

2021 ANNUAL OPERATING AND FINANCIAL PLAN

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Note: Immaterial differences may occur due to rounding



EXECUTIVE SUMMARY

ABOUT THE ANNUAL OPERATING AND FINANCIAL PLAN

The 2021 Budget was developed to achieve the outcomes most important to the Utilities Board and customers: competitive utility rates; safe, reliable service; and outstanding customer experience, while achieving financial metrics necessary to maintain our "AA" credit rating.

INTRODUCTION

Colorado Springs Utilities is like many energy and water providers across the country that are facing a rapidly changing industry; experiencing relatively flat sales, complying with additional regulatory requirements; and experiencing increasing infrastructure needs. To successfully meet current and future customer expectations, Springs Utilities will continue strategic, long-term planning efforts while providing safe, reliable, competitively-priced services.

The Utilities Board is primarily and ultimately accountable for ensuring the benefits of local ownership and control by the citizens of Colorado Springs. The Utilities Board also has a responsibility to its current and future customers to balance rates, reliability and relationships, with the primary focus on rates.



TOTAL BUDGET

The 2021 Approved Budget is \$1.1 billion, an **increase** of \$160.3 million, or 16.8 percent, from the 2020 Approved Budget. This **increase** is primarily the result of higher Capital Projects costs. All increases and decreases are described in the detail that follows and are in comparison to the 2020 Approved Budget.

Capital Projects

Total Capital costs for 2021 are \$328.4 million and represents 29.5 percent of the 2021 Budget. Capital improvements are required to maintain and rehabilitate aging infrastructure, to provide safe and reliable services to existing customers, to prepare for future demand, and to meet environmental and regulatory requirements.

Total 2021 Capital expenditures increase by \$148.8 million, or 82.9 percent from the 2020 Approved Budget.

- Electric Capital **increases** by \$129.6 million, due to the Electric Integrated Resource Plan (EIRP) to replace electric generation at the Martin Drake power plant.
- Natural Gas Capital increases by \$11.2 million, due to increased funding for Advanced Metering Infrastructure (AMI) upgrades and Distribution Integrity Management Program (DIMP). Additionally, for the new Springs Utilities Reliability Program (URP).

- Water Capital increases by \$3.6 million, due to increased funding for Advanced Metering Infrastructure
 (AMI) upgrades, partially offset by the substantial completion of Phase I of the Mesa/Phil Tollefson Water
 Treatment Plant Upgrades Program.
- Wastewater Capital increases by \$2.6 million, due to the new Springs Utilities Reliability Program (URP).
- Common Capital to support all the services increases by \$1.8 million, due to Facility and Security Improvements at the following sites; Leon Young Service Center, Systems Energy Control Center, Mesa/Phil Tollefson Water Treatment Plant, Martin Drake Facility, Las Vegas Resource Recovery Facility, Briargate Substation, Twin Rocks Pump Station, and the North Gate Pump Station.

Fuel and Purchased Power

Total Fuel Operations and Maintenance costs for 2021 are \$210.4 million and represents 18.9 percent of the 2021 Budget.

Total 2021 Fuel and Purchased Power expenditures **increases** by \$2.0 million, or 1.0 percent, from the 2020 Approved Budget primarily based on higher forecasted natural gas, coal, and market pricing. The higher natural gas prices are expected to lead to an increase in coal generation and an increase in purchased power, both through JD Market activity and wholesale market spot purchases.

Non-Fuel Operations and Maintenance

Total Non-Fuel Operations and Maintenance costs for 2021 are \$350.9 million and represents 31.5 percent of the 2021 Budget.

Total 2021 Non-Fuel Operations and Maintenance expenditures **increases** by \$8.3 million, or 2.4 percent, from the 2020 Approved Budget, primarily due to rising healthcare costs, meeting regulatory and compliance requirements, and Demand-Side Management (DSM) and Distributed Energy Solutions.

- Employee Benefits **increases** by \$3.0 million due to rising healthcare costs.
- Gas Process Improvements Program **increases** by \$2.8 million to meet regulatory and compliance requirements.
- DSM and Distributed Energy Solutions **increases** by \$1.9 million with emphasis on new programs to support EIRP and Gas Integrated Resource Plan (GIRP) goals including business control systems, energy design assistance, residential and commercial demand response, and customer battery storage.
- Cross Bore Program increases by \$0.8 million to meet safety requirements.

Debt Service

Total Debt Service for 2021 is \$188.4 million and represents 16.9 percent of the 2021 Budget.

Total 2021 Debt Service payments **increases** by \$1.0 million or 0.6 percent from the 2020 Approved Budget.

Transfers – Surplus Funds to the City

Total Transfers for 2021 are \$36.2 million and represent 3.2 percent of the 2021 Budget.

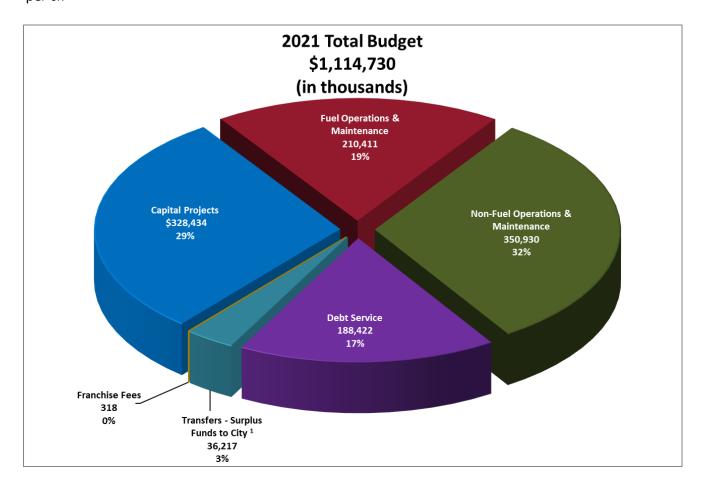
Total 2021 Transfers – surplus funds to the City are planned to **increase** by \$0.1 million or 0.3 percent from the 2020 Approved Budget due to growth in customers and sales inside the city limits.

BUDGET SUMMARY

2021 BUDGET SUMMARY (in thousands)

		2021		2020			
	Α	Approved		pproved	Ir	crease /	
	Budget			Budget	(D	ecrease)	% Change
Capital Projects	\$	328,434	\$	179,604	\$	148,830	82.9%
Fuel Operations & Maintenance		210,411		208,413		1,997	1.0%
Non-Fuel Operations & Maintenance		350,930		342,596		8,334	2.4%
Debt Service		188,422		187,389		1,033	0.6%
Transfers - Surplus Funds to City ¹		36,217		36,116		101	0.3%
Franchise Fees		318		335		(17)	-5.0%
TOTAL	\$ 1	1,114,730	\$	954,452	\$	160,278	16.8%

¹Transfers - Surplus Funds to City are in accordance with approved Resolution No. 131-10 dated August 10, 2010 at an electric surplus rate of \$0.006173 per Kwh and a gas surplus rate per Mcf delivered at 14.65 psi of \$0.391539. Additionally, Resolution No. 49-18 dated May 22, 2018 at a water surplus rate of \$0.00045 per cf.



CAPITAL PROJECTS AND INTEREST (in thousands)

	Δ	2021 Approved		2020 pproved	Ir	ncrease /	
	Budget			Budget	(D	ecrease)	% Change
Electric	\$	196,174	\$	66,599	\$	129,575	194.6%
Natural Gas		30,687		19,436		11,251	57.9%
Water		67,082		63,467		3,615	5.7%
Wastewater		19,521		16,900		2,620	15.5%
Streetlighting		1,431		1,435		(3)	-0.2%
Common		13,538		11,767		1,771	15.1%
TOTAL	\$	328,434	\$	179,604	\$	148,830	82.9%

FUEL OPERATIONS AND MAINTENANCE COSTS (in thousands)

		2021		2020			
	Α	pproved	Α	pproved	In	crease /	
		Budget		Budget	(D	ecrease)	% Change
Purchased Power	\$	36,214	\$	28,463	\$	7,751	27.2%
Fuel for Territorial Generation		80,977		90,921		(9,945)	-10.9%
Natural Gas		74,365		73,808		557	0.8%
Wholesale							
Electric		16,963		12,223		4,740	38.8%
Natural Gas		5,731		6,882		(1,151)	-16.7%
Total Wholesale	\$	22,694	\$	19,105	\$	3,589	18.8%
Inter-Service Eliminations ¹		(3,839)		(3,884)		44	-1.1%
TOTAL	\$	210,411	\$	208,413	\$	1,997	1.0%

¹ Inter-Service Eliminations are made to eliminate double counting of revenues and expenses provided from one utility service to another. Such revenues and expenses are eliminated on a consolidated enterprise basis.

NON-FUEL OPERATIONS AND MAINTENANCE COSTS BY SERVICE (in thousands)

		2021		2020			
	A	pproved	Α	pproved	In	crease /	
		Budget		Budget	(D	ecrease)	% Change
Electric							
Labor & Benefits	\$	88,544	\$	89,204	\$	(660)	-0.7%
Non-Labor		60,367		58,207		2,160	3.7%
Total	\$	148,911	\$	147,412	\$	1,500	1.0%
Natural Gas							
Labor & Benefits	\$	29,065	\$	27,766	\$	1,299	4.7%
Non-Labor	'	17,468	'	14,345	•	3,123	21.8%
Total	\$	46,533	\$	42,112	\$	4,421	10.5%
Water							
Labor & Benefits	\$	59,672	\$	58,703	\$	969	1.7%
Non-Labor		63,700		62,575		1,125	1.8%
Total	\$	123,372	\$	121,278	\$	2,094	1.7%
Wastewater							
Labor & Benefits	\$	25,589	\$	26,156	\$	(567)	-2.2%
Non-Labor		15,010		14,560		449	3.1%
Total	\$	40,598	\$	40,716	\$	(118)	-0.3%
Streetlighting							
Labor & Benefits	\$	1,086	\$	1,118	\$	(33)	-2.9%
Non-Labor		2,324	7	2,279	7	44	1.9%
Total	\$	3,409	\$	3,397	\$	12	0.3%
		-,	· ·	-,	7		
Inter-Service Eliminations ¹	\$	(11,894)	\$	(12,319)	\$	425	3.5%
TOTAL	\$	350,930	\$	342,596	\$	8,334	2.4%

¹ Inter-Service Eliminations are made to eliminate double counting of revenues and expenses provided from one utility service to another. Such revenues and expenses are eliminated on a consolidated enterprise basis.

OPERATIONS AND MAINTENANCE AND CAPITAL LABOR COSTS (in thousands)

		2021		2020			
	Δ	Approved		pproved	Inc	rease /	
		Budget		Budget	(De	ecrease)	% Change
Operations & Maintenance	\$	208,728	\$	207,523	\$	1,205	0.6%
Capital		24,163		22,326		1,838	8.2%
TOTAL	\$	232,891	\$	229,849	\$	3,042	1.3%

LABOR COSTS BY CATEGORY (in thousands)

		2021		2020			
	Α	pproved	Α	pproved	Inc	rease /	
	Budget			Budget	(De	crease)	% Change
Regular Base Pay	\$	166,569	\$	165,615	\$	954	0.6%
Overtime		6,043		6,847		(804)	-11.7%
Standby/Shift		1,871		1,832		40	2.2%
Other Compensation		591		591		0	0.0%
Total Labor	\$ 175,074		\$ 174,885		\$	189	0.1%
Employee Benefits		56,690		53,693		2,997	5.6%
Post-Retirement Expenses		1,127		1,271		(144)	-11.4%
Total Benefits	\$	57,817	\$	54,964	\$	2,853	5.2%
TOTAL LABOR & BENEFITS	\$	232,891	\$	229,849	\$	3,042	1.3%

DEBT SERVICE (in thousands)

п						
	roposed	Α	pproved	In	crease /	
	Budget		Budget	(D	ecrease)	% Change
\$	35,829	\$	35,922	\$	(93)	-0.3%
	34,919		34,070		849	2.5%
\$	70,749	\$	69,992	\$	757	1.1%
\$	6,361	\$	6,045	\$	316	5.2%
	5,773		5,768		5	0.1%
\$	12,134	\$	11,813	\$	321	2.7%
\$	45,097	\$	47,227	\$	(2,130)	-4.5%
	35,260		33,106		2,153	6.5%
\$	80,357	\$	80,333	\$	23	0.0%
\$	11,855	\$	11,996	\$	(141)	-1.2%
	12,747		12,297		450	3.7%
\$	24,603	\$	24,293	\$	309	1.3%
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 	360	Ą	338	Ą	(3/8)	-55.4%
۲	99 126	ڔ	101 514	ć	(2 088)	-2.1%
,	-	۲	· ·	ڔ		3.6%
<u> </u>	-	ç		ć		0.6%
	\$ \$ \$	\$ 6,361 5,773 \$ 12,134 \$ 45,097 35,260 \$ 80,357 \$ 11,855 12,747 \$ 24,603 \$ 283 297 \$ 580 \$ 99,426 88,995	\$ 35,829 \$ 34,919 \$ \$ 70,749 \$ \$ \$ 6,361 \$ 5,773 \$ \$ 12,134 \$ \$ \$ \$ 45,097 \$ 35,260 \$ \$ 80,357 \$ \$ \$ 11,855 \$ 12,747 \$ \$ 24,603 \$ \$ \$ 297 \$ \$ 580 \$ \$ \$ \$ 99,426 \$ 88,995 \$ \$	\$ 35,829 \$ 35,922 34,070 \$ 70,749 \$ 69,992 \$ \$ 5,768 \$ 12,134 \$ 11,813 \$ \$ 11,813 \$ \$ 45,097 \$ 47,227 35,260 33,106 \$ 80,357 \$ 80,333 \$ \$ 11,855 \$ 11,996 12,747 12,297 \$ 24,603 \$ 24,293 \$ \$ 24,293 \$ \$ 283 \$ 324 297 634 \$ \$ 580 \$ 958 \$ \$ 958 \$ \$ 99,426 \$ \$ 101,514 88,995 \$ 85,875	\$ 35,829 \$ 35,922 \$ 34,919 \$ 69,992 \$ \$ \$ \$ 69,992 \$ \$ \$ \$ 5,773 \$ 5,768 \$ \$ \$ 12,134 \$ 11,813 \$ \$ \$ \$ 45,097 \$ 35,260 \$ 33,106 \$ \$ 80,357 \$ 80,333 \$ \$ \$ \$ \$ 11,855 \$ 11,996 \$ 12,747 \$ 12,297 \$ \$ 24,603 \$ 24,293 \$ \$ \$ \$ 297 \$ 634 \$ \$ 297 \$ 634 \$ \$ \$ 99,426 \$ 101,514 \$ 88,995 \$ 85,875	\$ 35,829 \$ 35,922 \$ (93) 34,919 \$ 34,070 8 49

Note: Bonds are issued for the general system and not specific to service. For forecasting purposes bonds and debt service are allocated based on capital budgets and then recorded to actuals as the expense is incurred.

