

AGENDA

Wednesday, August 21, 2024

1:00 p.m.

[Click here to join the meeting](#)

Or call in (audio only)

[+1 719-733-3651,,27646719#](#)

1:00 p.m.	1. Call to Order	Chair Donelson
1:05 p.m.	2. Invocation and Pledge of Allegiance	Chair Donelson
1:10 p.m.	3. Consent Calendar These items will be acted upon as a whole unless a specific item is called for discussion by a Board Member or a citizen wishing to address the Utilities Board. (Any items called up for separate consideration shall be acted upon following Compliance Reports.)	Chair Donelson
	3a. Approval of July 17, 2024, Utilities Board meeting minutes	
	3b. Approval of the meeting minutes from the Aug. 5, 2024, Utilities Board Retreat	
	3c. Reappointment of Michael Borden as a Regular Member of the Utilities Policy Advisory Committee (UPAC)	
	3d. Reappointment of Katherine Danner as a Regular Member of the Utilities Policy Advisory Committee (UPAC)	
	3e. Reappointment of David Watson as a Regular Member of the Utilities Policy Advisory Committee (UPAC)	
	3f. Appointment of Tom Carter as an Alternative Member of the Utilities Policy Advisory Committee (UPAC)	
	3g. Appointment of Albert Badeau as an Alternative Member of the Utilities Policy Advisory Committee (UPAC)	
1:15 p.m.	4. Customer Comments	Chair Donelson
	<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 who have signed up to speak, an announcement will be made seeking additional comments and the Board will accept all those wishing to comment. 	

1:20 p.m.	5. Recognition <ul style="list-style-type: none"> • Recognition of September as National Preparedness Month • 2024 Colorado Day of Total Worker Health 	Erin Duran, Emergency Management Program Manager Michael Myers, Safety and Health Manager Heather Harvey, Human Resources Manager
1:40 p.m.	6. Compliance Reports: <ul style="list-style-type: none"> • I-2 Financial Condition and Activities (to include contracts over \$500K) G-7 – Q2 • I-4 Risk Management (Semi-annual) • I-8 Asset Protection (semi-annual) E-2 CEO/Board Partnership Responsibilities <ul style="list-style-type: none"> • Water Outlook • Electric Cost Adjustment / Gas Cost Adjustment Monitoring 	Travas Deal, Chief Executive Officer
1:50 p.m.	7. Items Called Off Consent Calendar	Chair Donelson
1:55 p.m.	8. 2025 Budget and Rate Case <u>This is an informational presentation</u> regarding the 2025 Budget and Rate Case.	John Hunter, Financial Planning and Risk Manager Scott Shirola, Pricing and Rates Manager
2:40 p.m.	9. 2024 Balanced Scorecard Mid-Year Results <u>This is an informational presentation</u> regarding the 2024 Balanced Scorecard Mid-Year results.	Natalie Watts, Strategic Planning and Governance Manager
3:00 p.m.	10. Board Member Updates	Board of Directors
3:10 p.m.	11. Summary of Board Actions	Gail Pecoraro, Utilities Board Administrator
3:15 p.m.	12. Closed 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)(e), (f) and (g) and Utilities Board Bylaws Rules 10(c)(5), 10(c)(6), and 10(c)(7), the Utilities Board, in Open Session, is to determine whether it will hold a Closed Executive Session on two issues. The first issue to be discussed involves conferences with the City Attorney’s Office regarding determining positions relative	Renee Congdon, City Attorney’s Office – Utilities Division Chief

to contract negotiations regarding gas resources, including consideration of documents containing confidential and proprietary information. The second issue to be discussed is the 2024 mid-year performance review of the Chief Executive Officer.

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.

**4:30
p.m.**

13. Adjournment

Chair Donelson

MINUTES
Colorado Springs Utilities Board Meeting
Tuesday, July 17, 2024

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

Chair Dave Donelson, Vice Chair Yolanda Avila, Lynette Crow-Iverson, Randy Helms, Nancy Henjum, 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, Alex Baird, Kerry Baugh, Steve Berry, Steve Carr, Charles Cassidy, Thad Clardy, Andy Colosimo, Sarah Dickson, Matt Dudden, Natalie Eckhart, Marcela Espinoza, Jennifer Franceschelli, Kim Girling, Brian Grim, Mike Gudahl, Lisa Halcomb, Ginny Halvorson, Diana Harmon, Nick Harris, Brittany Harrison, Adam Hegstrom, Tyrone Johnson, Rebecca Kerrigan, Danielle Nieves, Sarah LaBarre, David Longrie, Tara McGowan, Michael Myers, Christian Nelson, Jacqueline Nunez, Christopher Olney, Daniel Olson, David Padgett, Gail Pecoraro, Jessica Rheinschmidt, Scott Shirola, Stuart Smith, Admar Susic, Jennifer Travis, Amy Trinidad, Jennifer Valdois, Natalie Watts, Al Wells and Justin Zeisler

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

Chris Bidlack, Renee Congdon, Jamie Fabos, Elli Harris-Mevis and Alex Ryden

Citizens present via Microsoft Teams or Blue River Conference Room:

Susan Beitle, Mike Blumer, William Landin, Michael Gossett, Carrie Guy, Chris Meyer, Scott Smith, Stewart Williams and Joe Wycutt

1. Call to Order

Chair Donelson called the Utilities Board meeting to order at 1:00 p.m., and Ms. Gail Pecoraro, Utilities Board Administrator, called the roll.

2. Invocation and Pledge of Allegiance

Pastor Stewart with the Fellowship of the Rockies delivered the invocation, and Board Chair Donelson led the Pledge of Allegiance.

3. Consent Calendar

3a. Approval of Utilities Board Meeting Minutes: June 18, 2024 and June 20, 2024 Utilities Board Meeting

3b. Appointment of Chris Meyer as a Regular Member of Utilities Policy Advisory Committee (UPAC)

A motion was made by Board Member O'Malley with a second by Board Member Crow-Iverson to approve the Utilities Board minutes from the June 18, 2024 and June 20, 2024 Utilities Board meetings as well as the appointment of Chris Meyer as a regular member of the Utilities Policy Advisory Committee (UPAC). The Consent Calendar was unanimously approved.

4. Customer Comments

Ms. Susan Beitle, customer, spoke and expressed concern on the new metering system and the associated costs for opting out to the analog system and the need to read their own meter. Mr. Travas Deal, Chief Executive Officer, stated that the Advanced Metering Infrastructure (AMI) is a two-way technology that allows customers to better manage their costs. Mr. Mike Francolino, Chief Customer and Enterprise Services Officer, and Ms. Somer Mese, Chief Operating Officer, stated they would address Ms. Beitle's specific questions offline.

5. Recognition

- Rotational Engineering Employees

Ms. Sarah LaBarre, Engineering Manager, introduced the current Rotational Engineering employees and provided a brief overview of the rotational engineering program within Springs Utilities. The three new rotational engineers are all electrical engineers: Sarah Dickson Jacobs, Will Lundstrom and Daniel Wallace.

Board Member O'Malley asked the approximate length of the onboarding process. Ms. LaBarre said the offer was extended in early March, and the students began work on June 10, 2024. During their first year of employment, they will be exposed to all areas of the organization.

6. Compliance Reports

- I-3 Financial Planning and Budgeting G-8
The I-3 Financial Planning and Budgeting was provided in the meeting packet, and there were no questions.
- E-2 CEO / Board Partnership Responsibilities
 - Water Outlook
 - Electric Cost Adjustment / Gas Cost Adjustment MonitoringThese two reports were provided in the meeting packet. There were no questions.

7. Items Called Off Consent Calendar

There were none.

8. Eastern Wastewater Systems Expansion

Ms. Tara McGowan, Engineering and Design Manager, gave an overview of the Eastern Wastewater Systems Expansion. This project will integrate three wastewater infrastructure projects in Banning Lewis Ranch. This includes more than 17 miles of pipeline and two lift stations.

9. Ft. Carson Water Intergovernmental Service Agreement (IGSA)

Mr. Charles Cassidy, General Manager of Operations, gave an update on the existing intergovernmental agreement between Colorado Springs Utilities and Fort Carson. Colorado Springs Utilities entered into an agreement with Fort Carson in March 2022. Ft. Carson has requested an amendment to this agreement. This agreement has been beneficial to both Springs Utilities and Fort Carson. Fort Carson will reimburse Colorado Springs Utilities for all operations and maintenance expenses.

Board Member O'Malley asked if there have been any supply chain issues. Mr. Mike Gudahl, Senior Planner Analyst, said that Colorado Springs Utilities has encountered some small issues, but currently has a good supply count.

Mr. Deal said that Springs Utilities has shared a very positive partnership with Fort Carson and looks forward to next steps.

10. Board Member Updates

Mr. Helms gave an update on the fiber installation in his neighborhood, saying it has gone well on the north end of town. Citizen concerns are being addressed.

Ms. Henjum shared that at the recent Finance Committee meeting, there was a robust presentation of the 2025 budget. The proposed 2025 budget is currently estimated to be \$1.8 billion (a 21% increase over the 2024 approved budget). Over the next five years, the need to build new infrastructure is unprecedented, with capital projects increasing to \$600 million to \$950 million annually. The full Board will hear the 2025 proposed budget and rate case at the August 21 Utilities Board meeting.

She also shared that during the CEO Lunch today, the Board received the preliminary employee engagement survey information. She was impressed with these scores.

Ms. Avila said that the Personnel Committee met this past Monday. The training being done at the University of Springs Utilities was remarkable. The work being done by the Safety and Health Department was very impressive.

She stated the CEO's mid-year review will be sent to Board Members within the next week.

Mr. Risley gave an update from the Strategic Planning Committee that met yesterday, where an economic development update was given. Springs Utilities continues to partner with Peak Innovation Park and has worked with 17 prospect opportunities so far in 2024. The reserve capacity process was also discussed.

Chair Donelson was impressed with the Employee Climate Survey scores, especially those related to leadership and supervisors.

11. Summary of Board Actions

- Approval of June 18 and June 20, 2024, Utilities Board Minutes.
- Approval of the appointment of Chris Meyer as Regular Member of Utilities Board Advisory Committee (UPAC).

12. Adjournment

The meeting adjourned at 2:00 p.m.

MINUTES
Colorado Springs Utilities Board Retreat
Monday, August 5, 2024

Utilities Board members present in the Pikes Peak Room:

Chair Dave Donelson, Vice Chair Yolanda Avila, Lynette Crow-Iverson, Nancy Henjum, David Leinweber and Michelle Talarico

Utilities Board Members Excused:

Randy Helms, Mike O'Malley and Brian Risley

Staff members present in the Pikes Peak Room:

Travas Deal, Renee Adams, Lisa Barbato, Tristan Gearhart, Gail Pecoraro, Bethany Schoemer and Natalie Watts

City of Colorado Springs staff members present:

Renee Congdon

1. Breakfast and Icebreaker / Video

The retreat began at 8:36 a.m. Strategic Planning and Governance Manager Natalie Watts welcomed attendees to the retreat. A video was shown that featured employees talking about why they love working for Colorado Springs Utilities. As an icebreaker activity, Board Members were asked to share what they believed to be their most significant accomplishment as a Utilities Board member:

- Vice Chair Yolanda Avila – Choosing a closing date for Drake and seeing that accomplished.
- Board Member Michelle Talarico – Chairing the Project Management Review Committee, specifically participating in the tours and seeing the facilities.
- Board Member Nancy Henjum – Elevating conversation around water, specifically helping get the County Commissioners to the table regarding regional water challenges.
- Board Member David Leinweber – Helping raise awareness for mental health, for pumped hydro, and advocating awareness for the outdoors.
- Board Member Lynette Crow-Iverson – Dedicating herself to understanding the intricacies of Springs Utilities and learning how it all works.
- Board Chair Dave Donelson – Selecting the CEO and facilitating high lines to small businesses to help ensure that they could stay open during the valve replacement project at Academy and Austin Bluffs.

2. Open Discussion: What do you want out of today's meeting?

Ms. Watts reviewed the agenda for the meeting, and asked if there were other items that the Board wanted to cover. She asked Board Members what they wanted to get out of the retreat.

Ms. Henjum noted that there were three Board Members who were not in attendance. She said she would like a future discussion on collaborating with the farmers in the Arkansas Valley on water rights and the Colorado Water Plan and the Springs Utilities policy. She also would like to talk about other policies. City Attorney Renee Congdon stated that water policy could not be discussed since this was not a topic on the agenda that was noticed. It could, however, be added to a future Strategic Planning Committee meeting agenda. Ms. Henjum would also like to have a more in-depth conversation on the structure of City Council and the Springs Utilities model, being more strategic on how that is managed.

Mr. Leinweber stated that the topic he would most like to discuss is the value of being a community utility. He stated that it is sometimes daunting to know all the details and not be able to share those directly with citizens.

Ms. Talarico would like a comparison to other municipally-owned utilities on what is optimal governance for a utility like Springs Utilities. Ms. Bethany Schoemer, Strategic Planning and Governance Specialist Senior, mentioned that in 2016 a similar study was done, which she can forward to the Board.

City Attorney Renee Congdon said that the Board's responsibility is to set the direction of the organization and to monitor the CEO. The day-to-day direction of the organization is the responsibility of the CEO and his team.

3. Excellence in Governance Review

Ms. Watts provided a brief review of the Utilities Board duties, responsibilities, and administrative authorities. The two duties of the Utilities Board fall within two categories: fiduciary and statutory and regulatory. Administrative decisions are made at Utilities Board meetings, rather than at City Council.

Ms. Watts explained that the Utilities Board and Chief Executive Officer (CEO) work together to attain long-term organizational success and sustainability.

E: 1-3 Expectations

E-1 Utilities Board / Chief Executive Officer Strategic Collaboration

The Utilities Board and the CEO work together to establish Board expected results and Leadership Competencies for the Utilities Board's annual evaluation of the CEO's performance.

E-2 Utilities Board Partnership Expectations

The CEO assists the Utilities Board in obtaining the knowledge needed to meet joint responsibilities. Ms. Watts asked Board Members if there were additional items they would

like Travas Deal, Chief Executive Officer, to report on in addition to those currently being reported on: the ECA/GCA monitoring report and the Water Outlook

Mr. Leinweber said it would be helpful to see water risk. Ms. Congdon stated this could not be done in a public forum – but could be done in a closed session. Mr. Leinweber also mentioned the need to know about older equipment needing replacing. Mr. Deal gave an update on some replacement and reliability issues the organizations is facing.

Ms. Henjum suggested a more extensive strategy on compensation and benefits. Renee Adams, Chief Human Resources Officer, stated that a presentation is scheduled at the August Personnel Committee meeting. Ms. Henjum asked that we begin talking about the long-term future of debt ratios after the 5-year rate increase to address future needs for aging infrastructure.

E-3 Chief Executive Officer Authorities, Powers, and Duties – City Code

The Utilities Board respects and supports the authority of the CEO to lead Colorado Springs Utilities.

For communication purposes, Mr. Deal asked the Board to reach out directly to the CEO or Officer Team, but not directly to other employees within the organization.

Compliance Reports

The instructions to the CEO are broken down into 13 sets of directions, Responses to these directions are known as compliance reports.

compliance reports always come before the full Board, but also go through various committees. The Strategic Planning and Governance section maintains a list of compliance reports to include when they are due and which committee they go through. Some of the compliance reports are audited on a regular basis while others are not. The Auditor's Office may choose to audit any of the compliance reports at any time. These auditors' reports come to the full Utilities Board.

Guidelines

The Governance Manual also contains Guidelines. These further explain the instructions, commitments, expectations and practices..

4. C-2: Annual Board Evaluation Discussion

Ms. Watts said that in February 2024, the Utilities Board decided they did not want to do their annual Board evaluation during the Utilities Board meeting but would rather do it in an informal setting.

The C-2 is focused on the accomplishments of the Board as a whole, not on the individual accomplishments of Board Members. The Board had a lively discussion around the annual evaluation. They went through each of the first seven questions on the evaluation form and gave themselves a score.

Ms. Henjum asked other committee chairs how they felt about being more informal in their committee meetings (for example, simply asking questions rather than asking the committee chair if they can speak). Chair Donelson pointed out that each committee meeting is recorded and reporters can go back and look at those meetings so it is important to keep decorum at meetings.

Chair Donelson said Board Member O'Malley believes the Utilities Board's self-evaluation should be discontinued. Board Members present did not believe this would be beneficial. Ms. Henjum stated that best practice is to do a self-evaluation annually. Ms. Crow-Iverson said that she will need to see what the benefit and value of this tool is. City Council does not perform a self-evaluation.

5. Utilities Board Focus Area and Strategic Direction Review

Ms. Schoemer reviewed the Excellence in Governance Policy Manual which gives the responsibility of setting the strategic direction and vision of the organization on the Utilities Board in partnership with the Chief Executive Officer.

Focus Areas

The three focus areas of the organization are:

- Rates (40%)
- Reliability (40%)
- Relationships (20%)

Ms. Schoemer said the Utilities Board can change the focus areas and the weight of each area. Ms. Crow-Iverson asked Mr. Deal for his input on distribution weighting. Mr. Deal felt that more emphasis should be put on Reliability, perhaps up to 50%, with rates going down to 30%.

Mr. Leinweber suggested adding regulatory as a fourth focus area. Ms. Henjum suggested factoring regulatory into reliability, but not adding it as a separate strategic focus area.

A compromise was suggested of regulatory at 45% and rates at 35%. No final decisions were made. Further discussion will take place at the November Strategic Planning Committee meeting.

Ms. Schoemer will provide the Board with historical information on when the distribution of strategic focus areas have changed.

6. The Role of Utilities Policy Advisory Committee (UPAC)

Ms. Schoemer explained that UPAC is a third-party policy committee, and then explained the roles of the UPAC process.

The way the process works is that the Utilities Board identifies areas that need research or policy attention then vote to assign the scope of the assignment. UPAC researches and

completes the scope of work and drafts a recommendation to bring forward to the Utilities Board for consideration.

The UPAC Board liaison (the Chair or Vice Chair of the Utilities Board) works closely with UPAC and Springs Utilities staff to ensure the work stays within the approved project scope. The UPAC staff liaison works with UPAC and Springs Utilities staff, serving as a conduit between Utilities Board and UPAC, to help facilitate presentations and information needed to complete the assignment.

Ms. Avila asked what the role of the Utilities Board Liaison is if UPAC is a third-party committee. Mr. Deal stated that the intent was to provide communication between the Committee and the Utilities Board, for example, changes in scope.

At the conclusion of the UPAC Assignment, the Utilities Board can 1) Accept the assignment and do nothing with the recommendation; 2) Implement a new administrative policy consistent with the Governance Manual; or 3) Direct the CEO to incorporate their recommendation in operations.

UPAC assignments have three purposes:

1. Provide a third-party perspective to strategic operating and financial policies to the organization
2. Provide policy research focused on a law, regulation, procedure, administrative action, incentive or voluntary practice
3. Provide the Utilities Board with research assistance in their fiduciary and statutory duties

The process for generating new UPAC assignments has been unclear in the past. Brainstorming on a more formal process occurred.

Mr. Leinweber suggested that proposals go through the Strategic Planning Committee for consideration. Mr. Deal suggested these not be limited to the Strategic Planning Committee.

Ms. Henjum suggested an agenda item be added each committee's monthly agenda. City Attorney Renee Congdon suggested having individual committees pick their top one or two and bring those to the Utilities Board for a final vote before assignment.

Potential UPAC assignments were not brainstormed. The new process will be followed beginning in October 2024, with brainstorming occurring at each of the committee meetings. The new Board will need to vote on the new assignment in April 2025.

7. Communications Support to the Board

Ms. Watts reminded everyone that for the fastest responses to constituents' concerns to use the ub@csu.org email address. This email is monitored daily. This also helps with tracking, coming through a central point of contact, the Utilities Board Administrator (Gail Pecoraro).

Weekly Comm

Ms. Watts said that Weekly Comm emails come out every Friday. Board Members agreed that these communications are helpful and additionally asked for a quarterly fiber update.

Board Briefings

Board briefings are the once-a-month meetings with Mr. Deal. All the Board Members agreed these are extremely useful.

Committee Packets

Committee packets are sent once per month for each committee. These meeting materials are helpful in preparation of upcoming Board Committee meetings.

UB Comm

UB Comm emails are important in knowing what is going on in the community and are delivered on an as-needed basis. There was a discussion around how quickly they need to be read and Mr. Deal stated if something were extremely urgent, he would call the Board Members about it instead of sending an email.

Tours

Tours take place quarterly in conjunction with the PMR Committee meetings. They are also offered to all Board Members on an as-needed basis. Board Members love tours. Mr. Deal mentioned some new tours that are being offered in the second half of 2024.

Lunch and Learns

Lunch and Learns take place monthly before Utilities Board meetings. Board Members were asked what topics they would like to learn more about in the future. Mr. Leinweber suggested AI and Utilities as a future topic

Ms. Henjum asked how the Board will be addressing communication with customers for the 5-year rate case. Ms. Adams stated that a communications plan is being developed. Mr. Deal said that the organization will be releasing high-level speaking points to the Board as soon as they are available.

8. Summarize and Review Next Steps

Ms. Watts reviewed the items put in the parking lot and summarized next steps.

9. Adjournment

The retreat ended at 3:18 p.m.

Board Memo Agenda Item

Staff Report

Date: (Date of Utilities Board Meeting)	August 21, 2024
To:	Utilities Board
From:	Travas Deal, Chief Executive Officer
Subject:	Re-appointment of Michael Borden as Regular Member of Utilities Policy Advisory Committee (UPAC)

NARRATIVE:

Desired Action: Choose only one	<input checked="" type="checkbox"/> Approval <input type="checkbox"/> Discussion <input type="checkbox"/> Information
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Executive Summary:	<p>Michael Borden was appointed as regular member to the Utilities Policy Advisory Committee (UPAC) by the Utilities Board on Sept. 30, 2021. Mr. Borden is eligible and willing to serve his second full three-year term, expiring September 30, 2027.</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>
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Benefits:	N/A
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Board Policy: If this impacts one of the board policies, indicate that here.	UBA-2: Appoint Utilities Policy Advisory Committee members and Customer Advisory Group members.
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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.	Utilities Board members, Utilities Policy Advisory Committee members and Colorado Springs Utilities staff who support these two bodies.
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Alternatives:	The Utilities Board may fill the vacancy with another eligible candidate.
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Submitter:	Bethany Schoemer	Email Address:	bschoemer@csu.org
Division:	Administrative and Human Resources	Phone Number:	719-668-3811
Department:	Public Affairs	Date Submitted:	July 25, 2024

SPG Staff Use Only:	Consent Calendar <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Item Number 03
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ITEMS SUBMITTED AFTER THE DEADLINE WILL BE POSTPONED UNTIL THE NEXT UTILITIES BOARD MEETING.

RESOLUTION NO. 24-08

**A RESOLUTION OF THE COLORADO SPRINGS
UTILITIES BOARD REAPPOINTING MICHAEL BORDEN
AS A REGULAR COMMITTEE MEMBER OF THE UTILITIES
POLICY ADVISORY COMMITTEE (UPAC)
EXPIRING SEPTEMBER 30, 2027**

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, Michael Borden has been a regular committee member of the UPAC since September 30, 2021; and

WHEREAS, Michael Borden is eligible and willing to accept reappointment for a second three-year term, which will commence October 1, 2024.

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

Michael Borden is hereby reappointed as a regular committee member of the Utilities Policy Advisory Committee with his term expiring September 30, 2027.

Dated at Colorado Springs, Colorado this 21st day of August 2024.

BY _____
Dave Donelson, Chair of the Utilities Board

ATTEST:

Travas Deal, Secretary

Board Memo Agenda Item

Staff Report

Date: (Date of Utilities Board Meeting)	August 21, 2024
To:	Utilities Board
From:	Travas Deal, Chief Executive Officer
Subject:	Re-appointment of Katherine Danner as Regular Member of Utilities Policy Advisory Committee (UPAC)

NARRATIVE:

Desired Action: Choose only one	<input checked="" type="checkbox"/> Approval <input type="checkbox"/> Discussion <input type="checkbox"/> Information
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Executive Summary:	<p>Katherine Danner was appointed as regular member to the Utilities Policy Advisory Committee (UPAC) by the Utilities Board on Sept. 30, 2021. Ms. Danner is eligible and willing to serve her second full three-year term, expiring September 30, 2027.</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>
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Benefits:	N/A
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Board Policy: If this impacts one of the board policies, indicate that here.	UBA-2: Appoint Utilities Policy Advisory Committee members and Customer Advisory Group members.
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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.	Utilities Board members, Utilities Policy Advisory Committee members and Colorado Springs Utilities staff who support these two bodies.
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Alternatives:	The Utilities Board may fill the vacancy with another eligible candidate.
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Submitter:	Bethany Schoemer	Email Address:	bschoemer@csu.org
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Division:	Administrative and Human Resources	Phone Number:	719-668-3811
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Department:	Public Affairs	Date Submitted:	July 25, 2024
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SPG Staff Use Only:	Consent Calendar <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Item Number 03b
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ITEMS SUBMITTED AFTER THE DEADLINE WILL BE POSTPONED UNTIL THE NEXT UTILITIES BOARD MEETING.

RESOLUTION NO. 24-07

**A RESOLUTION OF THE COLORADO SPRINGS
UTILITIES BOARD REAPPOINTING KATHERINE DANNER
AS A REGULAR COMMITTEE MEMBER OF THE UTILITIES
POLICY ADVISORY COMMITTEE (UPAC)
EXPIRING SEPTEMBER 30, 2027**

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, Katherine Danner has been a regular committee member of the UPAC since September 30, 2021; and

WHEREAS, Katherine Danner is eligible and willing to accept reappointment for a second three-year term, which will commence October 1, 2024.

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

Katherine Danner is hereby reappointed as a regular committee member of the Utilities Policy Advisory Committee with her term expiring September 30, 2027.

Dated at Colorado Springs, Colorado this 21st day of August 2024.

BY _____
Dave Donelson, Chair of the Utilities Board

ATTEST:

Travas Deal, Secretary

Board Memo Agenda Item

Staff Report

Date: (Date of Utilities Board Meeting)	August 21, 2024
To:	Utilities Board
From:	Travas Deal, Chief Executive Officer
Subject:	Re-appointment of David Watson as Regular Member of Utilities Policy Advisory Committee (UPAC)

NARRATIVE:

Desired Action: Choose only one	<input checked="" type="checkbox"/> Approval <input type="checkbox"/> Discussion <input type="checkbox"/> Information
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Executive Summary:	<p>David Watson was appointed as regular member to the Utilities Policy Advisory Committee (UPAC) by the Utilities Board on Sept. 27, 2023. Mr. Watson filled the remainder of Mr. Chris Francis' term which was set to expire September 30, 2024. Mr. Watson is eligible and willing to serve his first full three-year term, expiring September 30, 2027.</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>
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Benefits:	N/A
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Board Policy: If this impacts one of the board policies, indicate that here.	UBA-2: Appoint Utilities Policy Advisory Committee members and Customer Advisory Group members.
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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.	Utilities Board members, Utilities Policy Advisory Committee members and Colorado Springs Utilities staff who support these two bodies.
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Alternatives:	The Utilities Board may fill the vacancy with another eligible candidate.
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Submitter:	Bethany Schoemer	Email Address:	bschoemer@csu.org
Division:	Administrative and Human Resources	Phone Number:	719-668-3811
Department:	Public Affairs	Date Submitted:	July 25, 2024

SPG Staff Use Only:	Consent Calendar <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Item Number 03d
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ITEMS SUBMITTED AFTER THE DEADLINE WILL BE POSTPONED UNTIL THE NEXT UTILITIES BOARD MEETING.

RESOLUTION NO. 24-06

**A RESOLUTION OF THE COLORADO SPRINGS
UTILITIES BOARD REAPPOINTING DAVID WATSON
AS A REGULAR COMMITTEE MEMBER OF THE UTILITIES
POLICY ADVISORY COMMITTEE (UPAC)
EXPIRING SEPTEMBER 30, 2027**

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, David Watson has been a regular committee member of the UPAC since September 27, 2023, when he was appointed to fill the remainder of a previous member's term ; and

WHEREAS, David Watson is eligible and willing to accept reappointment for an initial full three-year term, which will commence on October 1, 2024.

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

David Watson is hereby reappointed as a regular committee member of the Utilities Policy Advisory Committee with his term expiring September 30, 2027.

Dated at Colorado Springs, Colorado this 21st day of August 2024.

BY _____
Dave Donelson, Chair of the Utilities Board

ATTEST:

Travas Deal, Secretary

Board Memo Agenda Item

Staff Report

Date: (Date of Utilities Board Meeting)	August 21, 2024
To:	Utilities Board
From:	Travas Deal, Chief Executive Officer
Subject:	Appointment of Tom Carter as an Alternate Member of Utilities Policy Advisory Committee (UPAC)

NARRATIVE:

Desired Action: Choose only one	<input checked="" type="checkbox"/> Approval <input type="checkbox"/> Discussion <input type="checkbox"/> Information
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Executive Summary:	<p>A vacancy for an alternate member for the Utilities Policy Advisory Committee (UPAC) exists. Pursuant to UPAC Bylaws, vacancies will be filled by Utilities Board appointment. Based on a candidate application and interview process, Utilities Board Chair Dave Donelson and Vice Chair Yolanda Avila and UPAC Chair Larry Barrett recommend Tom Carter to fill the vacant alternate member position.</p> <p>The Utilities Board may appoint alternate UPAC members to gain experience and observe UPAC's seven regular (voting) members' deliberations and actions. The UPAC Bylaws provide that the UPAC, when considering all its members, shall comprise balanced professional, business, and community perspectives. Tom Carter has been recommended to fill the vacant alternate spot on the UPAC.</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.	UBA-2: Appoint Utilities Policy Advisory Committee members and Customer Advisory Group members.
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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.	Utilities Board Members, Utilities Policy Advisory Committee members and Colorado Springs Utilities staff who support these two bodies.
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Alternatives:	The Utilities Board may fill the vacancy with another eligible candidate.
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Submitter:	Bethany Schoemer	Email Address:	bschoemer@csu.org
Division:	Administrative and Human Resources	Phone Number:	719-668-3811
Department:	Public Affairs	Date Submitted:	August 1, 2024

SPG Staff Use Only:	Consent Calendar <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Item Number 03e
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ITEMS SUBMITTED AFTER THE DEADLINE WILL BE POSTPONED UNTIL THE NEXT UTILITIES BOARD MEETING.

RESOLUTION NO. 24-05

**A RESOLUTION OF THE COLORADO SPRINGS
UTILITIES BOARD APPOINTING TOM CARTER
AS AN ALTERNATE COMMITTEE MEMBER OF THE
UTILITIES POLICY ADVISORY COMMITTEE (UPAC)
EFFECTIVE August 21, 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, a UPAC alternate member vacancy currently exists, and

WHEREAS, Tom Carter is eligible and willing to accept appointment as an alternate member.

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

Tom Carter is hereby appointed as an alternate committee member of the Utilities Policy Advisory Committee effective August 21, 2024.

Dated at Colorado Springs, Colorado this 21st day of August 2024.

BY _____
Dave Donelson, Chair of the Utilities Board

ATTEST:

Travas Deal, Secretary

Board Memo Agenda Item

Staff Report

Date: (Date of Utilities Board Meeting)	August 21, 2024
To:	Utilities Board
From:	Travas Deal, Chief Executive Officer
Subject:	Appointment of Albert Badeau as an Alternate Member of Utilities Policy Advisory Committee (UPAC)

NARRATIVE:

Desired Action: Choose only one	<input checked="" type="checkbox"/> Approval <input type="checkbox"/> Discussion <input type="checkbox"/> Information
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Executive Summary:	<p>A vacancy for an alternate member for the Utilities Policy Advisory Committee (UPAC) exists. Pursuant to UPAC Bylaws, vacancies will be filled by Utilities Board appointment. Based on a candidate application and interview process, Utilities Board Chair Dave Donelson and Vice Chair Yolanda Avila and UPAC Chair Larry Barrett recommend Albert Badeau to fill the vacant alternate member position.</p> <p>The Utilities Board may appoint alternate UPAC members to gain experience and observe UPAC's seven regular (voting) members' deliberations and actions. The UPAC Bylaws provide that the UPAC, when considering all its members, shall comprise balanced professional, business, and community perspectives. Albert Badeau has been recommended to fill the vacant alternate spot on the UPAC.</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.	UBA-2: Appoint Utilities Policy Advisory Committee members and Customer Advisory Group members.
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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.	Utilities Board members, Utilities Policy Advisory Committee members and Colorado Springs Utilities staff who support these two bodies.
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Alternatives:	The Utilities Board may fill the vacancy with another eligible candidate.
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Submitter:	Bethany Schoemer	Email Address:	bschoemer@csu.org
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Division:	Administrative and Human Resources	Phone Number:	719-668-3811
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Department:	Public Affairs	Date Submitted:	August 1, 2024
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SPG Staff Use Only:	Consent Calendar <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Item Number 03f
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ITEMS SUBMITTED AFTER THE DEADLINE WILL BE POSTPONED UNTIL THE NEXT UTILITIES BOARD MEETING.

