**July 2024 Water Outlook using data as of June 30, 2024**

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

**2024 Demands:** June use averaged 96.7 million gallons per day (MGD), which was about 45.3% greater than last June. Temperatures in June were above the 30-year average at 71.5 degrees Fahrenheit, which was 4.3 degrees above normal. Total precipitation for June was 0.71 inches, which is below normal. Year-to-date precipitation is 6.73 inches, which is 95% of normal.

**Current Reservoir Levels:** Local storage is currently at about 56,274 acre-feet (85 % of capacity). The 1991-2020 average is 79% of capacity. Rampart Reservoir is at 94% of capacity, and Pikes Peak storage is at 71% of capacity. System wide, total storage is about 229,200 acre-feet (88% of capacity). Last year at this time, total system wide storage was 90% of capacity. It was about 81% at this same time in 2022, about 84% of capacity in 2021, about 86% of capacity in 2020, about 86% of capacity in 2019, about 86% of capacity in 2018, about 93% of capacity in 2017, about 90% of capacity in 2016, and about 95% of capacity in 2015. The 1991-2021 average system-wide storage for the end of June is 84 % of capacity.

**Water Supply Outlook:** The U.S. Drought Monitor shows pockets of moderate/severe drought conditions throughout the United States. The Colorado drought monitor shows pockets of moderate drought in the southwest, eastern, and north central parts of the

state, with abnormally dry conditions across larger portions of Colorado. The seasonal drought outlook predicts drought development is likely in pockets across Colorado between now and Sept. 30, 2024. The three-month climate outlook shows the chance for below-average precipitation across the state with increased 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. Total system storage is at 88.2% of capacity and holds about 3.3 years of demand, which is above average for the end of June. Local storage contains about 299 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 Jun 30, 2024, the ECA under collection balance was \$4.3 million. The under-collection balance changed by \$0.3 million from the \$4.0 million under collection balance reported last month. Springs 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 June 30, 2024, the GCA over collection balance was \$5.2 million. The over collection balance changed by \$0.6 million from the \$5.8 million over collection balance reported last month. Springs Utilities will continue to provide regular updates to the Utilities Board as appropriate.



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

# Water Outlook

Nick Harris, P.E.

Water Resource Engineer, Water Resource Planning

July 1, 2024

# Local Weather Conditions as of June 30, 2024

## Precipitation (Inches of Moisture)

- June 2024 – 0.71 in. (31% of normal)
- 2024 YTD Total – 6.73 in. (95% of normal)

## Average Temperature (Degrees F)

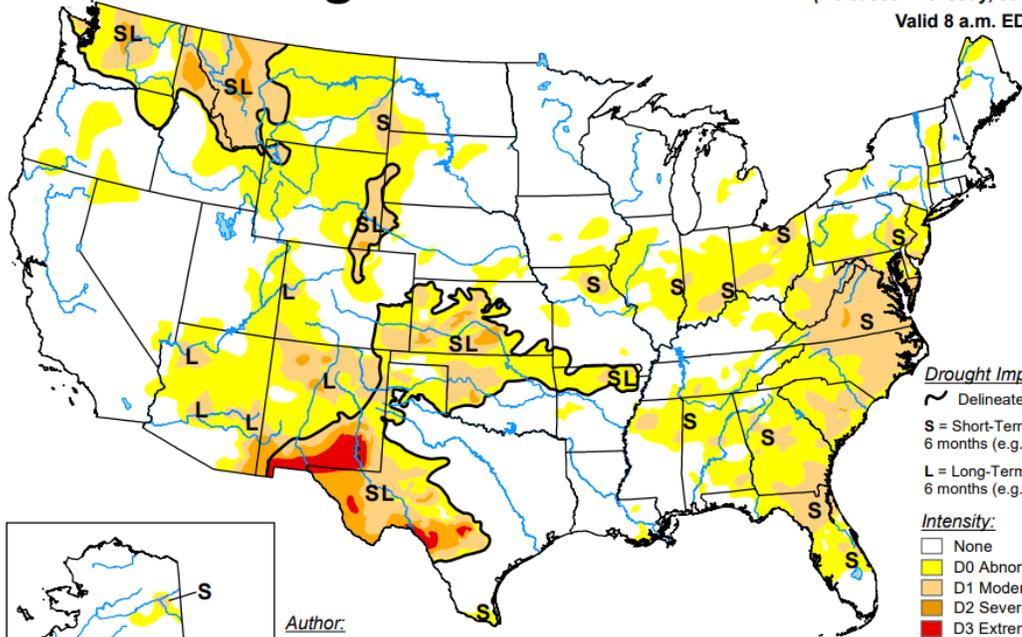
- June 2024 – 71.5 Deg. (4.3 deg. above normal)
- 2024 YTD Average – 48.1 Deg. (1.7 deg. above normal)



# DROUGHT MONITOR

## U.S. Drought Monitor

June 25, 2024  
 (Released Thursday, Jun. 27, 2024)  
 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)

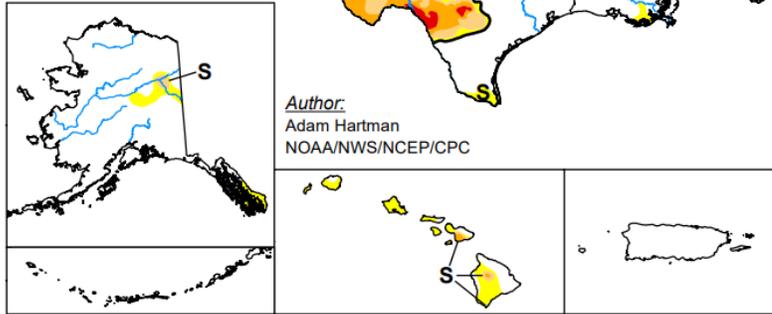
**Intensity:**

- 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](https://droughtmonitor.unl.edu)

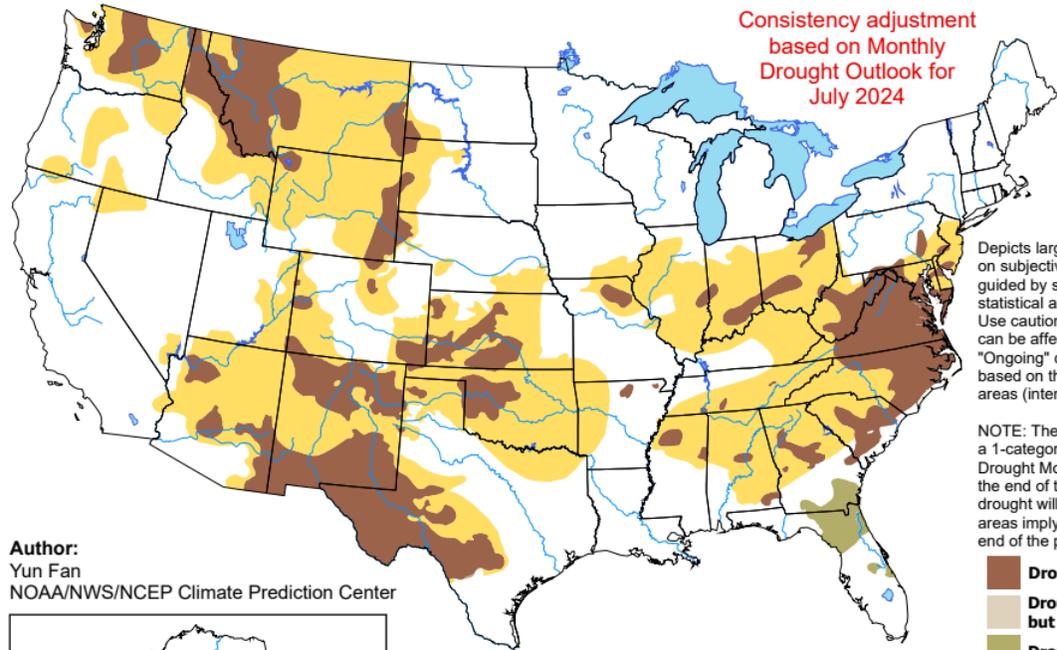


Author:  
 Adam Hartman  
 NOAA/NWS/NCEP/CPC

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

Valid for July 1 - September 30, 2024  
 Released June 30, 2024

Consistency adjustment  
 based on Monthly  
 Drought Outlook for  
 July 2024



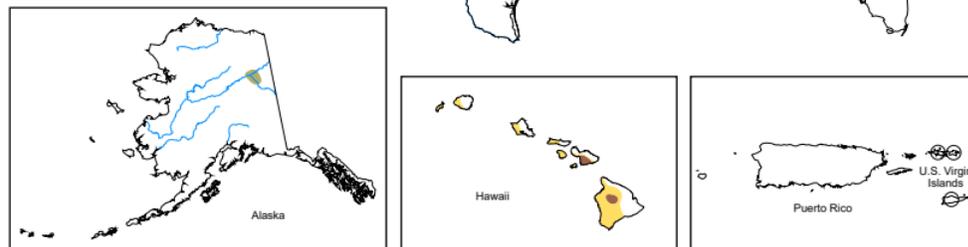
Depicts large-scale trends based on subjectively derived probabilities guided by short- and long-range statistical and dynamical forecasts. Use caution for applications that can be affected by short lived events. "Ongoing" drought areas are based on the U.S. Drought Monitor areas (intensities of D1 to 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
- No drought