¹ Interest payments are net of subsidies received for Build America Bonds issued for the Southern Delivery System and Front Range Power.

INTER-SERVICE ELIMINATIONS¹ (in thousands)

Revenue							
		2021 Approved		2020			
	Α			pproved	Inc	rease /	
		Budget	ı	Budget	(Decrease)		% Change
Electric Service	\$	10,790	\$	10,726	\$	65	0.6%
Natural Gas Service		625		532		94	17.6%
Water Service		3,865		4,461		(597)	-13.4%
Wastewater Service		453		484		(31)	-6.4%
TOTAL	\$	15,733	\$	16,203	\$	(470)	-3.0%

Operations & Maintenance Expense							
		2021		2020			
	Approved		Αį	proved	Inc	rease /	
	Budget		E	Budget	(De	crease)	% Change
Fuel	\$	3,839	\$	3,884	\$	(44)	-1.1%
Non-Fuel		11,894		12,319		(425)	-3.5%
TOTAL	\$	15,733	\$	16,203	\$	(470)	-3.0%

¹ Inter-Service Eliminations are made to eliminate double counting of revenues and expenses provided from one utility service to another. Such revenues and expenses are eliminated on a consolidated enterprise basis.

2021 ENTERPRISE FINANCIAL PLAN

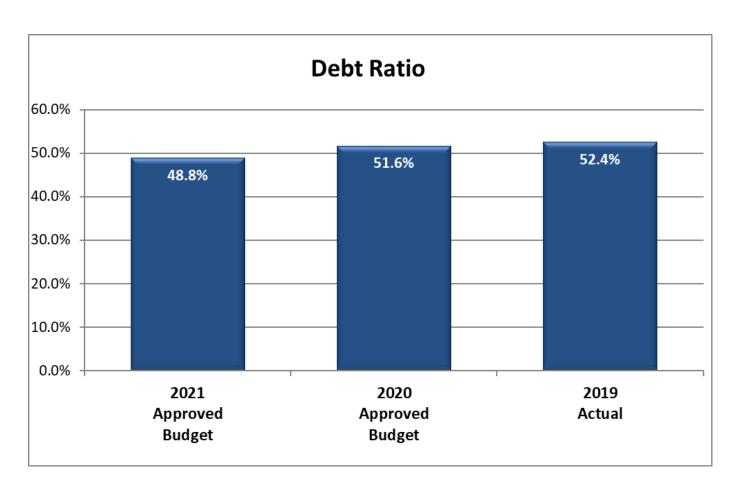
STATEMENT OF REVENUES, EXPENSES AND CHANGE IN NET POSITION (in thousands)

	A	2021 pproved	A	2020 pproved		2019			21 Appro ease/(De		Budget ase) from:	
		Budget		Budget		Actual		2020 Bud			2019 Ac	
OPERATING REVENUES	\$	906,738	\$	892,477	\$	893,026	\$	14,262	1.6%	\$	13,712	1.5%
OPERATING EXPENSES												
Production & Treatment	Ś	145,088	ς	151,777	ς	140,112	\$	(6,689)	-4.4%	ς	4,976	3.6%
Purchased Power, Gas & Water	7	126,943	Y	120,088	Y	120,626		6,855	5.7%		6,317	5.2%
Transmission & Distribution		51,836		48,385		47,060		3,452	7.1%		4,776	10.1%
Maintenance		62,098		63,623		64,197		(1,524)	-2.4%		(2,099)	-3.3%
Administration & General		136,201		130,095		121,876		6,107	4.7%		14,325	11.8%
Customer Accounting & Collection		22,390		21,435		20,155		956	4.5%		2,235	11.1%
Customer Service & Information		16,783		15,608		15,214		1,175	7.5%		1,569	10.3%
Franchise Fees		318		335		331		(17)	-5.0%		(14)	-4.1%
Depreciation & Amortization		159,037		159,040		100.865		(3)	0.0%		58,172	57.7%
Total Operating Expenses	Ś	720,695	\$	710,384	\$	630,437	\$	10,311	1.5%		90,258	14.3%
Total Operating Expenses	7	, 20,033	<u> </u>	7 20,00 .	<u> </u>	000,107	Ÿ	10,011	2.570	7	30,230	2 11070
OPERATING INCOME	\$	186,043	\$	182,093	\$	262,589	\$	3,951	2.2%	\$	(76,546)	-29.2%
NON-OPERATING												
REVENUES/(EXPENSES)												
Investment Income	\$	4,955	\$	5,487	ċ	10,231	\$	(532)	-9.7%	ے	(5,275)	-51.6%
Other Revenue	۶	5,940	Ş	9,474	Ş	12,630	۶	(3,534)	-37.3%		(6,690)	-51.0%
Other Expense		(1,417)		(1,211)		(25,556)		(206)	17.0%		24,139	-94.5%
Interest Expense, net of AFUDC &		(1,417)		(1,211)		(23,330)		(200)	17.070		24,133	-34.370
Bond Amortization		(92,981)		(96,118)		(97,992)		3,137	-3.3%		5,010	-5.1%
Total Non-Operating		(32,301)		(50,110)		(37,332)		3,137	-3.3/0		3,010	-5.1/0
Revenues/(Expenses)	\$	(83,503)	\$	(82,367)	Ġ	(100,687)	\$	(1,135)	1.4%	Ċ	17,184	-17.1%
Revenues/ (Expenses)	7	(83,303)	٠,	(82,307)	٠,	(100,087)	٦	(1,133)	1.4/0	٠	17,104	-17.1/0
INCOME/(LOSS) BEFORE												
CONTRIBUTIONS AND TRANSFERS	\$	102,541	\$	99,725	\$	161,902	\$	2,815	2.8%	\$	(59,361)	-36.7%
Contributions in Aid of Construction	\$	40,410	\$	40,067	\$	64,939	\$	343	0.9%	\$	(24,529)	-37.8%
Transfers - Surplus Funds to City		(36,217)		(36,116)		(34,015)		(101)	0.3%		(2,202)	6.5%
Transfers - Other		-		(183)		(2,334)		183	-100.0%		2,334	-100.0%
INCREASE/(DECREASE) IN NET POSITION	\$	106,734	\$	103,493	\$	190,492	\$	3,241	3.1%	\$	(83,758)	-44.0%

 $Note: Excludes \ GASB \ 68 \ and \ 75 \ in \ budgets, \ actuals \ includes \ it \ in \ depreciation \ and \ amortization.$

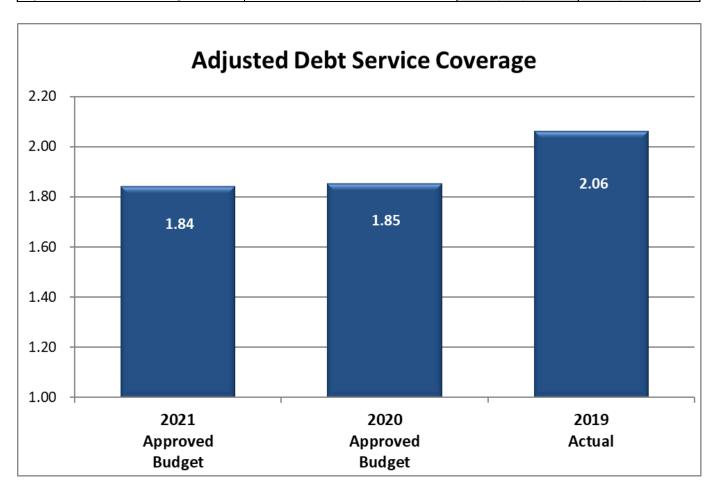
FINANCIAL MEASURES – DEBT RATIO (in thousands)

CALCULATION:	2021		2020 Approved Budget		2019 Actual		2021 Approved Budget Increase/(Decrease) from:						
	Approved Budget	• • •					2020 Bud	lget		tual			
		_											
Current Maturities of Revenue Bonds	\$ 94,98	1 \$ 92	,485	\$	85,284	\$	2,496	2.7%	\$	9,697	11.4%		
Current Notes & Loans Payable	42	6	415		420		10	2.5%		5	1.2%		
Revenue Bonds, Net	1,986,83	3 2,126	,290	2	2,193,584		(139,457)	-6.6%		(206,751)	-9.4%		
Notes & Loans Payable	102,87	4 29	,571		4,832		73,303	247.9%		98,042	2028.8%		
Net Gain/(Loss) Debt Refundings	(37,89	4) (43	,713)		(40,802)		5,819	-13.3%		2,908	-7.1%		
Net Funded Debt	\$ 2,147,22	1 \$ 2,205	,049	\$ 2	2,243,320	\$	(57,828)	-2.6%	\$	(96,099)	-4.3%		
Current Maturities of Revenue Bonds	\$ 94,98	1 \$ 92	,485	\$	85,284	\$	2,496	2.7%	\$	9,697	11.4%		
Current Notes & Loans Payable	42	6	415		420		10	2.5%		5	1.2%		
Revenue Bonds, Net	1,986,83	3 2,126	,290	2	2,193,584		(139,457)	-6.6%		(206,751)	-9.4%		
Notes & Loans Payable	102,87	4 29	,571		4,832		73,303	247.9%		98,042	2028.8%		
Net Gain/(Loss) Debt Refundings	(37,89	4) (43	,713)		(40,802)		5,819	-13.3%		2,908	-7.1%		
Net Position	2,256,90	4 2,070	,808	2	2,034,960		186,096	9.0%		221,945	10.9%		
Total Capitalization	\$ 4,404,12	5 \$ 4,275	,857	\$ 4	4,278,279	\$	128,268	3.0%	\$	125,845	2.9%		
Debt Ratio	48.8	% 5	1.6%		52.4%		-2.8%	-5.5%		-3.7%	-7.0%		



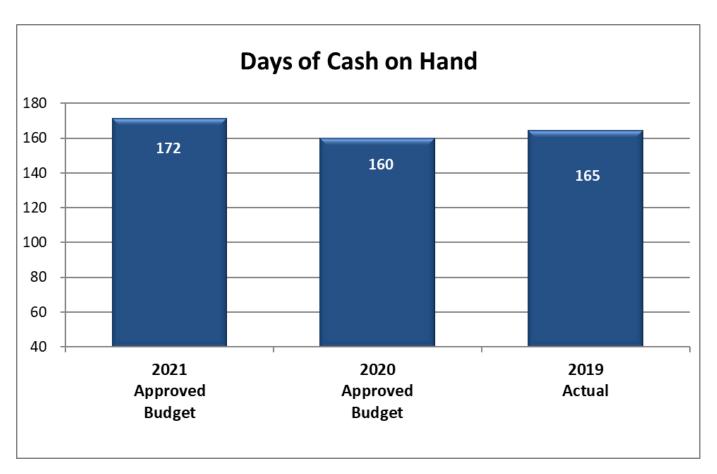
FINANCIAL MEASURES – ADJUSTED DEBT SERVICE COVERAGE (in thousands)