RESOLUTION NO. 24-04

**A RESOLUTION OF THE COLORADO SPRINGS
UTILITIES BOARD APPOINTING ALBERT BADEAU
AS AN ALTERNATE COMMITTEE MEMBER OF THE
UTILITIES POLICY ADVISORY COMMITTEE (UPAC)
EFFECTIVE August 21, 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, a UPAC alternate member vacancy currently exists, and

WHEREAS, Albert Badeau is eligible and willing to accept appointment as an alternate member.

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

Albert Badeau is hereby appointed as an alternate committee member of the Utilities Policy Advisory Committee effective August 21, 2024.

Dated at Colorado Springs, Colorado this 21st day of August 2024.

BY _____
Dave Donelson, Chair of the Utilities Board

ATTEST:

Travas Deal, Secretary

Board Memo Agenda Item Staff Report

Date: (Date of Utilities Board Meeting)	August 21, 2024		
To:	Utilities Board		
From:	Travas Deal, Chief Executive Officer		
Subject:	Recognition of September as National Preparedness Month		
NARRATIVE:			
Desired Action: Choose only one	<input type="checkbox"/> Approval <input type="checkbox"/> Discussion <input checked="" type="checkbox"/> Information		
Executive Summary:	<p>National Preparedness Month is an observance each September to raise awareness about the importance of preparing for disasters and emergencies that could happen at any time.</p> <p>Sponsored by Federal Emergency Management Agency (FEMA)'s National Ready Campaign, the 2024 National Preparedness Month theme focuses on ensuring Asian American Native Hawaiian and Pacific Islander (AANHPI) have the tools needed to enhance their resilience before disaster strikes.</p> <p>Throughout the month of September, Colorado Springs Utilities will promote preparedness through a targeted social media campaign.</p> <p>In advance of National Preparedness Month, Colorado Springs Utilities will hold Emergency Preparedness Week, the fourth week in August. The week will focus on employee training, exercises, and other related preparedness efforts. The third Colorado Springs Utilities' Emergency Preparedness Week will take place from August 26 through August 30, 2024.</p>		
Benefits:	Raising awareness among employees and the community about the importance of preparing for disasters and emergencies that could happen at any time.		
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.	Community members and Colorado Springs Utilities employees		
Alternatives:	N/A		
Submitter:	Erin Duran	Email Address:	eduran@csu.org
Division:	Operations	Phone Number:	719-668-3621
Department:	System and Field Operations	Date Submitted:	6.27.24

SPG Staff Use Only:	Consent Calendar <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	Item Number 05a
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)		August 21, 2024	
To:		Utilities Board	
From:		Travas Deal, Chief Executive Officer	
Subject:		Total Worker Health Recognition Day	
NARRATIVE:			
Desired Action: Choose only one		<input type="checkbox"/> Approval <input type="checkbox"/> Discussion <input checked="" type="checkbox"/> Information	
Executive Summary:		<p>Total Worker Health is one of Colorado Springs Utilities organizational strategic initiatives. By recognizing the State of Colorado's proclamation, Springs Utilities reinforces the importance in our values of <i>People</i> and <i>Safety</i>. Springs Utilities recognizes the value of investing in employees' health, safety, and wellbeing to promote health, prevent injury and enhance the workforce. Colorado Springs Utilities is actively working toward integrating health and safety goals and plans that increase commitment and provide resources to support employees and achieve Total Worker Health.</p>	
Benefits:		Total Worker Health is one of the organization's Strategic Initiatives.	
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.		N/A	
Alternatives:		N/A	
Submitter:	Michael Myers Manager, Safety and Health	Email Address:	Mmyers@csu.org
Division:	Administrative and Human Recourses Division - AHRD	Phone Number:	719.668.8766
Department:	Safety and Health	Date Submitted:	July 23, 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.



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

Enterprise Strategic Initiative Total Worker Health Update for Q2

Total Worker Health

Owner: Renee Adams

Strategic Objective Alignment

- *Enable employee empowerment*

Q1 Milestones

- *Health Links* consultant assessment surveys completed
- Initiative charter updated and approved

Q2 Milestones

- Executive sponsor meeting held
- Received and reviewed the Action Plan from *Health Links* consultant
- Identified the initial action item from *Health Links* consultant – ***Integrating Safety and HR messages***
- Identified Total Worker Health leadership training for Managers and above

Next Steps

- Continue to develop Total Worker Health Champions on the committee and across the organization
- Implement the items within the *Health Links*' Action Plan and provide Health Links with results from employee climate survey
- Health Links facilitates leadership training for Managers and above in late Q3/Q4



Date: August 21, 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:	April 1, 2024 – June 30, 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 \$160.1 million or 37% under the approved budget primarily due to lower actual and forecasted 2024 natural gas prices than those projected at the time of the 2024 budget appropriation.
 - Operating revenues are currently \$90.4 million or 16% 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 \$3.2 million or <1% under the approved budget primarily related to Operational Fiber Network.
 - Non-fuel operating expenses are projected to be \$6.9 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 second quarter of 2024:

- Operating and maintenance expenses are projected to exceed the approved budget by \$0.7 million or 3% in Wastewater and \$2.1 million or 1% in Administrative and General
- Capital expenditures are projected to exceed the approved budget by \$6.8 million or 16% in Gas and \$8.9 million or 9% in Water

- 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 second quarter of 2024, there was 2 canceled capital projects, one in Electric and one in Wastewater:

- Las Vegas Street Water Resource Reclamation Facility instrumentation and control improvements (495371) - \$980,000
- Claremont 230/34.5kV Transform (193884) - \$500000

In the second quarter of 2024, there were four new capital projects, two in Electric, one in Water, and one in Common:

- South Suburban Reservoir Emergency Repairs (394802) - \$2,000,000
- Natural Gas Generators (193909) - \$689,986
- Pinkerton Lay Down Yard Expansion (596765) - \$600,000
- Nixon Trans #2 and Switchgear #2 (193962) - \$545,465

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

In the second quarter of 2024, there were 34 new contracts initiated over \$500,000.

Service	Description	Type	Contract Amount
Electric Service	Conceptual Fiber Network Architecture and System Level Design and Market Analysis	STANDARD	\$62,955,038
Electric Service	Contract_SingleSource_SPP RTOW Implementation (Yr. 2024_2026)	RELEASE	\$4,147,263
Electric Service	Front Range Power Plant Long Term Service Agreement	RELEASE	\$2,462,654
Water Service	Broadmoor Valley/Regency Drive Pipe Replacement Project	RELEASE	\$1,958,187
Electric Service	Nixon 1 Turbine and Generator Minor Inspection and EHC Piping and Actuator Rebuild	STANDARD	\$1,956,585
Electric Service	Sustainable Energy Plan Kelker - 230kV and 115kV High Steel Structures	RELEASE	\$1,834,451
Multi Service	GreenLake DHCI 2site Computer And Storage	RELEASE	\$1,761,071
Water Service	Continental Hoosier System (CHS) Selected Alternative Design Firm Contract	STANDARD	\$1,716,139

Multi Service	Purchase new unit U9010, 2024 Caterpillar D9	RELEASE	\$1,429,907
Electric Service	Central Bluffs Substation Engineering	RELEASE	\$1,314,750

Service	Description	Type	Contract Amount
Multi Service	2024 Tandem dump replacements	RELEASE	\$1,227,603
Electric Service	Front Range Steam Turbine B Minor Inspection	RELEASE	\$1,163,215
Electric Service	Central Bluffs_ 72.5kV, 115kV, and 230kV SF6 Circuit Breaker Alliance	RELEASE	\$1,150,930
Multi Service	WO#: 3791789 AMI Warehouse Stock Material	RELEASE	\$952,052
Water Service	Cresta Alley Water and Wastewater Service Line Relocation	RELEASE	\$882,334
Multi Service	Computer Equipment, Peripherals and Related Services under NASPO201600000000000000142	RELEASE	\$866,090
Electric Service	Irby allocation HELD AT IRBY	RELEASE	\$789,120
Electric Service	Monthly Forecast Held at Irby	RELEASE	\$789,120
Water Service	Purchase new Tractors for GVP	RELEASE	\$743,737
Water Service	2024 USGS Joint Funding Agreement	RELEASE	\$690,451
Electric Service	Purchase Substations 34.5KV SF6 Breakers VSO Replacements and Spares	RELEASE	\$661,402
Water Service	Point of the Pines Pipeline Installation	RELEASE	\$641,500
Multi Service	Landis+Gyr AMI Warehouse Stock Material	RELEASE	\$633,840
Electric Service	Power Line Clearing Services - NW-1	RELEASE	\$623,565
Waste Water Service	Wastewater Rehabilitation Program_2024 LCERP 129 CIPP	RELEASE	\$614,264
Electric Service	Cable & Wire Alliance HELD AT IRBY	RELEASE	\$613,448
Water Service	Colorado State Forest Service 2021-2026 Service Agreement	RELEASE	\$600,000
Multi Service	Blanket Contract for CISCO Products and services.	RELEASE	\$596,843
Gas Service	Purchase new unit U4214, 2025 Western Star 47X Rival T-10 vac	RELEASE	\$563,938
Electric Service	Boiler and Associated Plant Repair Services Blanket Total Western	RELEASE	\$561,228
Multi Service	2024-2025 Renewal, Mythics Oracle Exadata System	RELEASE	\$556,758
Multi Service	3-year Renewal - 2024-2027 - SolarWinds Enterprise Agreement	RELEASE	\$539,286
Electric Service	LYSC.AP	STANDARD	\$525,985
Electric Service	Cable & Wire Alliance HELD AT IRBY	RELEASE	\$507,048

In the second quarter of 2024, there were five existing contracts increasing to more than \$500,000.

Service	Description	Type	Contract Amount	
			Prior Qtr. Amount	Q2 Amount
Water Service	S Catamount Dam Rehabilitation Project CMGC Services	STANDARD	\$48,150	\$4,709,205
Electric Service	Design/Build - Fiber Communications Buildings Site	STANDARD	\$327,802	\$1,924,662
Gas Service	Over Pressure Protection Project - CMGC Services	STANDARD	\$457,767	\$1,267,323
Waste Water Service	GEC Plan and CSWMP for Monument Creek	RELEASE	\$338,511	\$567,535
Multi Service	Infor - Change Requests (5)	RELEASE	\$462,325	\$502,432

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 second quarter of 2024, there is 30.8 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 30.3% for the second quarter, with a target of 30%.

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

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



Date: Aug. 21, 2024

To: Utilities Board

From: Travas Deal, Chief Executive Officer

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

Desired Action: Monitoring

Compliance: The CEO reports compliance with the instructions.

INSTRUCTIONS			
Category:	Utilities Board Instructions to the Chief Executive Officer	Reporting Timeframe:	January 1, 2024 – June 30, 2024
Policy Title (Number):	Risk Management (I-4)	Reviewing Committee:	Finance
Monitoring Type:	Internal, External, City Auditor	Monitoring Frequency:	Semi-Annual, Annual, Years ending in 0 and 5

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

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

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

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

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

The Enterprise Risk Management (ERM) Plan was maintained and is currently approved. Due to the continuous evaluation of business needs of Colorado Springs Utilities, the ERM Plan was revised to better align with the risks the organization is, and will be, facing.

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

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

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

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

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

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

The Financial Risk Management Plan was maintained and remained current. Compliance was met by monitoring, managing, and reporting of the portfolio of financial derivatives and associated counterparties and the enterprise exposure to interest rate risk. During the first half of 2024, Colorado Springs Utilities did not enter into any financial derivative transactions which are governed by the plan.



Date: August 21, 2024

To: Utilities Board

From: Travas Deal, Chief Executive Officer

Subject: **Excellence in Governance Compliance Report
Asset Protection (I-8)**

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- June 30, 2024
Policy Title (Number):	Asset Protection (I-8)	Reviewing Committee:	Finance
Monitoring Type:	Internal; City Auditor	Monitoring Frequency:	Semi-Annual; Annual

The Chief Executive Officer shall direct that enterprise assets are protected, adequately maintained and not unnecessarily risked. Accordingly, the CEO shall:

- 1. Protect enterprise assets including, but not limited to, water rights, real property interests, physical assets, cyber assets, intellectual property, records and information from loss or significant damage.*

Plans and programs are in place that address and comply with the expectations of this policy to include, but not limited to:

	Frequency of Update	Last Updated	Planning Horizon	Responsible Division
Cyber Security:				Customer and Enterprise Services
Cyber Security Incident Response Plan	Every 5 years	2024	5 years	
Cyber Security Vulnerability Management Program	Every 3 years	2024	Ongoing	
Cyber Security (Risk Management) Framework	Every 3 years	2023	Ongoing	
Security Operations:				Operations
Physical Security Program	5 years	2021	10 years	
Physical Security for Rampart Dam and Reservoir and Tesla Hydro Plant	1 year	2023	Ongoing	
Emergency Management:				Operations
Emergency Operations Plan	3 years	2024	Ongoing	
Dam Emergency Action Plans	1 year	2023	Ongoing	
Water Resource Recovery Facility Flood Emergency Evacuation Plans	1 year	2023	Ongoing	
Facilities Management:				System Planning and Projects
Facilities Master Plan	5 years	2021	10 years	
Facilities Maintenance Program	Annual	2024	10 years	
Records and Information Management:				Human Resources and Administration
Records Retention Program provides ongoing records compliance and disposition review and support	Ongoing	2023	3 years	
Water Resources Management:				System Planning and Projects
Reporting of water use in accordance with decrees, permits and agreements	Ongoing	Ongoing	Ongoing; updated as needed	
Watershed Management Plans	Ongoing; updated as needed	Ongoing	Ongoing; updated	

			as needed	
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2. *Allow real estate transactions that comply with the City of Colorado Springs Procedure Manual for the Acquisition and Disposition of Real Property Interests, Revised 2021.*

Colorado Springs Utilities collaborates with the Real Estate Services Office to ensure compliance with all requirements of:

- City of Colorado Springs Procedure Manual for the Acquisition and Disposition of Real Property Interests, Revised 2021 which was approved by City Council by Resolution 39-21 on March 23, 2021.

3. *Only sell, dispose of or allow use of assets at fair market value, except for de minimis contributions to community-oriented organizations.*

Colorado Springs Utilities is in compliance with Colorado Springs City Code §1.5.205, which states that all sales of personal property which are obsolete and unusable shall, except as otherwise specifically provided in this part, be based whenever possible on competitive bids.

4. *Protect the enterprise's public image and reputation.*

Colorado Springs Utilities strives to build and enhance the enterprise's public image through proactive communications, media relations, marketing communications and community relations. In 2024, the Public Affairs department has invested more resources into producing educational campaigns. The department used a variety of multimedia formats to reach customers to explain growth, rate comparisons and the importance of building our systems to continue supporting our community. In 2024, we also conducted a brand and reputation survey that provided valuable information about the impact of our communications, marketing and customer service efforts.



Date: August 21, 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.

August 2024 Water Outlook using data as of July 31, 2024

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

2024 Demands: July use averaged 99.9 million gallons per day (MGD), which was about 19.5% greater than last July. Temperatures in July were above the 30-year average at 72.6 degrees Fahrenheit, which was 0.1 degrees above normal. Total precipitation for July was 3.04 inches, which is below normal. Year-to-date precipitation is 9.77 inches, which is 96% of normal.

Current Reservoir Levels: Local storage is currently at about 55,681 acre-feet (84% of capacity). The 1991-2020 average is 82% of capacity. Rampart Reservoir is at 92% of capacity, and Pikes Peak storage is at 72% of capacity. System wide, total storage is about 226,800 acre-feet (87% of capacity). Last year at this time, total system wide storage was 93% of capacity. It was about 80% at this same time in 2022, about 84% of capacity in 2021, about 83% of capacity in 2020, about 89% of capacity in 2019, about 83% of capacity in 2018, about 93% of capacity in 2017, about 88% of capacity in 2016, and about 93% of capacity in 2015. The 1991-2020 average system wide storage for the end of July is 82% of capacity.

Water Supply Outlook: The U.S. Drought Monitor shows pockets of moderate and severe drought conditions across the United States. The Colorado drought monitor shows areas

of abnormally dry conditions through Colorado, with pockets of moderate drought primarily in North-Central and Eastern Colorado. Severe drought conditions are limited to North-Central Colorado. The seasonal drought outlook predicts drought development is likely in the eastern half of Colorado between now and October 31, 2024. The three-month climate outlook shows the chance for below-average precipitation across the whole state with increased chances for below-average precipitation across the northwest 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 87.3% of capacity and holds about 3.3 years of demand, which is above average for the end of July. Local storage contains about 295 days of demand.

Electric Cost Adjustment / Gas Cost Adjustment Monitoring

At the time materials were provided for this report, detailed results for the month of July were not available due to the extended monthly accounting close as part of the implementation of the new Enterprise Resource Planning system.

As of August 1, 2024, forecasted natural gas prices continue to reflect seasonally higher prices during the 2024 – 2025 heating season. Natural gas prices from September 2024 to September 2025 are projected slightly lower in the August forecast as compared to the prior two monthly forecasts.

Utilities will continue to provide regular updates to the Utilities Board as appropriate.

Electric Cost Adjustment (ECA)

On March 26, 2024, City Council approved the ECA rate of \$0.0255 per kWh effective April 1, 2024.

Gas Cost Adjustment (GCA)

On March 26, 2024, City Council approved the GCA rate of \$0.0810 per Ccf effective April 1, 2024.



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Water Outlook

Nick Harris, P.E.

Water Resource Engineer, Water Resource Planning

August 1, 2024

Local Weather Conditions as of July 31, 2024

Precipitation (Inches of Moisture)

- July 2024 – 3.04 in. (97% of normal)
- 2024 YTD Total – 9.77 in. (96% of normal)

Average Temperature (Degrees F)

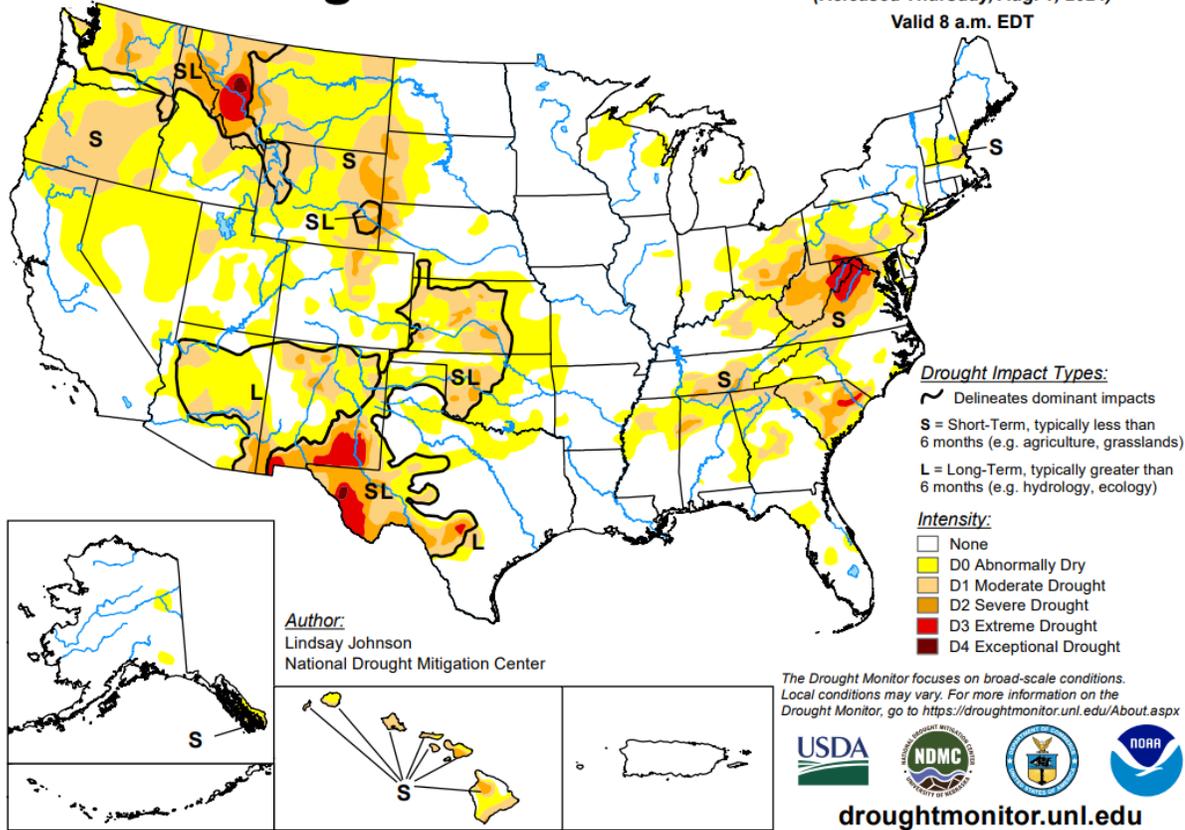
- July 2024 – 72.6 Deg. (0.1 deg. above normal)
- 2024 YTD Average – 51.6 Deg. (1.5 deg. above normal)



DROUGHT MONITOR

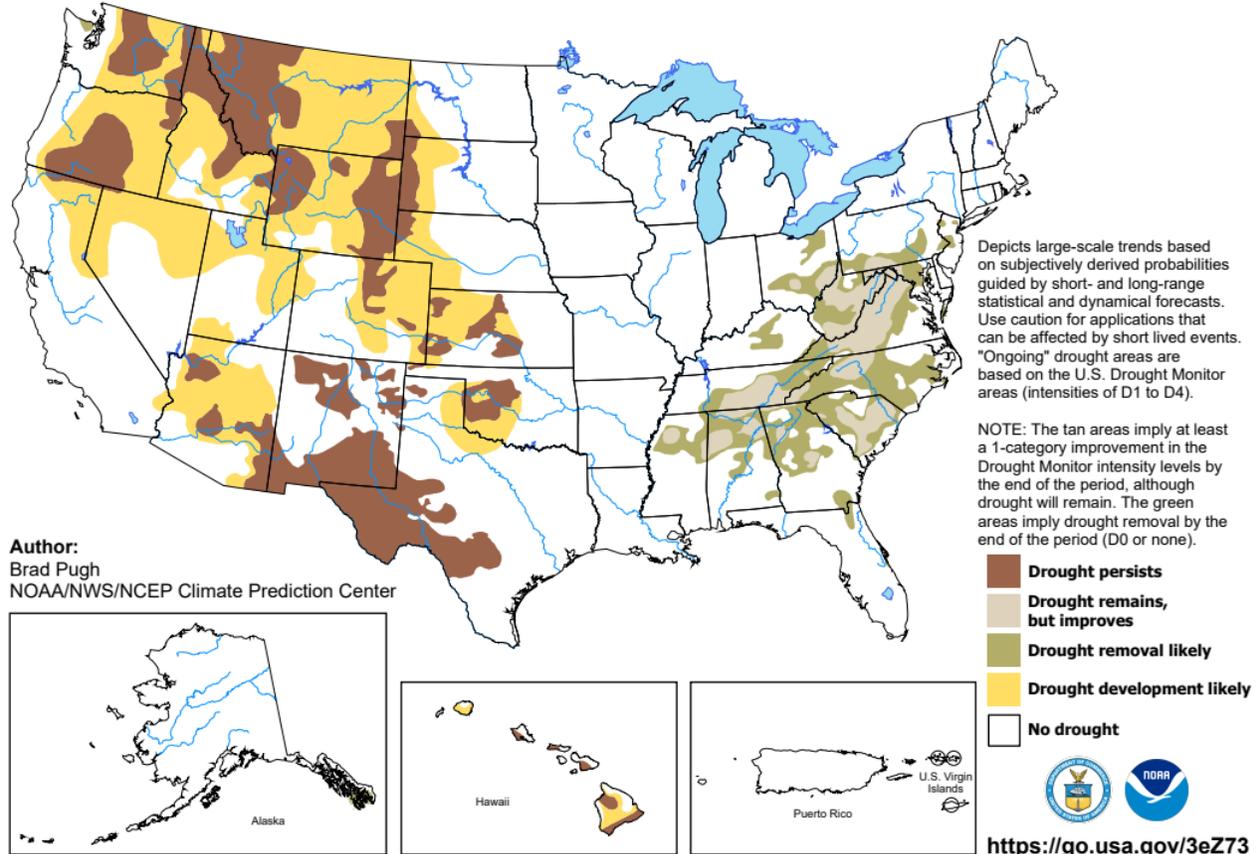
U.S. Drought Monitor

July 30, 2024
 (Released Thursday, Aug. 1, 2024)
 Valid 8 a.m. EDT



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

Valid for July 18 - October 31, 2024
 Released July 18, 2024



Colorado

Map released: Thurs. August 1, 2024

Data valid: July 30, 2024 at 8 a.m. EDT

Intensity

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

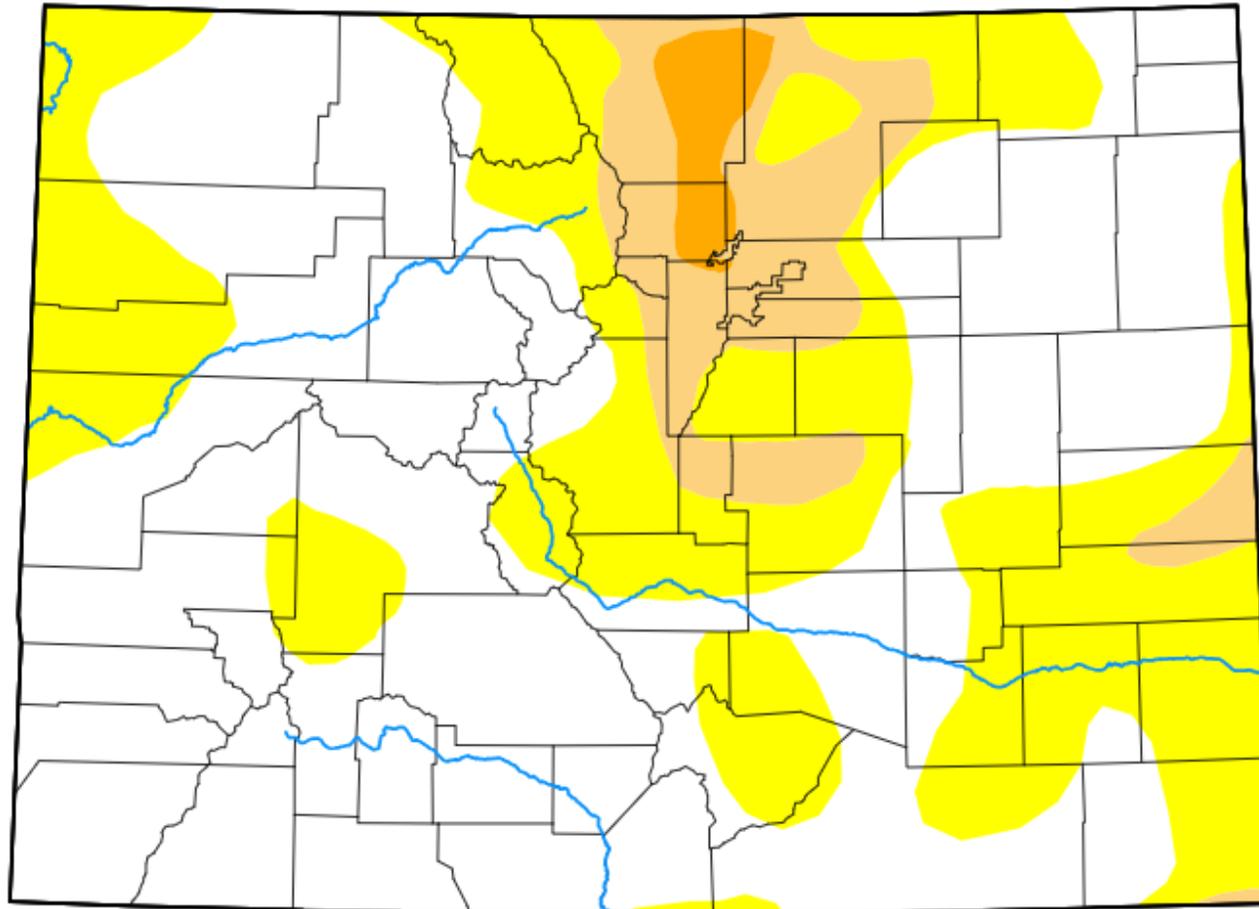
Authors

United States and Puerto Rico Author(s):

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

Pacific Islands and Virgin Islands Author(s):

[Brad Rippey](#), U.S. Department of Agriculture



2024 Demands

July

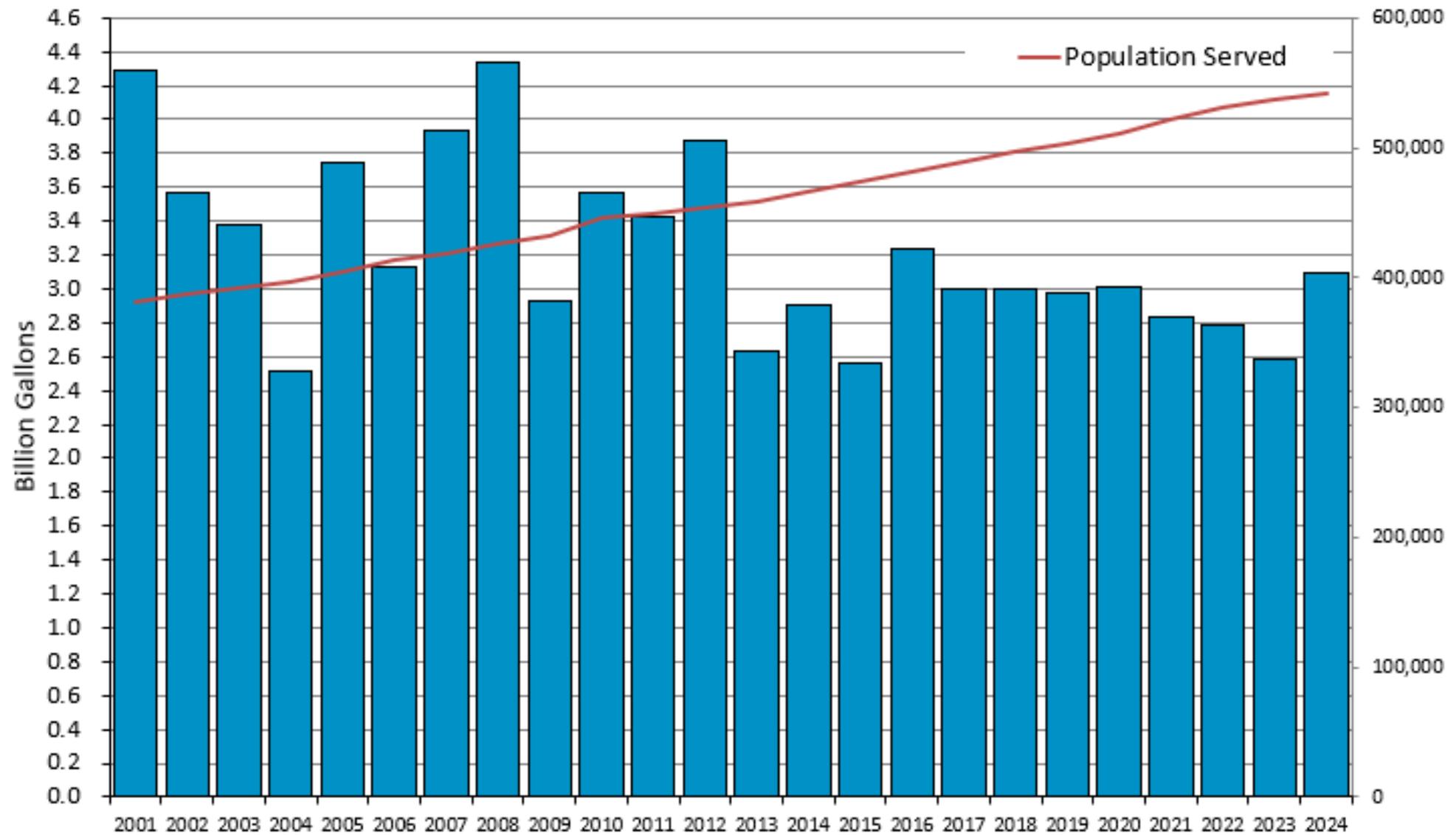
- Averaged 99.9 MGD
- 19.5% greater than July 2023