<https://go.usa.gov/3eZ73>

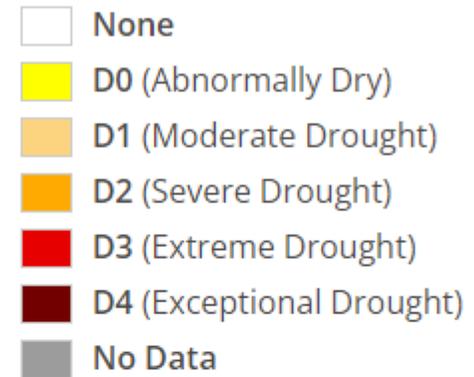


# Colorado

Map released: Thurs. June 27, 2024

Data valid: June 25, 2024 at 8 a.m. EDT

## Intensity



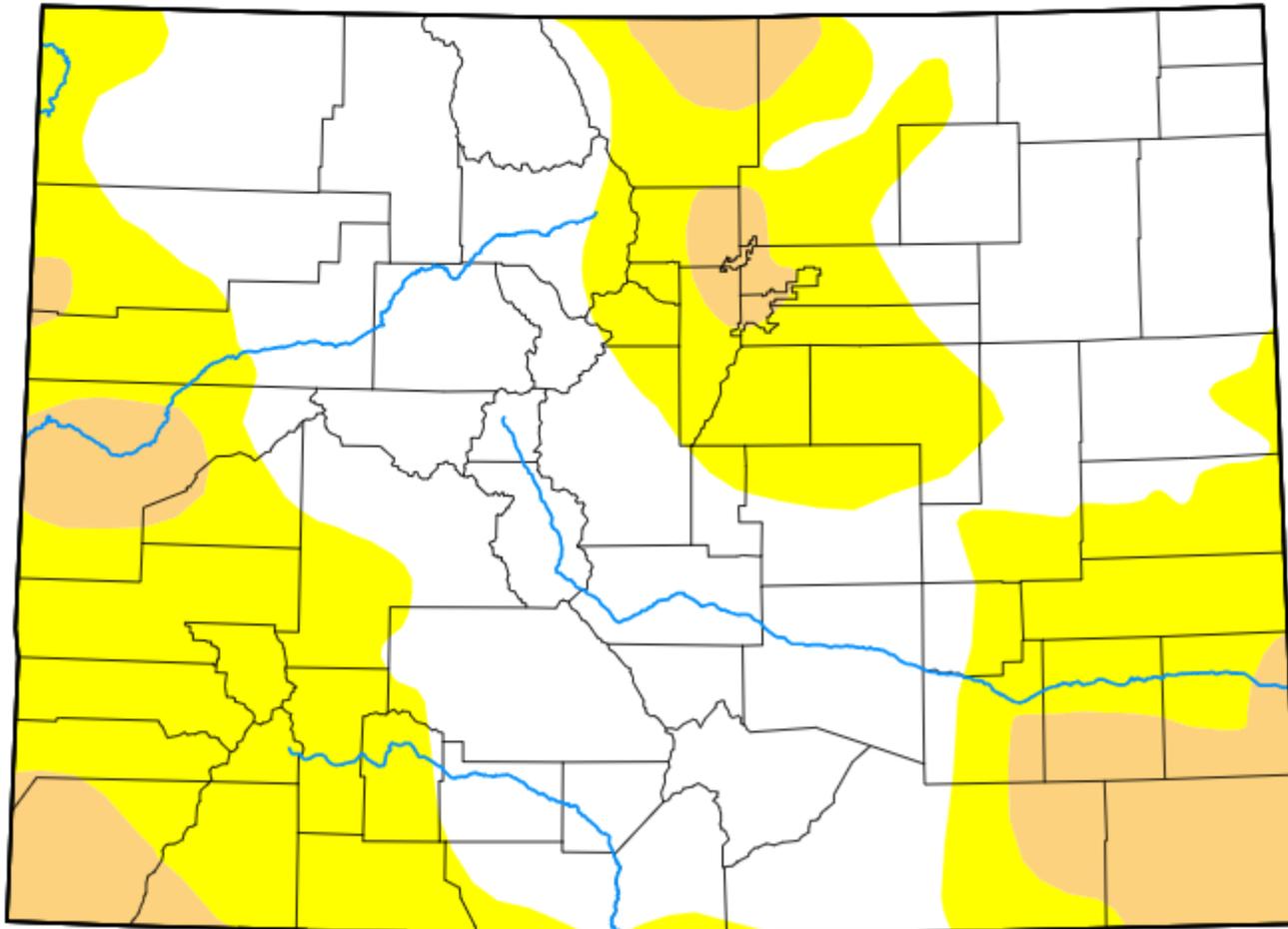
## Authors

United States and Puerto Rico Author(s):

[Adam Hartman](#), NOAA/NWS/NCEP/CPC

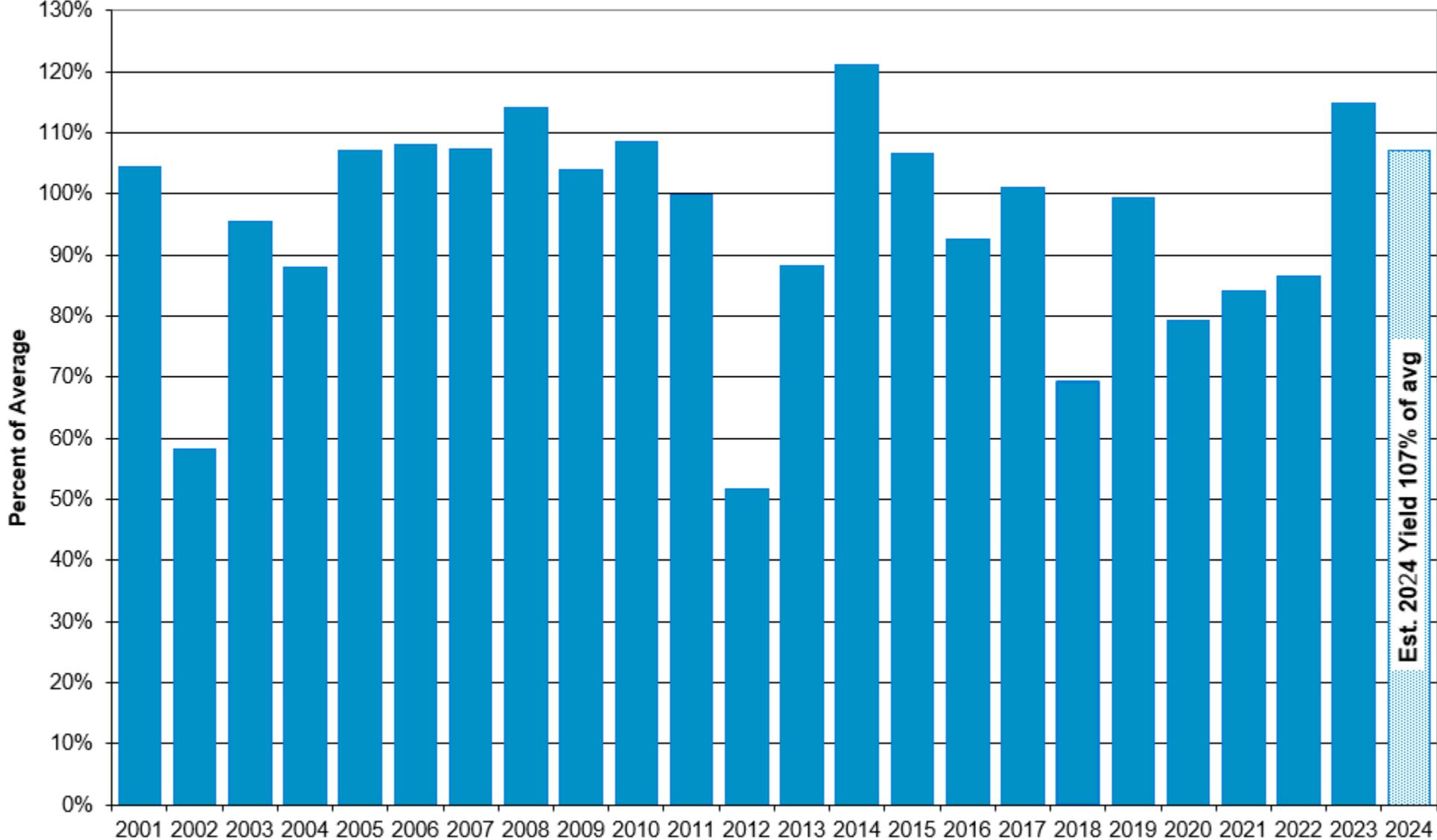
Pacific Islands and Virgin Islands Author(s):