CALCULATION:		2021		2020				2021 Approved Budget Increase/(Decrease) from:				
	Approved Budget		Approved Budget		2019 Actual		2020 Budget				2019 Act	ual
Operating Revenues Contributions in Aid of Construction (Cash and Developer Fees)	\$	906,738 28,971	\$	892,477 28,627	\$	893,026 41,765	\$	14,262 343	1.6% 1.2%		13,712 (12,795)	1.5% -30.6%
Interest Earnings w/o Bond Interest Build America Bonds Subsidy		4,851 4,391		5,345 7,926		4,161 7,956		(494) (3,534)	-9.2% -44.6%		691 (3,564)	16.6%
Total Revenue Total Operating Expenses	\$	944,951 (720,695)	\$	934,375 (710,384)	\$	946,907 (630,437)	\$	(10,311)	1.1%		(1,956) (90,258)	-0.2% 14.3%
Depreciation & Amortization		159,037		159,040		100,865		(3)	0.0%		58,172	57.7%
Transfers - Surplus Funds to City Net Revenues	\$	(36,217) 347,076	\$	(36,116) 346,915	\$	(34,015) 383,320	\$	(101) 161	0.3%		(2,202) (36,244)	6.5% - 9.5%
Bond Year Debt Service	\$	188,422	\$	187,389	\$	185,983	\$	1,033	0.6%	\$	2,438	1.3%
Adjusted Debt Service Coverage Ratio		1.84		1.85		2.06		(0.01)	-0.5%		(0.22)	-10.6%



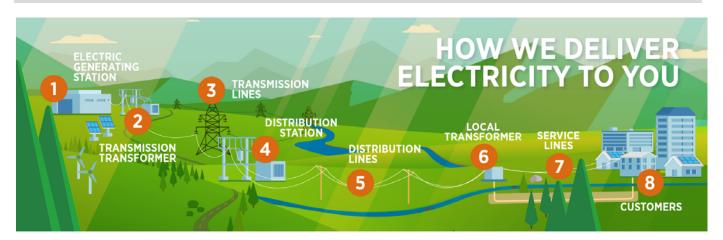
FINANCIAL MEASURES – DAYS OF CASH ON HAND (in thousands)

CALCULATION:	2021	2020		2021 Approved Budget Increase/(Decrease) from:					
	Approved	Approved	2019						
	Budget	Budget	Actual	2020 Bud	lget	2019	Actual		
			_						
Cash and Cash Equivalents-Unrestricted	\$ 264,245	\$ 241,220	\$ 238,790	\$ 23,025	9.5%	\$ 25,45	5 10.7%		
Cash Expense per Day									
Total Operating Expenses	\$ 720,695	\$ 710,384	\$ 630,437	\$ 10,311	1.5%	\$ 90,25	8 14.3%		
Depreciation & Amortization	(159,037)	(159,040)	(100,865)	3	0.0%	(58,17	2) 57.7%		
Net Cash Expense	\$ 561,658	\$ 551,344	\$ 529,572	\$ 10,314	1.9%	\$ 32,08	6.1%		
Number of Days in Period	365	366	365	(1)	-0.3%		0.0%		
Net Cash Expense Per Day	\$ 1,539	\$ 1,506	\$ 1,451	\$ 32	2.1%	\$ 8	8 6.1%		
Days of Cash on Hand	172	160	165	11.6	7.2%	7.	1 4.3%		



ELECTRIC AND STREETLIGHT SERVICE OVERVIEW

SYSTEM HIGHLIGHTS



- 1 ELECTRICITY IS GENERATED A VARIETY OF WAYS, INCLUDING USING
 NATURAL GAS. COAL. SUN. WIND AND WATER
- 2 INCREASES THE POWER'S VOLTAGE FOR TRAVEL ACROSS LONG DISTANCES
- 3 232+ MILES OF UNDERGROUND AND OVERHEAD TRANSMISSION LINES TRANSPORT HIGH VOLTAGE ELECTRICITY ACROSS THE REGION
- 4 DECREASES THE POWER'S VOLTAGE FOR LOCAL DISTRIBUTION
- 5 3,300+ MILES OF UNDERGROUND AND OVERHEAD DISTRIBUTION LINES
 THAT DELIVER POWER TO NEIGHBORHOOD TRANSFORMERS
- 6 DECREASES THE POWER'S VOLTAGE FOR USE IN HOMES AND BUSINESSES

- 7 DELIVER ELECTRICITY TO CUSTOMERS EITHER UNDERGROUND OR OVERHEAD
- 8 FINALLY, THE ELECTRICITY IS DELIVERED TO YOU

DID YOU KNOW?

- We have more than 1,000 miles of overhead lines and more than 2,700 miles of underground lines.
- We provide electricity to more than 229,000 service points in the Pikes Peak region



STATISTICS

- Number of active electric meters: 236,519
- Annual electric use: 4.92 million MWh
- Average System Availability Index (ASAI): 99.9922 percent (2019)
- System Average Interruption Duration Index (SAIDI): 40.95 minutes (2019)
- Generating capability: 1,050 MW winter (2019-2020), 1,026 MW summer (2020)
- Power purchase capacities: (Summer 2020) US Air Force Solar 5 MW, Western Area Power Administration 76 MW, Solar Gardens 4 MW, Clear Spring Ranch Solar array 10 MW, Grazing Yak Solar Array 35 MW, Palmer Solar Array 60 MW, Black Hills Wind 60 MW
- Record peak demand: 965 MW (July 2019)

Safety – Committed to eliminating Incidents and Injuries; focusing on injury prevention, assessing arc flash hazards to ensure warning labels and boundaries are identified and maintained, establishing a Qualified Electrical Worker training and certification program, standardizing Lock Out/Tag Out across the enterprise, improving driver safety and Electrical Contact Investigation process, developing a Safety & Health Onboarding program, and enhancing Contractor Safety Management Program.

Sustainable Energy Plan – On June 26, 2020, the Utilities Board approved the Electric Integrated Resource Plan in support of the Energy Vision. Springs Utilities is investing in the planning, engineering, procurement, and delivery of the implementation of this plan. This includes items such as the temporary natural gas generators and energy: distributed generation, gas and electric (EDGE) portfolio of projects.

Keeping Up with System Growth – Colorado Springs has experienced substantial annual growth, resulting in new construction. Single family home permits have gone from 1,000 in 2011, to 1,900 in the 2021 Budget. Since 2011, 250 miles of electric lines were added to our service territory. Process improvements and work prioritization projects are underway to address the additional workloads from this growing economy.

Replacing Aging Infrastructure – As the current energy infrastructure ages, Springs Utilities has established annual inspection, maintenance, and replacement programs for power poles, conductor, cable, transformers, and switchgear. These programs are necessary to maintain customer reliability expectations.

Operation Technologies – Springs Utilities is investing in new technologies and mobile applications to create efficiencies that help improve data collection, analysis, and integrity.

Assuring Regulatory Compliance – Springs Utilities is committed to maintain all current and future compliance requirements.

1. Temporary Natural Gas Generators (193909)

\$ 94,427,400

Project involves the installation of 180 MW of aeroderivative natural gas turbines to replace the existing generation at the Martin Drake Power Plant. This project also includes all the auxiliary equipment required to support the combustion turbines including but not limited to fuel tanks, reciprocating gas compressors, and substation equipment.

2. EDGE Electric Sub-Portfolio:

(193872, 193874, 193873, 193875, 193876, 193877, 193880, 193881, 193891)

19,489,992

EDGE Electric Sub-Portfolio: The EDGE Electric Sub-Portfolio currently consists of nine (9) projects that have been divided into four (4) separate work packages consist of substation construction and that improvements, and electric transmission new electric transmission lines. line upgrades, and reconductoring. These projects are intended to prepare Springs Utilities to service its customers' demand for energy over the next 15 years and are being completed in preparation for the decommissioning of the Martin Drake Power Plant; and, in conjunction with the Electric Integrated Resource Plan (EIRP) that supports the Energy Vision.

3. AMI Project - Electric (193691)

12,116,412

In 2021, Colorado Springs Utilities will continue to execute the mass deployment to transition from Automated Meter Reading (AMR) to Advanced Metering Infrastructure (AMI). This deployment project reflects intended purchase of 2-way electric single and three phase meters to replace residential, commercial, and industrial meters in Springs Utilities' service territory. This is a multi-year deployment with scheduled completion end of 2023.

4. Front Range General Electric Hot Gas Path Replacement (193407)

5,703,372

Payments toward the contractual long-term service agreement (LTSA) with General Electric (GE) for two Frame 7FA Combustion Turbines at the Front Range Power Plant. The parts included in this capital project include but not limited to rows 1, 2 and 3 turbine blades, buckets and nozzle replacement parts considered as part of the "Hot Gas Path" of the combustion turbine. Payment is based on the operating hours of the plants and is a contractual obligation.

5. Distributed Energy Strategy & Energy Roadmap Projects (193865)

In alignment with the Electric Integrated Resource Plan (EIRP), that supports the Energy Vision, an energy roadmap will be established to achieve Enterprise Strategic Initiatives and adopt new evolving utility business models by implementing the following: 1) Advanced Technologies Campus, 2) Electric Vehicle Program & charging infrastructure throughout our service territory, 3) Achieve new Demand-Side Management (DSM) goals & direction in adopting Distributed Energy Resources (DER), 4) Accomplish needed changes for DSM to accommodate the new evolving Demand Response (DR) and its forward path to Distributed Energy Resources, 5) Implement projects\pilots\proof of concepts for our energy road-map.

6. Underground 12.5kV Distribution to New Residential Customers (192296)

This is a development driven program to install underground electric single phase distribution to residential areas not currently served. In addition, this budget supports upgrades to the system as necessitated by load additions. The requesting developer pays the Contribution in Aid of Construction contract based on the Springs Utilities Rules and Regulations. This program is an Obligation to Serve as per Colorado Springs City Code Section 12.2.301.

7. Electric Underground Infrastructure Corrective Maintenance (180331)

This ongoing corrective maintenance program includes the reactive replacement of existing capital assets and related infrastructure (including cable, conduit, vaults, transformers, switches, reclosers, et cetera) of the underground electric distribution system due to third-party damage or catastrophic, functional, or operational failures. Reimbursed funds from third-party damage are credited back to the Colorado Springs Utilities general fund.

8. URP-Electric Underground (193867)

The Springs Utilities Reliability Program (URP) is a multi-year program that proactively and holistically identifies, assesses, and prioritizes existing utility infrastructure, across all Springs Utilities' services, for economy of scale construction opportunities which address potential barriers to future city growth. The URP supports I-6 Infrastructure, G-12 Urban Planning Area Utility Infrastructure Master Plan in the Colorado Springs Utilities Board Excellence in Governance Policy Manual.

9. Kelker 12.5kV Feeder Addition (193885)

The Kelker feeder addition will add 2.5 miles of underground feeder to help with contingency of the Kelker distribution transformers serving 8,000 customers in the Kelker area.

5,000,004

2,894,160

4,319,400

2,499,996

2,499,996

10. Underground 12.5kV Three Phase Mainline to New Residential and Commercial Customers (192298)

2,261,472

This is a development driven program to install underground electric three phase distribution to residential and commercial areas not currently served. In addition, this budget supports upgrades to the system as necessitated by load additions. The requesting developer pays the Contribution in Aid of Construction contract based on the Springs Utilities Rules and Regulations. This program is an Obligation to Serve as per Colorado Springs City Code Section 12.2.301.

11. Electric Service Vehicles & Equipment (180333)

2,150,004

Replacement of Vehicles and Equipment for the Colorado Springs Utilities Electric Service to maintain a safe, cost effective and reliable fleet.

12. Spare Transformer Replacement - 115/35kV (193820)

1,700,004

This project replaces a 44-year-old transformer that was a standby spare for our system. The previous spare was utilized for system restoration during the recent Rock Island transformer failure. A spare 115/35 KV transformer is essential since there are thirteen operational 115/35kV transformers within Colorado Springs Utilities. These transformers connect about 40% of our customer base for normal and back up operations. An order was placed in 2020 with delivery and the balance of payment in 2021.

13. Electric Underground Infrastructure Preventative Maintenance (193224)

1,641,036

This preventative maintenance program includes the proactive replacement/rehabilitation of existing assets & related infrastructure (e.g., cable, conduit, vaults, transformers, switches, reclosers, etc.) of the underground electric distribution system that are beyond their expected reliable life, have a high probability/consequence of failure based on risk-based models, or are assets that should be replaced based on operational/inspectional data. This program also includes system stewardship maintenance such as cable rejuvenation & replacement of infrastructure for safety or risk mitigation.

14. Front Range Balance of Plant Controls System (193628)

1,599,996

Installation of the balance of plant controls system to improve reliability, accuracy, and ability of internal craft personnel to support the system. The project is a multi-year project.

15. Underground 12.5kV Commercial Distribution (192297)

1,515,000

This is a development driven program to install new electric three phase mainline infrastructure including transformers to meet the demands of new commercial customers. The requesting customer pays the Contribution in Aid of Construction contract, based on Springs Utilities Rules and Regulations. This program is deemed as an Obligation to Serve as per Colorado Springs City Code Section 12.2.301.

16. Front Range CT1 Operational Flexibility Improvements (193792)

Project to upgrade the combustion turbine controls to improve the unit turndown, improve ramp rates, shorten combustion turbine start times, and improve combustion turbine performance throughout the load range. Project involves the installation of the multiple modules of the GE OpFlex controls upgrade. The upgrades will improve the unit's capability to respond to greater renewables penetration as well as drive greater value in a market.