2024 Year to Date through July 31

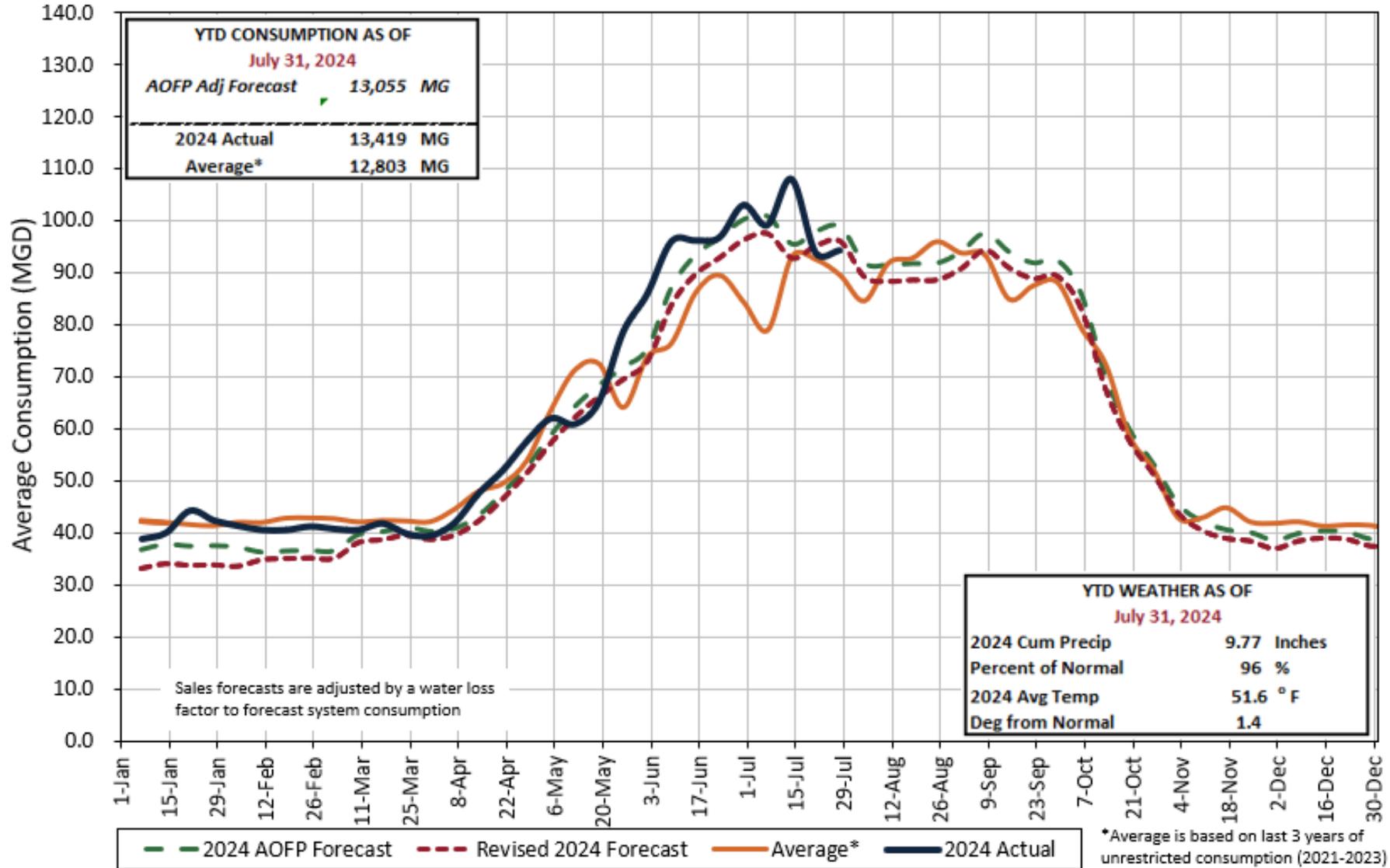
- Averaging 63.0 MGD, 13.4 BG total
 - 12.2% more than July 2023
 - 1.5 Billion Gallons more than 2023



Monthly Water Use for July



2024 Actual Consumption (Weekly Data)



Reservoir Levels

July 31, 2024

- Pikes Peak 72 %
 - 91-20 Avg. 71 %
- Rampart 92 %
 - 91-20 Avg. 79 %
- Local Total 84 %
 - 91-20 Avg. 76 %
- System Total 87 %
 - 91-20 Avg. 82 %

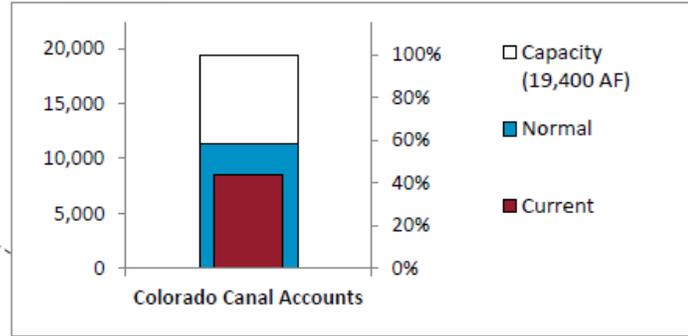
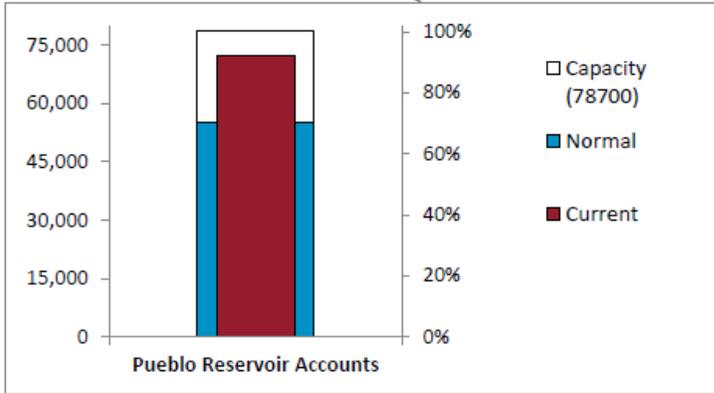
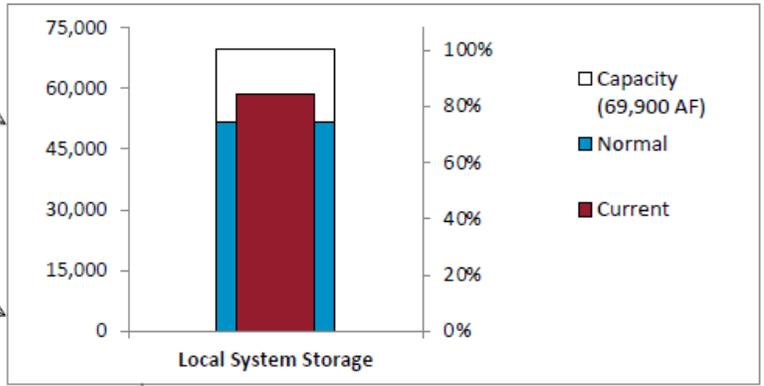
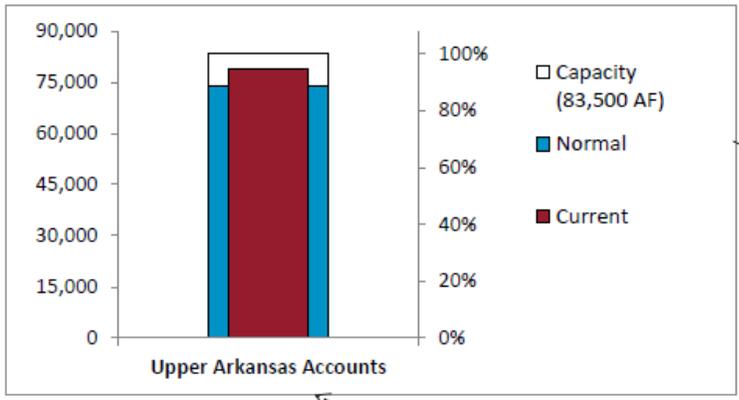
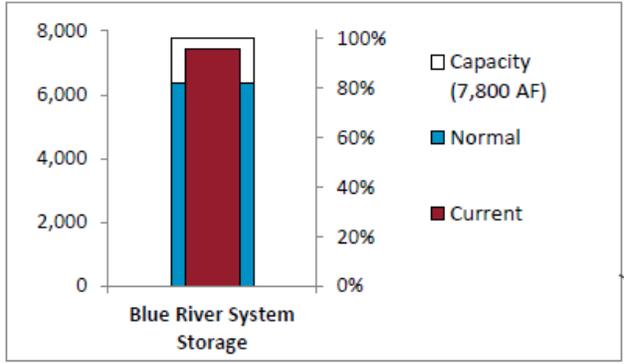


Colorado Springs' System Wide Storage:

July 31, 2024 : 226,800 af
87.3 %

2001-2022 avg : 198,600 af
76.4 %

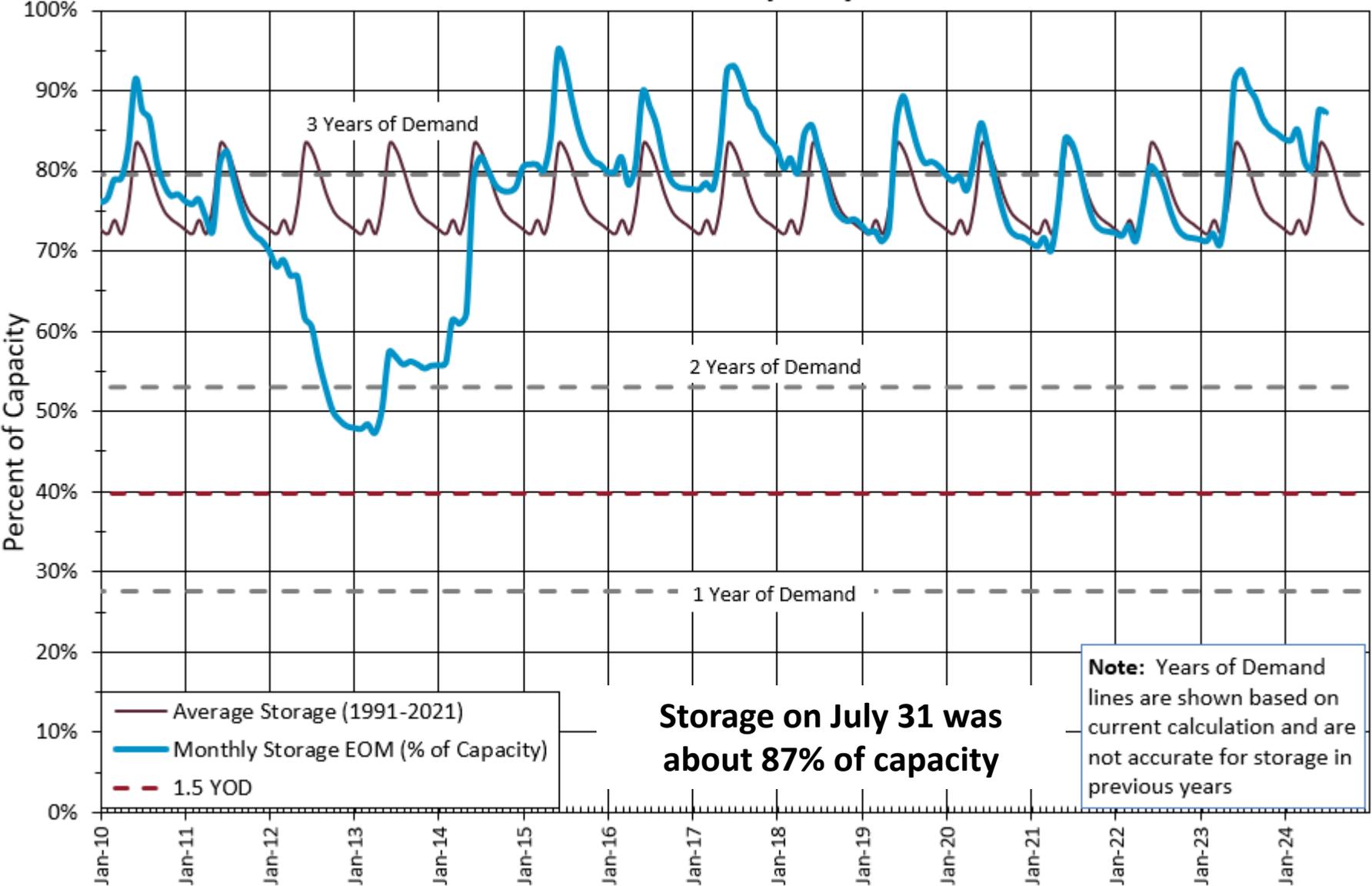
Average YTD Demand : 63 MGD



MAX. 20 MGD

MAX. 68 MGD

Monthly Storage Percent of Capacity



Water Outlook

- Situation Outlook Summary
 - System-wide storage is at 87.3% of capacity, about 5% above our long-term average
 - About 3.3 years of demand in storage, based on the past 3 years of demand
 - Have 295 days of demand in local storage
- Three-month outlook predicts
 - Higher chances for above average temperatures across Colorado
 - Slightly higher chances for below average precipitation across Colorado
- We continue to monitor precipitation, 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



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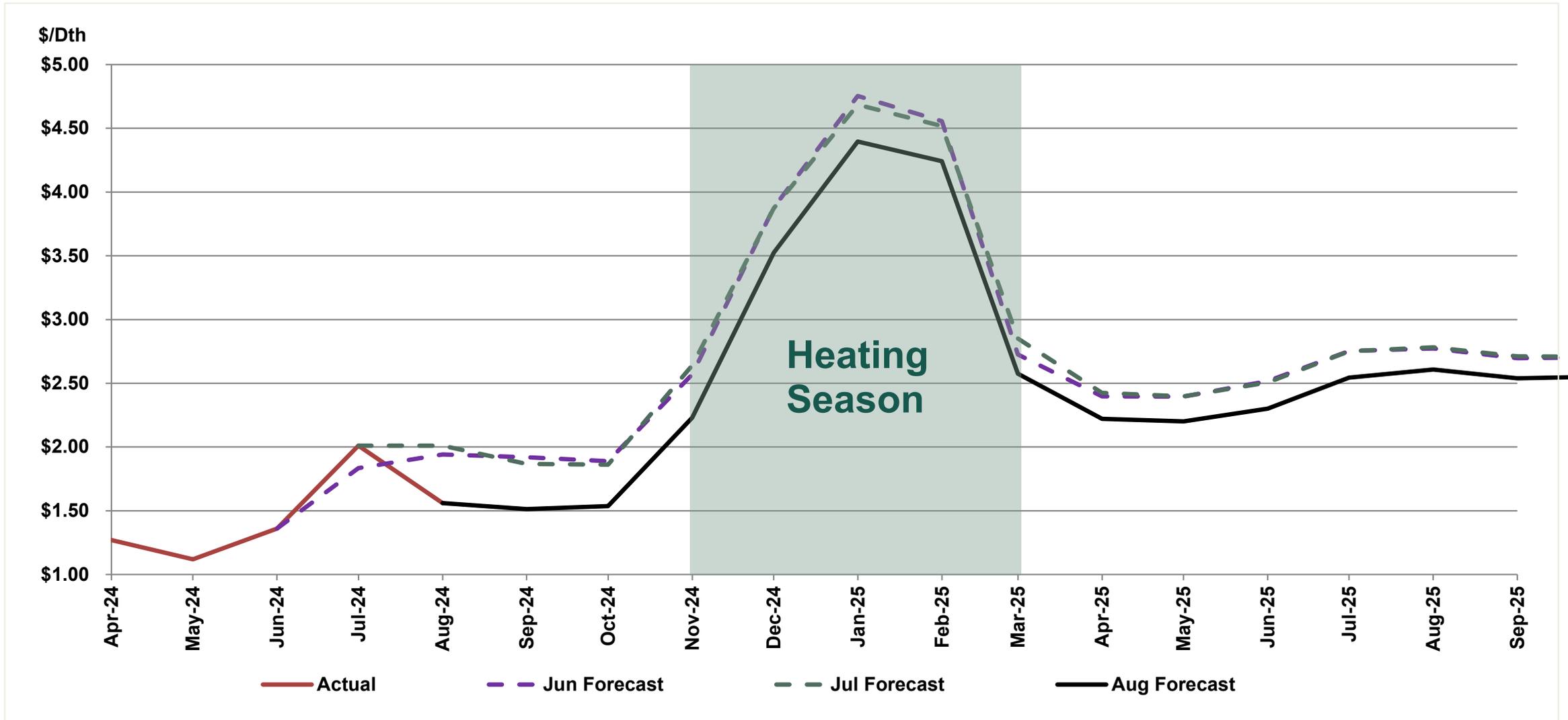
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Electric Cost Adjustment Gas Cost Adjustment

Scott Shirola, Pricing and Rates Manager

August 21, 2024

Natural Gas Prices as of August 1, 2024





Colorado Springs Utilities[®]

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Board Memo Agenda Item

Staff Report

Date: August 21, 2024
To: Utilities Board
From: Travas Deal, Chief Executive Officer
Subject: 2025 Preliminary Budget and Rate Case

NARRATIVE:

Desired Action: Discussion

Executive Summary: The 2025 Preliminary Budget provides an overview of the proposed budget and financial metrics. Colorado Springs Utilities (Utilities) will submit the 2025 Budget and appropriation ordinances to City Council on October 22, 2024 for first reading and on November 12, 2024 for second reading.

On September 10, 2024, Utilities anticipates filing the 2025 Rate Case and requesting a Public Rate Hearing date of October 22, 2024. The 2025 Preliminary Rate Case summarizes preliminary proposed changes to Electric, Natural Gas, Water, and Wastewater rates. The 2025 Preliminary Rate Case also summarizes certain changes to Electric, Natural Gas, Water, and Wastewater Rate Schedules, and Utilities Rules and Regulations. After the Rate Hearing, City Council will review the Decision and Order with a decision at the Regular City Council meeting on November 12, 2024.

Benefits: The 2025 Preliminary Budget supports the Annual Operating and Financial Plan

Board Policy: Pricing of Services (I-1), Financial Planning and Budgeting (I-3), Rate Design (G-5)

Cost/Budget: Overview of 2025 Preliminary Budget and Rate Case

Affected Parties: Utilities' Electric, Natural Gas, Water, and Wastewater Customers

Alternatives: Utilities Board to provide alternative direction.

Submitter: Scott Shirola	Email address: sshirola@csu.org
Division/ Planning and Finance	Phone number: (719) 668-8661
Department: Division/Pricing and Rates	Date submitted: 08/16/2024

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



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2025 Preliminary Budget and Rate Case

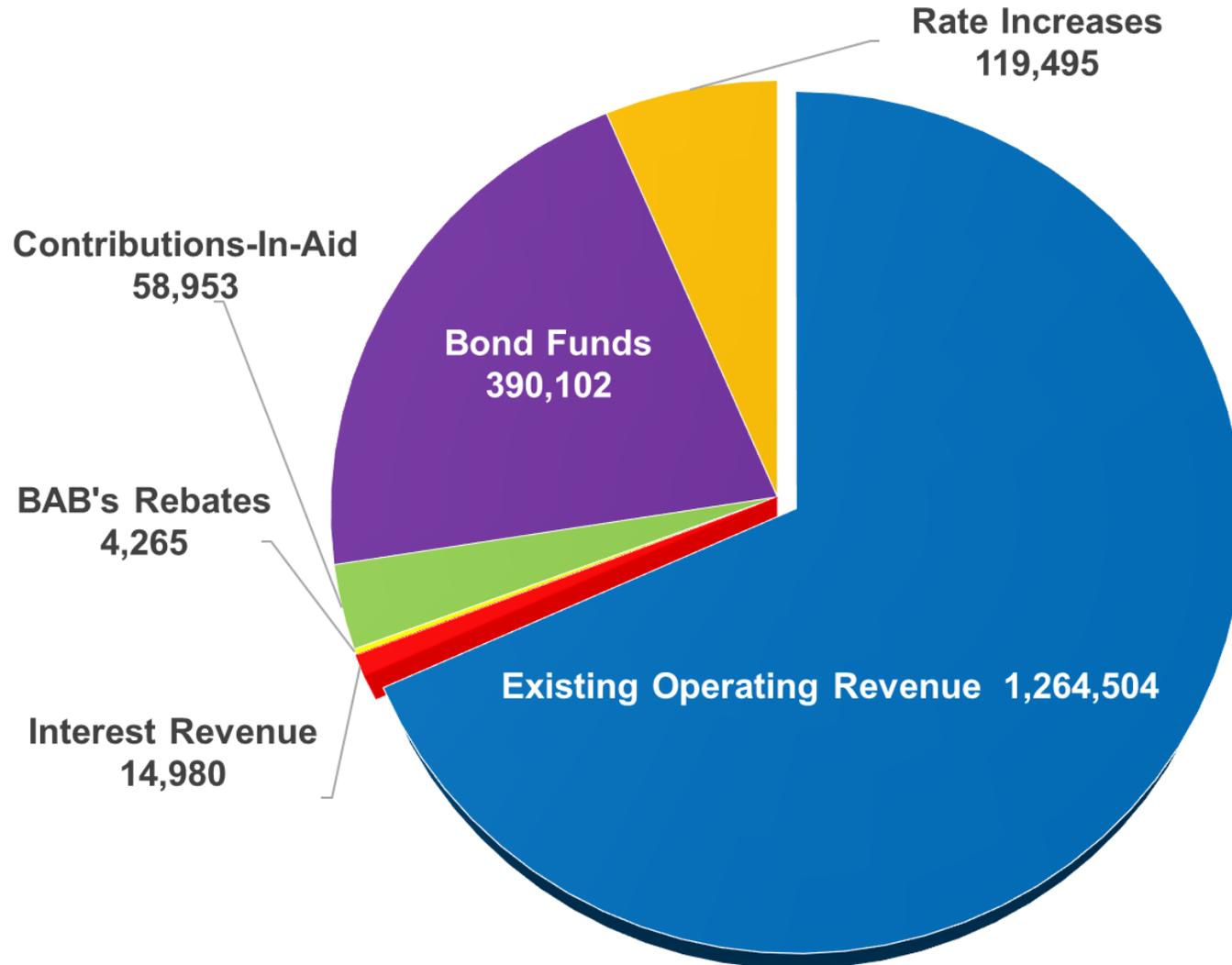
John Hunter, Financial Planning and Risk Manager

Scott Shirola, Pricing and Rates Manager

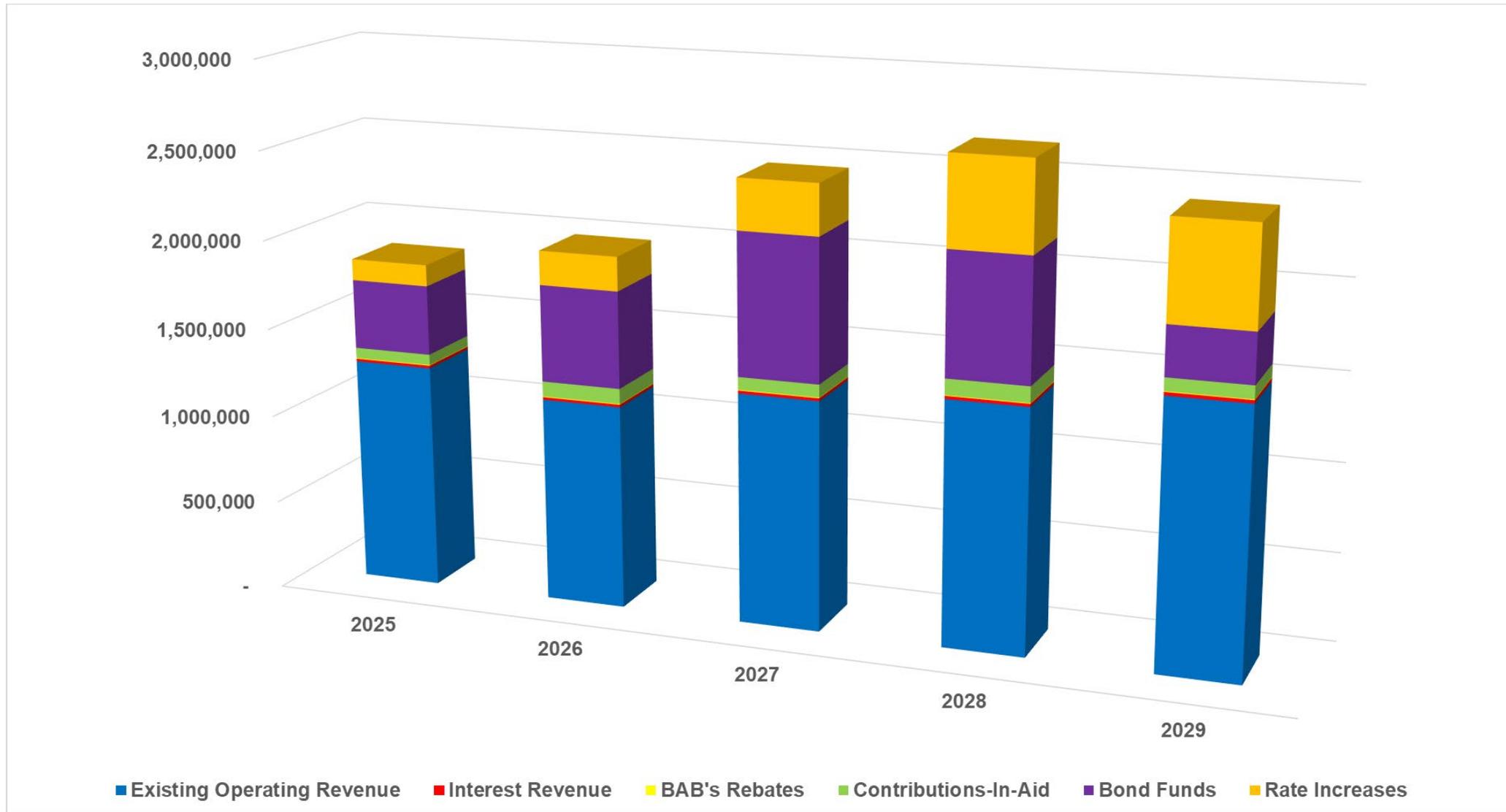
August 21, 2024

2025 Preliminary Budget

Funding 2025 Appropriation (in thousands)



Funding 2025-29 Appropriation (in thousands)



Proposed 2025 Budget

Budget Summary (in thousands)

	2025 Proposed Budget 3rd Consol	2025 Proposed Budget 2nd Cosol	Increase / (Decrease)	% Change
Capital Projects	\$ 628,752	\$ 433,018	\$ 195,734	45.2%
Operations & Maintenance - Fuel	493,961	418,721	75,240	18.0%
Operations & Maintenance - Non-Fuel	437,774	404,749	33,025	8.2%
Debt Service	228,711	211,061	17,650	8.4%
Surplus Funds to City & Franchise Fees	37,518	36,769	749	2.0%
TOTAL	\$ 1,826,717	\$ 1,504,318	\$ 322,399	21.4%

Proposed 2025-29 Forecast (in thousands)

	2025	2026	2027	2028	2029
Capital Projects	\$ 628,752	\$ 697,046	\$ 997,463	\$ 985,384	\$ 602,274
Operations & Maintenance – Fuel*	\$ 493,961	\$525,842	\$652,033	\$651,979	\$647,616
Operations & Maintenance – Non-Fuel	\$437,774	\$454,909	\$468,627	\$477,675	\$487,509
Debt Service	\$228,711	\$263,034	\$293,292	\$338,909	\$365,380
Surplus Transfers & Franchise Fees	\$37,518	\$37,709	\$38,392	\$38,826	\$38,974
Total	\$1,826,717	\$1,978,540	\$2,449,807	\$2,492,773	\$2,141,753

* Contains high fuel case of \$177M in each year.

Proposed 5-Year Financial Plan (in thousands)

Proposed Metrics	2025	2026	2027	2028	2029	5 Year Average
Adjusted Debt Service Coverage	1.87	1.94	1.90	1.90	1.90	1.90
Debt Ratio	53.6%	56.4%	58.8%	58.8%	57.3%	57.0%
Days Cash on Hand	157	151	151	151	151	152

Proposed System Rate Increases Needed	2025 Rate Increases	2026 Rate Increases	2027 Rate Increases	2028 Rate Increases	2029 Rate Increases
Electric (Base Rates)	6.5%	6.5%	6.5%	6.5%	6.5%
Gas (Base Rates)	4.0%	4.0%	4.0%	4.0%	4.0%
Water	6.5%	6.5%	6.5%	6.5%	6.5%
Wastewater	9.0%	9.0%	9.0%	9.0%	9.0%
Base Rate Sub-Total	6.6%	6.6%	6.6%	6.6%	6.6%
Estimated Fuel Rates	12.0%	22.0%	45.2%	(1.2%)	(1.1%)
Total Rate Increases	7.3%	8.7%	12.5%	5.1%	5.2%

2025 Preliminary Rate Case Review

2025 Rate Case Overview

- 2025 Rate Case filing based on 2025 Sources & Uses Budget Ordinances and five-year financial plan
- Rate Case filing includes proposed changes to:
 - Electric, Natural Gas, Water, Wastewater Rate Tables and tariff provisions
 - Utilities Rules and Regulations (URR)
- Effective date of proposed changes
 - January 1, 2025; October 1, 2025; and January 1, 2026 - 2029
- The 2025 Rate Case filing will contain the comprehensive proposed changes
 - Reports, Resolutions, Tariffs, Cost of Service Studies (COS), Worksheets, and other supporting materials

Total Service Sample Bill

Building the Future – Five-year Financial Plan

Line No.	Rate Class	Current Effective	Proposed 1/1/25	Proposed Increase/ (Decrease)	% Change	Proposed 1/1/26	Proposed Increase/ (Decrease)	% Change	Proposed 1/1/27	Proposed Increase/ (Decrease)	% Change	Proposed 1/1/28	Proposed Increase/ (Decrease)	% Change	Proposed 1/1/29	Proposed Increase/ (Decrease)	% Change
(a)	(b)	(c)	(d)	(e) (d) - (c)	(f) (e) / (c)	(g)	(h) (g) - (d)	(i) (h) / (d)	(j)	(k) (j) - (g)	(l) (k) / (g)	(m)	(n) (m) - (j)	(o) (n) / (j)	(p)	(q) (p) - (m)	(r) (q) / (m)
1	Residential⁽²⁾																
2	Electric	\$ 96.98	\$ 101.93	\$ 4.95	5.1%	\$ 107.09	\$ 5.16	5.1%	\$ 112.60	\$ 5.51	5.1%	\$ 118.40	\$ 5.80	5.2%	\$ 124.65	\$ 6.25	5.3%
3	Gas	34.62	35.50	0.88	2.5%	36.42	0.92	2.6%	37.38	0.96	2.6%	38.36	0.98	2.6%	39.39	1.03	2.7%
4	Water	80.14	85.10	4.96	6.2%	90.56	5.46	6.4%	96.36	5.80	6.4%	102.48	6.12	6.4%	109.06	6.58	6.4%
5	Wastewater	34.22	37.33	3.11	9.1%	40.66	3.33	8.9%	44.34	3.68	9.1%	48.31	3.97	9.0%	52.65	4.34	9.0%
6	Total	\$ 245.96	\$ 259.86	\$ 13.90	5.7%	\$ 274.73	\$ 14.87	5.7%	\$ 290.68	\$ 15.95	5.8%	\$ 307.55	\$ 16.87	5.8%	\$ 325.75	\$ 18.20	5.9%
7	Commercial⁽³⁾																
8	Electric	\$ 617.85	\$ 658.50	\$ 40.65	6.6%	\$ 687.39	\$ 28.89	4.4%	\$ 718.19	\$ 30.80	4.5%	\$ 750.32	\$ 32.13	4.5%	\$ 784.37	\$ 34.05	4.5%
9	Gas ⁽²⁾	451.63	464.68	13.05	2.9%	477.67	12.99	2.8%	491.34	13.67	2.9%	505.68	14.34	2.9%	520.72	15.04	3.0%
10	Water	241.65	260.39	18.74	7.8%	277.07	16.68	6.4%	294.88	17.81	6.4%	313.70	18.82	6.4%	333.85	20.15	6.4%
11	Wastewater	126.76	138.02	11.26	8.9%	150.31	12.29	8.9%	163.78	13.47	9.0%	178.44	14.66	9.0%	194.62	16.18	9.1%
12	Total	\$ 1,437.89	\$ 1,521.59	\$ 83.70	5.8%	\$ 1,592.44	\$ 70.85	4.7%	\$ 1,668.19	\$ 75.75	4.8%	\$ 1,748.14	\$ 79.95	4.8%	\$ 1,833.56	\$ 85.42	4.9%
13	Industrial⁽⁴⁾																
14	Electric	\$ 35,692.80	\$ 36,902.86	\$ 1,210.06	3.4%	\$ 38,427.78	\$ 1,524.92	4.1%	\$ 40,042.27	\$ 1,614.49	4.2%	\$ 41,755.49	\$ 1,713.22	4.3%	\$ 43,570.60	\$ 1,815.11	4.3%
15	Gas	4,304.06	4,434.30	130.24	3.0%	4,553.30	119.00	2.7%	4,678.57	125.27	2.8%	4,810.09	131.52	2.8%	4,947.89	137.80	2.9%
16	Water	3,160.35	3,416.44	256.09	8.1%	3,635.22	218.78	6.4%	3,869.23	234.01	6.4%	4,116.00	246.77	6.4%	4,380.55	264.55	6.4%
17	Wastewater	1,630.76	1,778.32	147.56	9.0%	1,936.31	157.99	8.9%	2,109.58	173.27	8.9%	2,298.14	188.56	8.9%	2,507.02	208.88	9.1%
18	Total	\$ 44,787.97	\$ 46,531.92	\$ 1,743.95	3.9%	\$ 48,552.61	\$ 2,020.69	4.3%	\$ 50,699.65	\$ 2,147.04	4.4%	\$ 52,979.72	\$ 2,280.07	4.5%	\$ 55,406.06	\$ 2,426.34	4.6%

Notes:

⁽¹⁾ Immaterial differences may occur due to rounding.