[Rocky Bilotta](#), NOAA/NCEI



# Colorado Springs Water Yields 2001 - 2024

## Percent of Average Yield



# 2024 Demands

## June

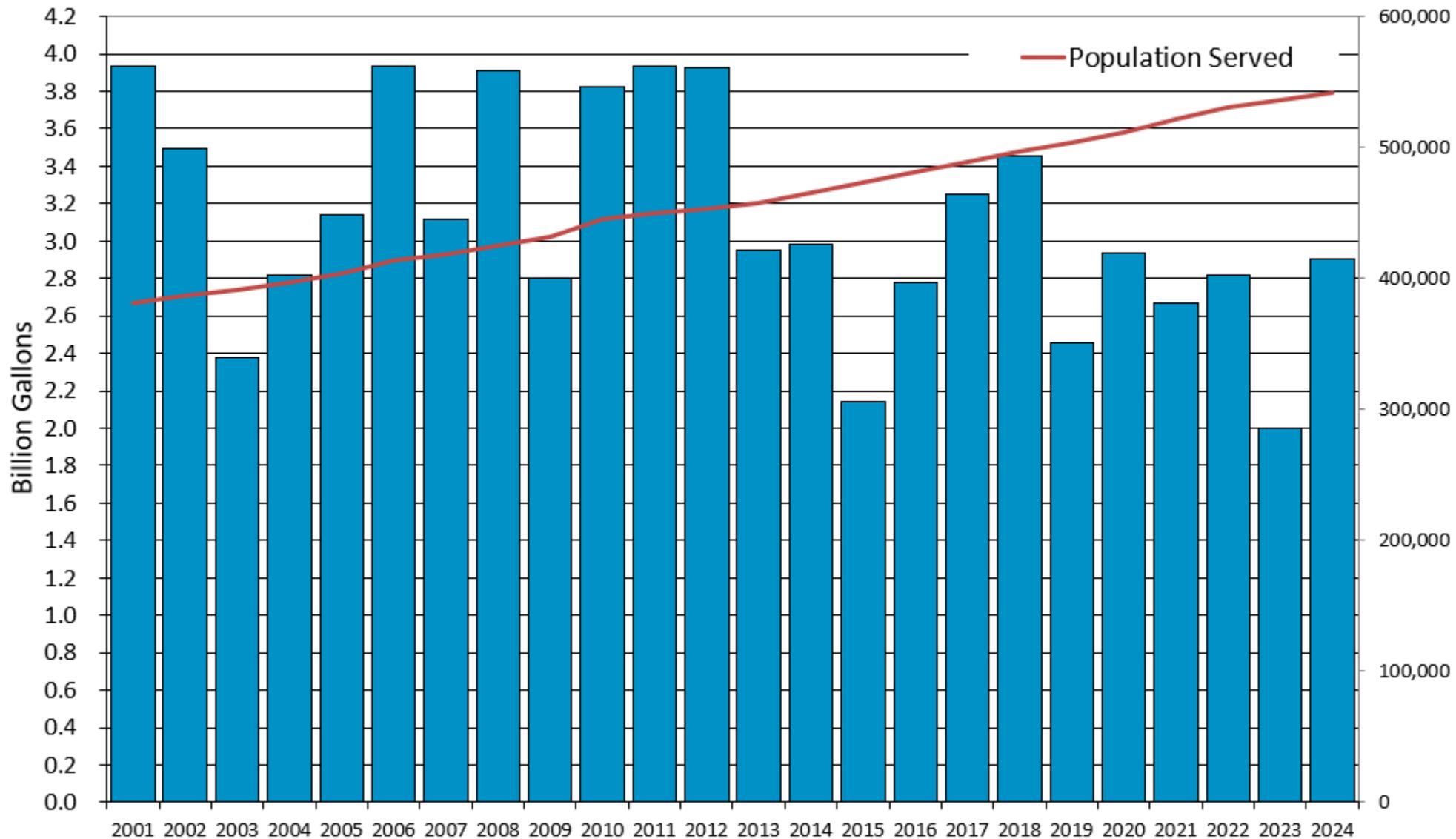
- Averaged 96.7 MGD
- 45.3% greater than June 2023

## 2024 Year to Date through June 30

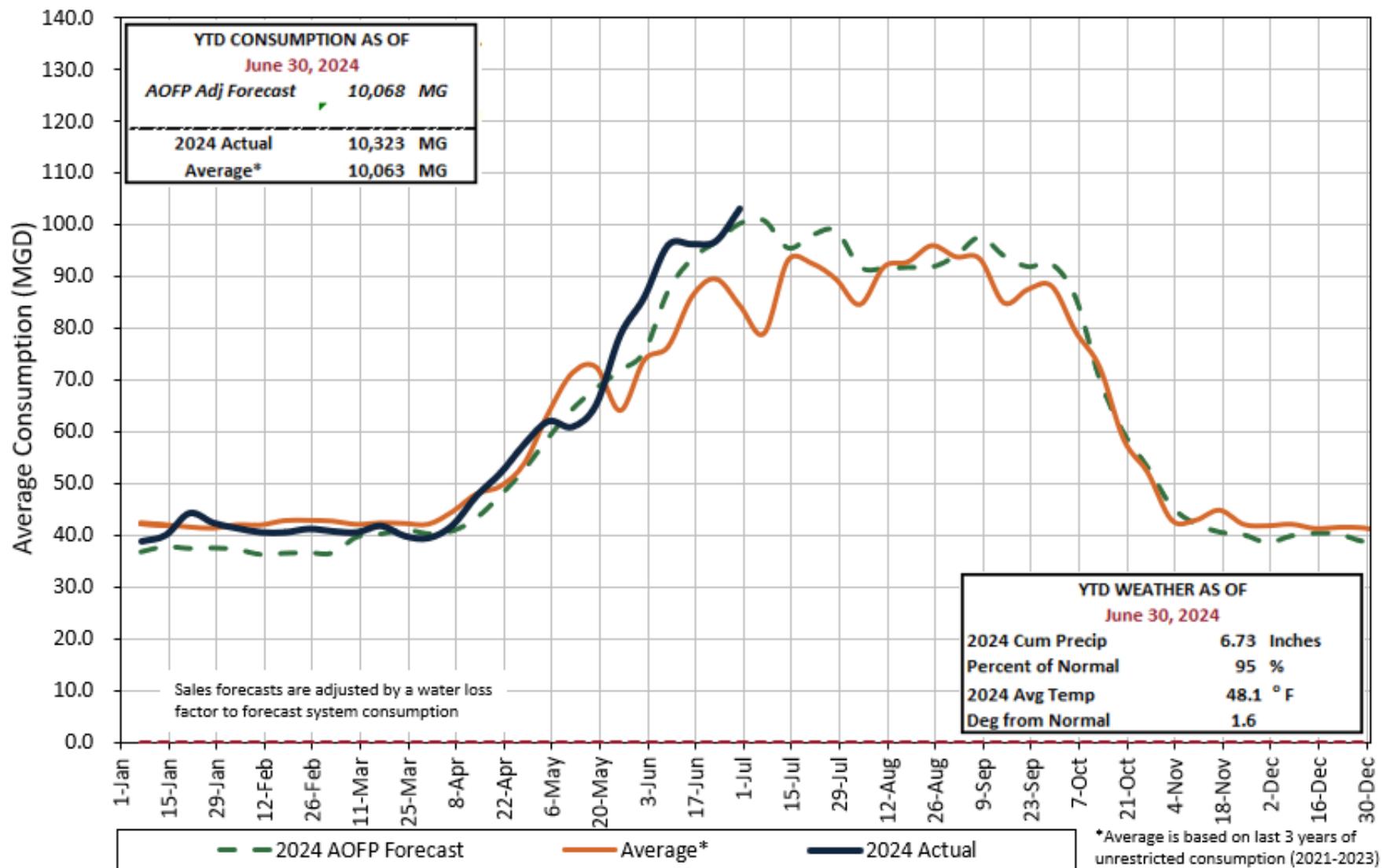
- Averaging 56.7 MGD, 10.3 BG total
  - 10.2% more than June 2023
  - 0.96 Billion Gallons more than 2023



# Monthly Water Use for June



## 2024 Actual Consumption (Weekly Data)



# Reservoir Levels

June 30, 2024

- Pikes Peak 71 %
  - 91-20 Avg. 71 %
- Rampart 94 %
  - 91-20 Avg. 84 %
- Local Total 85 %
  - 91-20 Avg. 79 %
- System Total 88 %
  - 91-20 Avg. 84 %