17. Front Range CT2 Operational Flexibility Improvements (193793)

1,500,000

1,500,000

Project to upgrade the combustion turbine controls to improve the unit turndown, improve ramp rates, shorten combustion turbine start times, and improve combustion turbine performance throughout the load range. Project involves the installation of the multiple modules of the GE OpFlex controls upgrade. The upgrades will improve the unit's capability to respond to greater renewables penetration as well as drive greater value in a market.

18. Nixon Coal Handling Dust Collector Upgrade (193540)

1,400,004

Replacement of the coal handling dust collectors for the safe collection of coal dust. Existing collection systems are at end of design life.

19. Electric Meters - Base Requirements (192347)

1,282,056

This is a growth-driven and lifecycle capital additions and replacements program, which purchases electric meters to connect residential, commercial, and industrial customers to Springs Utilities' system. Purchases cover all new growth areas, replace damaged and defective meters and remote disconnect smart meters on multi-family premises and violence-coded customers. Electric meters are an obligation to serve requirement and automated electric metering improves billing accuracy, reduces revenue loss, reduces field trips, and improves safety.

20. Substation Equipment Replacement (180449)

1,101,204

Capitalized switchgear, circuit breaker, and battery replacements and upgrades to transformers in substations to ensure the integrity of the electric system.

21. Green Mountain Substation Rebuild (193699)

1,100,004

Replacement of Green Mountain Substation, a rural distribution substation made up of aging and obsolete components.

22. Electric Distribution Feeder New: Flying Horse West (193778)

999,996

The purpose of this project is to add a feeder to the existing Flying Horse transformer to support the rapid load growth in the north area.

23. Electric Overhead Infrastructure Corrective Maintenance (180286)

\$ ement ctors, ectric al. or

This ongoing corrective maintenance program includes the reactive replacement of existing capital assets and related infrastructure (including conductors, structures, transformers, switches, reclosers, et cetera) of the overhead electric distribution system due to third-party damage or catastrophic, functional, or operational failures. Reimbursed funds from third-party damage are credited back to the Colorado Springs Utilities general fund.

24. Front Range 1 Electric Actuator (193634)

600,000

789,996

Replace existing hydraulic actuator on the inlet guide vanes (IGV) with electric actuator. Project will improve the reliability and accuracy of Combustion Turbine fuel gas and inlet air supply valves. Unstable actuators/valves directly affect \$/MWH, heat rate and unit reliability.

25. Front Range 2 Electric Actuator (193635)

600,000

Replace existing hydraulic actuator on the inlet guide vanes (IGV) with electric actuator. Project will improve the reliability and accuracy of Combustion Turbine fuel gas and inlet air supply valves. Unstable actuators/valves directly affect \$/MWH, heat rate and unit reliability.

26. Kettle Creek 115/12.5kV Transformer Addition (193888)

600,000

Kettle Creek Substation - Install a new 115kV / 12.5kV power transformer that will supply new 12.5kV feeders.

27. Front Range Revenue Meters for EIM (193899)

579,000

Need to add revenue meters to Front Range in preparation of entering the CAISO EIM. These meters are a requirement.

28. Electric Time and Material for Capital Work (192909)

558,936

Budget is for capital expenditures to fund Electric Third-Party Billing projects (requests by customers to move existing electric infrastructure) that are requested during the year. The work is required to be compliant with the Electric Line Extension Service Standards and the National Electric Safety Code. Colorado Springs Utilities will charge the customer 95% of the cost to accomplish this work.

29. Nixon 1 Steam Turbine Stage Blading (193309)

527,700

Replace Nixon 1 Steam Turbine Stage Blading in HP/IP Section. This project is a periodic maintenance activity that will maintain reliability and performance. Based upon last turbine internal inspection, it was strongly recommended to replace blading during next scheduled overhaul.

30. Advanced Distribution Management System (193695)

An Advanced Distribution Management System (ADMS) is the software platform that supports the full suite of distribution management and optimizations. An ADMS includes functions that automate outage restoration and optimize the performance of the distribution grid. ADMS functions being developed for electric utilities include fault location, isolation, and restoration; volt/var optimization; conservation through voltage reduction; peak demand management; and support for micro grids and electric vehicles.

31. Nixon 1 Cooling Tower Fan Motors & Motor Controls (182867)

500,004

523,356

\$

Replace Nixon 1 Cooling Tower Fan Motors and Motor Controls. System is at the end of their design life and project will maintain unit reliability.

32. Front Range Communication System (193847)

429,996

Communication system at the Front Range Power Plant to allow for safe communication with plant personnel (both internal and contractors) out in the field.

33. Front Range Emergency Power Upgrade (193794)

399,996

Upgrade of the Front Range Power Plant emergency power supply system to include a 125kW diesel generator and battery system. Project will provide emergency power for critical plant equipment.

34. Nixon Revenue Meters for EIM (193900)

378,996

Installation of a revenue quality meter as required for participation in the CAISO Energy Imbalance Market.

35. 35kV Cottonwood Feeder Extension (193782)

378,996

Provide a second 34.5 kV source from another substation to the newly expanded Northgate Substation, resulting in two independent sources to the Northgate Substation.

36. AMI Project-Multi (796649)

369,998

In 2021, Springs Utilities will continue to execute its strategy for a necessary transition from Automated Meter Reading (AMR) to Advanced Metering Infrastructure (AMI). This project reflects intended purchase of 2-way electric, gas, and water modules to replace residential, commercial, and industrial meters and modules in Springs Utilities' service territory.

37. Nixon Coal Handling CO Monitor Replacement (193788)

330,000

Replace Nixon 1 Carbon Monoxide Detection System for the Coal Handling system.

38. SIP - Bury 1500' of 12 kV overhead on Ruxton Ave from COG rail station North (173908)

\$ 324,996

This project is to underground 1500 feet of 12kV overhead along Ruxton Ave. The customer requesting the work will be responsible for 70% of the cost in accordance with the System Improvement Policy (SIP) based on the Springs Utilities Rules and Regulations.

39. Nixon 1 Pulverizer Major Component Replacement (192985)

300,000

Project will support the replacement of critical components in coal pulverizers and the overhaul two pulverizers.

40. Grid Modernization (193057)

300,000

Grid Modernization Projects are pilot projects to optimize or enhance the electric power system and typically leverage new technology/ideas supporting the Energy Vision. These projects are designed to be short pilots that test whether a concept will provide value to Colorado Springs Utilities and its customers.

41. SIP - UC Health Eastview Medical Center (173904)

290,556

This project is to bury 1750 feet of 34.5 kV and 1590 feet of 12.5 kV overhead at the request of UC Health. The project is located is located on the north / west corner of Powers Blvd and North Carefree. The customer requesting the work will be responsible for 60% of the cost in accordance with the System Improvement Policy (SIP) based on the Springs Utilities Rules and Regulations. Work will be completed in 2021.

42. Downtown Network Upgrades (182536)

279,996

Critical upgrades for obsolete and aged network equipment serving existing downtown customers, continuing beyond the implementation of arc flash protection and re mote control technology for a safer work environment.

43. System Reliability Improvements (180217)

270,000

This budget is to address electric system reliability issues or concerns in areas that exceed established criteria. These projects shall improve area and system reliability for both overhead and underground systems. Typical projects include upgrades such as distribution protection, ring ties and distribution coordination.

44. Nixon Substation NERC Improvements (193801)

Nixon substation falls under NERC (North American Electric Reliability Corporation) and CFATS (Chemical Facility Anti-Terrorism Standards) requirements. Colorado Springs Utilities is required to maintain a level of security. Due to the importance of the site and future growth additional security is warranted and early detection will increase our compliance with the security requirements. Colorado Springs Utilities has created a standard intrusion detection system at all the top substation sites. Currently this site does not meet those standards. This site meets the minimum requirements for NERC. This project will bring more of the site into surveillance and detection systems using additional cameras and radar technology.

45. Nixon 1 Bottom Ash Conveyor Replacement (193825)

249,996

249,996

\$

Refurbishment of Unit 1 Bottom Ash Conveyor to maintain unit reliability and availability.

46. Nixon 1 Station Improvements (193013)

249,996

Purchase and install replacement equipment that fails unexpectedly and meets capital definition.

47. Nixon 1 Steam Turbine Seals (193310)

243,996

Replace Nixon 1 Steam Turbine Seals to maintain efficiency of turbine by preventing steam leakage around stages of turbine during routine turbine overhaul.

48. RIC Equipment Replacement (193225)

234,600

This program is designed to systematically replace aging electromechanical transmission/distribution protection panels with microprocessor panels to reduce O&M costs, improve protection system reliability, and enhance system functionality.

49. Front Range Station Improvements (193372)

219,996

Purchase and install replacement equipment that fails unexpectedly and meets capital definition.

50. Front Range Generator Fast Degas CT1 (193789)

210,000

Installation of a fast degas system to limit exposure to hazardous gases (hydrogen and CO2) by shortening outage time and reducing labor resources.

51. Front Range Generator Fast Degas CT2 (193790)

210,000

Installation of a fast degas system to limit exposure to hazardous gases (hydrogen and CO2) by shortening outage time and reducing labor resources.

52. FRP Combustion Turbine Training Simulator (193827)

\$ 204,996 n as

Purchase of a training simulator for the combustion turbines at Front Range Power Plant. This simulator benefits by training staff on plant control system as well as simulating normal and abnormal operating conditions for routine and emergency preparedness.

53. Arc Flash Mitigation (193079)

204,000

Design and install controls and equipment to limit potential arc-flash exposure levels in substation switchgear and distribution feeder protective systems.

54. Public Improvements-Electric (180283)

195,000

This budget is to install or relocate existing electric facilities in conjunction with Municipal Government Public Works projects, Pikes Peak Rural Transit Authority, and Improvement Districts. This budget is required by the 2001 Springs Utilities Relocation Executive Agreement.

55. Nixon 1 Stack Elevator Refurbish (193179)

170,004

Refurbish and upgrade emissions stack elevator controls and install remote calling system for personnel emergencies and safety measure. The current system is over 30 years old and at the end of its life. Parts for the system are no longer supplied.

56. Electric Transmission Infrastructure Corrective Maintenance (193406)

150,000

This ongoing corrective maintenance program includes the reactive replacement of existing capital assets and related infrastructure (including conductors, structures, cable, foundations, vaults/lids, et cetera) of the overhead and underground electric transmission system due to third-party damage or catastrophic, functional, or operational (e.g., safety, reliability) failures. Reimbursed funds from third-party damage are credited back to the Colorado Springs Utilities general fund.

57. Overhead Distribution Construction (192295)

113,124

This is a development driven budget to install new overhead electric service to new residential and commercial customers in areas that are currently fed by overhead distribution lines or are located outside of the city limits. In addition, the budget also supports upgrades to the overhead distribution system as necessitated by load additions. This budget is an Obligation to Serve as per Colorado Springs City Code Section 12.2.301.

58. Nixon 2 & 3 Generator Relay Replacement (193791)

Project is for the replacement of the Nixon Unit 2&3 under frequency, loss of excitation, generator differential, reverse power, and negative sequence electromechanical relays with one multi-function microprocessor relay. A microprocessor relay requires fewer labor hours to test periodically as required by NERC PRC-005 standards. The project goal is to avoid negative impacts to the plant key performance measures that could occur as the result of failure of the components in the generator protection relays and update equipment to the current enterprise standard.

\$

110,004

99,996

99,996

99,996

99,996

80,004

75,000

69,996

59. Canon Avenue Bridge - Undergrounding (193703)

This budget is to complete electric mainline projects requested by the City of Manitou Springs per the Manitou Springs Franchise Agreement.

60. Nixon High Energy Pipe Hangers (182626)

Project replaces high energy steam piping hangers that are critical for safe and reliable boiler operation and power generation. Hangers that exceed the design load threshold or exhibit improper load reaction or support will be replaced.

61. Front Range ACC Monorail Lifting System (193723)

Installation of a new monorail system to allow for improved safety and efficiency of maintenance activities. Current configuration of ACC structure does not allow for safe or efficient removal of gearboxes and motors.

62. Nixon 1 DA Tray Replacement (193785)

Project replaces Nixon 1 deaerator (DA) tank trays and nozzles due to continuous operation, wear, mechanical stresses, and fluid impacts.

63. Nixon 1 Condenser Extraction Expansion Joints (193185)

Project will replace all condenser extraction joints due to excessive wear. Failure to replace impacts unit reliability.

64. FRP Steam Turbine Synchronizer Replacement (193832)

The current Front Range Steam Turbine Generator Synchronizer is obsolete and no longer manufactured. This is a multi-year project with materials and equipment being procured a year ahead for installation.

65. Well Field Pump Panel Electrical Replacements (193833)

The current Wellfield pump electrical panels are obsolete, no longer manufactured and 40 years old. The pump houses supply water for the Clear Spring Ranch. To maintain reliability on this critical infrastructure, the panels require replacement with modern equipment that is serviceable with spare parts availability. The project will replace electrical panels in (7) Wellfield pump houses.