⁽²⁾ The Residential sample bill is calculated using the existing and proposed rates assuming: 30 days per month; 700 kWh for Electric; 60 Ccf for Natural Gas; 1,100 cf for Water-Inside City Limits; 700 cf for Wastewater-Inside City Limits.

⁽³⁾ The Commercial sample bill is calculated using the existing and proposed rates assuming: 30 days per month; 6,000 kWh for Electric; 1,240 Ccf for Natural Gas; 3,000 cf for Water-Inside City Limits; 3,000 cf for Wastewater-Inside City Limits.

⁽⁴⁾ The Industrial sample bill is calculated using the existing and proposed rates assuming: 30 days per month; 400,000 kWh and 1,000 kW for Electric; 12,400 Ccf for Natural Gas; 50,000 cf for Water-Inside City Limits; 50,000 cf for Wastewater-Inside City Limits.



Electric Service

- 2025 Electric base rate drivers
 - Funding reliability, regulatory, and growth infrastructure investments
 - Substation and transmission line
 - Sustainable Energy Plan projects
 - Supporting growth and resiliency
 - Inflationary increases in labor, benefits, and system maintenance
- Total Electric proposed revenue from rates is \$395.6 million
 - \$24.2 million higher than revenue under current rates
- Overall system increase 6.5%

2025 COS and Rate Design Summary - Electric

Line No.	Rate Class	Net Revenue Requirement	Revenue Under Current Rates	Proposed Increase / (Decrease)	Percent Revenue Change	Proposed Revenue from Rates	Percent of Net Revenue Requirement
<u>(a)</u>	<u>(b)</u>	<u>(c)</u>	<u>(d)</u>	<u>(e)</u> <u>(g) - (d)</u>	<u>(f)</u> <u>(e) / (d)</u>	<u>(g)</u>	<u>(h)</u> <u>(g) / (c)</u>
1	Residential (E1R/ETR)	\$ 193,224,211	\$ 182,067,590	\$ 11,935,183	6.6%	\$ 194,002,773	100.4%
2	Small Commercial (E1C)	11,148,970	10,834,869	719,456	6.6%	11,554,325	103.6%
3	Commercial General (E2C/ETC)	61,593,659	57,508,757	5,425,597	9.4%	62,934,354	102.2%
4	Industrial TOD 1,000 kWh/Day Min (ETL)	57,708,937	57,527,524	1,838,619	3.2%	59,366,143	102.9%
5	Industrial TOD 500 kW Min (E8T)	31,912,182	31,012,220	1,550,922	5.0%	32,563,142	102.0%
6	Industrial TOD 4,000 kW Min (E8S)	3,109,333	2,369,283	241,891	10.2%	2,611,174	84.0%
7	Industrial Service - Large Power and Light (ELG)	20,789,143	14,671,283	1,746,786	11.9%	16,418,069	79.0%
8	Industrial Transmission Voltage TOD (ETX)	3,416,344	3,006,014	240,349	8.0%	3,246,363	95.0%
9	Contract Service - Military (ECD)	12,215,546	11,864,083	439,625	3.7%	12,303,708	100.7%
10	Contract Service - Military Wheeling (ECW)	265,214	231,565	11,142	4.8%	242,707	91.5%
11	Traffic Signals (E2T)	206,989	163,188	15,080	9.2%	178,268	86.1%
12	Street Lighting (E7SL)	205,650	186,772	18,856	10.1%	205,628	100.0%
13	Total Electric	\$ 395,796,178	\$ 371,443,145	\$ 24,183,508	6.5%	\$ 395,626,653	100.0%

Building the Future – Five-Year Financial Plan

- Proposed Electric Base Rate Changes (6.5% Annually)

Line No.	Rate Schedules	2025 Percent Change ⁽¹⁾	2026-2029 Annual Percent Rate Change ⁽²⁾⁽³⁾
<u>(a)</u>	<u>(b)</u>	<u>(c)</u>	<u>(d)</u>
1	COS Rate Classes:		
2	Residential (E1R/ETR)	6.6%	6.4%
3	Small Commercial (E1C)	6.6%	6.4%
4	Commercial General (E2C/ETC)	9.4%	6.0%
5	Industrial TOD 1,000 kWh/Day Min (ETL)	3.2%	5.9%
6	Industrial TOD 500 kW Min (E8T)	5.0%	6.0%
7	Industrial TOD 4,000 kW Min (E8S)	10.2%	10.2%
8	Industrial Service - Large Power and Light (ELG)	11.9%	11.9%
9	Industrial Transmission Voltage TOD (ETX)	8.0%	7.9%
10	Contract Service - Military (ECD)	3.7%	6.5%
11	Contract Service - Military Wheeling (ECW)	4.8%	6.5%
12	Traffic Signals (E2T)	9.2%	9.3%
13	Street Lighting (E7SL)	10.1%	6.5%
14	Other Rate Changes:		
15	Commercial Non-Metered (ENM)	10.5%	10.5%
16	Enhanced Power Reserved Capacity	12.1%	6.5%
17	Community Solar Garden Bill Credit (Program and Pilot)	1.9 - 14%	6.5%
18	Electric Vehicle (EV) Public Charging Service	5 - 10%	6.5%

Notes:

⁽¹⁾ Percent shown reflects change in rate class revenue for COS Rate Classes.

⁽²⁾ Proposed rate increases may vary from percent increase shown due to rounding.

⁽³⁾ Figures shown do not reflect changes resulting from Energy-Wise Time-of-Day implementation..



Natural Gas Service

- 2025 Natural Gas base rate drivers
 - Funding reliability, regulatory, and growth infrastructure investments
 - Distribution Integrity Management Program
 - Supporting growth and resiliency
 - Inflationary increases in labor, benefits, and system maintenance
- Total Natural Gas proposed revenue from rates is \$92.0 million
 - \$3.6 million higher than revenue under current rates
- Overall system increase 4.0%

COS and Rate Design Summary – Natural Gas

Line No.	Rate Class	Net Revenue Requirement	Revenue Under Current Rates	Proposed Increase / (Decrease)	Percent Revenue Change	Proposed Revenue from Rates	Percent of Net Revenue Requirement
(a)	(b)	(c)	(d)	(e) (g) - (d)	(f) (e) / (d)	(g)	(h) (g) / (c)
1	Residential/Commercial Service - Small Firm (G1R, G1CS)	\$ 66,115,708	\$64,127,640	\$ 2,525,852	3.9%	\$66,653,492	100.8%
2	Commercial Service - Large Firm (G1CL, G8M)	19,232,908	17,562,595	885,582	5.0%	18,448,177	95.9%
3	Commercial Service - Large Firm (G1S)	439,573	496,176	5,115	1.0%	501,291	114.0%
4	Industrial Service - Interruptible (G2I, G3M)	738,061	720,192	18,371	2.6%	738,563	100.1%
5	Industrial Transportation Service - Firm (G4T)	2,236,515	2,336,027	51,999	2.2%	2,388,026	106.8%
6	Contract Service - Military Firm (GCS-FIRM, GCS-G6M)	2,634,533	2,588,122	51,515	2.0%	2,639,637	100.2%
7	Contract Service - Military Interruptible (GCS-INTS, GCS-G7M)	591,381	576,826	14,784	2.6%	591,610	100.0%
8	Total	\$ 91,988,679	\$88,407,578	\$ 3,553,218	4.0%	\$91,960,796	100.0%

Building the Future – Five-Year Financial Plan

- Proposed Natural Gas Base Rate Changes (4.0% Annually)

Line No.	Rate Schedules	2025 Percent Change ⁽¹⁾	2026-2029 Annual Percent Rate Change ⁽²⁾
(a)	(b)	(c)	(d)
1	COS Rate Classes:		
2	Residential/Commercial Service - Small Firm (G1R, G1CS)	3.9%	3.8%
3	Commercial Service - Large Firm (G1CL, G8M)	5.0%	5.1%
4	Commercial Service - Large Firm (G1S)	1.0%	0.6%
5	Industrial Service - Interruptible (G2I, G3M)	2.6%	4.0%
6	Industrial Transportation Service - Firm (G4T)	2.2%	2.3%
7	Contract Service - Military Firm (GCS-FIRM, GCS-G6M)	2.0%	4.0%
8	Contract Service - Military Interruptible (GCS-INTS, GCS-G7M)	2.6%	4.0%
9	Other Rate Changes:		
10	Industrial Service - Interruptible Prescheduled (G3D)	4.0%	4.0%

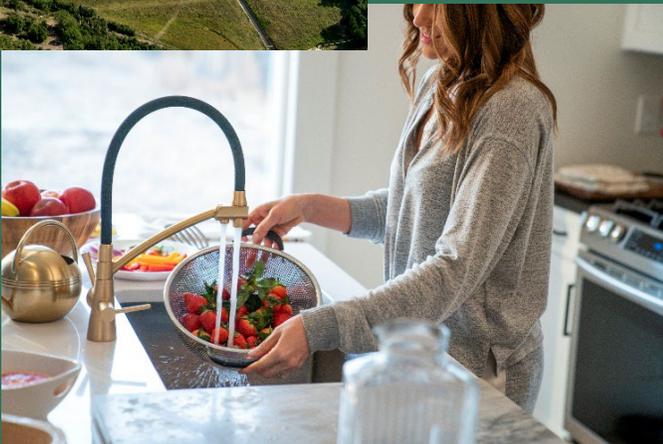
Notes:

⁽¹⁾ Percent shown reflects change in rate class revenue for COS Rate Classes.

⁽²⁾ Proposed rate increases may vary from percent increase shown due to rounding.

Water Service

- 2025 Water rate drivers
 - Funding reliability, regulatory, and growth infrastructure investments
 - Sustainable Water Plan projects
 - Supporting growth and resiliency
 - Water debt additions
 - Inflationary increases in labor, benefits, and system maintenance
- Total Water proposed revenue from rates is \$228.7 million
 - \$13.9 million higher than revenue under current rates
- Overall system increase 6.5%



COS and Rate Design Summary – Water

Line No.	Rate Class	Net Revenue Requirement	Revenue Under Current Rates	Proposed Increase / (Decrease)	Percent Revenue Change	Proposed Revenue from Rates	Percent of Net Revenue Requirement
<u>(a)</u>	<u>(b)</u>	<u>(c)</u>	<u>(d)</u>	<u>(e)</u> <u>(g) - (d)</u>	<u>(f)</u> <u>(e) / (d)</u>	<u>(g)</u> <u>(d) + (e)</u>	<u>(h)</u> <u>(g) / (c)</u>
1	Residential Service	\$ 117,348,265	\$ 111,596,267	\$ 6,053,373	5.4%	\$ 117,649,641	100.3%
2	Nonresidential Service	91,841,634	85,598,439	6,751,195	7.9%	92,349,634	100.6%
3	Large Nonseasonal Service	3,974,124	3,892,365	115,113	3.0%	4,007,478	100.8%
4	Contract Service - Military	15,420,663	13,745,054	941,610	6.9%	14,686,664	95.2%
5	Total	\$ 228,584,687	\$ 214,832,126	\$ 13,861,291	6.5%	\$ 228,693,417	100.0%

Note: Residential and Nonresidential values are inclusive of Inside and Outside City Limits service.

Building the Future – Five-Year Financial Plan

- Proposed Water Base Rate Changes (6.5% Annually)

Line No.	Rate Schedules	2025 Percent Change ⁽¹⁾	2026-2029 Annual Percent Rate Change ⁽²⁾
(a)	(b)	(c)	(d)
1	COS Rate Classes:		
2	Residential Service ⁽³⁾	5.4%	6.4%
3	Nonresidential Service ⁽³⁾	7.9%	6.4%
4	Large Nonseasonal Service	3.0%	6.5%
5	Contract Service - Military	6.9%	7.8%
6	Other Rate Changes:		
7	Contract Service - Regional (Full Service)	9.2%	6.5%
8	Contract Service - Regional (Convey, Treat, Deliver)	12.2%	6.5%
9	Nonpotable - Miscellaneous Service	6.5%	6.5%
10	Nonpotable - Contract Service	6.5%	6.5%
11	Augmentation	6.5%	6.5%
12	Temporary Service - Hydrant Use	9.6%	6.5%

Notes:

⁽¹⁾ Percent shown reflects change in rate class revenue for COS Rate Classes.

⁽²⁾ Proposed rate increases may vary from percent increase shown due to rounding.

⁽³⁾ Residential and Nonresidential values are inclusive of Inside and Outside City Limits service.



Wastewater Service

- 2025 Wastewater rate drivers
 - Funding reliability, regulatory, and growth infrastructure investments
 - Collection and treatment system rehabilitation and upgrades
 - Supporting growth and resiliency
 - Inflationary increases in labor, benefits, and system maintenance
- Total Wastewater proposed revenue from rates is \$79.7 million
 - \$6.6 million higher than revenue under current rates
- Overall system increase 9.0%

COS and Rate Design Summary – Wastewater

Line No.	Rate Class	Net Revenue Requirement	Revenue Under Current Rates	Proposed Increase / (Decrease)	Percent Revenue Change	Proposed Revenue from Rates	Percent of Net Revenue Requirement
(a)	(b)	(c)	(d)	(e) (g) - (d)	(f) (e) / (d)	(g) (d) + (e)	(h) (g) / (c)
1	Residential Service	\$60,759,379	\$ 55,745,250	\$ 5,015,936	9.0%	\$60,761,186	100.0%
2	Nonresidential Service	18,723,726	17,169,958	1,559,601	9.1%	18,729,558	100.0%
3	Contract Service - Military	247,889	231,622	15,919	6.9%	247,541	99.9%
4	Total	\$ 79,730,994	\$ 73,146,830	\$ 6,591,455	9.0%	\$ 79,738,285	100.0%

Note : Residential and Nonresidential values are inclusive of Inside and Outside City Limits service.

Building the Future – Five-Year Financial Plan

- Proposed Wastewater Base Rate Changes (9.0% Annually)

Line No.	Rate Schedules ⁽¹⁾	2025 Percent Change ⁽²⁾	2026-2029 Annual Percent Rate Change ⁽³⁾
<u>(a)</u>	<u>(b)</u>	<u>(c)</u>	<u>(d)</u>
1	COS Rate Classes:		
2	Residential Service ⁽⁴⁾	9.0%	9.0%
3	Nonresidential Service ⁽⁴⁾	9.1%	9.0%
4	Contract Service - Military	6.9%	9.0%
5	Other Rate Changes:		
6	Contract Service - Regional	8.0%	9.0%
7	Liquid Waste Hauler	10.5%	9.0%

Notes:

⁽¹⁾ BOD/TSS rates vary, see Rate Table in the Wastewater Rate Schedules for detail.

⁽²⁾ Percent shown reflects change in rate class revenue for COS Rate Classes.

⁽³⁾ Proposed rate increases may vary from percent increase shown due to rounding.

⁽⁴⁾ Residential and Nonresidential values are inclusive of Inside and Outside City Limits service.

Sample Total Service Bill

(Proposed Effective January 1, 2025)



SAMPLE BILL CALCULATIONS ASSUME:

- 30 Day Billing Period
- 700 kWh Electric
- 60 Ccf Natural Gas
- 1,100 cf Water inside city limits
- 700 cf Wastewater inside city limits

Sample Residential Monthly Bill

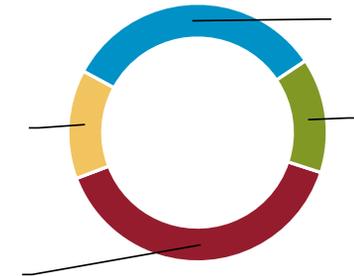
Proposed Residential Changes (Sample Bill)

Current Average Sample Bill	\$ 245.96
Proposed Four-Service Increase	\$ 13.90
Proposed Total Avg. Sample Bill	\$ 259.86

*Actual bill impacts will vary based on individual customer usage.

Sample Total Residential Monthly Bill

Electric (Proposed)	\$ 101.93
Gas (Proposed)	\$ 35.50
Water (Proposed)	\$ 85.10
Wastewater (Proposed)	\$ 37.33
Total (Proposed)	\$ 259.86



Front Range Bill Comparison – As of July 1, 2024

	Residential	Electric	Gas	Water	Wastewater	Total
Front Range Average		\$ 120.42	\$ 52.42	\$ 71.55	\$ 40.37	\$ 284.76
Colorado Springs		\$ 96.98	\$ 34.62	\$ 80.14	\$ 34.22	\$ 245.96
Percent Above (- Below)		-19.47%	-33.96%	12.01%	-15.23%	-13.63%

Notes:

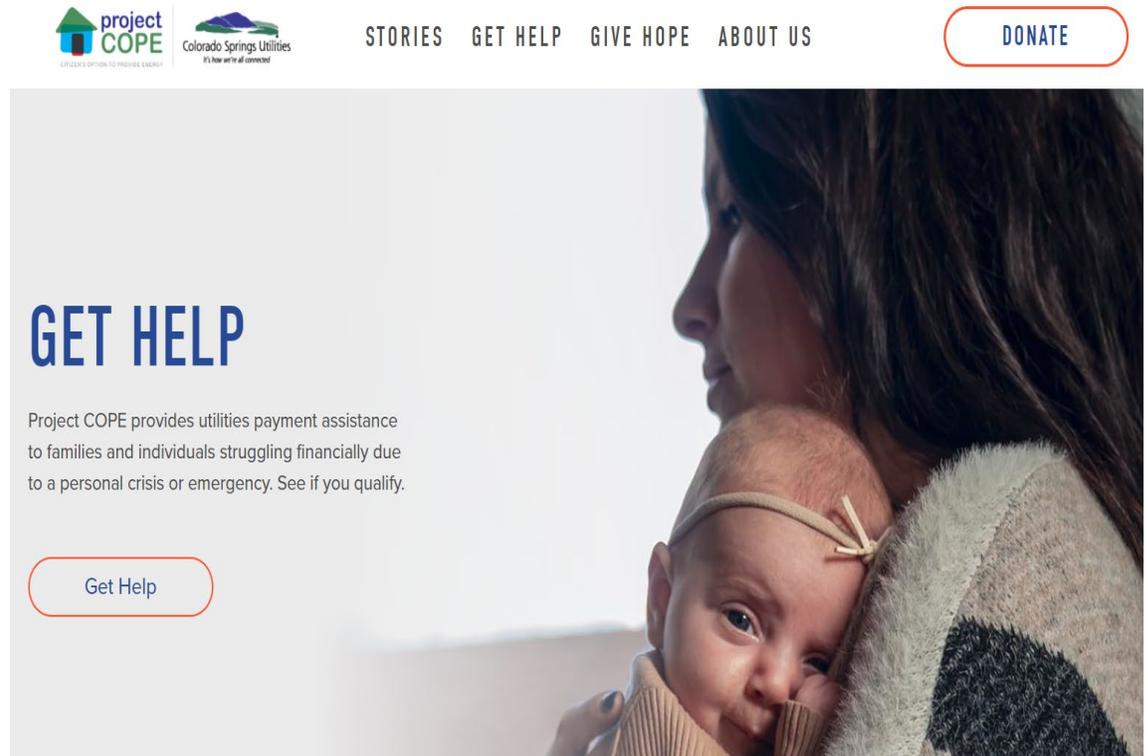
Residential bill based on 30 day billing period, 700 kWh (electric), 60 CCF (gas), 1,100 cf (water), and 700 cf (wastewater).

Front Range communities include Aurora, Denver, Fort Collins, Fountain, Monument, and Pueblo.

Rate computations are estimated using assumed billing determinates, tariff rates publicly available on websites effective July 1, 2024.

Helping Customers Today

- Bill assistance
 - Low-Income Energy Assistance Program (LEAP) Nov – Apr
 - Project COPE
- Payment options
 - Payment plans
 - Pick my payment date
- Contact information
 - 2-1-1 for customer assistance
 - 719-448-4800 for billing questions



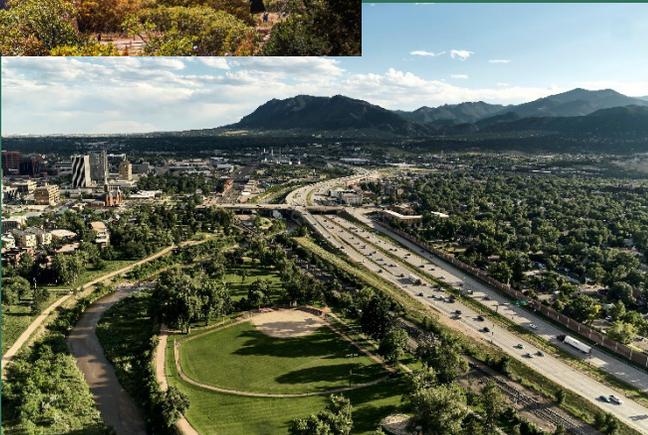
Long-term Assistance

- Free efficiency home upgrades
 - Home Efficiency Assistance Program (HEAP)
- Efficiency tips & education
 - Online at csu.org
 - Conservation and Environmental Center
- Rebates
 - Water heater
 - Furnace
 - Smart thermostat
 - Insulation



Other Tariff Changes

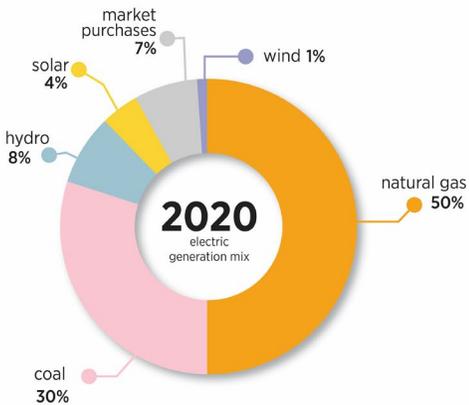
- Electric Rate Schedules
 - Electric Energy-Wise Time-of-Day (TOD)
- Natural Gas Rate Schedules
 - Interruptible Service
 - Transportation Service
- Electric, Natural Gas, Water and Wastewater Rate Schedules
 - Clerical revisions
- URR
 - Large Load Interconnection Fee
 - Electric and Natural Gas Line Extensions
 - Update of existing and addition of new fees
 - Recovery Agreement Unit Recovery Charge
 - Clerical revisions



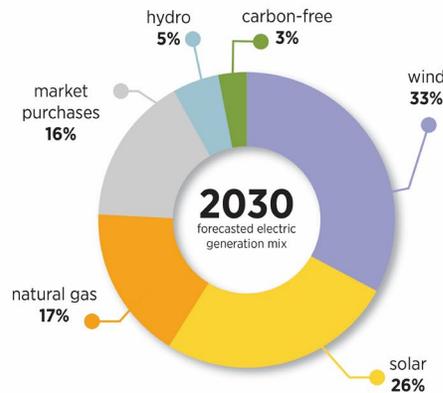
Electric – Energy-Wise TOD Background

- The energy future is transforming
 - State requirements
 - Sustainable energy transition
 - Growing community
 - New customer and metering technologies

- Pathway to modernize rates
 - 2018 initiative to position Utilities for energy future
 - Energy vision, Board workshops, Integrated Resource Planning



a greener
FUTURE



Industry Best Practices & Lessons Learned



Peer Utility Interviews



Consultants & Industry Groups



Published Reports



News Articles



Utility Websites & Sample Bills

Customer Centricity – Research & Analyses

Customer &
Employee
Focus Groups

Customer
Surveys

Journey
Mapping

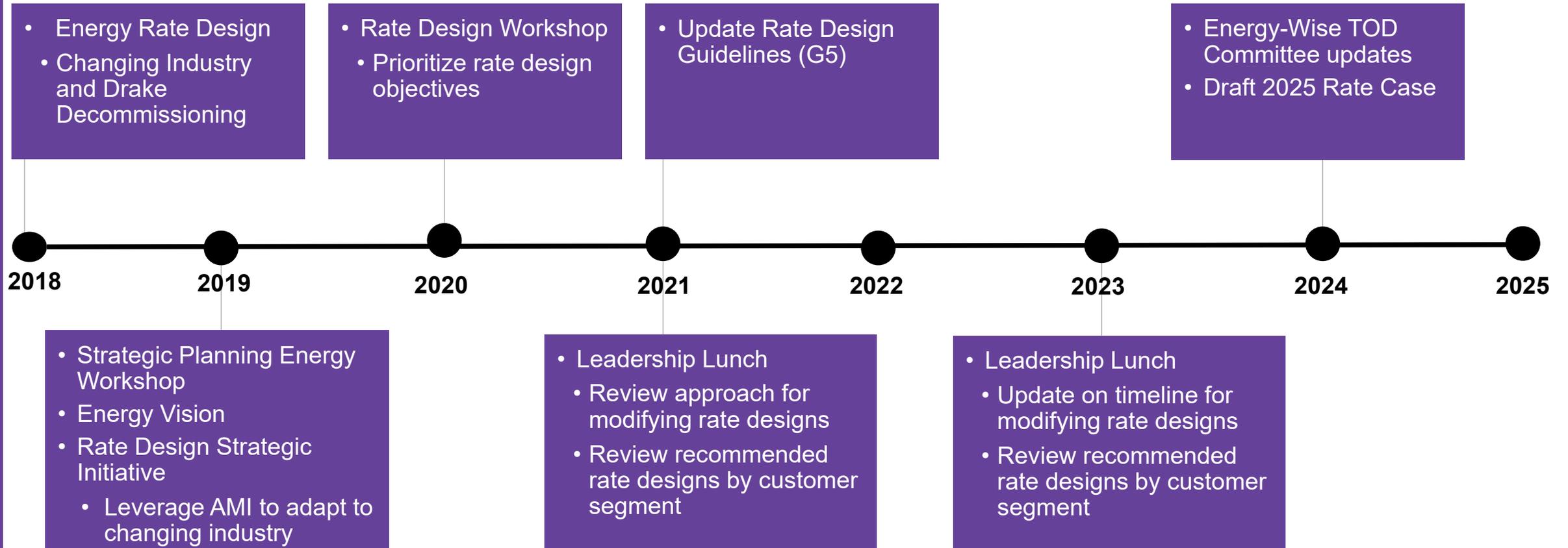
Experience
Design
Workshops

Cross-
Departmental
Collaboration

Personalization

Electric – Energy-Wise TOD Background

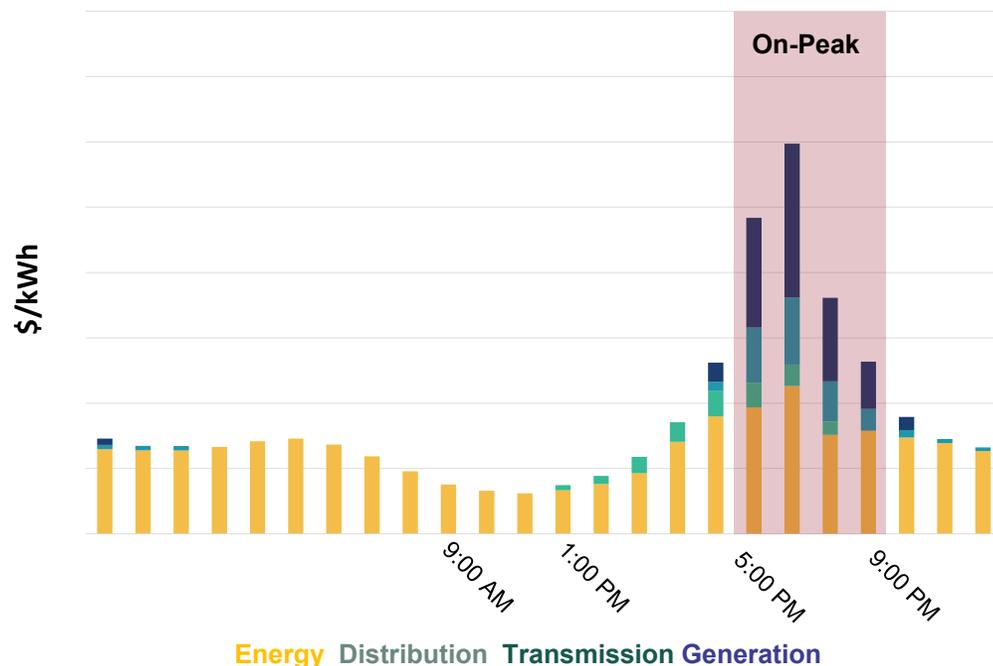
Utilities Board Engagement



Electric – Energy-Wise TOD Background

- Energy-Wise rates can play a significant role in incentivizing customers to shift electric use to periods when demand is lower and the cost of providing electricity is cheaper.
- With Energy-Wise rates customers pay different rates for electricity based on the time-of-day it is used which more equitably recovers the costs of providing service to customers.

Illustration of System Cost

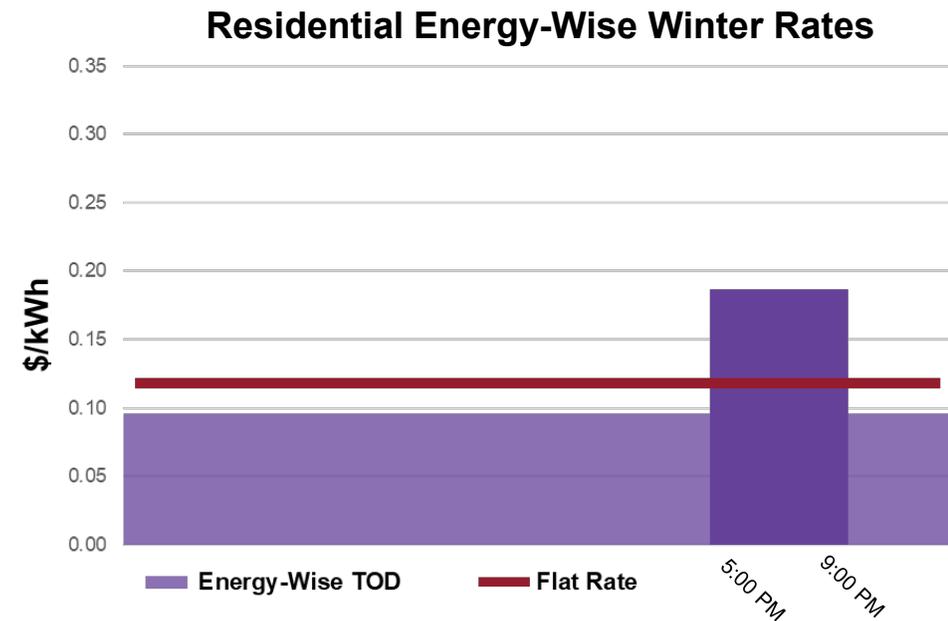
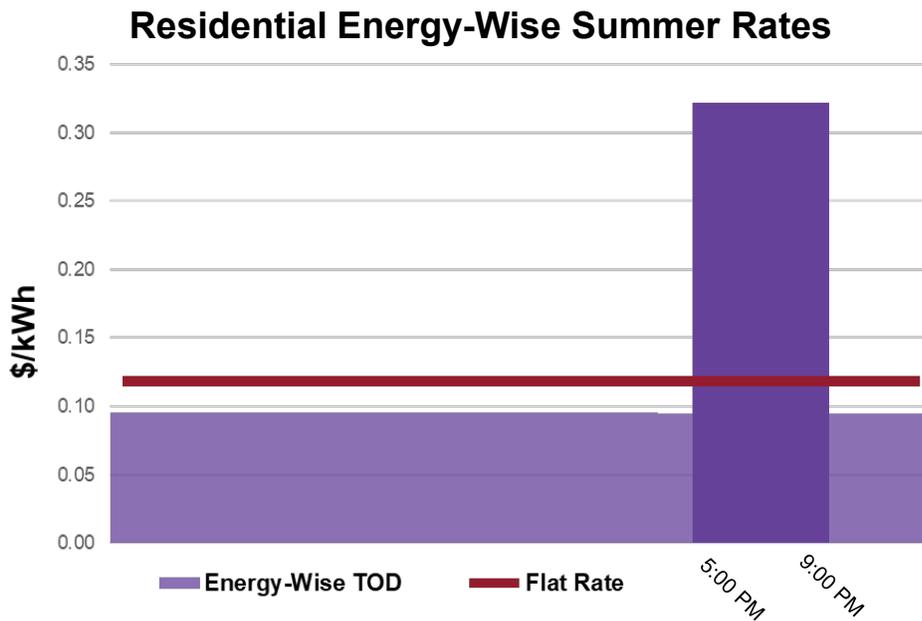


Benefits of Energy-Wise Rates



Electric – Energy-Wise TOD Background

- Rates are lowest on weekdays before 5 p.m. and after 9 p.m., and anytime on weekends and holidays. These times are called “off-peak”.
- Rates are highest Monday through Friday from 5 p.m. to 9 p.m. These are called “on-peak” times.
- Rates will be higher in summer when demand is highest (June-September) and lower in winter (October-May).