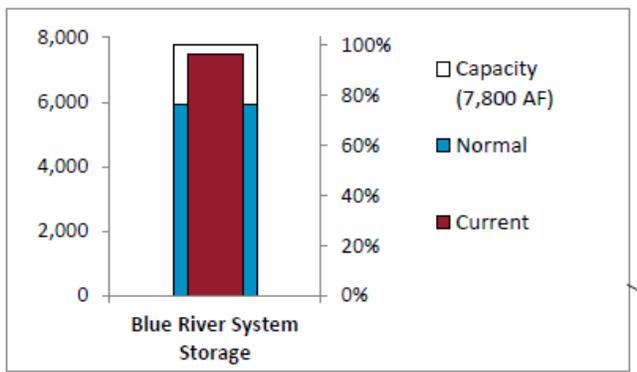


**Colorado Springs' System Wide Storage:**

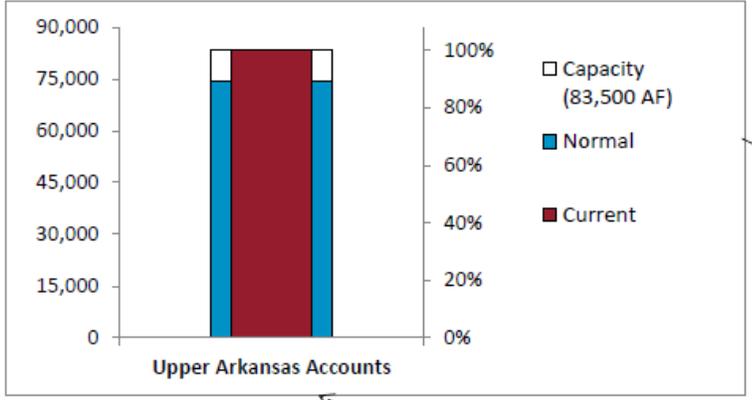
June 30, 2024 : 229,200 af  
88.2 %

2001-2022 avg : 201,100 af  
77.4 %

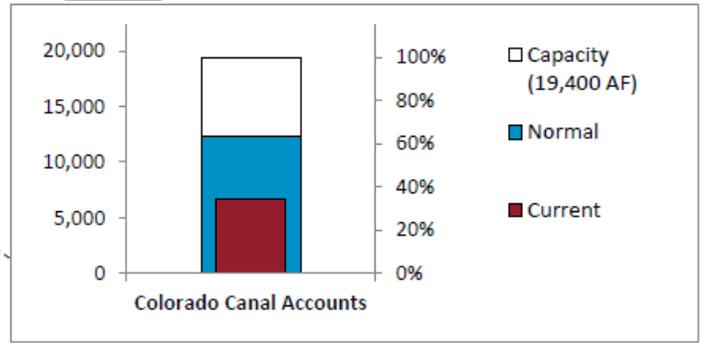
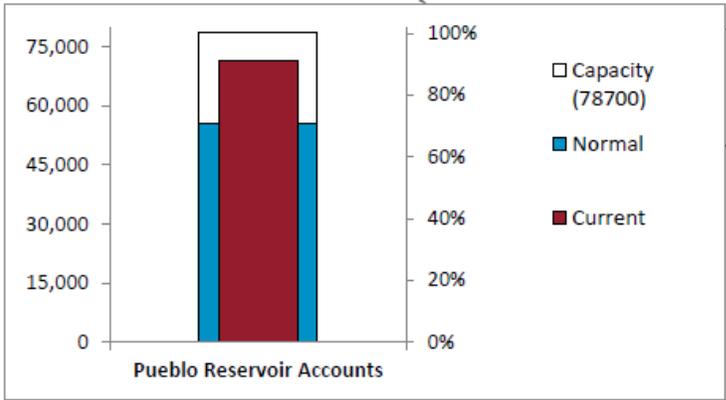
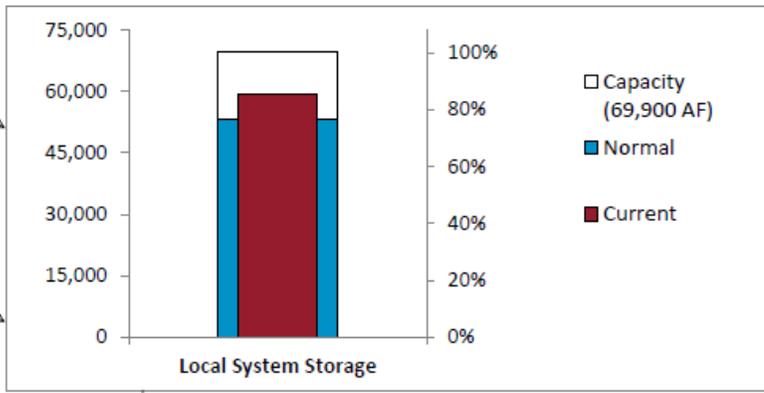
Average YTD Demand : 56.7 MGD



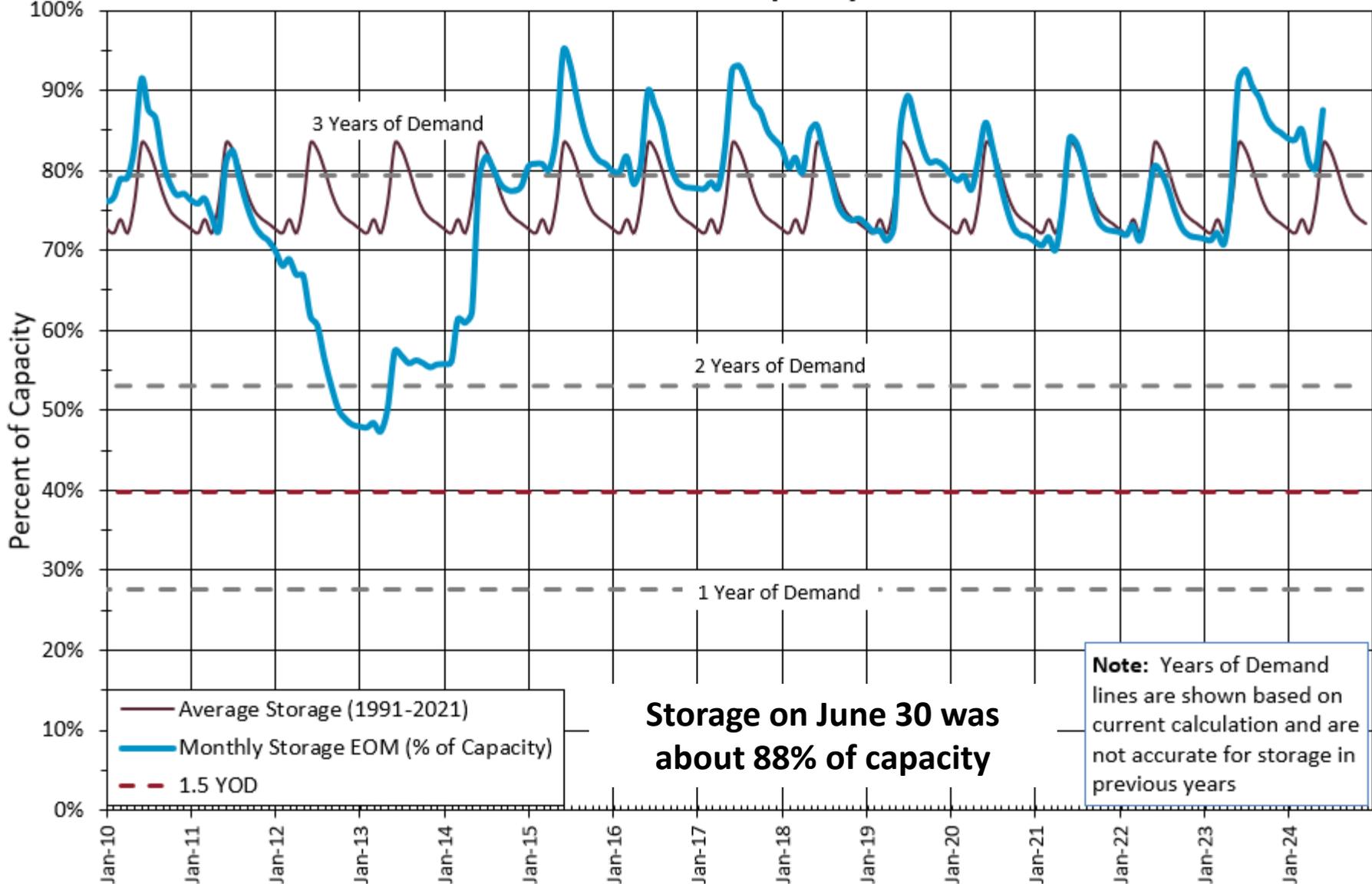
MAX. 20 MGD



MAX. 68 MGD



# Monthly Storage Percent 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 88.2% of capacity, about 4% above our long-term average
  - About 3.3 years of demand in storage, based on the past 3 years of demand
  - Have 299 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