\$ 66. Front Range ACC Blade Replacement (193631) 60,000 Replacement of Front Range aluminum ACC fan blades with fiberglass to improve blade longevity. This is a multi-year project to replace ACC blades. 67. **Birdsall Station Battery (193437)** 54,996 Replacement of the Birdsall Station batteries that are the power source for various control and safety systems. The current batteries are at the end of useful life. 68. Nixon 1 Boiler Economizer Ash Hopper Upper Screw Conveyor (193176) 50,004 Refurbishment of the Nixon 1 ash screw conveyor which is subjected to heavy erosion because of the abrasive nature of the ash that it transports. 69. **Fuller Transformer Addition & Getaways (192503)** 50,004 This project will add a new power transformer and required feeder work at Fuller Substation to serve the Banning Lewis Ranch area as the growth to the east continues. 70. Electric Tools & Equip (180332) 50,004 Replacement of tools & equipment for the ECOM electric service to stay current with technology while utilizing the tooling to make capital improvements or add capital equipment to our electric system. 71. Front Range Plant Electrical and LED Lighting Upgrades (193724) 50,004 Partial replacement of existing and outdated HID and florescent plant lighting with LED lighting to support energy efficiency initiatives. 72. FR HRSG #1 Bellows Replacement (193870) 50,004 Project to replace expansion bellows along Heat Recovery Steam Generator 1 casing penetrations. A condition assessment of process equipment and process systems found that bellows for HRSG casing to header penetrations for piping on the high pressure, intermediate pressure, low pressure, and reheat systems showed signs of overheating, distortion, and damage. Failure of these bellows leads to decreases in thermal efficiency and unit performance. **73. Nixon 1 Vibration Monitoring Additions (182872)** 50,004 Project will install permanent vibration monitoring instrumentation on critical rotating equipment to provide data and trend analysis on equipment performance. 74. **Birdsall Station Improvements (193028)** 50,004

Purchase and install replacement equipment that fails unexpectedly and meets

the capital definition.

75. Power Quality Meter Program (193771)

Continue to add power quality (PQ) meters to extend our visibility across the distribution system to enable troubleshooting of system anomalies as well as provide data to customers.

76. AMR/AMI Network New Growth & Replacement (796463)

40,800

41,004

\$

Purchase additional Automated Meter Reading (AMR) concentrators, repeaters, and collectors to accommodate new growth areas and existing meters in Springs Utilities service territory. Unlicensed frequency will require that Springs Utilities add concentrators to affected areas to maintain current reliability. New unlicensed devices being sold in consumer markets are causing interference and require additional concentrators to overcome meter read issues. This on-going project is required as part of Springs Utilities' obligation to serve.

77. Front Range Inverter System Maintenance (193727)

30,000

Maintenance on the inverter system to ensure reliability. Upgrade inverter components every 5 years.

78. Nixon 1 Distributed Control System Upgrades (180359)

30,000

Project supports periodic replacement of various electronic components in the Nixon Unit 1 Distributed Control System (DCS) resulting from device failure, obsolescence, or necessary upgrades to sustain current function.

79. Electric Planning System Model Enhancements (180378)

30,000

Purchase and implement the Electric Distribution forecasting software to allow energy planning personnel to better prepare for the future. Traditional forecasting methods lack the ability to identify probabilities of new loads and resources such as Electric Vehicles and Batteries.

80. Front Range ACC Gearbox (193487)

24,996

Gearbox replacement on the Air Cooled Condenser (ACC).

81. ECOM Streetlight Replacements (Outside City Limits) (192931)

22,596

This ongoing corrective maintenance program includes the reactive replacement of existing streetlight capital assets due to third-party damage or catastrophic, functional, or operational failures. This activity covers the portion of the streetlight system that is located outside the City of Colorado Springs Streetlight Enterprise to include private roads within the city limits and all roads outside the city limits, but within the electric service territory. Reimbursed funds from third-party damage (if any) are credited back to the Colorado Springs Utilities general fund.

82. Front Range HVAC Unit Replacement (193577)

Replacement of HVAC units due to end of service life. Units are critical to keep the plant control and electrical service equipment in a temperature controlled environment. This is a multi-year program to address all HVAC units.

\$

20,004

19,992

19,992

15,998

15,000

83. Retrofits for Fused Elbows with No Connectors (193658)

Due to changes made to fused elbow ratings by the manufacturer, approximately 150 fused elbow installations will be reviewed to determine if a retrofit is needed to accommodate proper, safe grounding. It is anticipated that two-thirds of the installations will need to be replaced with a molded current limiting fuse (MCLF) device as part of this retrofit.

84. PRC-002 Disturbance Monitoring & Reporting (193672)

The North American Electric Reliability Corporation (NERC) standard PRC-002-2 requires that Disturbance Monitoring and Recording (DMR) equipment be installed on Bulk Electric System (BES) assets to monitor system disturbances. This project is to install DMR equipment at five BES substations to comply with the NERC requirement.

85. AMI Meter Data Management (MDM) Implementation (796634)

This project supports the AMI Program with the implementation of Oracle Meter Data Management (MDM). The MDM captures and stores meter data from four head-end systems and integrates with the Customer Information System for billing purposes and the Enterprise Data Reservoir for analysis purposes. Post-go live support will be completed in 2021.

86. Nixon 1 Coal Conveyor Belt 9A Replacement (193379)

Project replaces Nixon 1 Coal Conveyor Belt 9A. Conveyor 9A is the last in the series of cascade belts which fill the Nixon 1 coal bunkers.

2021 Total Capital - Electric with Allocated Components	\$ 196,174,179
Administration & General Expense	\$ 1,866,185
Capital Labor & Benefits	\$ 11,857,866
Subtotal Capital - Electric	\$ 182,450,128

	Streetlights Service Capital Projects	,	2021 Approved Budget
1.	Streetlights - New Construction (892346) This budget is to install new street lighting infrastructure for new residential subdivisions and newly developed arterial roadways. This budget supports City Ordinance 02-187 which is part of Colorado Springs City Code 7.7.801.	\$	673,704
2.	ECOM Streetlight Replacements (Inside City Limits) (892930) Replace capital assets for the streetlight system within the City of Colorado Springs which have failed either through exceeding their useful life or due to third party damage. An interlocal service level agreement is in place with the City of Colorado Springs for this activity.		456,000
3.	Streetlights (892330) This budget is to fund a multiyear program to install residential and arterial roadway streetlights in previously developed areas as per the Transfer Agreement to General Fund signed in May of 2006. In addition, this budget supports Public Safety Lighting requested by the Colorado Springs Utilities customers, Colorado Springs Police Department, and the General City.		167,484
	Subtotal Capital - Streetlights	\$	1,297,188
	Capital Labor & Benefits	\$	134,195
	Administration & General Expense	\$	-
	2021 Total Capital - Streetlights with Allocated Components	\$	1,431,383

ELECTRIC EXPENDITURES SUMMARY (in thousands)

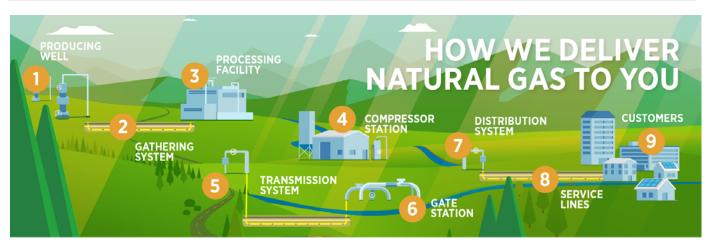
		FY21		FY20		Increase/ (Decrease) from:						
Account Group	Α	pproved	Α	pproved	FY19							
		Budget		Budget	Actual	FY20 Budget				FY19 Actual		
Fuel Operations and Maintenance	\$	134,154	\$	131,607	\$ 125,443	\$	2,547	1.9%	\$	8,710	6.9%	
Non-Labor Operations & Maintenance												
Production and Treatment	\$	2,492	\$	2,663	\$ 3,596	\$	(170)	-6.4%	\$	(1,104)	-30.7%	
Purchased Power		700		792	642		(92)	-11.7%		58	9.1%	
Transmission and Distribution		5,503		4,772	5,454		730	15.3%		49	0.9%	
Maintenance		21,131		22,916	17,644		(1,785)	-7.8%		3,487	19.8%	
Customer Service and Information		7,410		5,517	6,941		1,893	34.3%		469	6.8%	
Administrative and General		19,108		17,626	17,078		1,482	8.4%		2,030	11.9%	
Customer Accounting and Collections		4,023		3,921	3,662		102	2.6%		362	9.9%	
Total Non-Labor Operations & Maintenance	\$	60,367	\$	58,207	\$ 55,017	\$	2,160	3.7%	\$	5,350	9.7%	
Labor & Benefits												
Production and Treatment	\$	9,862	\$	10,893	\$ 8,539	\$	(1,032)	-9.5%	\$	1,323	15.5%	
Transmission and Distribution		12,868		12,657	13,625		212	1.7%		(756)	-5.5%	
Maintenance		15,616		16,744	18,815		(1,128)	-6.7%		(3,198)	-17.0%	
Customer Service and Information		2,267		2,443	1,961		(176)	-7.2%		307	15.6%	
Administrative and General		44,014		42,766	39,655		1,247	2.9%		4,358	11.0%	
Customer Accounting and Collections		3,917		3,701	3,492		216	5.8%		426	12.2%	
Total Labor & Benefits	\$	88,544	\$	89,204	\$ 86,085	\$	(660)	-0.7%	\$	2,459	2.9%	
Total Non-Fuel Operations & Maintenance 1	\$	148,911	\$	147,412	\$ 141,102	\$	1,500	1.0%	\$	7,809	5.5%	
Streetlights	\$	3,409	\$	3,397	\$ 3,736	\$	12	0.3%	\$	(327)	-8.7%	
Transfers to City- Surplus		25,502		25,529	24,933		(26)	-0.1%		569	2.3%	
Debt Service		71,329		70,950	72,398		379	0.5%		(1,070)	-1.5%	
Direct Capital		197,606		68,034	67,853		129,572	190.5%		129,752	191.2%	
Allocated Capital ²		5,396		4,732	3,565		665	14.1%		1,831	51.4%	
Total	\$	586,307	\$	451,659	\$ 439,032	\$	134,647	29.8%	\$	147,275	33.5%	

¹Non-Fuel O&M does not include inter-service eliminations or GASB 68 and 75 pension expense.

²Common Capital allocated to Electric Service.

NATURAL GAS SERVICE OVERVIEW

SERVICE HIGHLIGHTS



- 1 EXTRACTS NATURAL GAS FROM THE GROUND
- 2 TRANSPORTS NATURAL GAS TO PROCESSING FACILITY
- 3 REMOVES IMPURITIES THAT CORRODE PIPELINES AND REDUCE ENERGY VALUE OF GAS
- 4 BOOSTS PRESSURE OF NATURAL GAS TO MOVE THROUGH TRANSMISSION SYSTEM
- 5 TRANSPORTS NATURAL GAS HUNDREDS OF MILES UNDERGROUND FROM PRODUCING REGIONS
- 6 REDUCES PRESSURE FOR SAFE DISTRIBUTION LOCALLY; MERCAPTAN (ROTTEN EGG SMELL) IS ADDED
- 7 MOVES NATURAL GAS UNDERGROUND FROM GATE STATIONS THROUGH THE CITY

- DISTRIBUTE NATURAL GAS TO HOMES AND BUSINESSES
- 9 FINALLY, NATURAL GAS IS DELIVERED TO YOU

DID YOU KNOW?

- We have more than 2,500 miles of main in our distribution system and more than 2,800 miles of service lines.
- We provide natural gas to more than 205,000 service points in the Pikes Peak region.



STATISTICS

Number of active natural gas meters: 210,804

Total Net Throughput Volume: 24,366,953 MCF at 14.65 psi

Peak demand: 266.8 million cubic feet Feb. 1, 2011

Miles of main: 2,611

2021 OPERATING PLAN

Safety – Committed to Eliminating Incidents and Injuries; focusing on injury prevention, updated City Ordinance to enhance enforcement and improve Colorado Springs Underground Damage Prevention Safety Program, developing a Safety & Health Onboarding program, improving driver safety, and enhancing Contractor Safety Management Program.

Sustainable Energy Plan – On June 26, 2020, the Utilities Board approved the Gas Integrated Resource Plan in support of our Energy Vision. Springs Utilities is investing in the planning, engineering, procurement, and delivery of the implementation of this plan. This includes the gas infrastructure support of new natural gas generation.

Keeping Up with System Growth – The economic growth of the last few years has resulted in significant expansion of the Natural Gas System. Since 2011, 220 miles of new natural gas lines were added within our natural gas service territory. Process improvements and work prioritization projects are underway to address the added workloads.

Assuring Regulatory Compliance – The Distribution Integrity Management Program (DIMP) is a federally mandated program requiring Springs Utilities to formalize identifying, monitoring, and mitigating risks within the distribution pipeline system. The approach to managing the system assets is a combination of both proactive programs to monitor, repair or replace equipment, as well as reactive programs executed when a device has failed. Utilizing both conditions based, and risk based maintenance approaches allows Colorado Springs Utilities to project what infrastructure has reached the end of its reliable life and to prioritize renewal and replacement programs in compliance with DIMP requirements. Annual maintenance and capital equipment budgets are based on the results of these analyses as well as accounting for the replacement of equipment that does fail in service.

Operation Technologies – Springs Utilities is investing in new technologies and mobile applications to create efficiencies that help improve data collection, analysis, and integrity.