Electric – Energy-Wise TOD Proposed Changes

Utilities’ Energy-Wise initiative includes:

<p>Alignment of TOD periods On-Peak 5:00PM-9:00PM</p>	<p>Transition customers to Energy-Wise Standard TOD Rate Option</p>	<p>Addition of Energy-Wise Plus Rate Option</p>
<p>Addition of Fixed Seasonal Residential and Small Commercial Rate Option</p>	<p>Restructure from two to three Commercial Classes Small, Medium, Large</p>	<p>Addition of demand charge Medium and Large Commercial</p>

Energy-Wise Rate Options			
Customer Type	Energy-Wise (Standard TOD)	Energy-Wise Plus (Optional TOD)	Fixed Seasonal (Optional anytime rate)
Residential & Small Commercial	✓	✓	✓
Medium & Large Commercial	✓	✓	
Industrial & Contract Service	✓	✓	

TOD periods provide Customers opportunities to control and reduce their bill by shifting a portion of their energy usage to the Off-Peak period

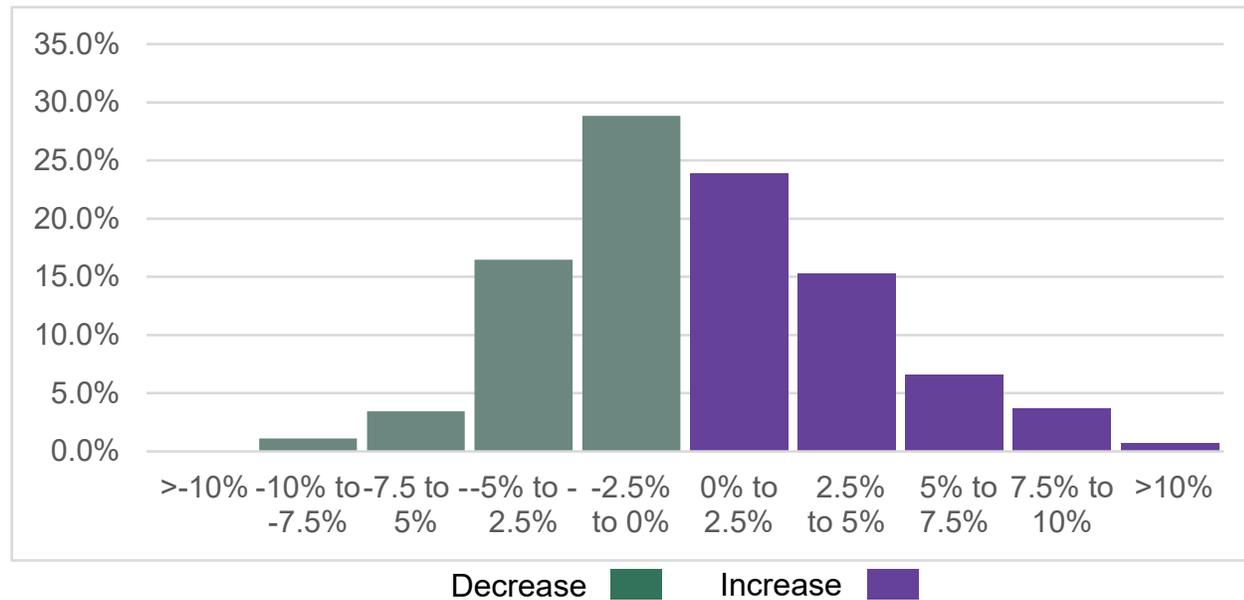
Additional opportunities for Customer bill control and savings by shifting energy usage to the Off-Peak and Off-Peak Saver periods and reducing usage during Critical Peak Events

Opportunities for reduced bill fluctuation from month to month with enhanced Access and Facilities per Day charges and fixed seasonal energy rates

Changes proposed effective October 1, 2025, with customer transition schedule to be determined by Utilities

Electric – Energy-Wise TOD

- Residential bill impact estimates



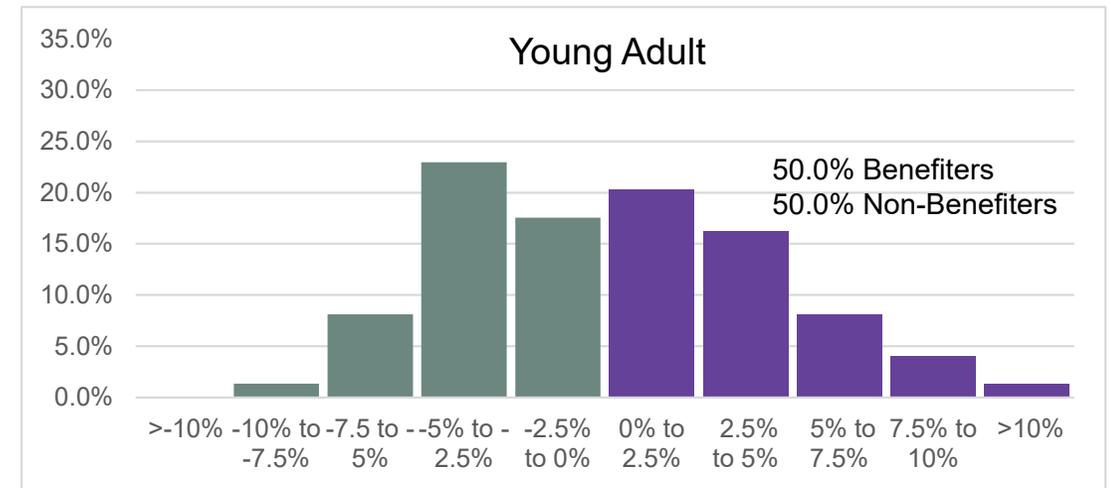
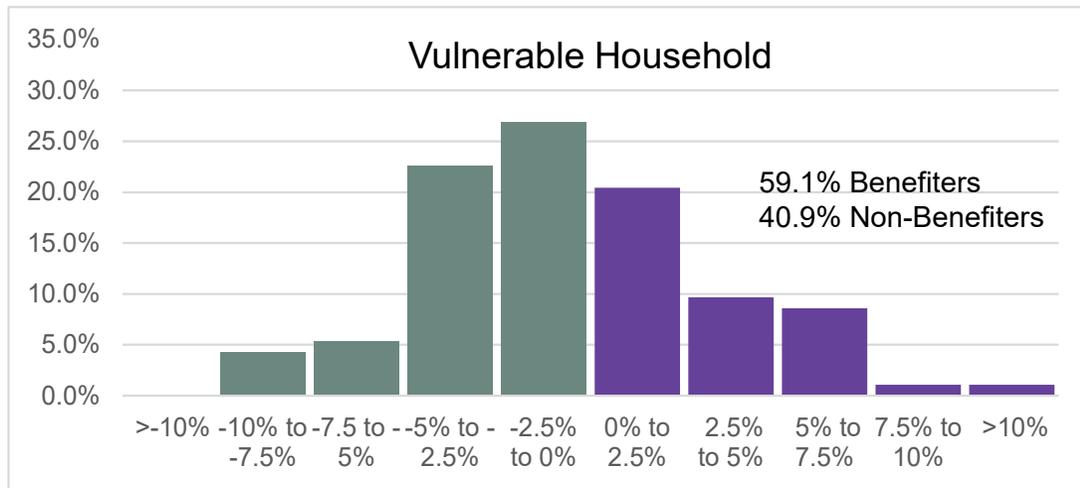
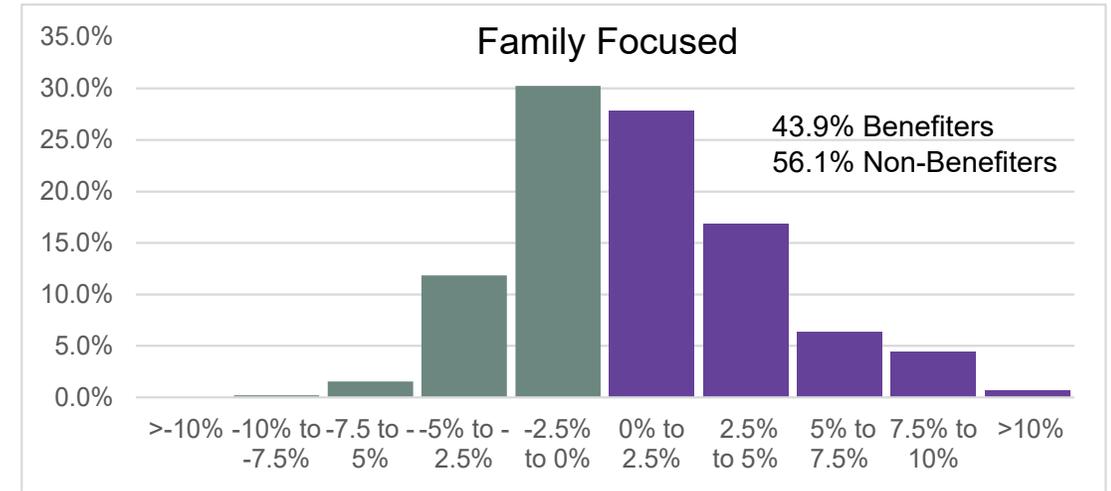
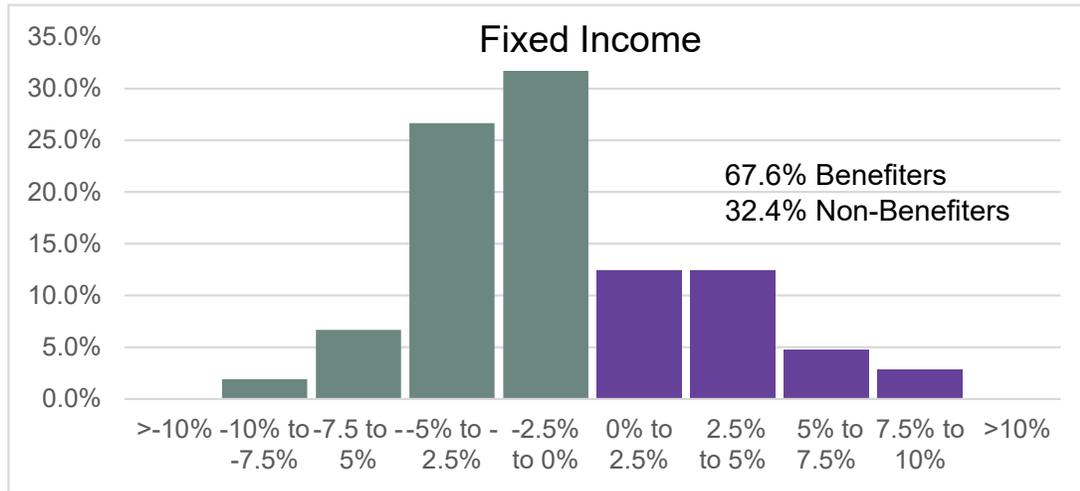
- Annual bill impacts
 - 49.9% benefit
 - Average bill decrease \$3.97, 2.8%
 - 50.1% non-benefiters
 - Average bill increase \$3.42, 3.0%
- Bill impacts vary by season and by customer

Electric – Energy-Wise TOD Residential Customer Personas

- Fixed Income - customers living on retirement or income that does not adjust up or down. Tend to be older with smaller households.
- Vulnerable Households - communities facing barriers like health, access, and income.
- Family Focused - busy, active households with two or more generations. Moderate income levels.
- Young Adult - smaller households with active social and professional lives. Focused on making ends meet and future growth.

Electric – Energy-Wise TOD

- Residential bill impact estimates - Customer personas



Colorado Springs Utilities Case Study



Customer profile:

Gen X
Middle-class
Homeowner
AC must be used for health reasons
Enrolled in budget billing



Home profile:

Small to medium sized home, built in 1999
Empty on weekdays during the day in fall, winter and spring
1-2 people home during the day in summer
HVAC is standard, not energy efficient
Appliances are Energy Star rated

No behavior changes



\$54.55

Annually

/



\$4.55

Monthly*

*Consistent change due to budget billing.
Without budget billing, monthly increases up to \$26.60 in the summer and monthly decreases of up to \$6.62 in spring.

What could shift

- Timing of laundry
- Timing of dishwasher

What could not shift

- Timing and temperature of air conditioning
- Timing and method of cooking meals

With behavior changes



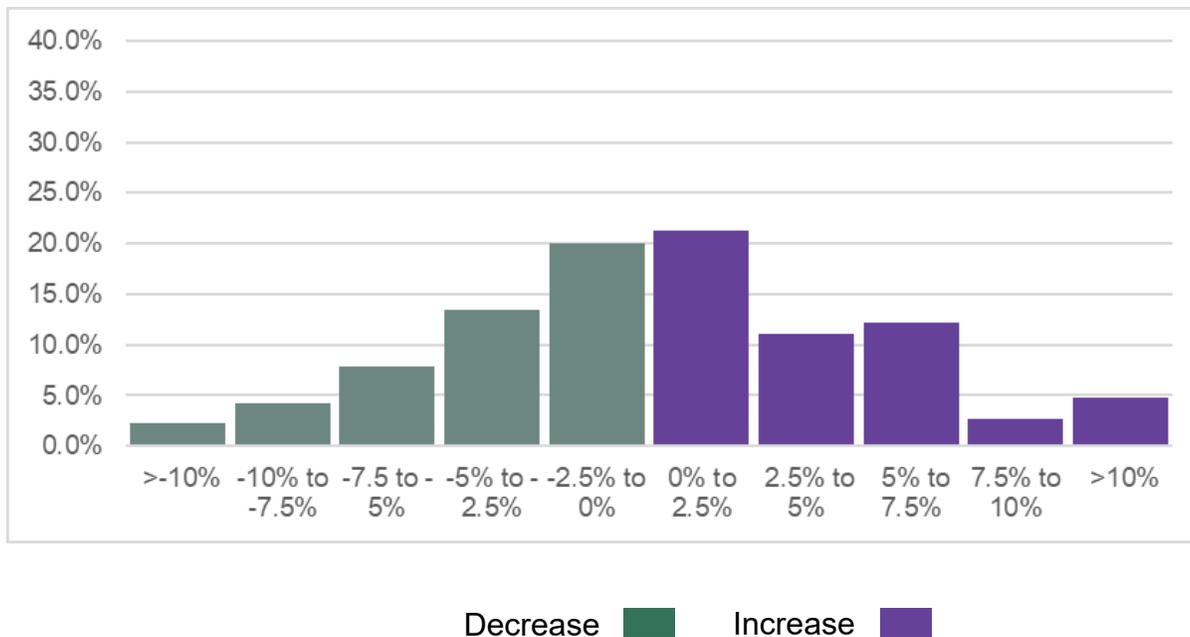
\$48

Annually

Could save more with appliance upgrades, changing meal preparation methods, pre-cooling home in summer and more.

Electric – Energy-Wise TOD

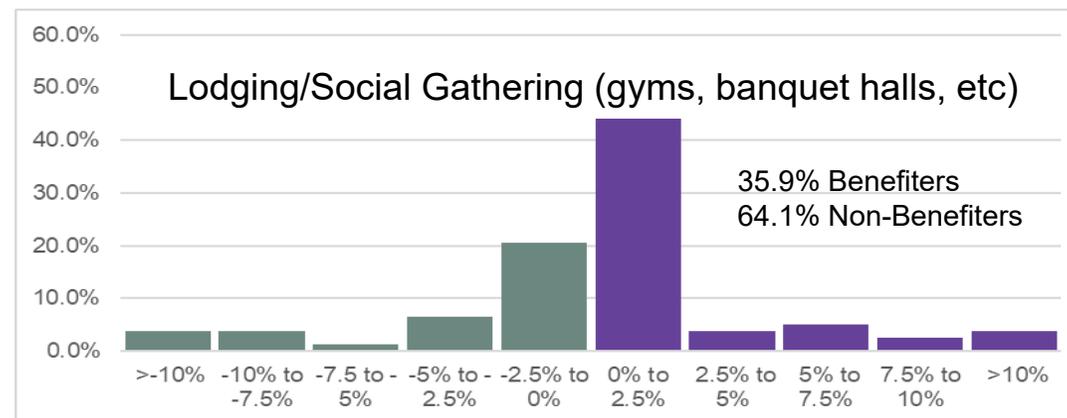
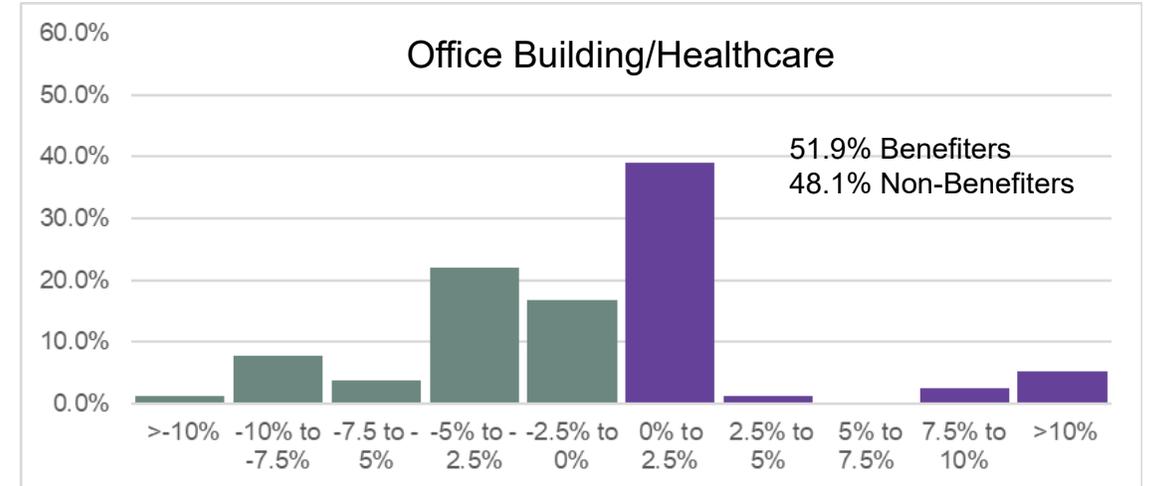
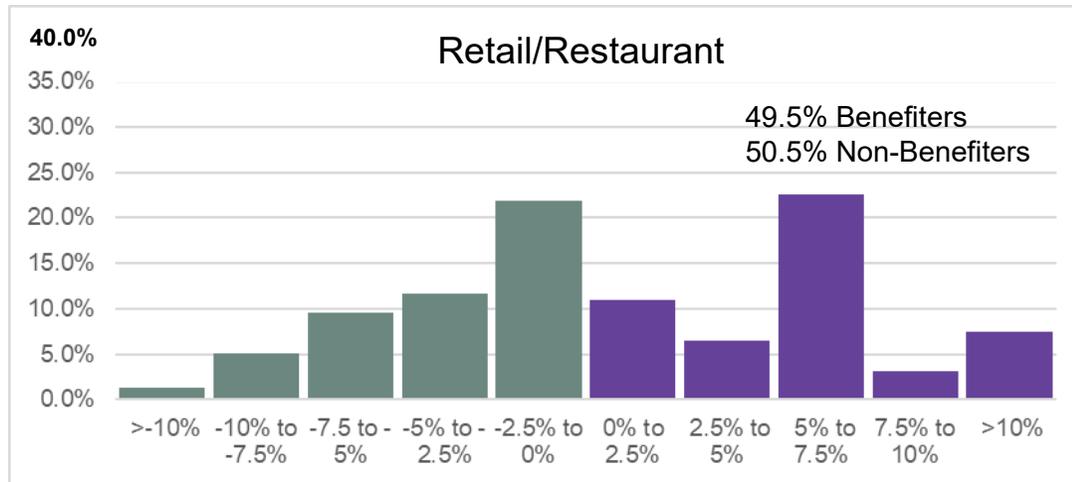
- Commercial bill impact estimates



- Annual bill impacts
 - 48.2% benefit
 - 51.8% non-benefitters
- Bill impacts vary by season and by customer

Electric – Energy-Wise TOD

- Commercial bill impact estimates - Customer segments



Customer Communication

Phase 1



Phase 2



Phase 3

Raise Awareness

- Internal education
- Customer education:
 - E-Newsletters
 - Bill insert
 - Social media
 - Media
 - Website
 - Videos
 - Community outreach

Prepare for Change

- Internal education and training
- Multi-media mass communication
- Community outreach & events
- Promote: behavior change tips, tools

Readiness for Change

- Customer specific info
 - Direct-to-customer communication
 - Emails, letters, phone
- Continue: Internal education and training
- Multi-media mass communication
- Community outreach
- Promote tips, tools

Natural Gas

- Interruptible Service (Industrial, Industrial Prescheduled, Military)
 - Elimination of Utilities conducted curtailment test event
 - Addition of expectation for customers to perform test of backup equipment prior to the heating season
 - Limited to two adjustments per customer per premise in 36-month period
- Industrial Transportation Service
 - Addition of Long and Short Restricted Delivery Day (RDD) event definitions
 - Application of RDD Imbalance Charges for all over-delivered volumes during RDD Long events, and all under-delivered volumes during RDD Short events
 - Clarification of Central Time basis of nomination schedule

Electric, Natural Gas, Water, and Wastewater

- Clerical revisions
 - Modification to Rate Schedules of each service to reflect the name of the Peterson Space Force Base and Cheyenne Mountain Space Force Station

URR

- Large Load Interconnection Study and Fee
 - Addition of requirement for Large Load Interconnection Studies for customers requests for interconnection of loads equal to or greater than
 - Electric – 5 MW
 - Natural Gas – 2.5 Dth per hour
 - Water and Wastewater – .25 MGD
 - Addition of Large Load Interconnection Studies Fees for customers request for interconnection of loads equal to or greater than:
 - Electric – 20 MW
 - Natural Gas – 10 Dth per hour
 - Water and Wastewater – 1 MGD

URR

- Electric Line Extension Fees
 - Modify electric single phase 100 amp and a 3-phase 200 amp fees to full cost per foot
 - Addition of congested space fees
 - Replace 3-phase 600 amp revenue guarantee contracts with time and materials cost and option for recovery agreement
- Natural Gas Line Extension Fees
 - Replace 30% of estimated project cost fee for feasible natural gas main and service stubs with full cost per foot fee
 - Replace 100% advance of estimated cost and refund contract for non-feasible natural gas main and service stubs with full cost per foot fee
 - Replace 100% advance and refund contract for natural gas mainline extensions with full cost per foot fee and recovery agreement option
 - Addition of congested space fees
 - Addition of time and materials cost for 150 psig mainline extensions and option for recovery agreement

URR

- Update of existing fees to full cost
 - Development application, Electric and Gas design, Water and Wastewater recovery agreement application and processing, hydraulic analysis, Water and Wastewater permits, connection and inspection, and Water tap fees
- Addition of new fees for service currently performed without fee
 - Construction drawing review, Wastewater analysis report, annexation application review
- Water and Wastewater Recovery Agreements
 - Addition of optional alternate Unit Recovery Charge computation method incorporating compound interest factor
 - Available by request when minimum requirements are met
- Other clerical revisions

Next Steps

- ✓ • August 10 Preliminary COS studies and 2025 Rate Case Filing Reports to OCA
- ✓ • August 21 Utilities Board:
 - 2025 Proposed Utilities Preliminary Budget and Rate Case Presentation
- September 10 City Council:
 - Request to establish a Public Hearing date and formal filing of the 2025 Rate Case with City Clerk
- October 22 City Council:
 - 2025 Utilities Budget First Reading
 - 2025 Rate Case Hearing
- November 12 City Council:
 - 2025 Utilities Budget Second Reading
 - 2025 Rate Case Decision & Order



Colorado Springs Utilities[®]

It's how we're all connected



Date: August 21, 2024

To: Utilities Board

From: Travas Deal, Chief Executive Officer

Subject: **Excellence in Governance - Utilities Board Expected Results (ER: 1-3) Mid-year 2024**

Desired Action: Monitoring

Compliance: 3.70 = Meets Expectations

EXPECTATIONS			
Category:	Utilities Board/Chief Executive Officer Partnership Expectations	Reporting Timeframe:	As of June 30, 2024
Policy Title (Number):	Utilities Board Expected Results Balanced Scorecard (ER: 1-3)	Reviewing Committee:	Personnel
Monitoring Type:	Internal		
Monitoring Frequency:	Semi-annually		

The Utilities Board monitors achievement of organizational results through Utilities Board Expected Results. Measures and targets are approved in December for the following year.

The overall rating for mid-year 2024 is 3.70 = Meets Expectations

The overall rating is based on the scale below.

1 Does Not Meet Expectations	2 Partially Meets Expectations	3 Meets Expectations	4 Exceeds Expectations	5 Far Exceeds Expectations
<2.00	2.00 - 2.99	3.00 - 3.74	3.75 - 4.49	>4.49

The mid-year 2024 Board Expected Results rating is derived from evaluation of performance measures in the enterprise scorecard as outlined below.

5 FS1a Residential Electric Service - Front Range Comparison

Performance Measure Status: Far Exceeds Expectations

MEASURE DESCRIPTION

Strategic Objective Supported: Financial Accountability

Reported as: Average natural gas bill

Target Range: +/- 5% of Colorado Front Range average

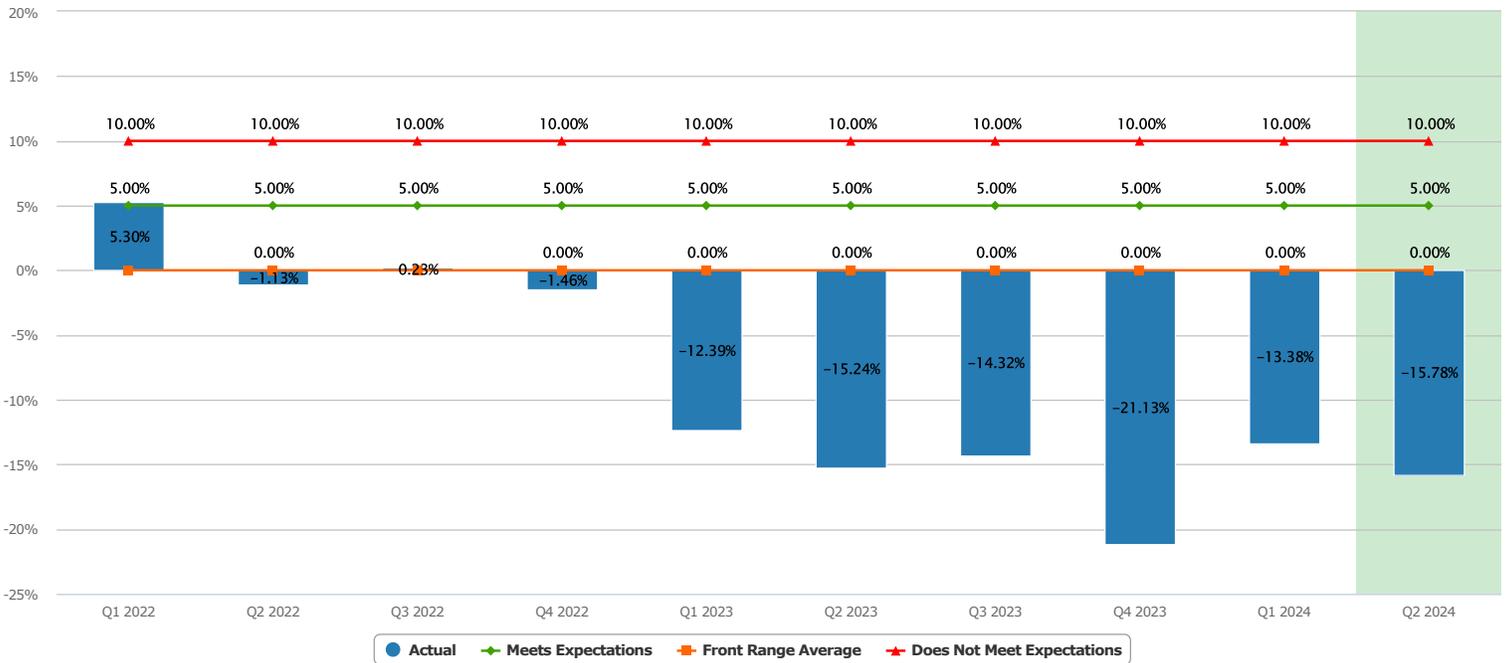
MEASURE PERFORMANCE

The mid-year 2024 result is 15.78% lower than front range average.

PERFORMANCE MEASURE CHART(S)

Residential Electric Service

Front Range Comparison - Lower is Better



PERFORMANCE ANALYSIS

Rate computations have been estimated using tariffs rates publicly available on websites as of April 1, 2024 and assumed billing determinations.

5 FS1b Residential Natural Gas Service - Front Range Comparison

Performance Measure Status: Far Exceeds Expectations

MEASURE DESCRIPTION

Strategic Objective Supported: Financial Accountability

Reported as: Average bill

Target Range: +/- 5.0% of Colorado Front Range average

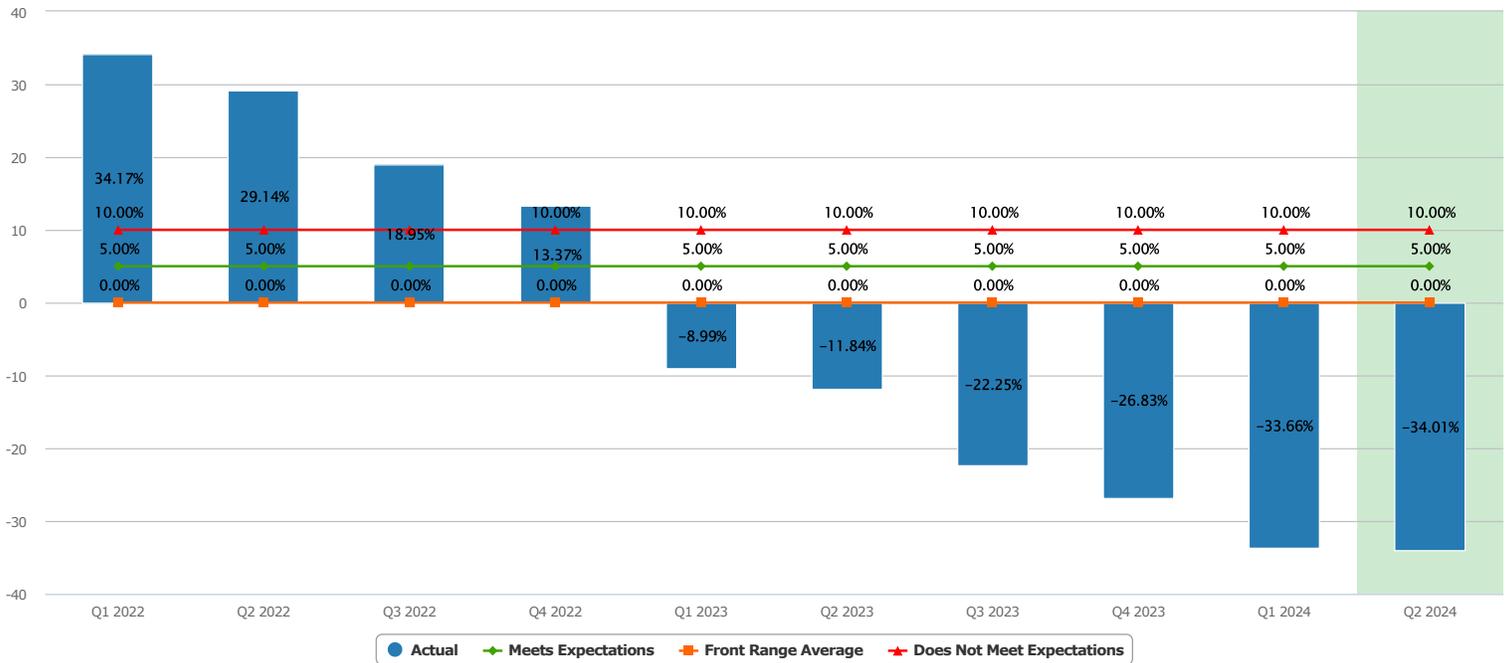
MEASURE PERFORMANCE

The mid-year 2024 result is 34.01% below Front Range average.