Colorado Springs Utilities<sup>®</sup>

*It's how we're all connected*



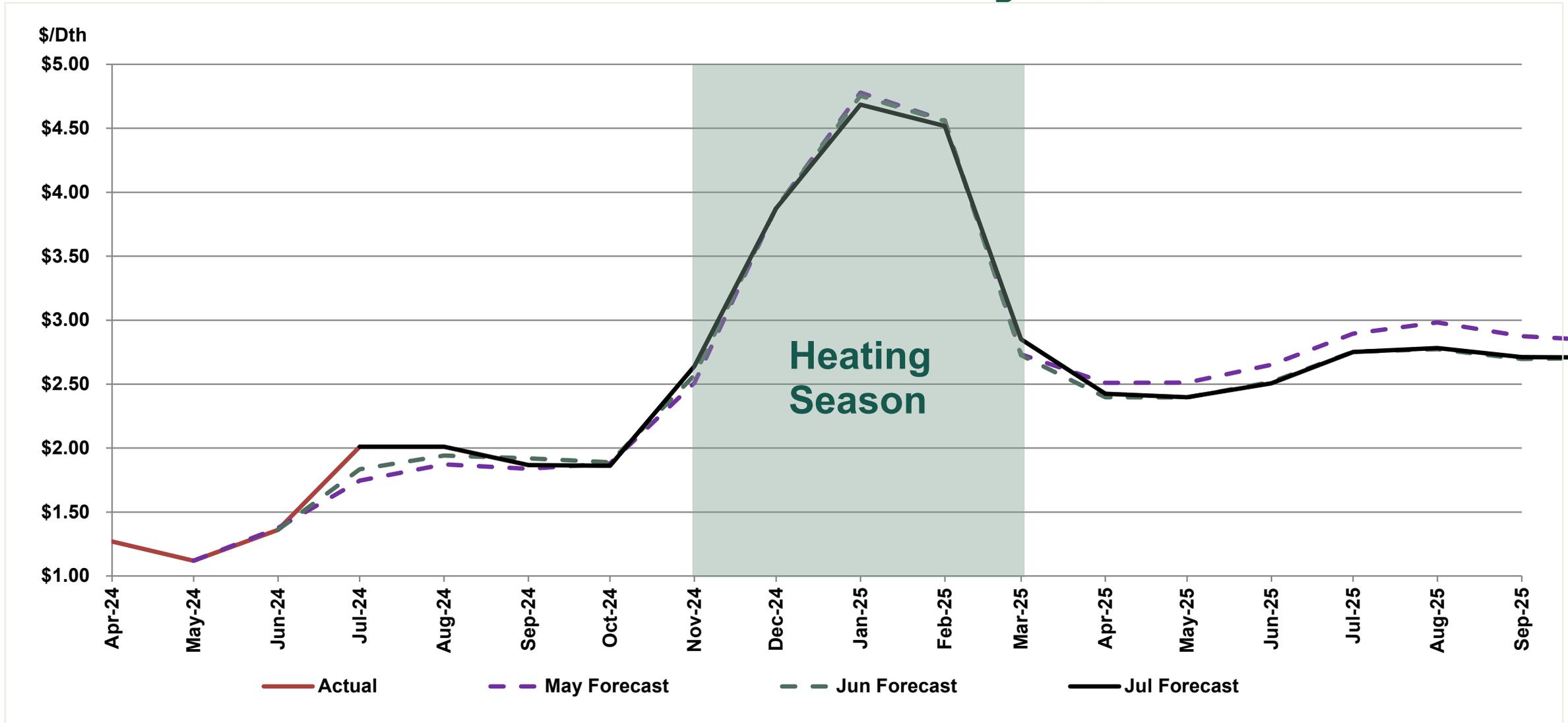
Colorado Springs Utilities  
*It's how we're all connected*

# **Electric Cost Adjustment Gas Cost Adjustment**

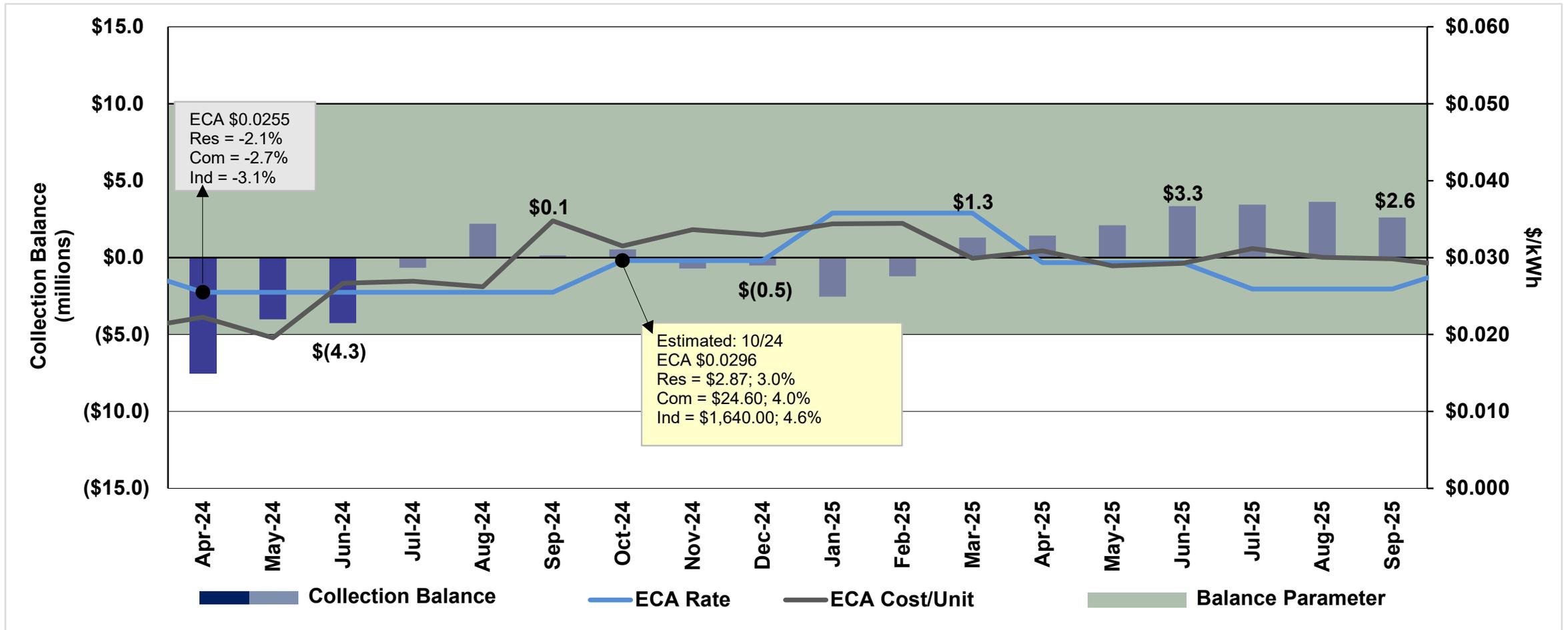
Scott Shirola, Pricing and Rates Manager