1. AMI Project - Gas (293167)

\$ 6,045,060

In 2021, Springs Utilities will continue to execute the mass deployment to transition from Automated Meter Reading (AMR) to Advanced Metering Infrastructure (AMI). This deployment project reflects intended purchase of 2-way gas modules to replace residential, commercial, and industrial meters in Springs Utilities' service territory.

2. New Construction Billable (293041)

2,710,644

This is a development driven program to install new gas mains and service stubs to residential and commercial areas not currently served. This program also funds the extensions of the 150 psig gas mainlines as necessitated by load additions. The requesting customer pays the Contribution in Aid of Construction contract based on the Springs Utilities Rules and Regulations. The program is an Obligation to Serve as per Colorado Springs City Code section 12.3.201.

3. URP-Gas Mains Replacement (293189)

2,499,996

The Springs Utilities Reliability Program (URP) is a multi-year program that proactively and holistically identifies, assesses, and prioritizes existing utility infrastructure, across all Springs Utilities' services, for economy of scale construction opportunities which address potential barriers to future city growth. The URP supports I-6 Infrastructure, G-12 Urban Planning Area Utility Infrastructure Master Plan in the Colorado Springs Utilities Board Excellence in Governance Policy Manual.

4. Gas Meters - Base Requirements (293043)

1,619,076

This is a growth-driven and lifecycle replacement program, which purchases gas meters, temperature and pressure instruments, parts, connection materials and regulators. It provides for Capital additions to connect new residential, commercial, and industrial gas customers to Springs Utilities' system. In addition, it provides for Capital replacements of damaged and defective meters, meters replaced through the Meter and Module Life Cycle Replacement Program and support of the Gas Measurement Accuracy Control (GMAC) Program. Gas meters are an obligation to serve requirement.

5. DIMP - Gas Coated Steel Renewals (293180)

\$ 1,599,996

The gas distribution integrity management regulations require natural gas distribution companies, to develop, write, and implement an integrity management program that identifies and implements measures to address risks. Aging coating materials can deteriorate and become disbonded from the pipe. When coatings fail, corrosion can attack the exposed steel pipe. This program is to replace high risk segments of coated steel pipe.

6. Gas Unplanned Maintenance (293183)

1,515,348

This program is to complete emergent gas distribution maintenance projects that cannot be planned within the normal budget cycle. Projects may include renewals due to leaks, excavation damages and cathodic protection system failures. Federal Regulations require prompt remedial action for correcting these deficiencies. Typically, prompt remedial action is within one calendar year. Response to city improvement projects may also be performed within this program. Program scoping is based on a historical trend of past program activity.

7. DIMP - Gas Bare Steel Replacements (293178)

1,299,996

The gas distribution integrity management regulations require natural gas distribution companies, to develop, write, and implement an integrity management program that identifies and implements measures to address risks. Uncoated steel pipelines are known as bare steel pipelines. The age and lack of protective coating typically makes bare steel pipelines of higher risk as compared to some other pipelines and candidates for accelerated replacement programs. This capital program identifies the highest risk bare steel mains and services and replaces them with plastic.

8. Gas Service Vehicles & Equipment (280021)

999,996

Replacement of Vehicles and Equipment for the Colorado Springs Utilities Gas Service to maintain a safe, cost effective and reliable fleet

9. Gas 150P Over Pressure Protection (293186)

999,996

This program is to complete gas distribution system improvements driven by regulatory compliance with the Pipeline and Hazardous Materials Safety Administration, Part 192.195 for over pressure protection at the five gate stations. Projects include installation of new gas infrastructure such as regulating equipment, emergency valves, and relief valves. After the five gate stations are equipped with over pressure protection, there is no need for this capital activity.

10. DIMP - Gas Vintage Plastic Renewals (293181)

The gas distribution integrity management regulations require natural gas distribution companies, to develop, write, and implement an integrity management program that identifies and implements measures to address risks. Some vintage plastic pipe and fittings are known to be prone to stress cracking due to the characteristics of the pipe resin or the design of the fittings. This program is to replace high risk vintage pipe segments, fittings, and valves.

11. DIMP - Gas Risk Based Projects (293182)

The gas distribution integrity management regulations require natural gas distribution companies, to develop, write, and implement a distribution integrity management program (DIMP) that identifies and implements measures to address risks. This program is to address risks identified by the DIMP Program that do not fit in the Bare Steel, Coated Steel, 150 psig System and Vintage Plastic replacement programs. These risks are primarily identified by subject matter expert information and failure data.

12. New Construction Non-Billable (293042)

This budget funds the installation of gas main extensions to new customers which requires the oversizing of the mainline for future developments. This is required to meet new customer growth identified through the gas modeling software and is not covered by developer advance payments. In addition, this budget funds the installation of scattered service stubs for infill areas and the inspection cost for all new services.

13. DIMP - Gas 150P System Renewals (293179)

The gas distribution integrity management regulations require natural gas distribution companies, to develop, write, and implement a distribution integrity management program (DIMP) that identifies and implements measures to address risks. The 150 psig system consists of the highest pressure mains in the distribution system. Because the pressure is higher the consequence of failure is higher and poses a greater risk to the safety of our customers if left unmaintained. This capital program identifies the highest risk 150 psig main segments and replaces them with more modern coated steel piping.

14. DIMP - Gas Condition Assessment Program (293188)

This program is to assess the condition of aging gas distribution pipelines as required by the Pipeline and Hazardous Materials Safety Administration, Part 192.1007 to understand the risks to the system and develop plans to mitigate them. Projects as part of this program include keyholing and assessing the condition of bare steel, coated steel and 150 psig pipelines that have been identified as high risk through the Distribution Integrity Management Program (DIMP) risk model. Condition Assessment will ensure appropriate mitigating measures are in place to reduce risk.

\$ 789,000

748,860

753,996

600,000

15. AMI Project-Multi (796649)

In 2021, Springs Utilities will continue to execute its strategy for a necessary transition from Automated Meter Reading (AMR) to Advanced Metering Infrastructure (AMI). This project reflects intended purchase of 2-way electric, gas, and water modules to replace residential, commercial, and industrial meters and modules in Springs Utilities' service territory.

\$

323,749

225,000

182,196

148,680

69,996

50,004

16. Gas Distribution System Improvements (293044)

This budget is to complete the installation of new gas main infrastructure to the existing distribution system to provide capacity, improve system reliability and service to existing and future customers. Projects may include reinforcements of existing infrastructure, pressure uprates, main extensions, and new regulator stations.

17. Gas Time and Material for Capital Work (293122)

Budget is for capital expenditures to fund Gas Third-Party Billing projects (requests by customers to move existing gas infrastructure) that are requested during the year. The work is required to be compliant with the Gas Line Extension Service Standards and Public Utility Commission Part 192. Colorado Springs Utilities will charge the customer 95% of the cost to accomplish this work.

18. Public Improvements-Gas (280024)

This budget is to install or relocate existing gas facilities in conjunction with Municipal Government Public Works projects, Pikes Peak Rural Transit Authority, and Improvement Districts. This budget is required by the 2001 Springs Utilities Relocation Executive Agreement.

19. Gas Instrumentation & Control (GIC) Meter Station Improve/Upgrades (293184)

This activity will be utilized to upgrade aging gas meter station equipment. There are currently 5 meter stations in our system; Drennan, North, South, McClintock, and Security. These stations are where Colorado Springs Utilities takes possession of the Natural Gas from Kinder Morgan. This is also where Springs Utilities odorizes the gas to be distributed to our customers

20. Gas Tools & Equip (280019)

Replacement of tools & equipment for the ECOM gas service to stay current with technology while utilizing the tooling to make capital improvements or add capital equipment to our gas system.

21. DIMP - Emergency Valve Replacement (280005)

Replacement of non-functional valves identified through performing annual inspection, maintenance, and operation of all designated Gas Emergency Valves per DOT (Department of Transportation) requirements. Emergency Valves are designed to stop the flow of gas in specific situations such as creek crossings (an Emergency Valve would be located on each side of the streambed above the high water mark). Emergency Valves are in the main line and are boxed and accessible from ground level.

22. AMR/AMI Network New Growth & Replacement (796463)

Purchase additional Automated Meter Reading (AMR) concentrators, repeaters, and collectors to accommodate new growth areas and existing meters in Springs Utilities' service territory. Unlicensed frequency will require that Springs Utilities to add concentrators to affected areas to maintain current reliability. New unlicensed devices being sold in consumer markets are causing interference and require additional concentrators to overcome meter read issues. This on-going project is required as part of Springs Utilities' obligation to serve.

23. DIMP - Distribution Regulator Station Replacement (280011)

This task consists of replacement of district regulator stations that are in poor condition. Each regulator station has two regulators, one is for normal control of the flow of gas and the other provides over pressure protection in the event the control regulator fails. Some of the regulators to be replaced are custom fabricated or the manufacturers have discontinued the regulator model and no longer supply replacement parts. Gas Distribution Operations (GDO) determines which regulators to replace based on type of equipment (obsolete).

24. DIMP - Gas Distribution System Improvements (280034)

This budget is to complete gas distribution system improvements driven by regulatory compliance with the Pipeline and Hazardous Materials Safety Administration, Part 192. Projects include installation of new gas infrastructure such as metering and regulating equipment, emergency valves, and telemetry monitor points.

35,700

39,996

\$

30,000

25. AMI Meter Data Management (MDM) Implementation (796634)

13,999

This project supports the AMI Program with the implementation of Oracle Meter Data Management (MDM). The MDM captures and stores meter data from four head-end systems and integrates with the Customer Information System for billing purposes and the Enterprise Data Reservoir for analysis purposes. Post-go live support will be completed in 2021.

Subtotal Capital - Gas	\$ 23,842,184
Capital Labor & Benefits	\$ 6,604,513
Administration & General Expense	\$ 240,798
2021 Total Capital - Gas with Allocated Components	\$ 30,687,495

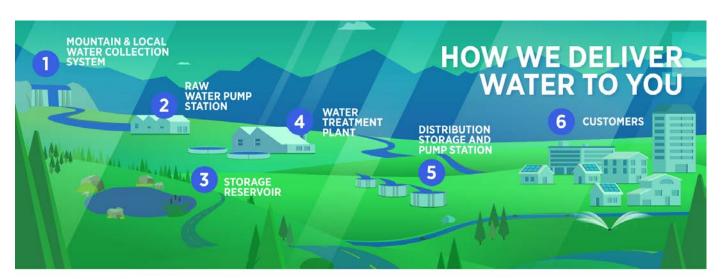
NATURAL GAS EXPENDITURES SUMMARY (in thousands)

		FY21		FY20			Increase/ (Dec				crease) from:			
Account Group	A	pproved	A	pproved	FY19									
	ı	Budget	ı	Budget		Actual		FY20 Bu	dget	FY19 Actual				
Fuel Operations & Maintenance	\$	80,096	\$	80,690	\$	80,554	\$	(594)	-0.7%	\$	(458)	-0.6%		
Non-Labor Operations & Maintenance														
Transmission and Distribution	\$	3,834	\$	2,455	\$	2,480	\$	1,379	56.2%	\$	1,354	54.6%		
Maintenance		3,276		876		1,401		2,400	274.1%		1,875	133.9%		
Customer Service and Information		1,908		2,097		1,508		(188)	-9.0%		401	26.6%		
Administrative and General		5,670		6,150		5,342		(479)	-7.8%		328	6.1%		
Customer Accounting and Collections		2,779		2,768		2,717		12	0.4%		63	2.3%		
Total Non-Labor Operations & Maintenance	\$	17,468	\$	14,345	\$	13,447	\$	3,123	21.8%	\$	4,021	29.9%		
Labor & Benefits														
Transmission and Distribution	\$	10,139	\$	9,160	\$	8,959	\$	979	10.7%	\$	1,180	13.2%		
Maintenance		2,114		2,090		2,107		24	1.1%		7	0.3%		
Customer Service and Information		1,413		1,649		1,375		(236)	-14.3%		39	2.8%		
Administrative and General		11,832		11,497		10,680		335	2.9%		1,152	10.8%		
Customer Accounting and Collections		3,566		3,369		3,179		197	5.8%		388	12.2%		
Total Labor & Benefits	\$	29,065	\$	27,766	\$	26,299	\$	1,299	4.7%	\$	2,765	10.5%		
Total Non-Fuel Operations & Maintenance 1	\$	46,533	\$	42,112	\$	39,746	\$	4,421	10.5%	\$	6,787	17.1%		
Transfers to City- Surplus	\$	8,124	\$	8,008	\$	7,886	\$	116	1.5%	\$	239	3.0%		
Debt Service		12,134		11,813		11,266		321	2.7%		867	7.7%		
Direct Capital		30,687		19,436		18,813		11,251	57.9%		11,875	63.1%		
Allocated Capital ²		856		722		535		133	18.4%		321	60.0%		
Total	\$	178,430	\$	162,781	\$	158,799	\$	15,649	9.6%	\$	19,631	12.4%		

¹ Non-Fuel O&M does not include inter-service eliminations or GASB 68 and 75 pension expense.

² Common Capital allocated to Natural Gas Service.