PERFORMANCE MEASURE CHART(S)

Residential Natural Gas Service

Front Range Comparison - Lower is Better



PERFORMANCE ANALYSIS

The most recent rate computations have been estimated using tariff rates publicly available on websites as of April 1, 2024 and assumed billing determinations.

MEASURE DESCRIPTION

Strategic Objective Supported: Financial Accountability

Reported as: Average bill

Target Range: 10.1 – 20.0% higher than Colorado Front Range average

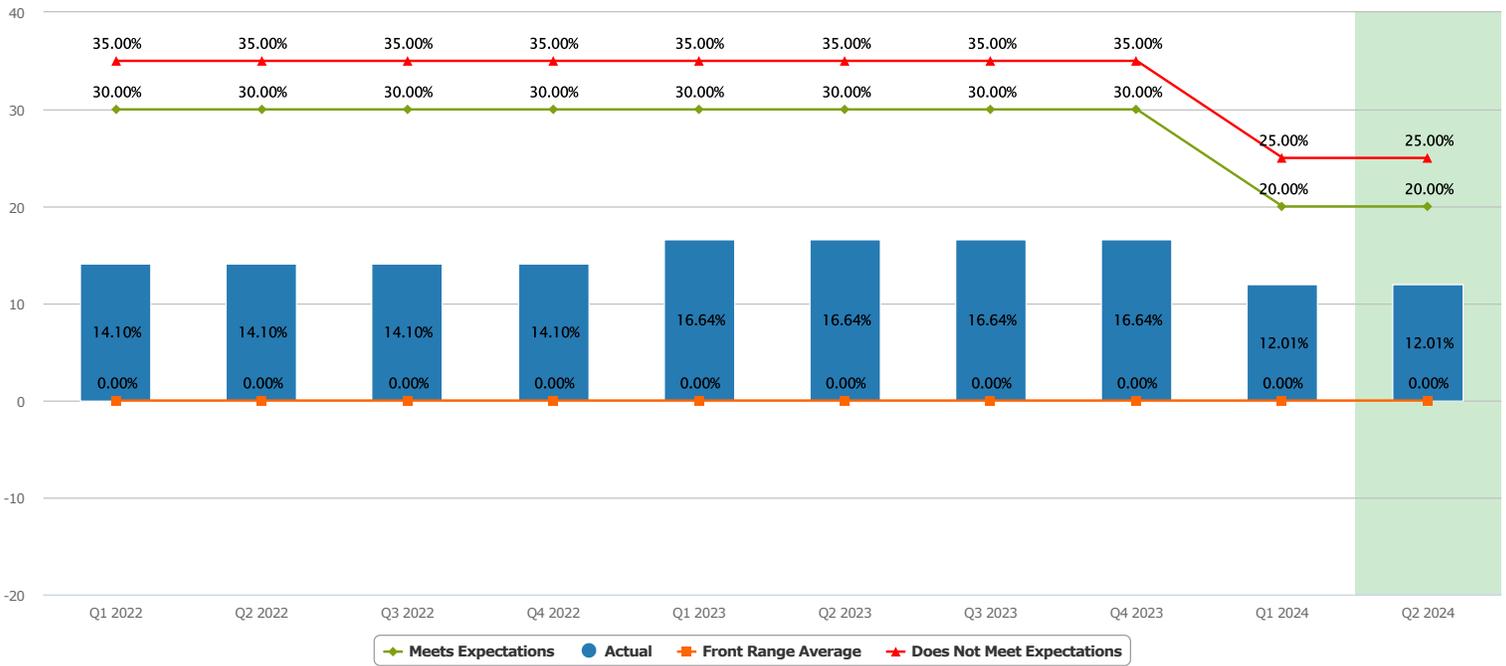
MEASURE PERFORMANCE

The mid-year 2024 result is 12.01% above Front Range average.

PERFORMANCE MEASURE CHART(S)

Residential Water Service

Front Range Comparison - Lower is Better



PERFORMANCE ANALYSIS

The most recent rate computations have been estimated using tariff rates publicly available on websites as of April 1, 2024 and assumed billing determinations.

5 FS1d Residential Wastewater Service - Front Range Comparison

Performance Measure Status: Far Exceeds Expectations

MEASURE DESCRIPTION

Strategic Objective Supported: Financial Accountability

Reported as: Average bill

Target Range: +/- 5.0% of Colorado Front Range average

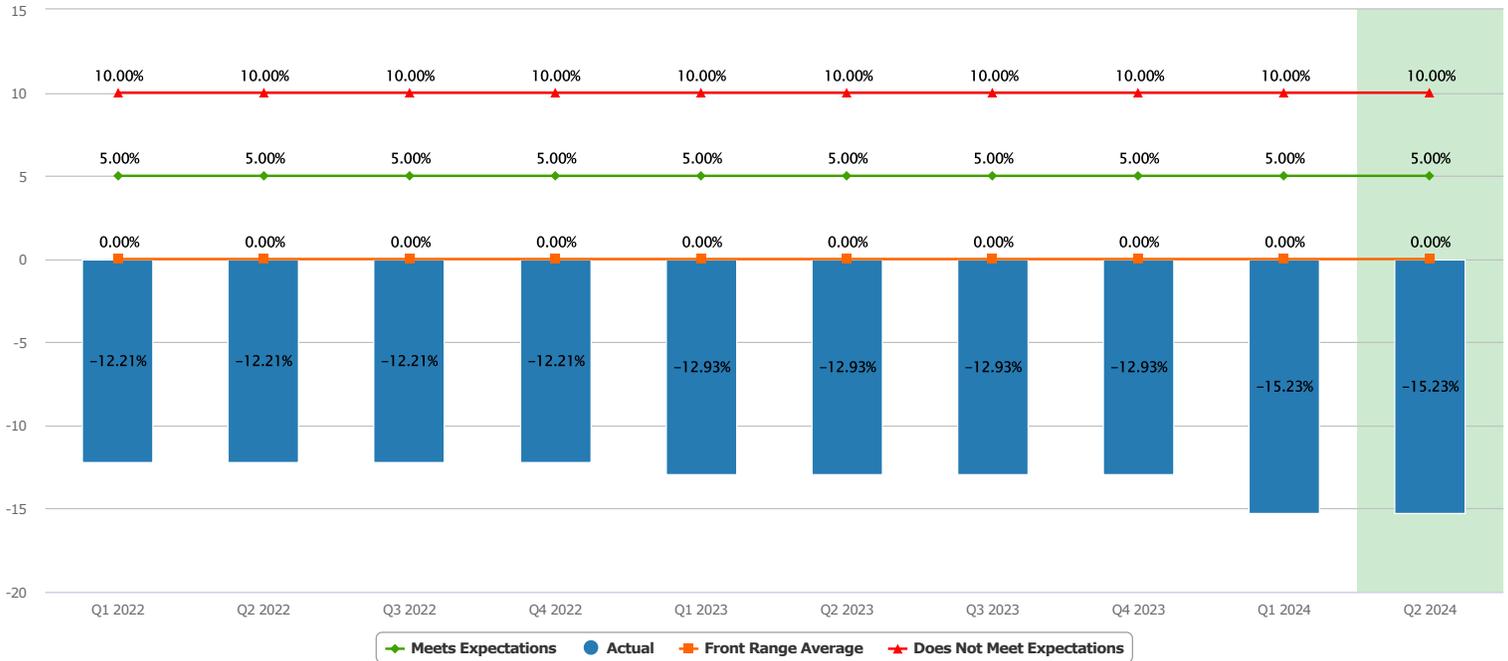
MEASURE PERFORMANCE

The mid-year 2024 result is 15.23% below Front Range average.

PERFORMANCE MEASURE CHART(S)

Residential Wastewater Service

Front Range Comparison - Lower is Better



PERFORMANCE ANALYSIS

The most recent rate computations have been estimated using tariff rates publicly available on websites as of April 1, 2024 and assumed billing determinations.

5 → FS1e Small Commercial 4 Service Bill - Front Range Comparison

Performance Measure Status: Far Exceeds Expectations

MEASURE DESCRIPTION

Strategic Objective Supported: Financial Accountability

Reported as: Average combined bill

Target Range: +/- 5.0% of Colorado Front Range average

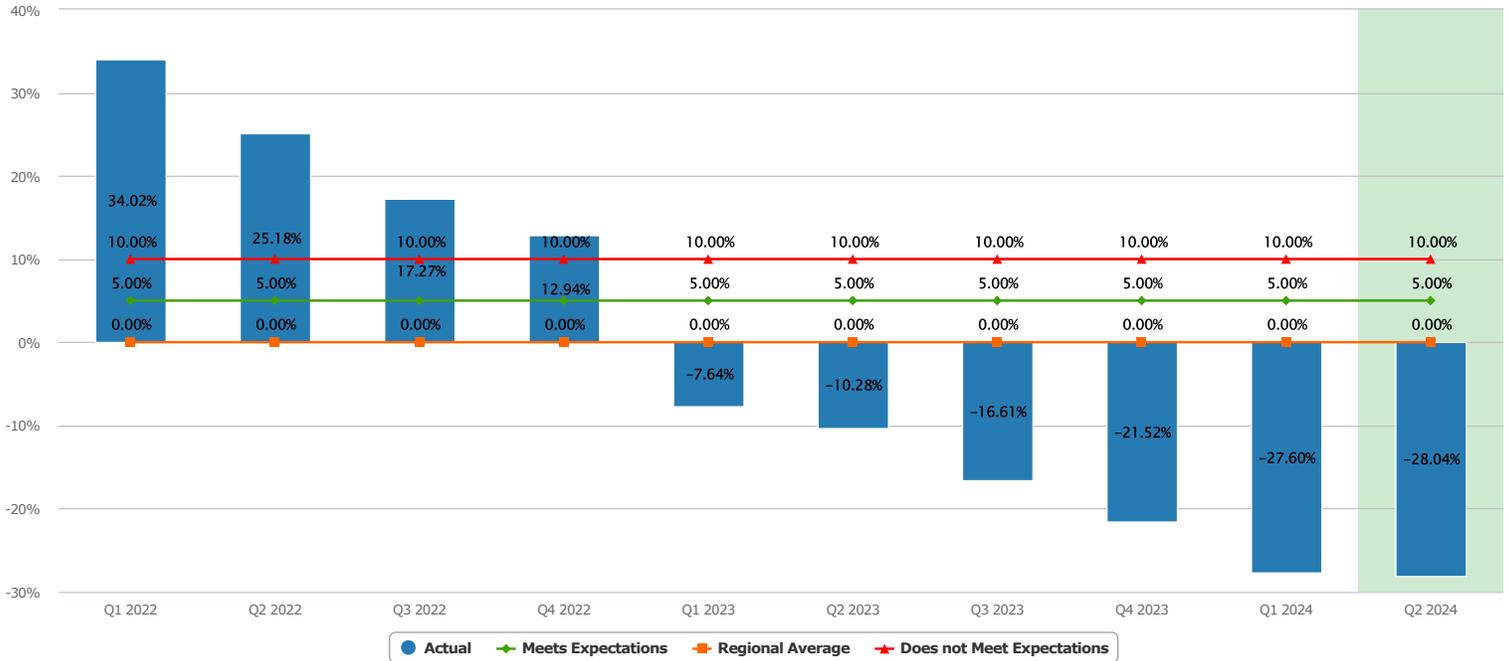
MEASURE PERFORMANCE

The mid-year 2024 result is 28.04% below Front Range average.

PERFORMANCE MEASURE CHART(S)

Small Commercial 4 Service Bill

Front Range Comparison - Lower is Better



PERFORMANCE ANALYSIS

The most recent rate computations have been estimated using tariff rates publicly available on websites as of April 1, 2024 and assumed billing determinations.

5 → FS1f Large Commercial/Industrial 4 Service Bill - Front Range Comparison

Performance Measure Status: Far Exceeds Expectations

MEASURE DESCRIPTION

Strategic Objective Supported: Financial Accountability

Reported as: Average combined bill

Target Range: +/- 5.0% of Colorado Front Range average

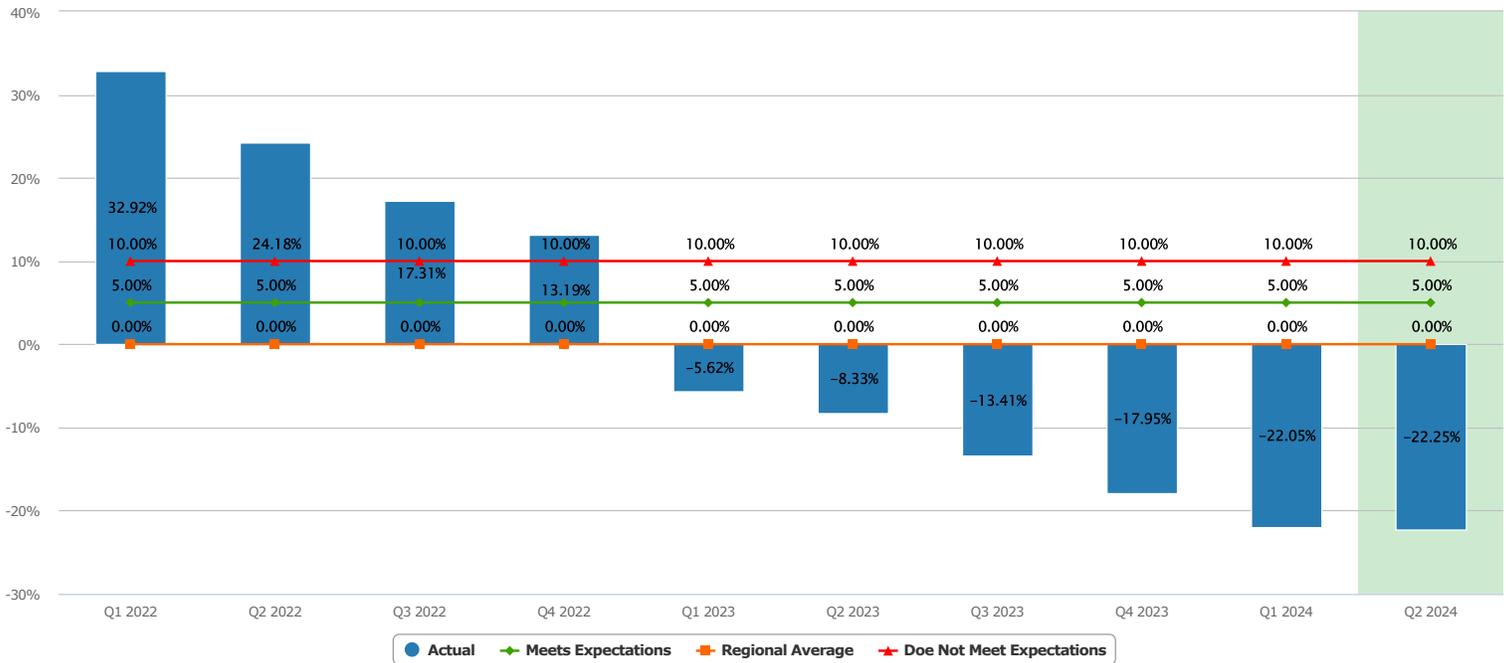
MEASURE PERFORMANCE

The mid-year 2024 result is 22.25% below Front Range average.

PERFORMANCE MEASURE CHART(S)

Large Commercial/Industrial 4 Service Bill

Front Range Comparison - Lower is Better



PERFORMANCE ANALYSIS

The most recent rate computations have been estimated using tariff rates publicly available on websites as of April 1, 2024 and assumed billing determinations.

5 FS1g Industrial Electric-Intensive Customer Bill - Front Range Comparison

Performance Measure Status: Far Exceeds Expectations

MEASURE DESCRIPTION

Strategic Objective Supported: Financial Accountability

Reported as: Average electric bill

Target Range: 0.0 to 10.0% lower than Colorado Front Range average

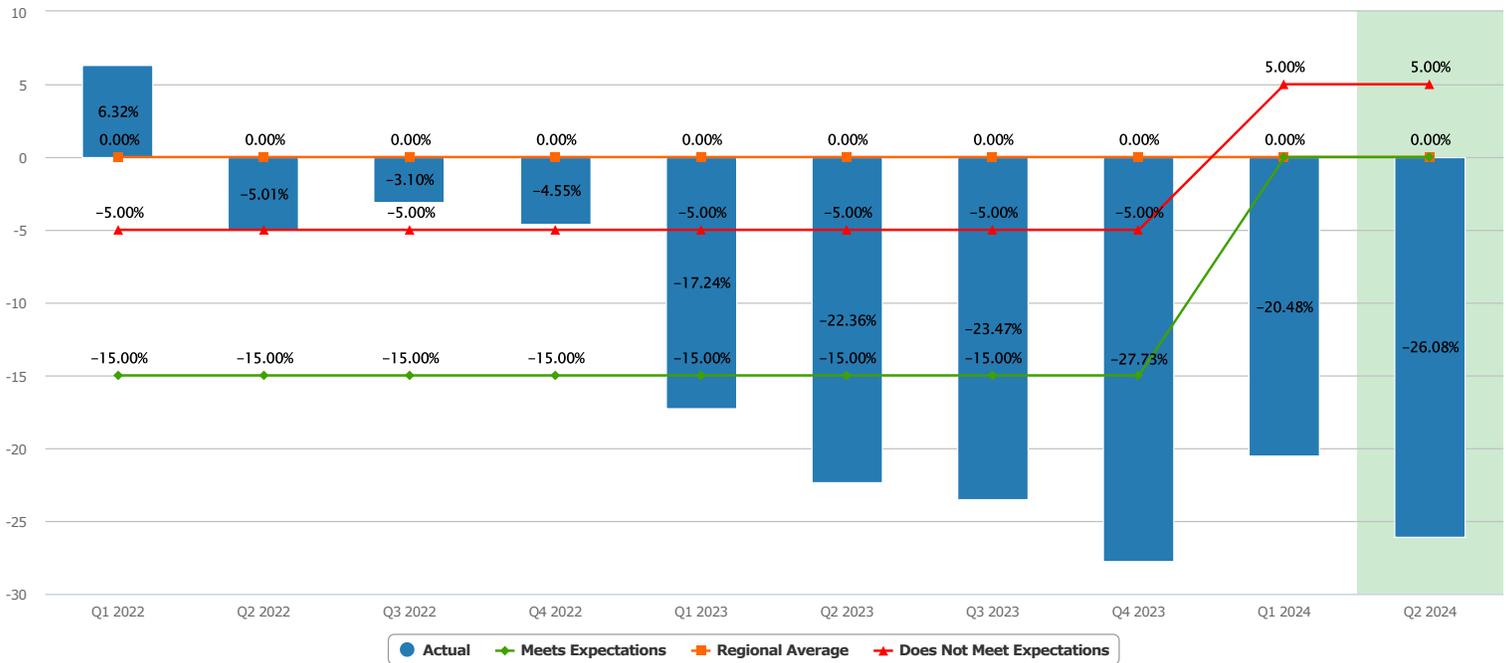
MEASURE PERFORMANCE

The mid-year 2024 result is 26.08% lower than Front Range average.

PERFORMANCE MEASURE CHART(S)

Industrial Electric-Intensive Customer Bill

Front Range Comparison - Lower is Better



PERFORMANCE ANALYSIS

Rate computations have been estimated using tariffs rates publicly available on websites as of April 1, 2024 and assumed billing determinations.

MEASURE DESCRIPTION

Strategic Objective Supported: Financial Accountability

Reported as: Average electric bill

Target Range: +/- 5.0% of national average

MEASURE PERFORMANCE

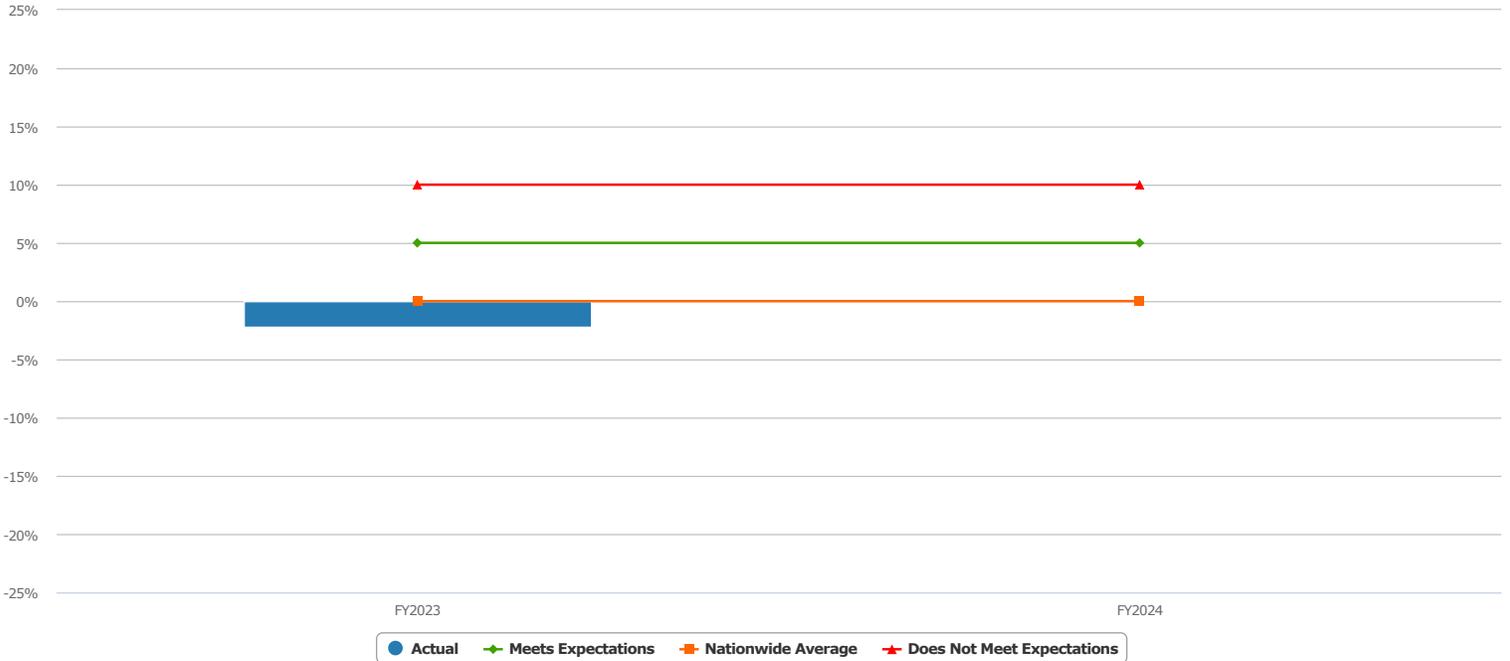
This measure is reported annually. The 2024 result will be available after year-end.

The year-end 2023 result was 2.17% below the Nationwide average.

PERFORMANCE MEASURE CHART(S)

Industrial Electric-Intensive Customer Bill

Nationwide Comparison - Lower is Better



PERFORMANCE ANALYSIS

- Electric totals are taken from U.S. Energy Information Administration (EIA)
- The survey period was 09/2022 – 08/2023

3 → FS1i Days Cash on Hand - Current Year

Performance Measure Status: Meets Expectations

MEASURE DESCRIPTION

Strategic Objective Supported: Financial Accountability

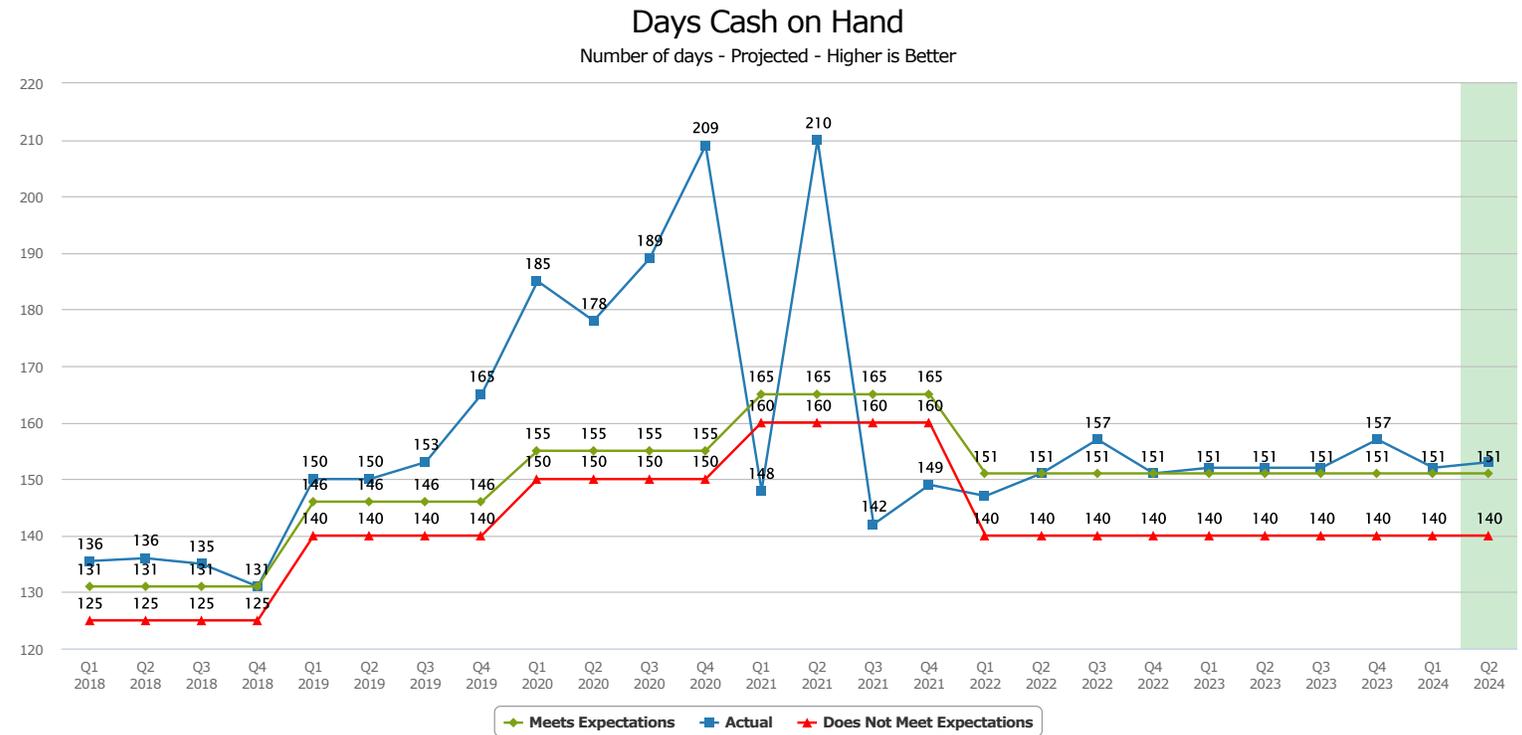
Reported as: year-end projection of actual result plus forecast

Target Range: 151 – 160 (days cash on hand)

MEASURE PERFORMANCE

The mid-year 2024 result is 153 days.

PERFORMANCE MEASURE CHART(S)



PERFORMANCE ANALYSIS

- Days Cash on Hand is 153 days, which is a meets expectation and forecasted to maintain meets expectation throughout 2024 reporting.

3 FS1j Days Cash on Hand - 3 Year Average

Performance Measure Status: Meets Expectations

MEASURE DESCRIPTION

Strategic Objective Supported: Financial Accountability

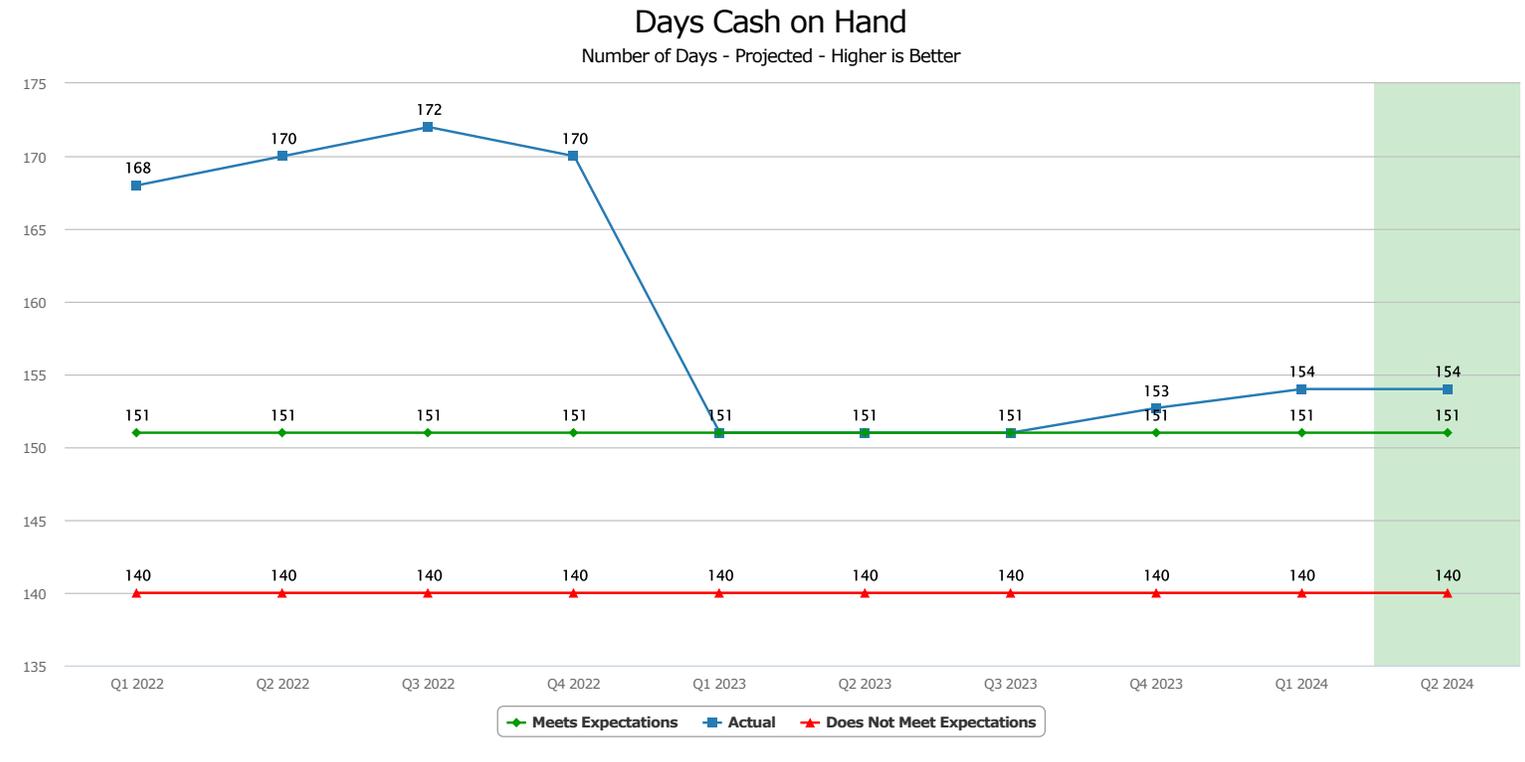
Reported as: Current year projection and the previous two years of history

Target Range: 151 – 160 (days cash on hand)

MEASURE PERFORMANCE

The mid-year 2024 3 year average result is 154 days.

PERFORMANCE MEASURE CHART(S)



PERFORMANCE ANALYSIS

- Days Cash on Hand (DCH) 3 year average is a meets expectations. DCH was 153 in 2022, 157 in 2023 and forecasted to be 153 in 2024.