July 17, 2024

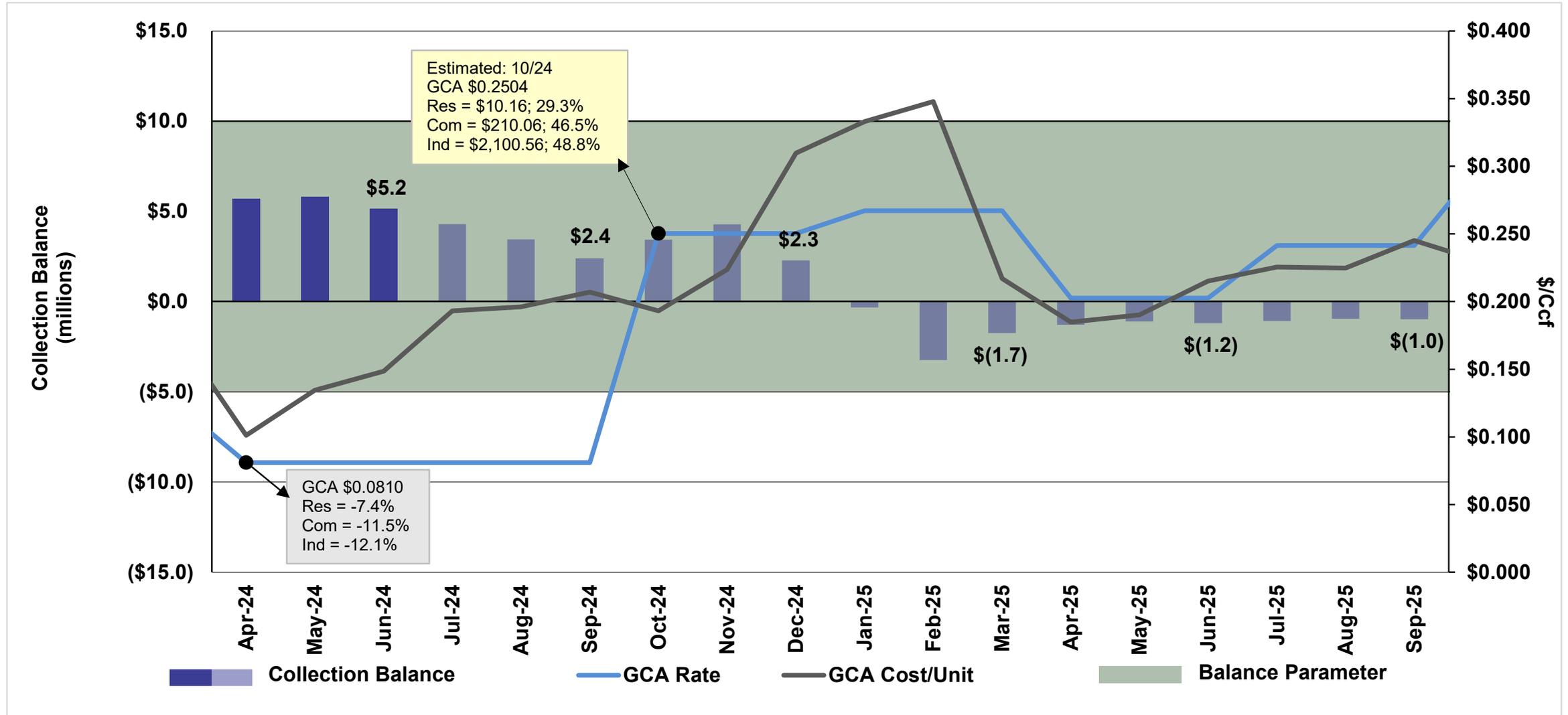
# Natural Gas Prices as of July 1, 2024



# ECA Projections July 2024



# GCA Projections July 2024





Colorado Springs Utilities<sup>®</sup>

*It's how we're all connected*

# Board Memo Agenda Item

## Staff Report

|   |   |                        |                  |
|---|---|------------------------|------------------|
| <b>Date:</b><br>(Date of Utilities Board Meeting)   | July 17, 2024   |                        |                  |
| <b>To:</b>  | Utilities Board   |                        |                  |
| <b>From:</b>  | Travas Deal, Chief Executive Officer  |                        |                  |
| <b>Subject:</b>   | Eastern Wastewater System Expansion   |                        |                  |
| <b>NARRATIVE:</b>   |   |                        |                  |
| <b>Desired Action:</b><br>Choose only one   | <input type="checkbox"/> Approval<br><input type="checkbox"/> Discussion<br><input checked="" type="checkbox"/> Information   |                        |                  |
| <b>Executive Summary:</b>   | <p>The Eastern Wastewater System Expansion Program will permit, design, construct, and integrate three initial wastewater conveyance infrastructure projects identified in the Banning Lewis Ranch Study and Alternatives Analysis. These projects include more than 17 miles of pipeline and two lift stations to serve more than 200,000 single family equivalents in eastern Colorado Springs. Due to the significance of community impact, Colorado Springs Utilities plans to execute the project with a completion date of 2030.</p> <p>Staff will be providing an overview of the project and an analysis of community impact.</p> |                        |                  |
| <b>Benefits:</b>  | The project will support growth in eastern Colorado Springs   |                        |                  |
| <b>Board Policy:</b><br>If this impacts one of the board policies, indicate that here.  | Guideline G-13 Determination to Construct Water and/or Wastewater Extension   |                        |                  |
| <b>Cost / Budget:</b><br>Include the projected cost or budget here.   | \$211 million 5-year, \$226 million total budget  |                        |                  |
| <b>Affected Parties:</b><br>This could include community groups, specific City Council Districts, other utilities, nonprofit organizations, certain neighborhoods, Colorado Springs Utilities employees, etc. | Banning Lewis Ranch and other development in eastern Colorado Springs   |                        |                  |
| <b>Alternatives:</b>  | N/A   |                        |                  |
| <b>Submitter:</b>   | Tara McGowan  | <b>Email Address:</b>  | tmcgowan@csu.org |
| <b>Division:</b>  | SPP System Planning & Projects Division   | <b>Phone Number:</b>   | 719-668-8253     |
| <b>Department:</b>  | EDD Engineering and Design Department   | <b>Date Submitted:</b> | July 5, 2024     |
| <b>SPG Staff Use Only:</b>  | Consent Calendar <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No  |                        | Item Number 08   |

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



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

# Eastern Wastewater System Expansion I-3 Report

Utilities Board Meeting

July 17, 2024

# Agenda

1. Review of G-13 Policy
2. Portfolio Introduction
3. System, Operational, and Community Support Considerations
4. Financial Estimates
5. Environmental Considerations

# Approved New Guideline (G-13)

- **Determination to Construct Water and/or Wastewater Extension**

**Springs Utilities informs Utilities Board of determinations to construct water distribution and/or wastewater collection system. Information provided to Utilities Board may include the following:**

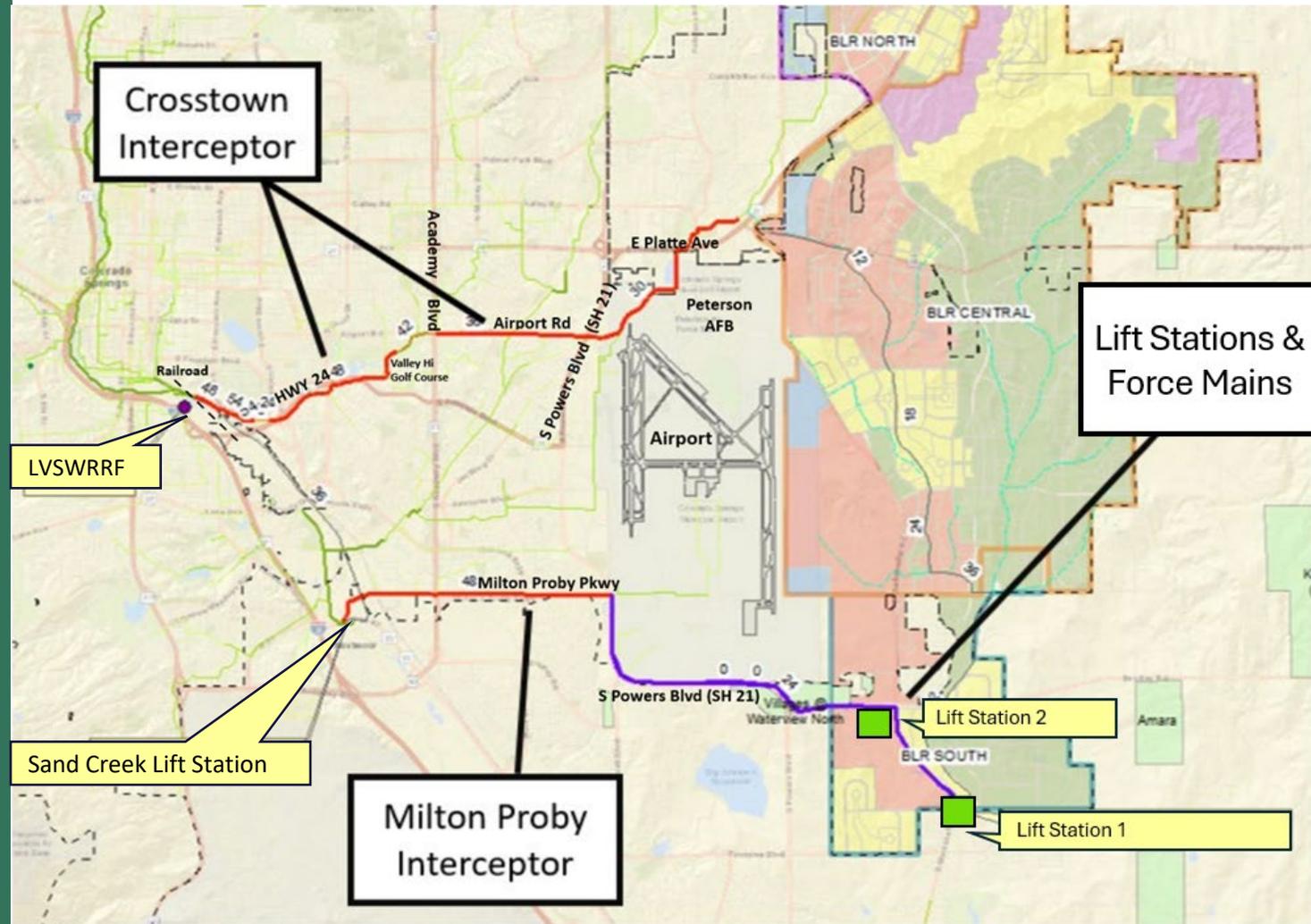
- A. System and operational considerations
  - Design capacity
  - Complexity of design and construction
  - Land and easement acquisition
- B. Financial estimates
  - Cost and schedule
  - Recovery Agreement Charge and/or Advance Recovery Agreement Charge
  - Water and wastewater rate impacts
- C. Environmental considerations
  - Regulatory and permitting requirements
  - Identified impacts to waterways
- D. Community support considerations
  - Regional significance
  - Impact to growth and economic development

# Portfolio Overview

# Eastern Wastewater System Expansion (EWSE)

## Phase 1 (2024-2030)

- 3 large, complex projects
- 11 miles of gravity
- 6 miles of force mains
- Two lift stations
- 24-to-48-inch nominal pipe diameter



# Portfolio History



# **System, Operational, and Community Considerations**

# System, Operational & Community Support Considerations

- EWSE is estimated at \$396 Million dollars in cost
- High Complexity
- Time sensitive with a 2028-2030 delivery
- Significant stakeholder impacts
- Capacity approximately 206,000 Single Family Equivalent (SFE)
- The infrastructure will impact more than 127 acres of land and 50 private parcels

# Financial Estimates

# Portfolio Capital Costs\* (2024-2030) - \$226M

\*Conceptual Design Report has added a potential \$150 million to the portfolio

|                       | 2024      | 2025         | 2026         | 2027          | 2028         | 2029         | 2030         |
|-----------------------|-----------|--------------|--------------|---------------|--------------|--------------|--------------|
| <b>SAA</b>            |           |              |              |               |              |              |              |
| <b>Design</b>         |           |              |              |               |              |              |              |
| <b>Early Delivery</b> |           |              |              |               |              |              |              |
| <b>Construction</b>   |           |              |              |               |              |              |              |
|                       | \$329,930 | \$6,974,000  | \$37,204,000 | \$61,319,000  | \$49,392,000 | \$48,294,000 | \$22,642,000 |
|                       |           | \$16,974,000 | \$97,368,000 | \$101,483,000 | \$10,000,000 |              |              |