SERVICE HIGHLIGHTS



- 1 COLLECTS ROCKY MOUNTAIN SNOWMELT FROM UP TO 100+ MILES AWAY
- 2 MOVES COLLECTED WATER TO STORAGE RESERVOIRS
- 3 CAN HOLD UP TO 3.5 YEARS OF SUPPLY AND SUPPORT RECREATION
- 4 6 PLANTS TREAT WATER TO MEET OR EXCEED DRINKING STANDARDS
- 5 DISTRIBUTES WATER TO HOMES AND BUSINESSES
- 6 FINALLY, WATER IS DELIVERED TO YOU TO USE WISELY

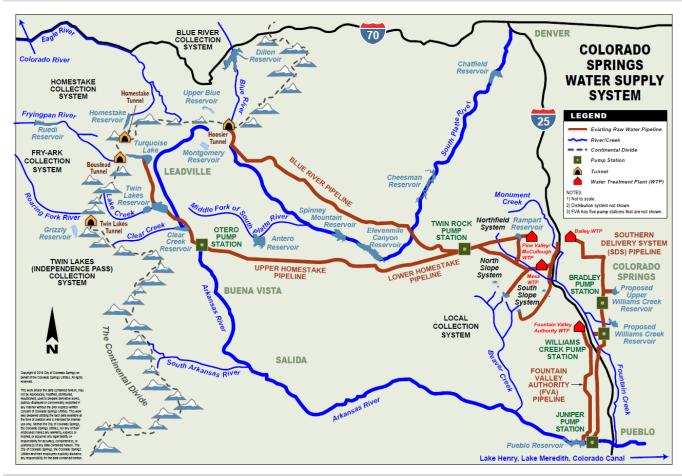
DID YOU KNOW?

- A typical home uses 100,000 gallons of water each year.
- Our water is collected from 3 river basins (Arkansas, Colorado and South Platte) and delivered through 4 transmission pipelines and stored in more than two dozen reservoirs.
- We provide water to our community of about a half million people through 2,140 miles of water distribution pipe made of steel, iron or PVC.



STATISTICS

- Annual potable water deliveries (2019): 70,766 AF (23.1 billion gallons)
- Number of active water meters: 148,844
- Total nonpotable output (2019, all sources): 7,932 AF
- Total Arkansas River and Local Exchange (2019): 34,680 AF
- Treatment capacity: 259 MGD (peak), 243.5 MGD (sustained)
- Record peak demand: 182 MGD (July 2001)
- Systems Include
 - 4 trans mountain diversion systems that carry water from over 100 miles away
 - o 2,186 miles of water mains
 - o 25 reservoirs
 - o 11 raw water pump stations
 - 5 water treatment plants



2021 OPERATING PLAN

Safety – Committed to Eliminating Incidents and Injuries; focusing on injury prevention, established a Safety & Health Onboarding program, assessing arc flash hazards to ensure warning labels and boundaries are identified and maintained, establishing a Qualified Electrical Worker training and certification program, standardizing Lock Out/Tag Out across the treatment plants, improving driver safety and enhancing Contractor Safety Management Program.

Drinking Water Regulations – Ongoing programs of work ensure that our drinking water is protected from its source to the tap, in compliance with the federal Safe Drinking Water Act. As an operator of a public water system, we are required to provide capacity, water treatment and disinfection for customers. Federal regulations with delegation of authority to the Colorado Department of Public Health and Environment provides oversight and compliance requirements for our water systems' storage, treatment, and distribution, as well as operational practices.

Water Planning and Condition Assessments – Ongoing planning activities that support each of our major Water Service elements: raw water system, water treatment, finished water and non-potable water. Efforts start with an assessment of the condition and expected service life of the assets as well as evaluation of asset criticality (based on consequence of failure) to enable risk-based prioritization decisions. Other drivers include population growth, changes in demand and customer behavior, regulatory requirements, aging infrastructure, system operations, and technology. The planning process leads to preparation of infrastructure investment plans that will guide decision making.

Water Supply, Delivery and Treatment Investments – Programs of work that represent investments necessary for our water system and includes acquisition of water rights, new raw water storage, delivery of raw water, and treatment of water for storage and delivery to our customers.

Water Main Rehabilitation and Replacement – Programs of work that identify, assess, prioritize and deliver nearand long-range implementation plans for needed replacement/rehabilitation of pipes and appurtenances in our over 2,000-mile finished water distribution system to help ensure safe and reliable water service to our customers.

Water Service Projects

1. Finished Water Linear Asset Program (394744)

\$ 14,001,000

Colorado Springs Utilities has over 2,100 miles of transmission and distribution water mains, 68,000 isolation valves, 19,000 fire hydrants, 450 pressure reducing valve sites, 350 air vacuum valves and 1,500 blow off valves. The Finished Water Linear Asset Program (FWLAP) is a capital program focused on renewing degraded and aging finished water infrastructure through various methods, minimizing current and future water main system failures, and delivering safe, reliable drinking water along with fire protection to our customers.

2. N. Slope - Crystal Dam Rehabilitation (394590)

6,699,996

This project will rehabilitate the steel upstream face of Crystal Creek Dam. The project will include cleaning, removal of corrosion scale, repair, and replacement of the facing, rehabilitating cathodic protection, applying an enhanced multi-part epoxy coating, and removal and rehabilitation of damaged concrete cutoff wall at abutment facing connection. The project will aggressively replace, repair, and rehabilitate the dam face and appurtenant structures, thereby increasing useful life of the asset, and maintain our State satisfactory regulatory rating.

3. AMI Project - Water (394669)

6,344,076

In 2021, Springs Utilities will continue to execute its strategy for a necessary transition from Automated Meter Reading (AMR) to Advanced Metering Infrastructure (AMI). This project reflects intended purchase of 2-way water modules to replace residential, commercial, and industrial modules in Springs Utilities' service territory.

4. Potable Water Tank Refurbishment/Replacement Program (394575)

3,953,604

The program addresses issues found during periodic condition assessment, inspections, and maintenance activities of the water distribution systems 43 potable water tanks. The program prioritizes, refurbishes, and/or replaces tanks and appurtenances to provide uninterrupted water delivery. Each tank project ensures potable water distribution storage, fire protection and pump station suction storage to the water distribution system. 2021 includes: Cedar Heights Tank 1 Replacement, Cedar Heights Tank 2 Replacement, Wilson Tank Design, and Austin Bluffs 5MG Tank Retaining Wall Construction.

5. Public Improvement Projects - Water (380083)

This capital activity and budget pays for Colorado Springs Utilities' share of water relocations, betterments, and improvements because of Pikes Peak Rural Transportation Authority (PPRTA), City Capital Improvements Projects, El Paso County and Colorado Department of Transportation (CDOT) public improvement projects. 2021 public improvement water projects include Circle Dr Bridges, Sand Creek at Platte Bridge, 30th St Corridor, Centennial Extension Ph 2, North Chelton Rd, Wooten and Edison Reconstruction, and Academy Blvd Reconstruction.

6. Specialty Valves Rehabilitation and Replacement Program (394651)

This program identifies, evaluates, prioritizes, and implements the rehabilitation/replacement of critical and specialty valves in the water system to ensure safe and reliable water service to our customers. The program includes condition assessment and evaluation of valve performance and consequence of failure for prioritization of projects. Work in 2021 will include Tesla/EDS Trains 2 & 3 Flow Control Valve Replacements, the 72" McCullough Butterfly Valve Replacement, and the FLYR5 Valve Vault Replacement.

7. URP-Water Mains Replacement (394741)

The Springs Utilities Reliability Program (URP) is a multi-year program that proactively and holistically identifies, assesses, and prioritizes existing utility infrastructure, across all Springs Utilities' services, for economy of scale construction opportunities which address potential barriers to future city growth. The URP supports I-6 Infrastructure, G-12 Urban Planning Area Utility Infrastructure Master Plan in the Colorado Springs Utilities Board Excellence in Governance Policy Manual.

8. Eagle River MOU Project (396081)

Continued work on joint water supply project to develop the Homestake conditional water rights under the 1998 Eagle River Memorandum of Understanding (ERMOU). The Project will deliver 10,000 acre feet of average annual yield to Colorado Springs. Activities for 2021 includes adoption of governance entity, selection of NEPA Program Manager, and continued prepermitting work such as development of final project purpose and need, no action, public engagement, studies to refine project configuration, and potential acquisition of wetland credits and reservoir property.

3,346,104

3,500,004

2,499,996

2,000,004

9. Potable Pumping Station Replacement Program (394587)

\$ 1,884,996 zes, and ram erm

The Potable Pumping Station Replacement Program evaluates, prioritizes, rehabilitates, and/or replaces pump stations, pump station equipment and systems to maintain reliable water service to our customers. The program provides condition assessments in support of asset management and a long term capital improvement plan for each of the finished water pump stations. Formal condition assessments were conducted in 2009, 2017/2018 and 2019 which have identified targeted replacement of Pump Station Equipment and Systems.

10. Homestake Suction Pipeline Replacement (394477)

1,599,996

The 2008 Homestake Assessment Project detected circumferential and longitudinal cracks in the 66" Otero suction pipeline. These cracks pose a significant risk to the life of the nearly 50 year old pipeline. Failure of this pipeline could lead to a failure in our obligation to serve, since most Colorado Springs Utilities' raw water is transported through this crucial pipeline. 2021 through 2025 funding provides for replacement of the sixth through tenth sections of the suction pipeline. Required for continued compliance with Excellence in Governance Policy I-6.

11. Continental-Hoosier System Project (394345)

1,500,000

The Continental-Hoosier System project seeks to permit a storage enlargement of 8100 ac-ft at Montgomery Reservoir that will allow for the collection and conveyance of an additional average annual yield of 2500-4000 ac-ft through the Blue River pipeline. Activities between 2021 and 2023 include drafting memorandums of understanding (MOUs) with permitting agencies for joint review and study methodology, developing project alternatives to include a No-Action alternative and evaluate environmental impacts to facilitate Federal, State and Local permitting pathways to develop a Record of Decision, 1041 decision and applicable permits.

12. Water Meters - Base Requirements (394204)

1,485,468

This is a growth-driven and lifecycle replacement program, which purchases water meters, parts, connection materials and water modules. It provides for Capital additions to connect new residential, commercial, and industrial water customers to Springs Utilities' system. In addition, it provides for Capital replacements of damaged and defective meters, meters replaced through the Meter and Module Life Cycle Replacement Program and Wide Flow Program. Water meters are an obligation to serve requirement.

13. Tollefson- 33rd Street Pump Station Intake Upgrade (394452)

The purpose of this project is to improve the operation of the intake and pump station to increase the use of local water supply and upgrade the over 50 year old facility. The facility has historically experienced excessive sedimentation since the intake was reconstructed to accommodate retail construction and has been exacerbated by the Waldo Canyon Fire. This is a multi-year project that will replace the existing intake, channel, and pump station. Substantial Completion of this facility is anticipated in February 2021.

14. Mesa WTP Upgrades Program (394536)

Improvements to address aging infrastructure, increase local water use, and extend the service life of the Mesa/Phil Tollefson Water Treatment Plant (WTP). The Phase I Construction (2018 to 2021) includes several new facilities, most notably the new pretreatment facility needed to maintain capacity and begin steps to accept more local water. Final construction completion of this multi-year project continues in 2021 with landscaping, security provisions and other final items. Upgrades are required for continued compliance with Board Policies, the Safe Drinking Water Act and other drinking water regulations.

15. Homestake Surge Pond Rehabilitation (394615)

The Surge Pond is a facility located between the Upper and Lower Homestake Pipeline that protects the pipeline and the Otero and Twin Rocks Pump Stations from pressure surges. The pond was originally constructed in the 1960's. The pond requires extensive rehabilitation to ensure that it operates as intended to protect the pipelines and pump stations connecting the two systems. Design was completed in 2020, with construction in 2021.

16. Rosemont System Improvements (394692)

This project implements system improvements to the Rosemont Delivery System. The project consists of raw water transmission main improvements and control valve installation to meet Springs Utilities operational and customer requirements for raw water delivery.

17. ROY Storage (394419)

Development of additional reservoir storage is a primary recommendation of the Integrated Water Resource Plan. Per requirement of the 2004 IGA, the ROY participants are actively pursuing a leased project site (with option to purchase) and design alternative which would allow the IGA parties to collectively capture 5,000 ac-ft of foregone diversions that result from participation in the Arkansas River Flow Management Program according to the IGA.

1,428,372

1,100,004

1,350,108

999,996

18. Water Acquisition - Temporary Use Waters (394683)

Springs Utilities is developing, testing, and implementing alternative transfer methods (ATMs) to acquire temporary use waters as an alternative to traditional "buy and dry" methods of water rights acquisition in the Arkansas Basin. ATMs have been identified in the Integrated Water Resource Plan (IWRP) as a key component of a Balanced Portfolio. Acquiring temporary use waters in the nearterm is essential for perfecting conditional exchange rights decreed in Case No. 05CW96 and providing temporary supplies for drought response and recovery.

19. Twin Rock Pump Station MV Drive Replacement (394730)

Twin Rocks pump station is our primary source for raw water delivery and this project is to start replacing medium voltage (MV) variable frequency drives (VFD's). The goal is to limit down time and unexpected outages due to drive failures. A typical life cycle for a MV VFD is roughly 15 years. There is no longer adequate support or part availability due to the manufacturer discontinuing the 6KV VFD platform.