2 → FS1k Adjusted Debt Service Coverage - Current Year

Performance Measure Status: Partially Meets Expectations

MEASURE DESCRIPTION

Strategic Objective Supported: Financial Accountability

Reported as: Year-end projection of actual results plus forecast

Target Range: 1.80 – 1.90

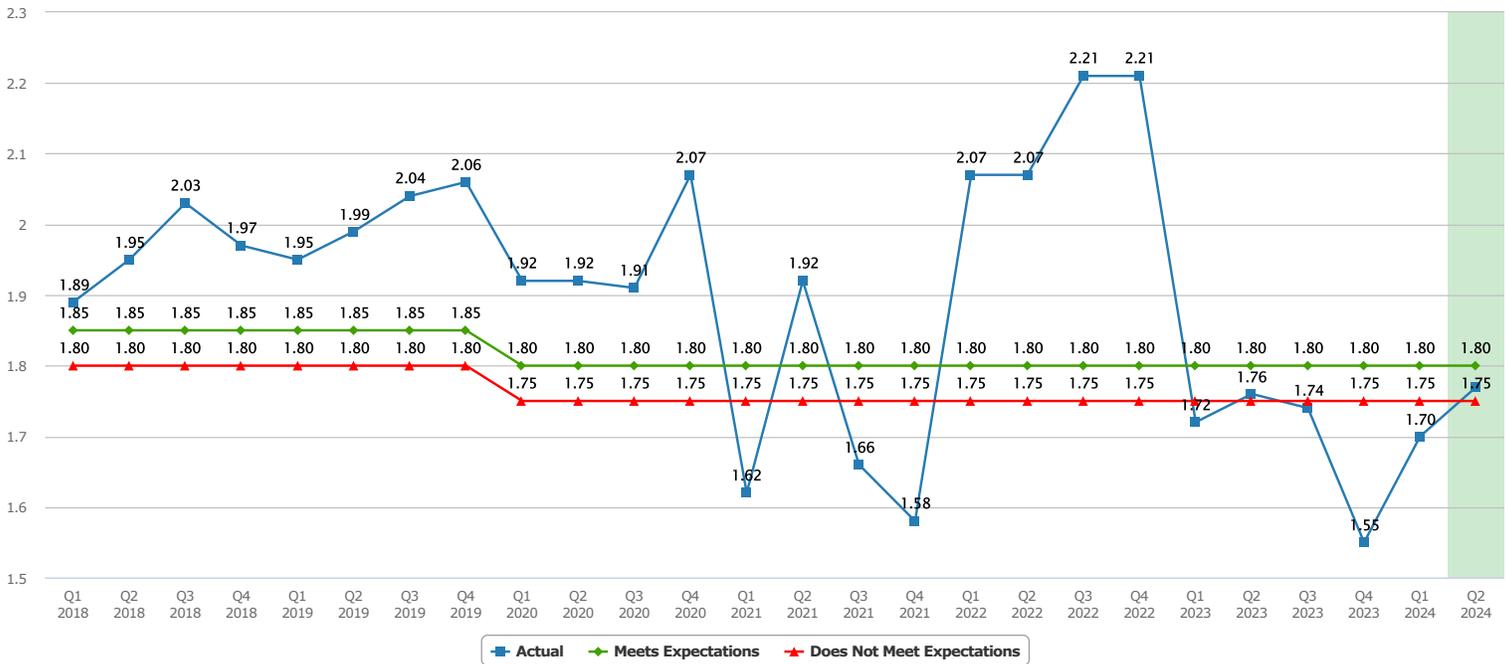
MEASURE PERFORMANCE

The mid-year 2024 result is 1.77 times.

PERFORMANCE MEASURE CHART(S)

Adjusted Debt Service Coverage

Projected Net Pledged Revenues (after surplus funds to City)/Bond Year Debt Service - Higher is Better



PERFORMANCE ANALYSIS

- The mid-year 2024 result of 1.77 partially meets expectations.
- 2024 AOF set the target at 1.77.
- Mid-year 2024 improved .22 over the Year-End 2023 result of 1.55.

3 FS11 Adjusted Debt Service Coverage - 3 Year Average

Performance Measure Status: Meets Expectations

MEASURE DESCRIPTION

Strategic Objective Supported: Financial Accountability

Reported as: Year-end projection of actual results plus forecast

Target Range: 1.80 – 1.90

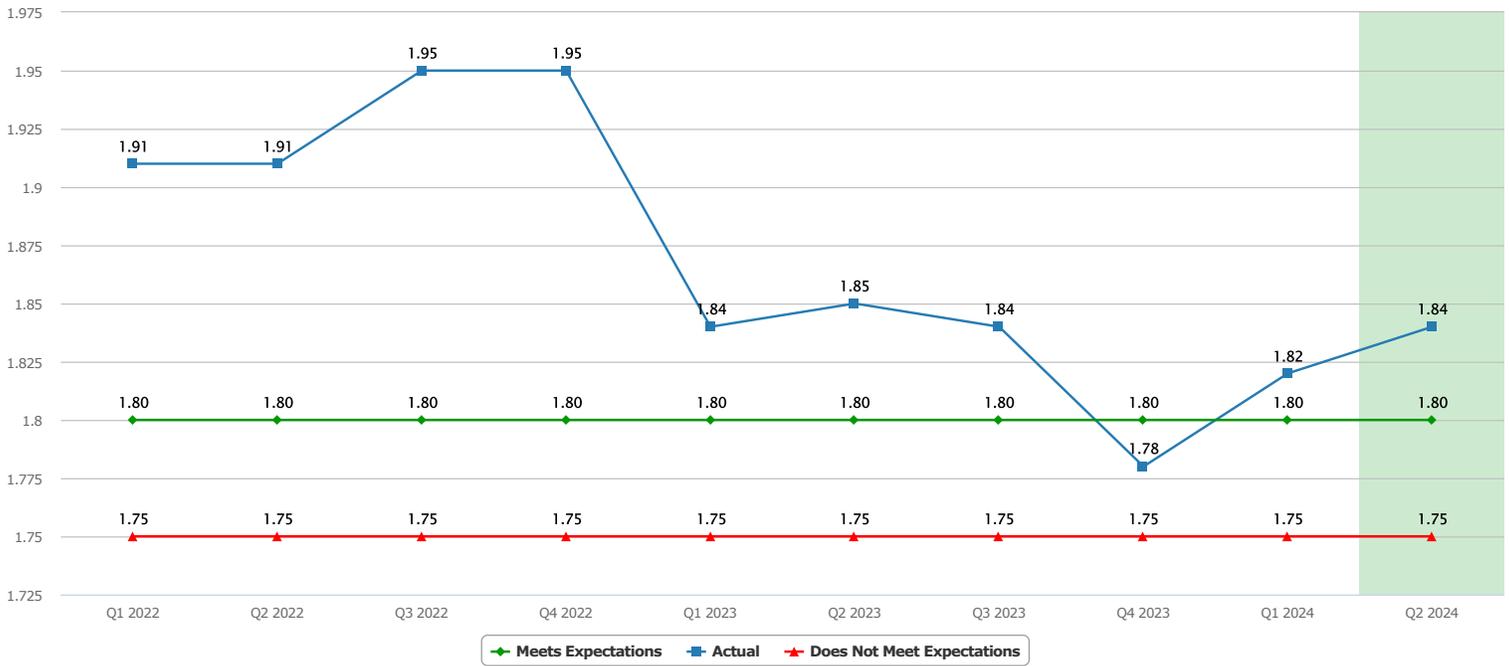
MEASURE PERFORMANCE

The mid-year 2024 3 year average result is 1.84 times.

PERFORMANCE MEASURE CHART(S)

Adjusted Debt Service Coverage - 3 Year Average

Projected Net Pledged Revenues (after surplus funds to City)/Bond Year Debt Service - Higher is Better



PERFORMANCE ANALYSIS

The mid-year 2024 3 year average of 1.84 increased by .02 over the Q1 2024 result of 1.82.

MEASURE DESCRIPTION

Strategic Objective Supported: Financial Accountability

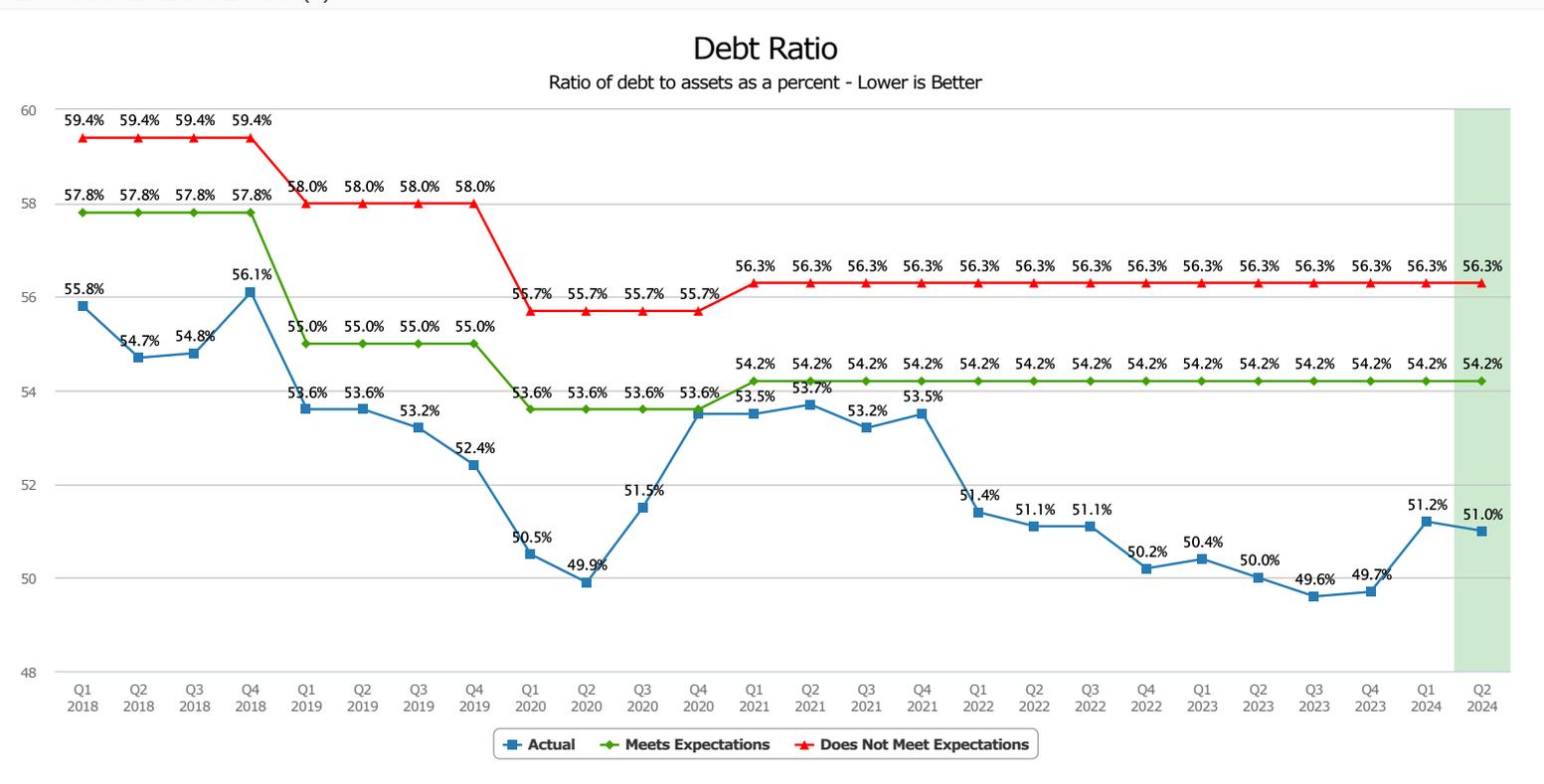
Reported as: year-to-date actual result

Target Range: 54.2 – 50.2%

MEASURE PERFORMANCE

The mid-year 2024 result is 51.0%.

PERFORMANCE MEASURE CHART(S)



PERFORMANCE ANALYSIS

The Q2 2024 debt ratio result meets expectations.

3 → FS1n Debt Ratio - 3 Year Average

Performance Measure Status: Meets Expectations

MEASURE DESCRIPTION

Strategic Objective Supported: Financial Accountability

Reported as: Current year to date and the previous 2 years of history

Target Range: 54.2 – 50.2%

MEASURE PERFORMANCE

The mid-year 2024 3 year average result is 50.3%.

PERFORMANCE MEASURE CHART(S)

Debt Ratio - 3 Year Average

Lower is Better



PERFORMANCE ANALYSIS

- The 3 year average for Debt Ratio meets expectations.
- The year-end results for 2022 & 2023 were 50.2% & 49.7%, with the 2024 Q2 year-end forecast result at 51.0%.

MEASURE DESCRIPTION

Strategic Objective Supported: Financial Accountability

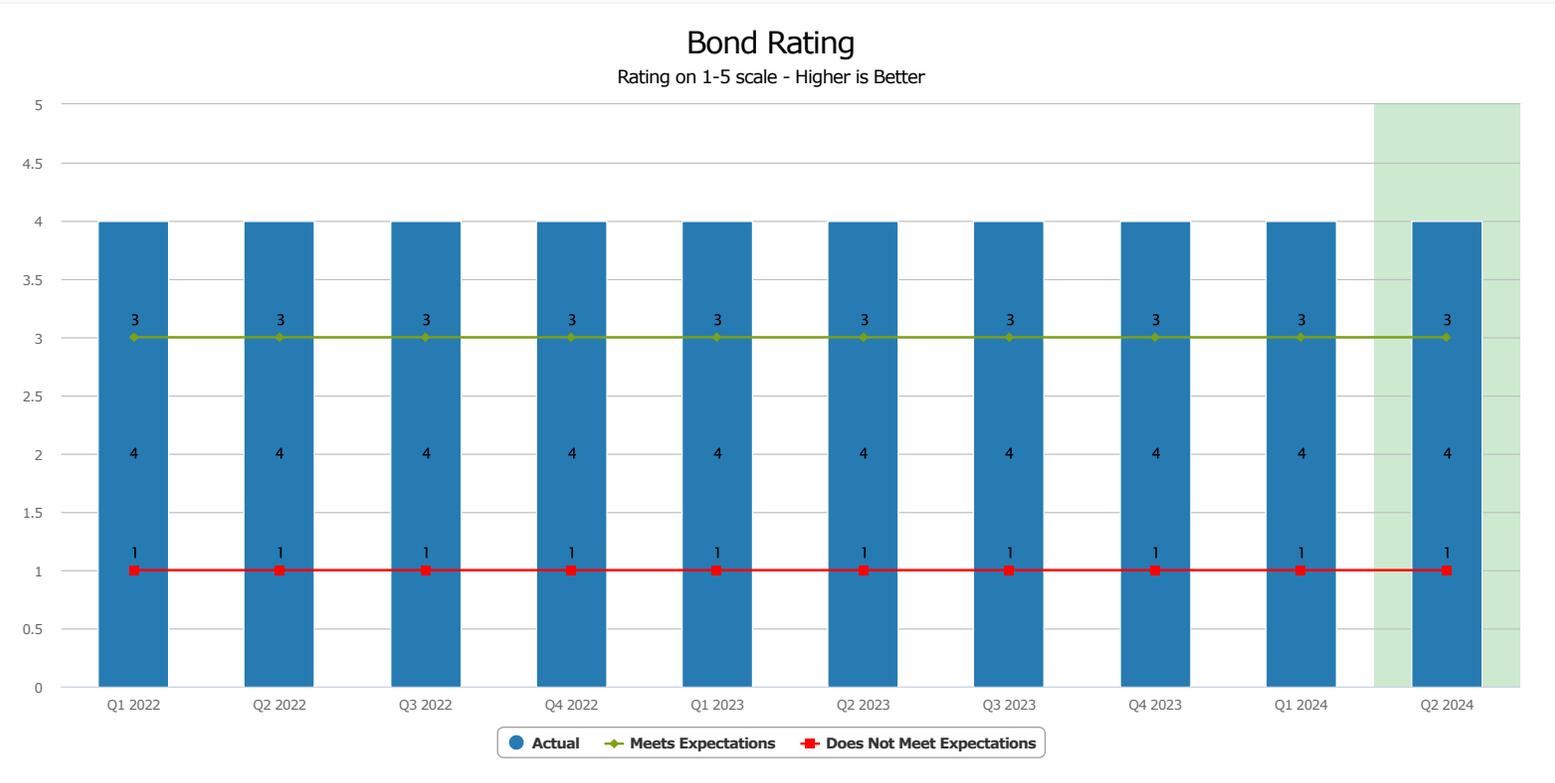
Reported as: Standard & Poor's, Moody's Investors Service, and Fitch Ratings

Target Range: Standard & Poor's AA, Moody's Investors Service: Aa2, Fitch Ratings: AA

MEASURE PERFORMANCE

The mid-year 2024 result is Standard & Poor's (AA+), Moody's (Aa2), and Fitch Ratings (AA), respectively.

PERFORMANCE MEASURE CHART(S)



PERFORMANCE ANALYSIS

- The long-term credit rating remains unchanged from the previous quarter for Standard and Poor's and Moody's.
- The rating increased from "meets expectations" to "exceeds expectations" in 2022 due to a Utilities Board approved change to the rating scale.
- In recent years, Colorado Springs Utilities made the business decision to no longer seek ratings coverage from Fitch Ratings. However, Fitch Ratings has reaffirmed AA stand-alone credit ratings on all previously issued, still outstanding Springs Utilities issuances; thereby remaining unchanged from the previous quarter.

4 C1a Electric System Average Interruption Duration Index (SAIDI)

Performance Measure Status: Exceeds Expectations

MEASURE DESCRIPTION

Strategic Objective Supported: Deliver Quality Utilities

Reported as: 12 month rolling average

Target range: 52.50 – 47.51 (minutes interruption per customer per year)

MEASURE PERFORMANCE

The mid-year 2024 result is 44.00 minutes.

PERFORMANCE MEASURE CHART(S)

Electric System Average Interruption Duration Index (SAIDI)

In Minutes per Customer - Lower is Better



PERFORMANCE ANALYSIS

- There were 358 sustained outages in the second quarter of 2024.
- There were 1,111 sustained outages from July 2023 through June 2024.
- There was one Major Event Day (MED) during this period on May 6th, 2024 due to a wind storm.
- According to the 2023 Institute of Electrical and Electronics Engineers (IEEE) Reliability Benchmark Survey (2022 data), Colorado Springs Utilities ranked fifth out of 74 survey participants for Electric SAIDI performance.

3 → C1b Failures per 100 Miles of Natural Gas Pipe

Performance Measure Status: Meets Expectations

MEASURE DESCRIPTION

Strategic Objective Supported: Deliver Quality Utilities

Reported as: 12 month rolling average

Target range: 6.00 – 4.00 (failure per 100 miles of pipe)

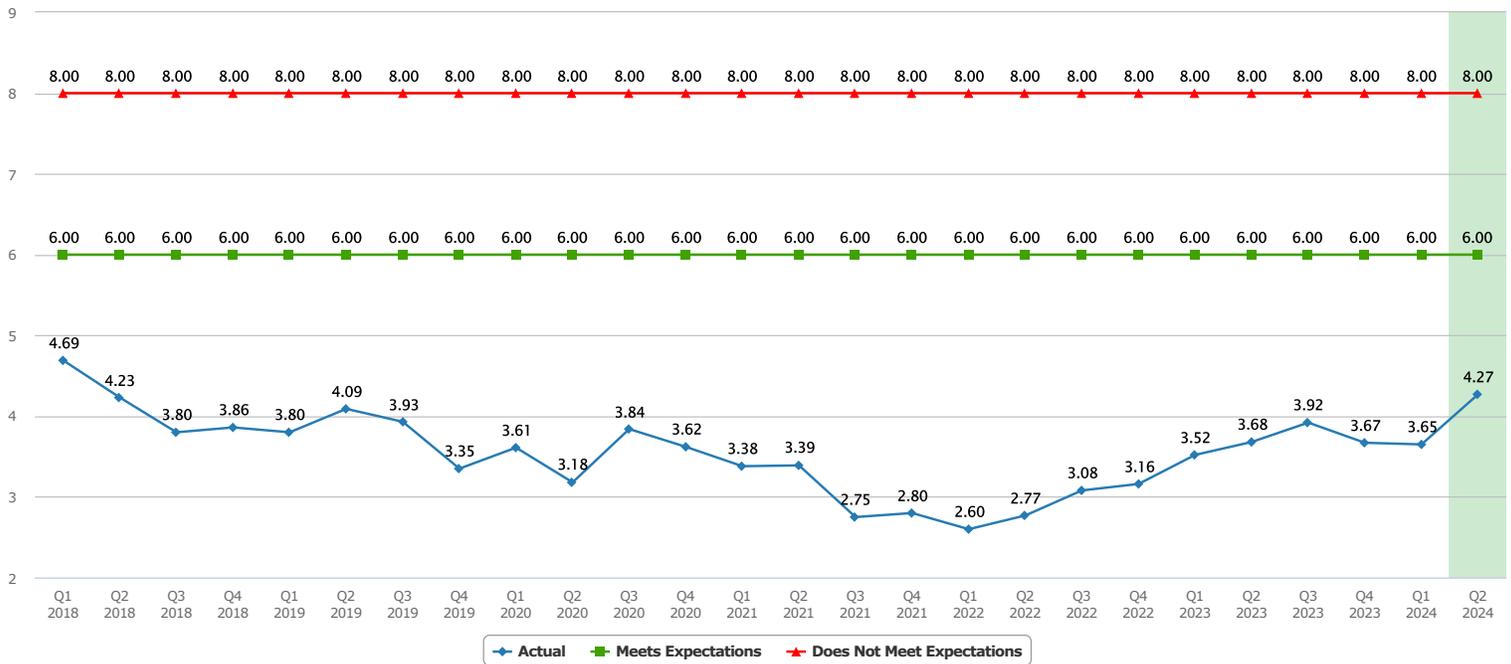
MEASURE PERFORMANCE

The mid-year 2024 result is 4.27 failures per 100 miles of pipe.

PERFORMANCE MEASURE CHART(S)

Failures per 100 Miles of Natural Gas Pipe

Number of Failures - Lower is Better



PERFORMANCE ANALYSIS

- There were 244 failures on the 5,709 miles of gas pipe from July 2023 through June 2024.
- $244/57.09 = 4.27$ (Meets Expectations)

3 → C1c Failures per 100 Miles of Water Pipe

Performance Measure Status: Meets Expectations

MEASURE DESCRIPTION

Strategic Objective Supported: Deliver Quality Utilities

Reported as: 12 month rolling average

Target Range: 12.00 – 10.00 (failures per 100 miles of pipe)

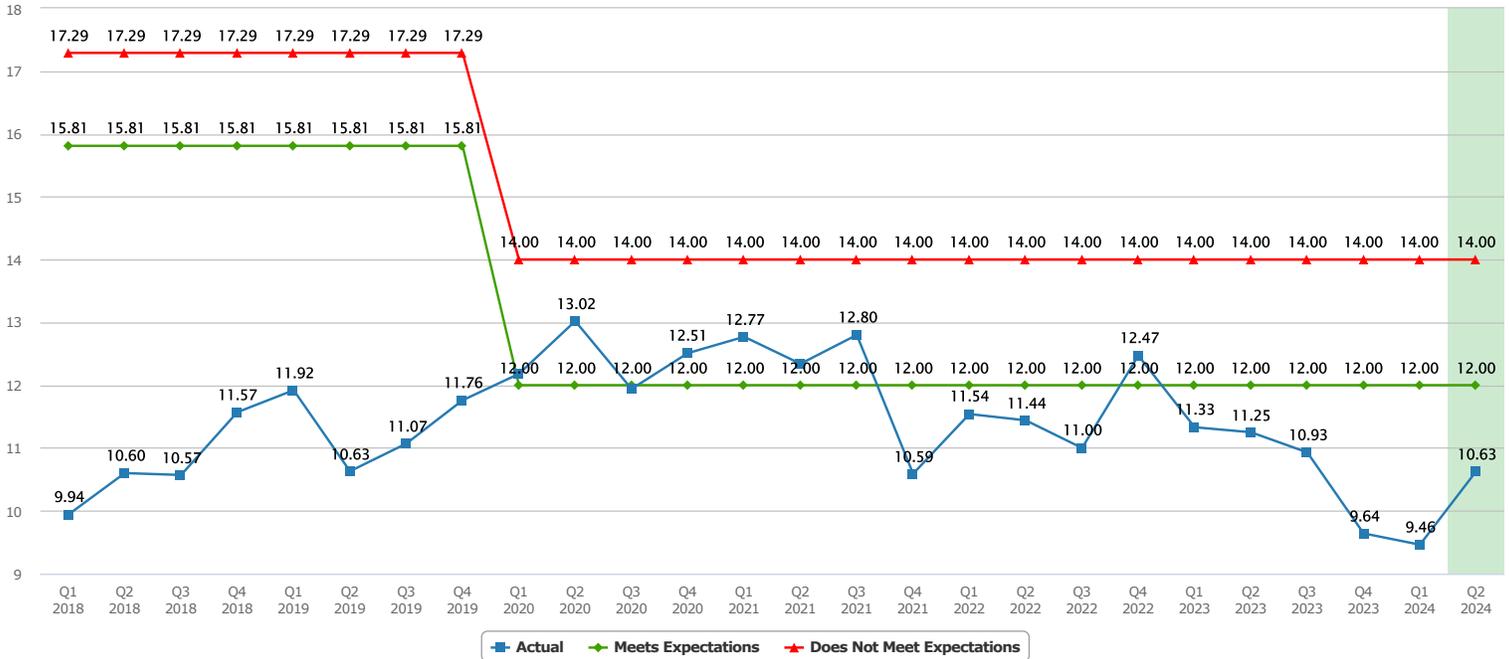
MEASURE PERFORMANCE

The mid-year 2024 result is 10.63 failures per 100 miles of pipe.

PERFORMANCE MEASURE CHART(S)

Failures per 100 Miles of Water Pipe

Number of Failures - Lower is Better



PERFORMANCE ANALYSIS

- There were a total of 36 failures on 2,253 miles of pipe in Q2 2024. 16 of the failures were main breaks, 16 were main leaks, and 4 were valve leaks.
- A detailed analysis by System Planning and Projects Division shows that, at current funding levels for the capital program that addresses water main replacement, cathodic protection, and lining of water mains, a minimal increase in water main failures is expected over the next 5 years.
- The capital program prioritizes addressing high risk water mains, minimizing leaks under new pavement, and aligning with the City’s paving initiative.

3 → C1d Failures per 100 Miles of Wastewater Pipe

Performance Measure Status: Meets Expectations

MEASURE DESCRIPTION

Strategic Objective Supported: Deliver Quality Utilities

Reported as: 12 month rolling average

Target Range: 0.75 – 0.51 (failures per 100 miles of pipe)

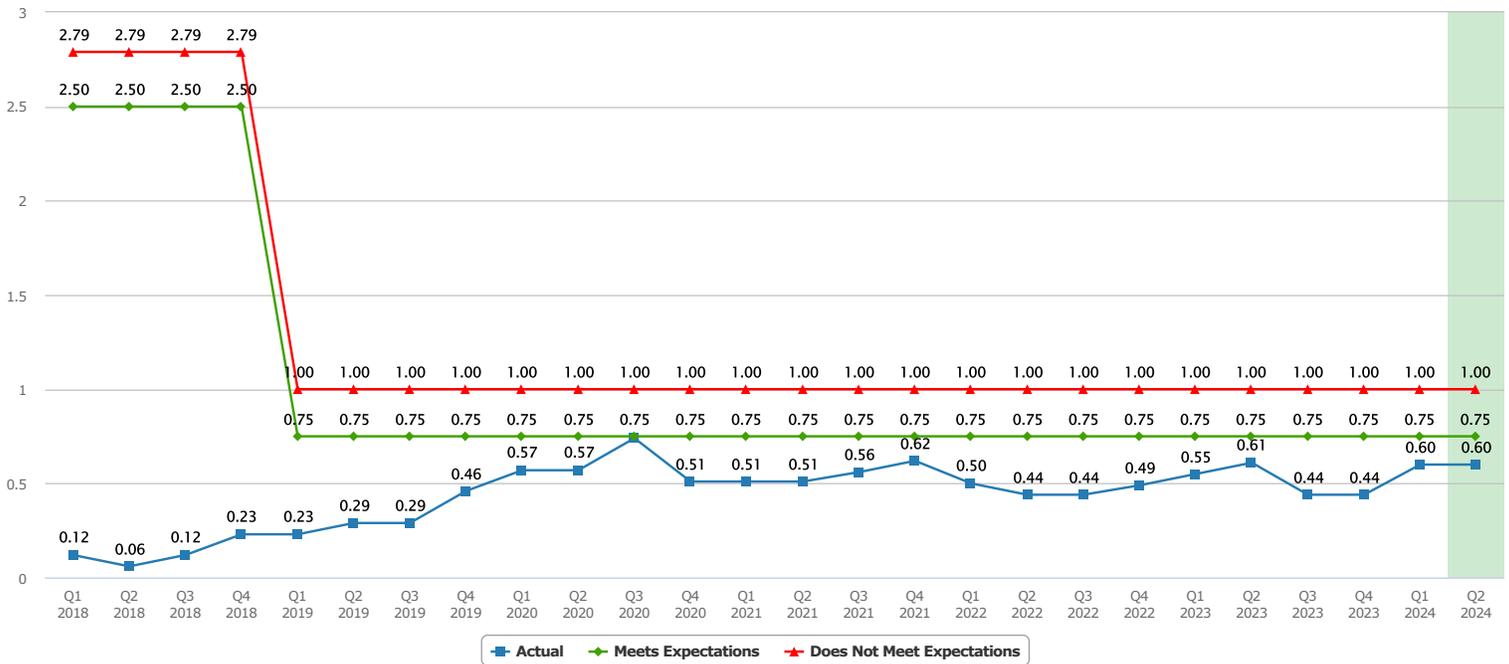
MEASURE PERFORMANCE

The mid-year 2024 result is 0.60 failures per 100 miles of pipe.

PERFORMANCE MEASURE CHART(S)

Failures per 100 Miles of Wastewater Pipe

Number of Failures - Lower is Better



PERFORMANCE ANALYSIS

- The second quarter 12-month rolling average result of 0.60 is based on a total of 12 failure events between July 2023 and June 2024.
- In the second quarter, there were 2 failure events. One these events was caused by system performance due to a sag in the line causing a non-reportable release of 1,250 gallons of wastewater. The other was caused by joint roots in the main connection, causing property damage.
- There have been 6 failure events through Q1 and Q2 2024.
- By comparison, the 2023 Q2 result was 0.61.

MEASURE DESCRIPTION

Strategic Objective Supported: Focus on the Customer

Reported as: Numerical rating to two decimals

Target range: 2.50 – 3.49 on a 5–point scale (composite score)

MEASURE PERFORMANCE

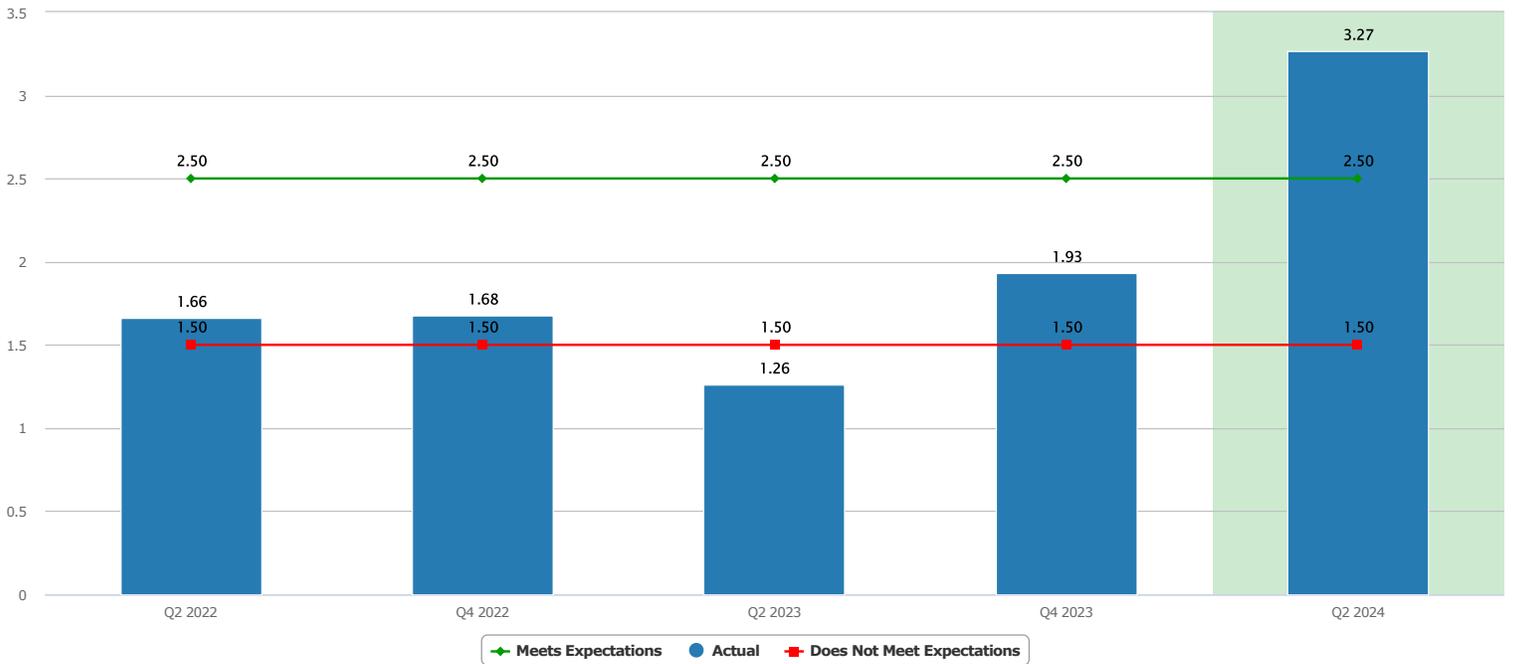
This measure will be reported semi-annually. Results will be posted after Q2 and Q4 of 2024.