# Cost Recovery

- Advanced Cost Recovery and Standard Cost Recovery
  - Methodology of collecting costs for wastewater developments per Tariffs and Utilities Rules and Regulations
- Cost recovery range is between \$2,000-\$6,000 per Single Family Equivalent
- \$5.9 Million collected as of June 2024
- Projected 75% recovery of cost in a 30-year payback period
- Initial capital will be funded by rates

# Financial Impacts

Base Rate Increases to Support Eastern Wastewater Expansion:

|                      | 2025 | 2026 | 2027 | 2028 | 2029 | Monthly<br>Typical Bill<br>Impact<br>After 5 years |
|----------------------|------|------|------|------|------|--|
| Wastewater Base Rate | 3.5% | 3.5% | 3.5% | 3.5% | 3.5% | \$6.12   |

- Rate impacts are related to a 5-year project cost of \$211 Million

# Environmental Considerations

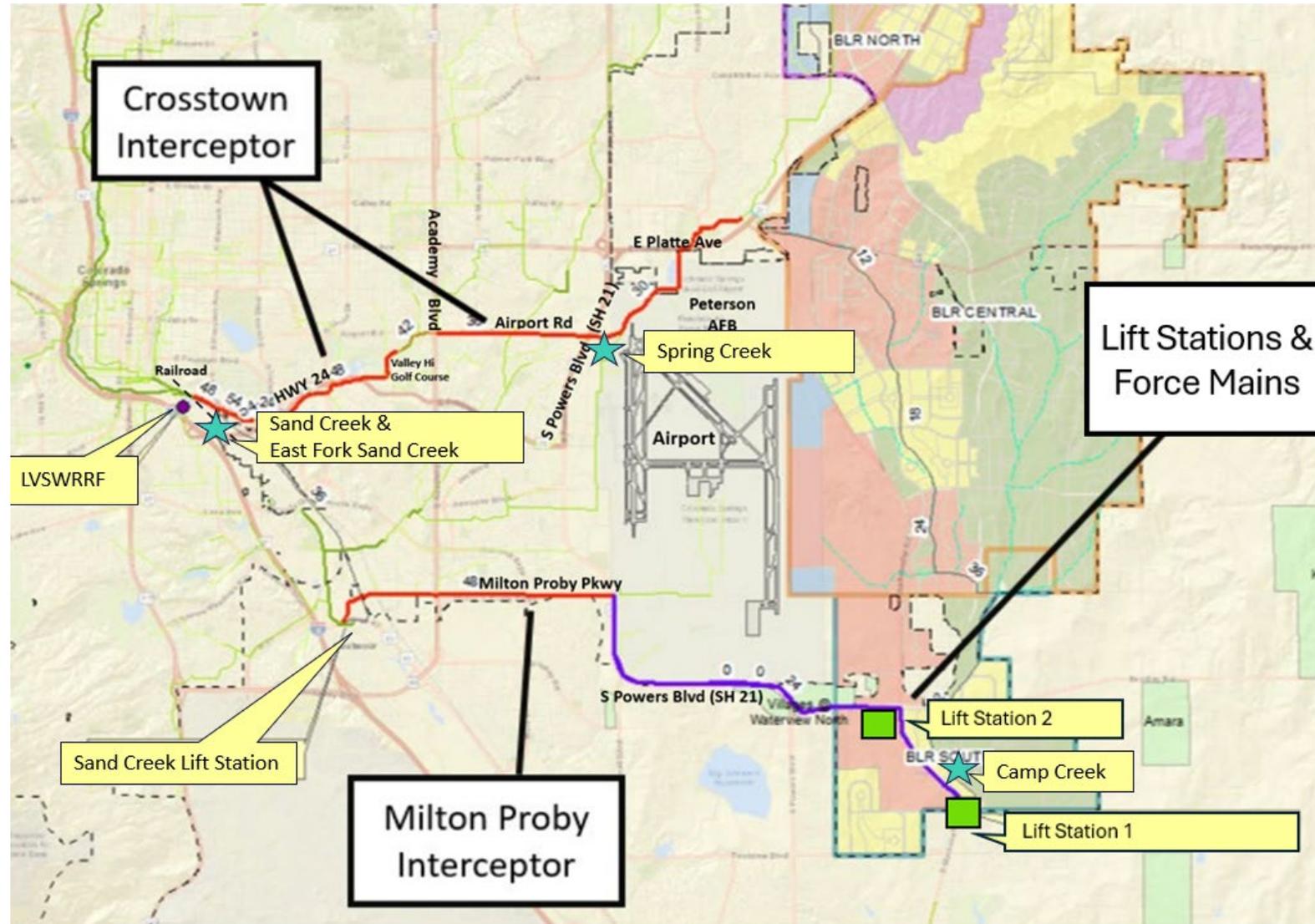
# Environmental Considerations

- Significant permitting requirements and coordination:
  - CDPHE
  - CDOT
  - City of Colorado Springs
  - El Paso County
  - Federal Government Agencies
  - Peterson Space Force Base
  - Railroad

# Environmental Considerations

Multiple water crossings:

- Spring Creek
- Camp Creek
- Sand Creek
- East Fork Sand Creek





Colorado Springs Utilities<sup>®</sup>

*It's how we're all connected*

# Board Memo Agenda Item

## Staff Report

|   |  |  |                |
|---|--|--|----------------|
| <b>Date:</b><br>(Date of Utilities Board Meeting)   |  | July 17, 2024  |                |
| <b>To:</b>  |  | Utilities Board  |                |
| <b>From:</b>  |  | Travas Deal, Chief Executive Officer   |                |
| <b>Subject:</b>   |  | Fort Carson Intergovernmental Support Agreement for Water  |                |
| <b>NARRATIVE:</b>   |  |  |                |
| <b>Desired Action:</b><br>Choose only one   |  | <input type="checkbox"/> Approval<br><input type="checkbox"/> Discussion<br><input checked="" type="checkbox"/> Information  |                |
| <b>Executive Summary:</b>   |  | <p>In March of 2022 an Intergovernmental Support Agreement (IGSA) was signed between Colorado Springs Utilities and Ft. Carson to provide maintenance and operations oversight for the installation's streetlights, water cathodic protection, natural gas system and electric system. This is to share information related to the next level of partnership between Springs Utilities and Ft. Carson.</p> <p>Ft. Carson has requested an amendment to the original Intergovernmental Support Agreement for Springs Utilities to take on Post's water distribution systems, including ongoing maintenance, assisting in the upgrade of the control system, as well as learning more about the sites chilled water and high temperature hot water systems starting in 2025 – with no impact on customer rates. Fort Carson will reimburse Colorado Springs Utilities for all operations and maintenance expenses.</p> |                |
| <b>Benefits:</b>  |  | N/A  |                |
| <b>Board Policy:</b><br>If this impacts one of the board policies, indicate that here.  |  | N/A  |                |
| <b>Cost / Budget:</b><br>Include the projected cost or budget here.   |  | \$0 – Covered by Ft. Carson  |                |
| <b>Affected Parties:</b><br>This could include community groups, specific City Council Districts, other utilities, nonprofit organizations, certain neighborhoods, Colorado Springs Utilities employees, etc. |  | Fort Carson Mountain Post  |                |
| <b>Alternatives:</b>  |  | N/A  |                |
| <b>Submitter:</b>   | Somer Mese, Chief Operations Officer   | <b>Email Address:</b>  | smese@csu.org  |
| <b>Division:</b>  | Operations   | <b>Phone Number:</b>   | 719-668-8103   |
| <b>Department:</b>  | Operations   | <b>Date Submitted:</b>   | July 3, 2024   |
| <b>SPG Staff Use Only:</b>  | Consent Calendar <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |  | Item Number 11 |