At mid-year of 2024, Colorado Springs Utilities has scored a 3.27 out of a possible 5 points for the overall index. This is a rating of meets expectations.

PERFORMANCE MEASURE CHART(S)

Customer Satisfaction - Residential

Composite Score - Higher is Better



Performance Analysis:

- The J.D. Power and Associates Residential Customer Satisfaction result for mid-year 2024 improved in rank to 41st in overall customer satisfaction among the 149 qualifying, participating utilities nationally. This is an industry rank of 28 percent compared to 75 percent at the same point in 2023 resulting in an index score of 2.8 on five-point scale and twenty percent of the overall index.
- The J.D. Power and Associates Overall Customer Satisfaction Index score increased twenty-six points, from 705 (on a 1,000-point scale) to 731 for an index score of 4.4 on a five-point scale and twenty percent of the overall index.
- The Escalent's Cogent Study Customer Effort Index results for mid-year 2024 improved eleven points from 697 (on a 1,000-point scale) to 708 for an index score of 2.5 on a five-point scale and forty percent of the overall index.
- The in-house survey index is 8.51 (on a 1 to 10 scale) for transactional surveys captured January through June on transactions completed in Service Center phone interactions and Field Service appointments for an index score of 4.2 on a five-point scale and twenty percent of the overall index.

Situation Analysis:

Customer Trends:

- Communication measures show improvement. Messages around the topics of "ways to use energy", "safety of the electric system" and "conservation messages" resonate with customer.
- Topics of about "the environment" and "safety" are showing strong recall driving improved scores in corporate citizenship metrics.
- Customers are reporting lower bill amounts possibly due to a less extreme winter and therefore feel their utilities bill is more manageable. This leads to building trust in the rates charged to deliver utility services.
- Billing and payment, customer care and reliability measures are flat for this reporting period.

Action Plans:

- The Customer Steering Committee is actively building a five-year customer roadmap to support in-process and upcoming projects to improve customer interactions and communication and modernize the overall customer experience.
- Self-service tools have improved with the new customer information system launch and enhancements of the MyAccount tool from 2023. Effort to move customers from assisted service to self-service are showing progress. Overall satisfaction is lower with self-service interaction but are beneficial by offering 24 hour 7 days a week customer service and maximizing assisted service channels. Marketing and process improvement continue to support this effort.
- Efforts continue to engage customers into water and energy conservations programs to offer choice and flexibility to customers while supporting energy and water consumption goals.
- Marketing efforts to tell the story of Colorado Springs Utilities and the "why" behind our operations continue to support the 100-year anniversary of the organization and build trust with the Colorado Springs Utilities brand.

MEASURE DESCRIPTION

Strategic Objective Supported: Focus on the Customer

Reported as: Numerical rating to two decimals

Target range: 2.50 – 3.49 on a 5–point scale (composite score)

MEASURE PERFORMANCE

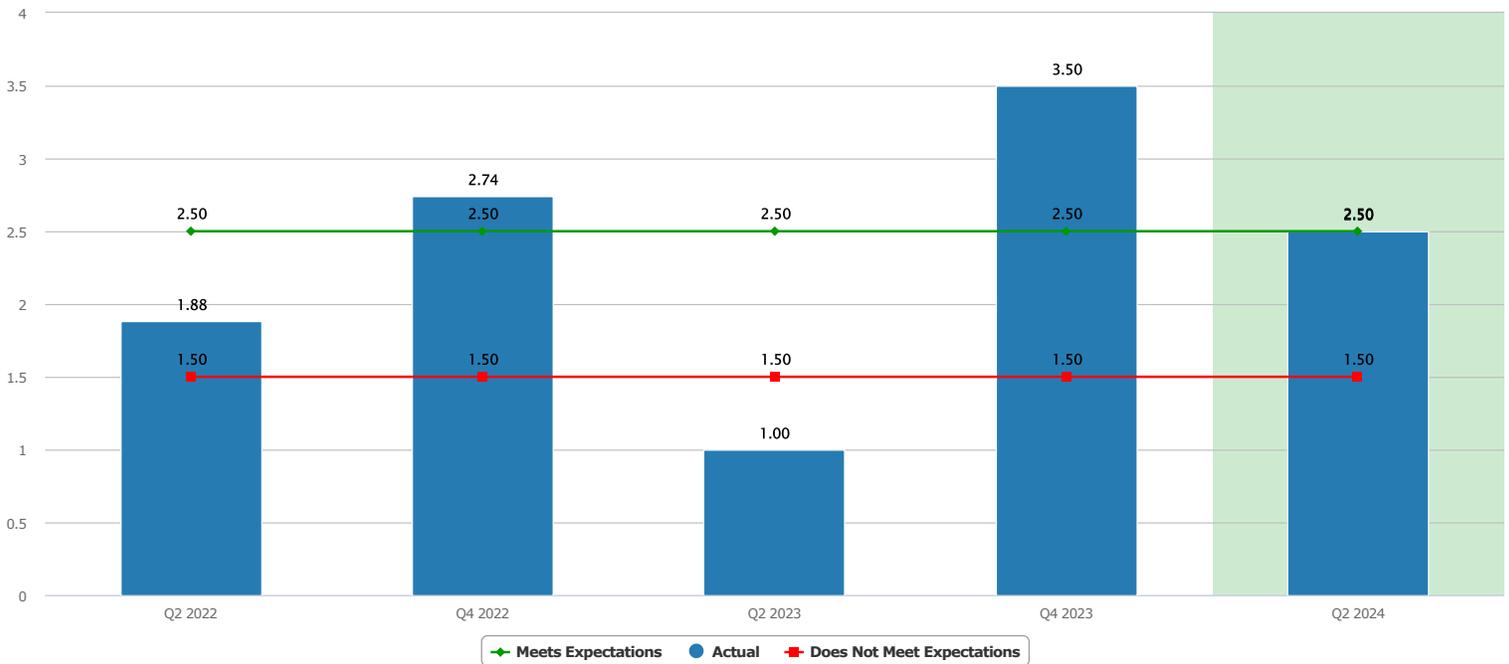
This measure will be reported semi-annually. Results will be posted after Q2 and Q4 of 2024.

At mid-year of 2024, Colorado Springs Utilities has scored a 2.50 out of a possible 5 points for the overall index.

PERFORMANCE MEASURE CHART(S)

Customer Satisfaction - Business

Composite Score - Higher is Better



Performance Analysis:

- The Escalent's Cogent Business Customer Satisfaction result for the mid-year of 2024 improved in rank to 56th in overall customer satisfaction among the 81 qualifying, participating utilities nationally. This is an industry rank of 69 percent compared to 93 percent at the same point in 2023 resulting in an index score of 1.0 on five-point scale and twenty percent of the overall index.
- The Escalent's Cogent Engaged Customer Relationship Index score increased twenty-eight points, from 732 (on a 1,000-point scale) to 760 for an index score of 3.3 on a five-point scale and twenty percent of the overall index.
- The Escalent's Cogent Study Customer Effort Index result for mid-year 2024 increased fifteen points from 750 (on a 1,000-point scale) to 765 for an index score of 2.5 on a five-point scale and forty percent of the overall index.
- The in-house survey index is 7.57 (on a 1 to 10 scale) for transactional surveys captured January through June on transactions completed in Service Center phone interactions for an index score of 3.2 on a five-point scale and twenty percent of the overall index.

Situation Analysis:

Customer Trends:

- Scores are tracked over a 12-month period. Through the first half of 2024 results are positive compared to the same point in 2023. However, 2024's scores have moderated somewhat compared to 2023's highs. This may be more of a correction of average scores than viewed as a decline. Scores remain higher than what was reported in 2022 and appear to be more stable.
- Billing and payment scores are lower measures for "time to pay their utility bill" and "useful and accurate information on the bill".
- Customer Care measures are soft with a need to make interactions, both assisted and self-service, easy.

Action Plans:

- State of the Utilities event hosted in June 2024 was promoted to the business community to help share the utilities landscape.
- A new team, dedicated to Property Management and Small Business, is in the process of being formed. This team will be a combination of members from the Customer Service Center and the Business Account Management Team. The goal is to improve customer service levels for the Property Management and Small Business segments.
- Small business consultation services are being promoted to help with water conservation.
- More personalized communication efforts are being developed to support transparency, trust, and community relationship.

MEASURE DESCRIPTION

Strategic Objective Supported: Support Our Community

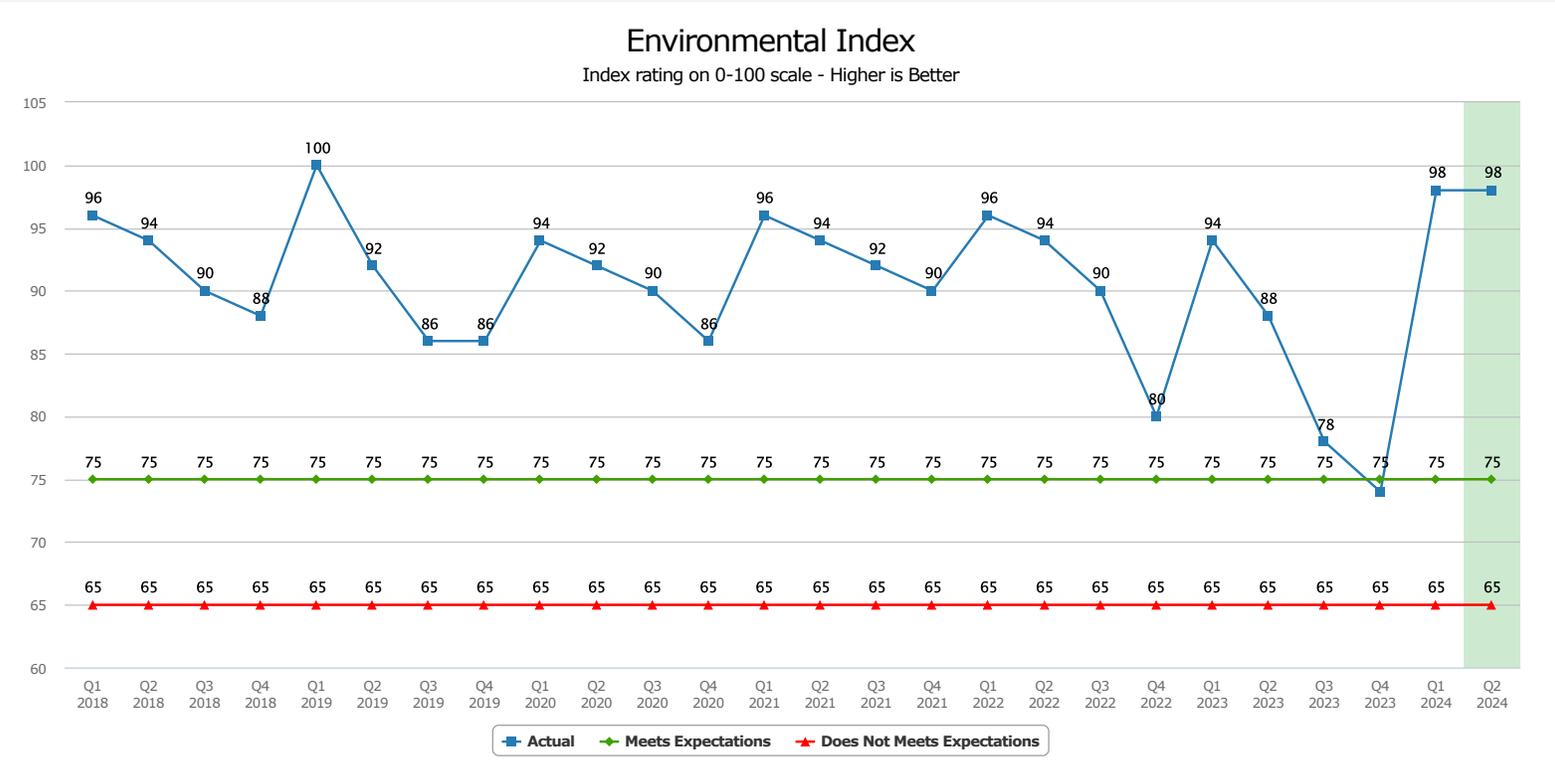
Reported as: year-to-date score

Target range: 75.00 – 85.99 (environmental rating scale 0 to 100)

MEASURE PERFORMANCE

The mid-year 2024 result is 98.00.

PERFORMANCE MEASURE CHART(S)



- There was one regulatory inspection in Q2. The inspection was a Compliance Evaluation Inspection of the Las Vegas Street Water Resource Recovery Facility conducted by the Water Quality Control Division (WQCD) of the Colorado Department of Public Health and Environment (CDPHE) on April 9, 2024.
- While not a true regulatory inspection, the Water Quality Control Division of the Colorado Department of Public Health and Environment conducted Disinfection Outreach and Verification Effort (DOVE) evaluations at Mesa and Ute Pass Water Treatment Plants. These evaluations verify that each plant achieves proper removal and inactivation of viruses and *Giardia*.
- There was one deduction in the *Minor Violations* category in Q2 due to a TSS exceedance of the 7-day and 30-day average value at McCullough. The violation was caused by water leaking into an open construction excavation hole during a valve replacement project. Water was excavated from the hole via a sump pump, and approximately 0.006 MGD of this water entered Monument Creek. Public health and the environment were not impacted by this exceedance.
- There were no deductions in the *Major Violations* category.
- There was one excess air emissions exceedance of the one-hour BACT Nitrogen Oxide (NOx) limit that applies at operating loads above 70%.
- There were no reportable sanitary sewer overflows (SSOs) in Q2.

5 → F1a Safety: Occupational Injuries and Illnesses Rate

Performance Measure Status: Far Exceeds Expectations

MEASURE DESCRIPTION

Strategic Objective Supported: Enable Employee Empowerment

Reported as: Percentage above or below benchmark

Target Range: +/-10% of Benchmark

MEASURE PERFORMANCE

The mid-year 2024 result is 79% below benchmark.

PERFORMANCE MEASURE CHART(S)

Safety: Occupational Injuries and Illnesses Rate

Lower is better



- This measure is based on the number of injuries or illnesses with days away from work beyond the date of injury or onset of illness.
- The measure is benchmarked to the North American Industry Classification System (NAICS) Code 22 for utility incidents. The NAICS is the standard used by the Bureau of Labor Statistics to classify data on Occupational Injuries and Illnesses by industries.
- The score for this measure is based on Springs Utilities 6-month Lost Time Incident Rate compared to the previous years' NAICS rate.
 - Far Exceeds Expectations = > 20% Below Benchmark
 - Exceeds Expectations = 10.01–20% Below Benchmark
 - Meets Expectations = +/-10% of Benchmark
 - Partially Meets Expectations= 10.01 – 20% above Benchmark
 - Does Not Meet Expectations= > 20% above Benchmark
- There were 4 Lost Time incidents and 35 Lost Days through Q2 2024.



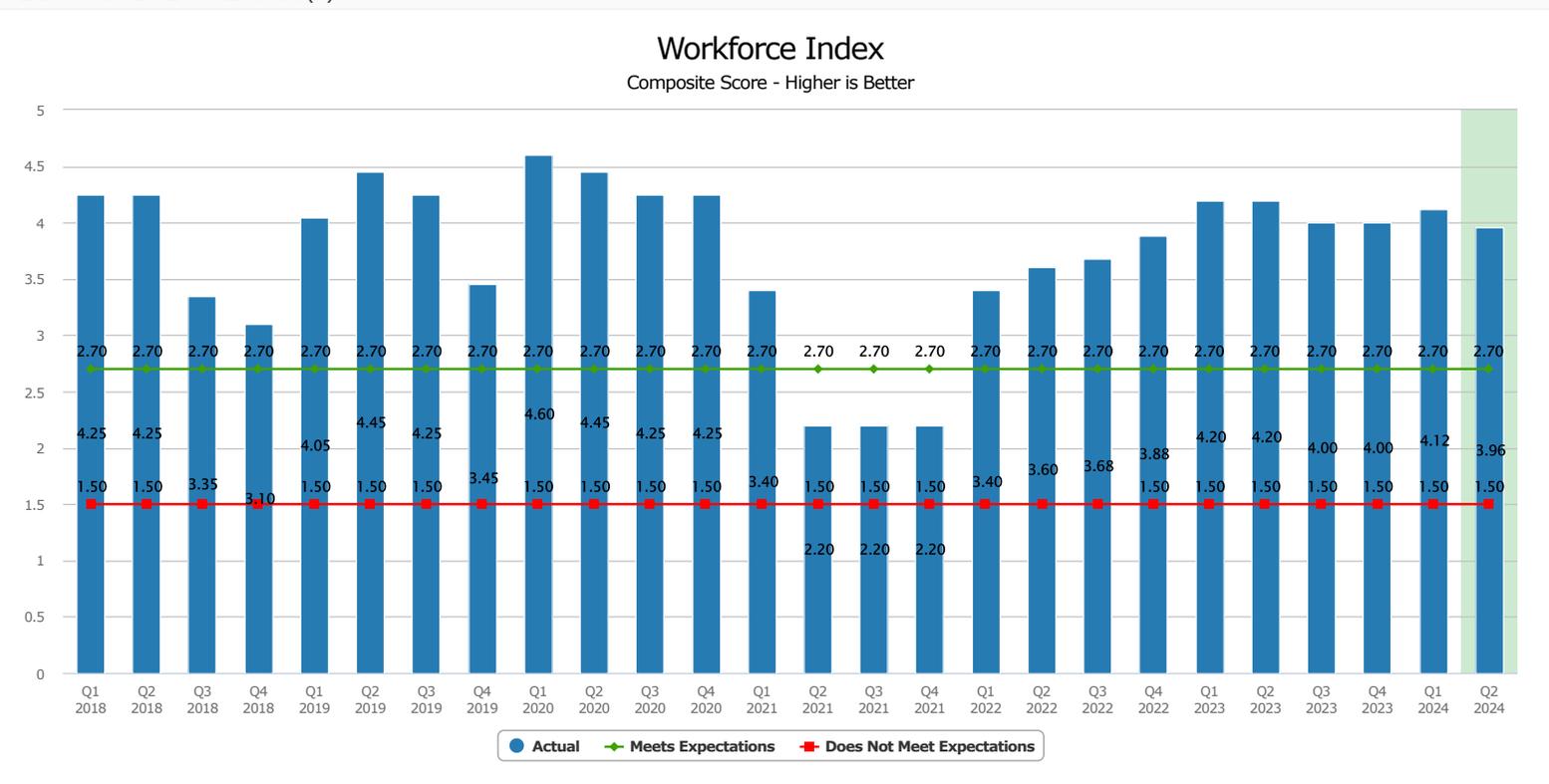
MEASURE DESCRIPTION

Strategic Objective Supported: Enable Employee Empowerment**Reported as:** Year-to-date**Target range:** 2.70 – 3.49 (composite score)

MEASURE PERFORMANCE

The mid-year 2024 result is 3.96.

PERFORMANCE MEASURE CHART(S)



PERFORMANCE ANALYSIS

The overall Workforce Index is comprised of three components:

1. Quality of Hire for New Hires 20%
2. Total Turnover 40%
3. Compliance with Mandatory and Required Training 40%
 - Quality of hire for new hires received a score of 3.0, which meets expectations.
 - Total turnover received a score of 5.0, which far exceeds expectations.
 - Compliance with mandatory and required training received a score of 3.4, which meets expectations.

Total Score: $(3.0 \times .2) + (5.0 \times .4) + (3.4 \times .4) = 3.96 = \text{Exceeds Expectations}$



Colorado Springs Utilities
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2024 Mid-Year Scorecard Results

Natalie Watts

Manager – Strategic Planning and Governance

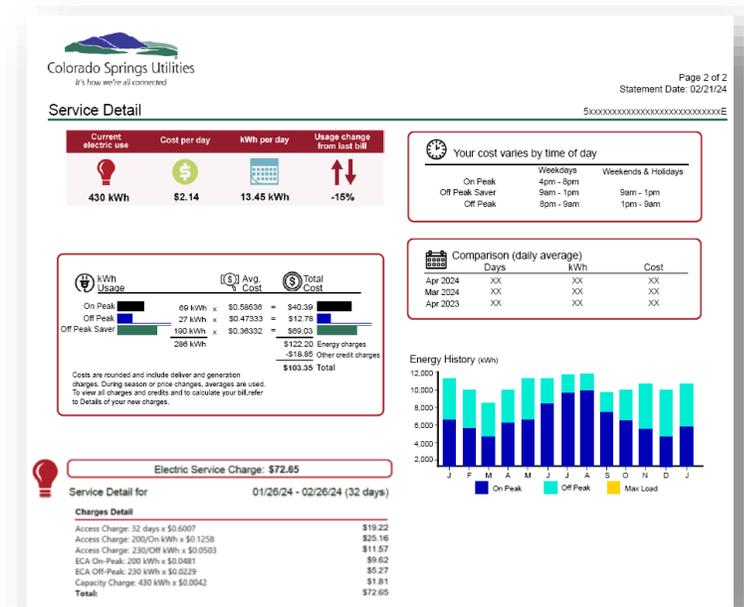
2024 Mid-Year Scorecard Results

- Measures were approved at November 2023 Utilities Board meeting
- Total of 24 measures
- Mid-year results = **Meets Expectations** (3.70 on a scale of 1 to 5)
- All results are as of June 30, 2024
- Reviewed the results at the Aug. 20 Strategic Planning Committee meeting



8 measures = Far Exceeds Expectations

1. Residential Electric Service - Front Range Comparison
2. Residential Natural Gas Service - Front Range Comparison
3. Residential Wastewater Service Bill - Front Range Comparison
4. Small Commercial 4 Service Bill - Front Range Comparison
5. Large Comm/Indust 4-Service Bill - Front Range Comparison
6. Indust Electric-intensive Cust Bill - Front Range Comparison
7. Environmental Index
8. Safety: Occupational Injuries and Illnesses Rate



3 measures = Exceeds Expectations

1. Bond Rating
2. Electric - SAIDI - Interruptions in minutes per year
3. Workforce Index

MOODY'S RATINGS

Rating Action: Moody's Ratings assigns Aa2 to Colorado Springs (City of) CO Combined Utility Enterprise's Utilities System Revenue Bonds, Series 2024A and 2024B, outstanding ratings are affirmed; outlook remains stable

26 Jul 2024

New York, July 26, 2024 -- Moody's Ratings (Moody's) has assigned an Aa2 rating to the Colorado Springs (City of) CO Combined Utility Enterprise's (CSU) proposed issuances of up to \$385 million of Utilities System Improvement Revenue Bonds, Series 2024A and \$103 million of Utilities System Refunding Revenue Bonds, Series 2024B. Concurrent with the rating assignment, the outstanding revenue bonds and bank bond ratings have been affirmed at Aa2 and the variable rate revenue bonds have also been affirmed at VMIG 1. The outlook is stable.

RATINGS RATIONALE

Today's rating action reflects the inherent strength of CSU's above average service territory, which encompasses the City of Colorado Springs and portions of the surrounding area. The service territory has seen a steady increase in population growth along with low unemployment rates. The territory is further bolstered by a substantial military presence, contributing to its stability. The credit assessment also incorporates the utility's diversified revenue sources, from its electric, gas, water, and wastewater services. The degree of diversity is likely to increase over the next several years owing to capital investment requirements for CSU's water and wastewater sectors. Along with the diversification of revenue and strong service territory, management has a long track record of timely and effective rate increases to ensure strong, stable credit metrics.

CSU has a considerable capital spending program for the next five years (2025-2029)

11 measures = Meets Expectations

1. Residential Water Service Bill – Front Range Comparison
2. Days Cash on Hand – Current Year
3. Days Cash on Hand – 3 Year Average
4. Adjusted Debt Service Coverage – 3 Year Average
5. Debt Ratio – Current Year
6. Debt Ratio – 3 Year Average
7. Natural Gas – Failures per 100 miles of pipe
8. Water – Failures per 100 miles of mainline
9. Wastewater – Failures per 100 miles of mainline
10. Customer Satisfaction – Residential
11. Customer Satisfaction – Business



1 measure = Partially Meets Expectation

- Adjusted Debt Service Coverage - Current Year



0 measures = Does Not Meet Expectations



Next Steps

- Year-end scorecard results for 2024 will be presented to the Strategic Planning Committee and Utilities Board at the March 2025 meetings





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2024 Colorado Springs Utilities Enterprise Balanced Scorecard - Mid-year

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

Utilities Board Strategic Focus Weight	Strategic Objective	Performance Measure	Responsible Officer	Weight	1 Does Not Meet Expectations	2 Partially Meets Expectations	3 Meets Expectations	4 Exceeds Expectations	5 Far Exceeds Expectations	Result	Trend	Rating	Weighted Rating
Rates 40%	Financial Accountability	1. Residential Electric Service - Front Range Comparison	Tristan Gearhart	3.0	>10.0% higher than average	5.1 – 10.0% higher than average	+/- 5.0% of average	5.1 – 10.0% lower than average	>10.0% lower than average	-15.78%	▼	5	0.15
		2. Residential Natural Gas Service - Front Range Comparison		3.0	>10.0% higher than average	5.1 – 10.0% higher than average	+/- 5.0% of average	5.1 – 10.0% lower than average	>10.0% lower than average	-34.01%	▲	5	0.15
		3. Residential Water Service - Front Range Comparison		3.0	>25.0% higher than average	20.1 – 25.0% higher than average	10.1 – 20.0% higher than average	5.0 – 10.0% higher than average	<5.0% higher than average	12.01%	▲	3	0.09
		4. Residential Wastewater Service - Front Range Comparison		3.0	>10.0% higher than average	5.1 – 10.0% higher than average	+/- 5.0% of average	5.1 – 10.0% lower than average	>10.0% lower than average	-15.23%	▲	5	0.15
		5. Small Comm 4-Service Bill - Front Range Comparison		3.0	>10.0% higher than average	5.1 – 10.0% higher than average	+/- 5.0% of average	5.1 – 10.0% lower than average	>10.0% lower than average	-28.04%	▲	5	0.15
		6. Large Comm/Indust 4-Service Bill - Front Range Comparison		3.0	>10.0% higher than average	5.1 – 10.0% higher than average	+/- 5.0% of average	5.1 – 10.0% lower than average	>10.0% lower than average	-22.25%	▲	5	0.15
		7. Indust Electric-intensive Cust Bill - Front Range Comparison		1.0	>10.0% higher than average	5.1 – 10.0% higher than average	+/- 5.0% of average	5.1 – 10.0% lower than average	>10.0% lower than average	-26.08%	▼	5	0.05
		8. Industrial Electric - Nationwide Comparison		1.0	>10.0% higher than average	5.1 – 10.0% higher than average	+/- 5.0% of average	5.1 – 10.0% lower than average	>10.0% lower than average	Available after Year-End	N/A	N/A	N/A
		9. Days Cash on Hand - Current Year		2.5	<140 days	140 - 150 days	151 - 160 days	161 - 180 days	>180 days	153	▲	3	0.08
		10. Days Cash on Hand - 3 Year Average		2.5	<140 days	140 - 150 days	151 - 160 days	161 - 180 days	>180 days	154	—	3	0.08
		11. Adjusted Debt Service Coverage - Current Year		2.5	< 1.75 times	1.75 - 1.79 times	1.80 - 1.90 times	1.91-1.95 times	> 1.95 times	1.77	▲	2	0.05
		12. Adjusted Debt Service Coverage - 3 Year Average		2.5	< 1.75 times	1.75 - 1.79 times	1.80 - 1.90 times	1.91-1.95 times	> 1.95 times	1.84	▲	3	0.08
		13. Debt Ratio - Current Year		2.5	>56.3%	56.3 - 54.3%	54.2 - 50.2%	50.1 - 48.1%	<48.1%	51.0%	▼	3	0.08
		14. Debt Ratio - 3 Year Average		2.5	>56.3%	56.3 - 54.3%	54.2 - 50.2%	50.1 - 48.1%	<48.1%	50.3%	▲	3	0.08
		15. Bond Rating		5.0	Any 2 of the 3 ratings from the agencies less than AA (S&P)/Aa2 (Moody's)/AA (Fitch)	Any 1 of the 3 ratings from the agencies less than AA (S&P)/Aa2 (Moody's)/AA (Fitch)	Standard & Poors AA Moody's Investors Service: Aa2 Fitch Ratings : AA	Any 1 of the 3 ratings from the agencies greater than AA (S&P)/Aa2 (Moody's)/AA (Fitch)	Any 2 of the 3 ratings from the agencies greater than AA (S&P)/Aa2 (Moody's)/AA (Fitch)	Standard & Poors AA+ Moody's Investors Service: Aa2 Fitch Ratings : AA	—	4	0.20
Reliability 40%	Deliver Quality Utilities	16. Electric - SAIDI - Interruptions in minutes per year	Somar Mese	10.0	> 57.50 minutes	57.50 – 52.51 minutes	52.50 – 47.51 minutes	47.50 – 42.50 minutes	< 42.50 minutes	44.00	▲	4	0.40
		17. Natural Gas - Failures per 100 miles of pipe		10.0	> 8.00 failures	8.00 - 6.01 failures	6.00 - 4.00 failures	3.99 - 2.00 failures	< 2.00 failures	4.27	▼	3	0.30
		18. Water - Failures per 100 miles of mainline		10.0	> 14.00 failures	14.00 – 12.01 failures	12.00 – 10.00 failures	9.99 – 8.00 failures	< 8.00 failures	10.63	▼	3	0.30
		19. Wastewater - Failures per 100 miles of mainline		10.0	> 1.00 failures	1.00 - 0.76 failures	0.75 - 0.51 failures	0.50 - 0.25 failures	< 0.25 failures	0.60	—	3	0.30
Relationships 20%	Focus on the Customer	20. Customer Satisfaction - Residential	Mike Francolino	3.0	< 1.50	1.50 - 2.49	2.50 - 3.49	3.50 - 4.49	> 4.49	3.27	▲	3	0.09
	21. Customer Satisfaction - Business	3.0		< 1.50	1.50 - 2.49	2.50 - 3.49	3.50 - 4.49	> 4.49	2.50	▼	3	0.09	
	Support our Community	22. Environmental Stewardship	Lisa Barbato	3.0	< 65.00	65.00 – 74.99	75.00 – 85.99	86.00 – 94.99	> 94.99	98.00	—	5	0.15
	Enable Employee Empowerment	23. Safety: Occupational Injuries and Illnesses Rate	Renee Adams	8.0	> 20% Above Benchmark	10.01 - 20% Above Benchmark	+/-10% of Benchmark	10.01 - 20% Below Benchmark	> 20% Below Benchmark	-79.00	—	5	0.40
24. Skilled Workforce	3.0	< 1.50		1.50 - 2.69	2.70 - 3.49	3.50 - 4.60	> 4.60	3.96	▲	4	0.12		
										Performance Measure Total:		3.70	

As of 6/30/2024

Trend Key
▲ Favorable
▼ Unfavorable
— No Change

Rating Scale				
1 Does Not Meet Expectations	2 Partially Meets Expectations	3 Meets Expectations	4 Exceeds Expectations	5 Far Exceeds Expectations
<2.00	2.00 - 2.99	3.00 - 3.74	3.75 - 4.49	>4.49