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



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

# **Fort Carson Intergovernmental Support Agreement Update**

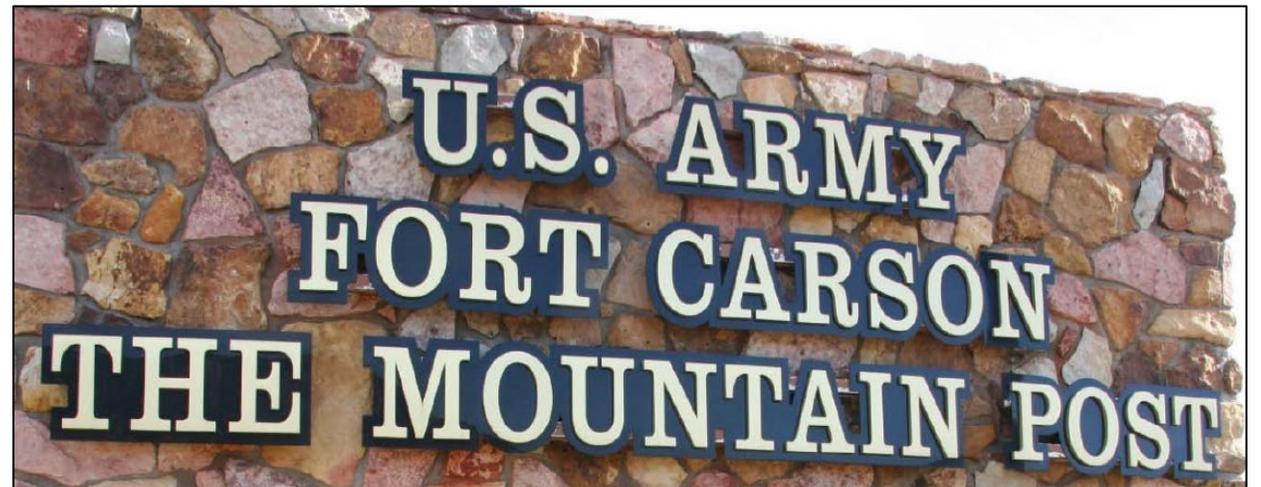
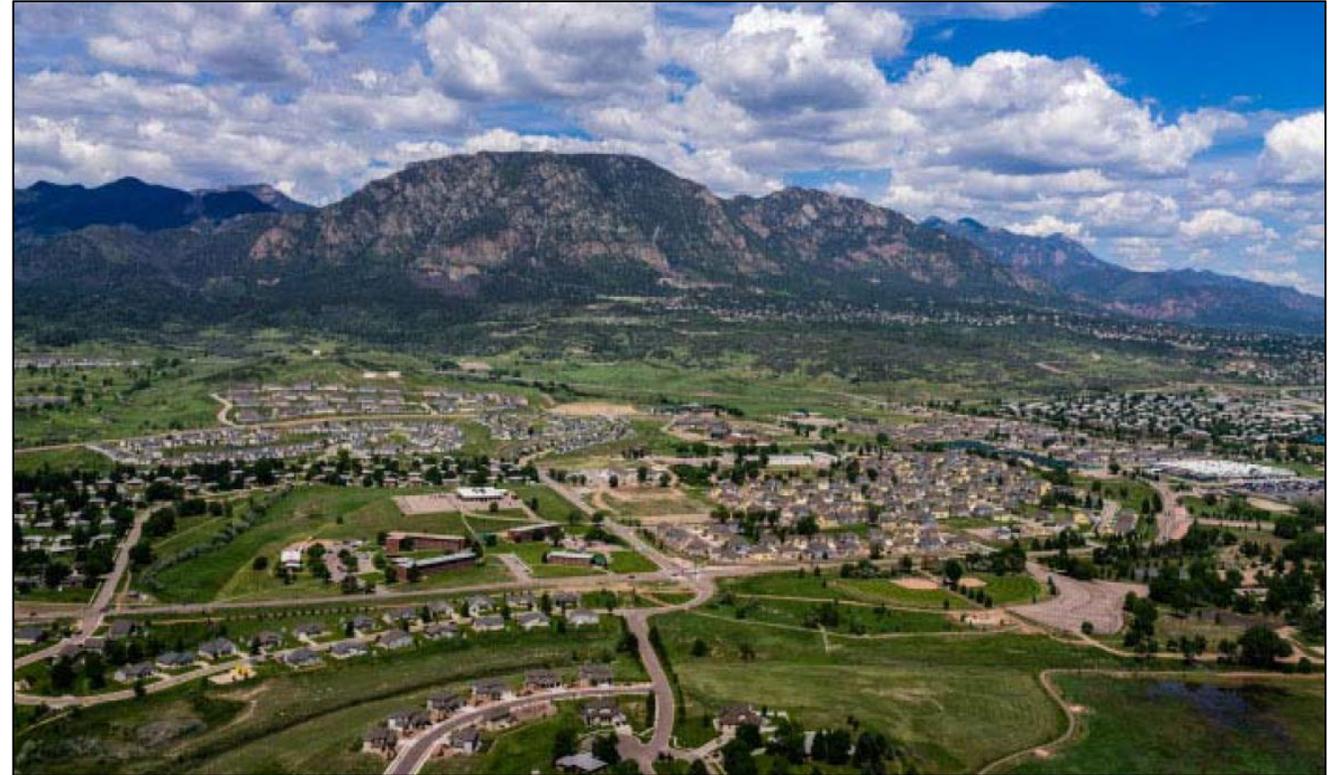
July 17, 2024

# Agenda

1. Background
2. Intergovernmental Support Agreement (IGSA) Scope
3. Key Successes
4. Water Distribution Systems
5. Future IGSA Enhancements
6. Questions

# Background

- Multi-year effort
- IGSA signed March 2022
- Began operations January 2023
- First of this scope and size in Army
- 10-Year Time & Materials Agreement



# Scope

- Operate, maintain, and repair Fort Carson owned electric and gas systems
- Streetlight repair
- Cathodic protection of steel water lines and gas distribution system
- 24x7 emergency response for Fort Carson community
- Approved corrective maintenance projects (DPW & CSU collaboration)
- \*\* Water Distribution Systems; scope expansion to begin 2025 (July-December Phase-in work)



**Switching Substation Transformer**

**Bldg 8932 Gas Service Replacement**



**Golf Course Gas Service Renewal**



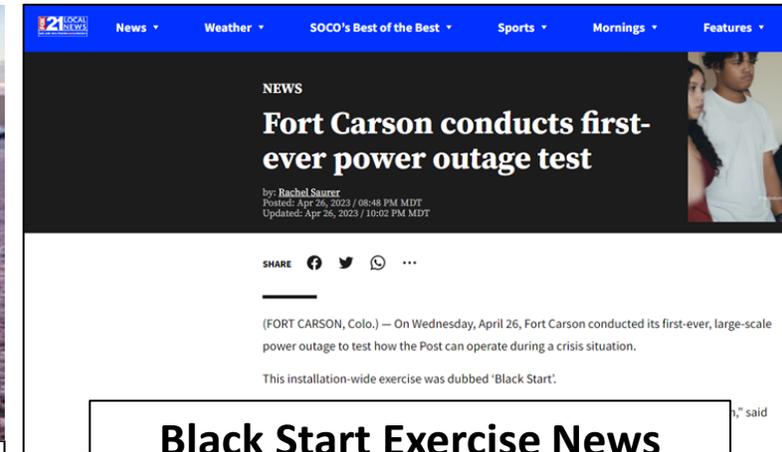
**Housing Streetlight Repair**

# Key Successes

- True partnership and collaboration
- Enhancements of reliability/resilience
- AAFES Meter with AMI Infrastructure
- Best practices & Utilities standards
- Developing Standard Operating Procedures
- Black Start Exercise



**AAFES Meter Work**



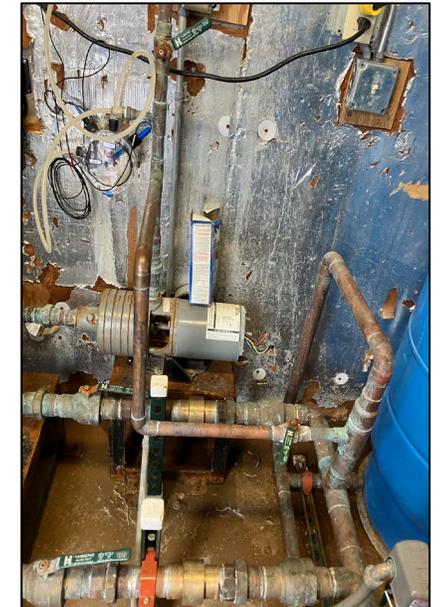
**Black Start Exercise News**



**Range Neutral Repair**

# Water Distribution Scope

- 1,785 water system main/service valves
  - PRVs
  - Flow controls
  - Pump stations
- 1,780 hydrants
- High temp/chill lines
  - 117 vaults
  - Chill N Loop: 16" transite, 1 failure/year
  - Chill S Loop: New HDPE, isolation valves
  - High temp: 90's vintage, 3 leaks in 11 years
- Water quality
  - Sampling and treatment
  - Tank clean/Maint. (9 tanks) 8-steel 1-concrete
  - Flushing program
  - Chlorinator booster stations



# 2024 Water Phase-In Plan

## April

- DPW to T&H communications about Water Distribution IGSA to present staff on Fort Carson

## May

- Water job fair: May 16
- Shadow any available water maintenance activities

## June

- Gas crew moves to permanent facility (Building 8110)
- Talent acquisition process for Water Crew Supervisor
- Shadow Chill line maintenance

## July

- Water Distribution amendment signed
- Post/hire two EVS specialist positions (water quality)
- Order water SCADA/communications materials
- Start SCADA work

## August

- Build water asset registry
- SCADA work continued
- Post/hire heavy equipment operator

## September

- Environmental specialists start
- Shadow T&H sampling operations

## October

- Shadow high temp system maintenance
- Post remaining team positions: water distribution specialist and water pipefitter specialist

## November

- Remainder of team starts with Springs Utilities

## December

- Connect SCADA to Colorado Springs Utilities' system

**January 1, 2025** - Operations start!

# Future for the Intergovernmental Support Agreement (IGSA): 2025 and Beyond

- Current plan will see program expansion to total staff supporting IGSA in 2025 (19 employees).
- Continued expansion to be determined at future date
  - Next steps will explore including wastewater collections, industrial sewer, and wastewater treatment facility 2026/2027.



Colorado Springs Utilities<sup>®</sup>

*It's how we're all connected*