20. Water Infrastructure Corrosion Program-Raw Water (394678)

The Water Infrastructure Corrosion Program - Raw Water (WICP-RW) identifies, assesses, prioritizes, and constructs the repair/replacement of raw water cathodic protection systems to ensure safe and reliable water service to our customers. The WICP is essential for compliance with our Excellence in Governance Policy I-6.

21. Colorado Centre Metropolitan District Water Facilities Purchase (394743)

Purchase of certain water mains as obligated in an Intergovernmental Agreement between Colorado Centre Metropolitan District and Springs Utilities. Execution of this Intergovernmental Agreement was complicated by the Amended and Restated Banning Lewis Annexation Agreement. All monies paid will be recovered from development in the area through a standard Recovery Agreement.

22. Homestake Tunnel Outlet Channel Rehabilitation (394647)

This project provides for the complete demolition of the energy dissipation structure's roof, walls, and baffles down to the floor slab and removal of approximately 4 inches of the concrete in the floor. Concrete material would then be replaced back to the original surface. New stainless steel armoring plates would then be installed to protect the impact zones. 100% design is complete.

500,004

500,004

\$

405,000

468,000

23. Adobe Reservoir Expansion (394686)

Participation in Fort Lyon Canal Company's (FLCC) Adobe Reservoir expansion will make gains towards the IWRP balance project portfolio including the ATM supply of 25,000 AF and the Arkansas Basin Storage goal of 90,000 to 120,000 AF. Having storage in Adobe Reservoir will optimize ATMs through operational optimization of transfers or exchanges of ATM water to Lake Meredith and/or Pueblo Reservoir.

24. Water System Infrastructure Continuity (380096)

The Water System Infrastructure Continuity Program is an activity that adds and replaces water system infrastructure when project costs are over the \$5,000 O&M threshold and when the project is not covered by the Water Main Replacement Program. Examples are smaller footage jobs that are not engineered, large valve replacement, pipe replacement work and rehabilitation done for Water System Continuity or needs not covered by the City's 2C Paving Initiative. This program is budgeted annually and accounts for necessary infrastructure needs that are not funded under other programs.

25. AMI Project-Multi (796649)

In 2021, Springs Utilities will continue to execute its strategy for a necessary transition from Automated Meter Reading (AMR) to Advanced Metering Infrastructure (AMI). This project reflects intended purchase of 2-way electric, gas, and water modules to replace residential, commercial, and industrial meters and modules in Springs Utilities' service territory.

26. Fire Hydrant Installation (380099)

This program is used to replace hydrants that are non-operational or that are obsolete because replacement parts are no longer manufactured. These hydrants are identified through the O&M Preventive Maintenance Program and notification by internal and external sources.

27. Homestake Collection System Pipeline Repair and Rehabilitation (394711)

Four projects were identified because of the 2008 Homestake Assessment Project. With the design completed to 75% level in 2015, the remaining design, preparation, and interior relining of the above grade reaches phase of this project includes installing access points for inspection and construction and finalizing design in 2021 for 2022 and 2023 relining.

28. Upper Williams Creek Reservoir - SDS (394716)

This specific project was originally part of the Phase I portion of the SDS Program and will complete the Phase I land acquisition and associated environmental clearances for the remaining portion of the future Upper Williams Creek (aka Bostrom) Reservoir site which will serve as terminal storage of raw water closer to our community.

\$ 249,996

231,249

245,004

200,004

200,004

29. Water Valve Replacement (394703)

The Water Valve Replacement Program is an activity that replaces water valves when project costs are over the \$5,000 O&M threshold and when the project is not covered by the Water Main Replacement Program. Examples are smaller footage jobs that are not engineered, large valve replacement, pipe replacement work and rehabilitation done for Water System Continuity or needs not covered by the City's 2C/2C2 Paving Initiative. This program is budgeted annually and accounts for necessary infrastructure needs that are not funded under other programs.

30. Lab Capital Equipment - Water (380082)

The Colorado Springs Utilities laboratory maintains over 30 distinct analytical instruments and ancillary pieces of equipment vital to the function of the laboratory. These instruments and equipment require periodic replacement as they reach the end of their life-span, or as technological advances and improved analytical methods drive the need for new instrumentation. This project encompasses those instruments and equipment necessary for continued Safe Drinking Water Act compliance.

31. Homestake Operator Housing Replacement (394738)

The Homestake Operator Housing is old and in declining condition. Due to limited space, both existing houses must be demolished prior to their replacement at the same location. The sequencing and design for the two caretaker houses, along with survey and geo-tech would be performed in 2021 with demolition and construction taking place in 2022 and 2023. (Or possibly both in 2022 and 2023).

32. Water Tools & Equip (380101)

This project is for the purchase of large tools and equipment over \$5,000 for the Distribution, Collection & Treatment Department, Construction/Maintenance Section, such as shoring, large pumps, and other equipment needs.

33. Homestake Pipeline Replacement for Leak Remediation (394715)

Pipeline failures can prevent the Otero Pump Station from pumping for two to six weeks. This amounts to between 1.6 billion and 5.2 billion gallons of lost pumping opportunity. To maintain the operational capability of this critical infrastructure, it is imperative that leaking or failed sections of pipe be replaced. Homestake personnel are experienced in the replacement of leaking or failed PCP with steel pipe, having already performed this task in eight locations. The project provides for the purchase and installation of pipe replacement kits.

150,000

150,000

140,004

34. LAWMA Shares Acquisition (394672)

LAWMA shares were acquired in 2018 and will be moving through water court for a change in use and place of use. The change case is required for the full use and operation of the water shares. Springs Utilities will reimburse LAWMA for engineering, legal and administrative expenses associated to the change case.

35. Homestake Suction Line Debris Screen (394740)

The Homestake suction pipeline draws water from Twin Lakes Reservoir. All debris, that makes its way into the pipeline, ends up in the pumps at the Otero Pump Station. Once the pump efficiency is reduced, the pump must be shut off, pulled, and cleaned. This can affect multiple pumps multiple times during the year. Any debris that makes it through the pumps will end up in the valves at the Spinney Mountain Tap which requires further cleaning and pumping rate reduction. A debris screen should be constructed to remove flotsam before it reaches the pump station. Design is planned for 2021.

36. Water Tap Install - New Cust (380108)

This program of work provides for the inspection and installation of water taps for new residential and commercial customers on CSU owned water mains.

37. AMR/AMI Network New Growth & Replacement (796463)

Purchase additional Automated Meter Reading (AMR) concentrators, repeaters, and collectors to accommodate new growth areas and existing meters in Springs Utilities service territory. Unlicensed frequency will require that Springs Utilities add concentrators to affected areas to maintain current reliability. New unlicensed devices being sold in consumer markets are causing interference and require additional concentrators to overcome meter read issues. This on-going project is required as part of Springs Utilities' obligation to serve.

38. Developer Initiated Projects - Water (394114)

Funding appropriated to this project provides financial assistance to Colorado Springs Utilities' customers in certain, qualifying scenarios, to promote the extension of the water distribution system and provide service capability to previously-unserved areas within the water service territory. There are currently no known developer-initiated projects for 2021 that require funding.

39. Homestake SCADA System Upgrades (380125)

The Homestake Supervisory Control and Data Acquisition (SCADA) system upgrades include replacing and upgrading equipment that is essential for reliable operation of the Otero Pump Station.

99,996

75,000

\$

30,000

25,500

24,996

40. Water System Design Review, Inspection and Acceptance (394132)

\$ n for rado stem

Water system extension design review, inspection, and documentation for developers and contractors to ensure compliance with City Code and Colorado Springs Utilities' current Line Extension & Service Standards, and to protect system integrity.

41. AMI Meter Data Management (MDM) Implementation (796634)

9,999

12,000

This project supports the AMI Program with the implementation of Oracle Meter Data Management (MDM). The MDM captures and stores meter data from four head-end systems and integrates with the Customer Information System for billing purposes and the Enterprise Data Reservoir for analysis purposes. Post-go live support will be completed in 2021.

Subtotal Capital - Water	\$ 59,200,488
Capital Labor & Benefits	\$ 4,389,569
Administration & General Expense	\$ 3,491,573
2021 Total Capital - Water with Allocated Components	\$ 67,081,630

WATER EXPENDITURES SUMMARY (in thousands)

		FY21		FY20			Incre	ase/ (De	crea	ase) from) :
Account Group	A	proved	A	pproved		FY19					
	E	Budget		Budget	Actual		FY20 Bu	dget	FY19 Act		tual
Non-Labor Operations & Maintenance											
Production and Treatment	\$	27,656	\$	27,402	\$	25,942	\$ 255	0.9%	\$	1,714	6.6%
Purchased Water		10,275		10,484		10,776	(209)	-2.0%		(501)	-4.7%
Transmission and Distribution		2,511		2,440		1,566	71	2.9%		945	60.3%
Maintenance		7,963		8,268		9,519	(305)	-3.7%		(1,556)	-16.4%
Customer Service and Information		1,453		1,267		964	187	14.7%		489	50.8%
Administrative and General		11,608		10,559		9,940	1,049	9.9%		1,668	16.8%
Customer Accounting and Collections		2,234		2,157		2,074	78	3.6%		161	7.8%
Total Non-Labor Operations & Maintenance	\$	63,700	\$	62,575	\$	60,781	\$ 1,125	1.8%	\$	2,919	4.8%
Labor & Benefits											
Production and Treatment	\$	13,815	\$	13,871	\$	12,680	\$ (56)	-0.4%	\$	1,135	9.0%
Transmission and Distribution		7,430		7,192		7,180	239	3.3%		250	3.5%
Maintenance		6,722		6,727		7,359	(5)	-0.1%		(637)	-8.7%
Customer Service and Information		1,004		1,172		1,221	(168)	-14.3%		(217)	-17.8%
Administrative and General		28,167		27,348		25,416	818	3.0%		2,750	10.8%
Customer Accounting and Collections		2,533		2,393		2,258	140	5.8%		275	12.2%
Total Labor & Benefits	\$	59,672	\$	58,703	\$	56,115	\$ 969	1.7%	\$	3,557	6.3%
Total Non-Fuel Operations & Maintenance 1	\$	123,372	\$	121,278	\$	116,896	\$ 2,094	1.7%	\$	6,476	5.5%
Transfers to City- Surplus	\$	2,590	\$	2,579	\$	-	\$ 11	0.4%	\$	2,590	- %
Debt Service		80,357		80,333		77,701	23	0.0%		2,656	3.4%
Direct Capital		67,082		63,467		67,477	3,615	5.7%		(395)	-0.6%
Allocated Capital ²		5,292		4,579		3,458	714	15.6%		1,834	53.0%
Total	\$	278,693	\$	272,236	\$	265,533	\$ 6,457	2.4%	\$	13,160	5.0%

¹Non-Fuel O&M does not include inter-service eliminations or GASB 68 and 75 pension expense.

² Common capital allocated to Water Service.

WASTEWATER SERVICE OVERVIEW

SERVICE HIGHLIGHTS



- 1 WASTEWATER GOES DOWN YOUR DRAINS
- 2 TAKES WASTEWATER FROM HOMES AND BUSINESSES TO LIFT STATIONS
- 3 MOVES WASTEWATER FROM LOW TO HIGH ELEVATIONS
- 4 MOVES WASTEWATER TO RESOURCE RECOVERY FACILITY
- 3 RECOVERY FACILITIES TREAT WASTEWATER THROUGH MULTI-STEP PROCESS
- 6 THE RECLAIMED WATER IS RELEASED TO FOUNTAIN CREEK WHERE WE'RE ABLE TO REUSE IT THROUGH WATER EXCHANGES

DID YOU KNOW?

- We operate one of Colorado's largest water resource recovery systems, collecting wastewater from more than 141,000 service points through 1,700 miles of pipe.
- We invested \$250 million in maintenance and systems improvements between 2004 and 2018.
- We use state-of-the-art ultraviolet disinfection processes for treatmen
- Reclaimed water (treated wastewater) is returned to streams or reused for irrigation, augmentation and in our operations.



STATISTICS

Number of active accounts: 145,284

• Wastewater treated: average of 38 million Gpd

Combined permitted capacity: 95 million Gpd

Miles of sewer main pipe: 1,764 miles

Number of water resource recovery facilities: 2

Solids Handling Facility: 1Number of lift stations: 20

2021 OPERATING PLAN

Safety – Committed to Eliminating Incidents and Injuries; focusing on injury prevention, established a Safety & Health Onboarding program, improving driver training, assessing arc flash hazards to ensure warning labels and boundaries are identified and maintained, establishing a Qualified Electrical Worker training and certification program, standardizing Lock Out/Tag Out across the treatment plants and enhancing Contractor Safety Management Program.

Wastewater Planning and Condition Assessments – This key program of work starts with an assessment of the condition and expected service life of wastewater assets as well as evaluation of asset criticality (based on consequence of failure) to enable risk-based prioritization decisions. Other drivers considered include population growth, changes in flow and customer behavior, regulatory requirements, aging infrastructure, system operations, and technology. The planning process leads to preparation of infrastructure investment plans that will guide decision making.

Wastewater Treatment Plant Investments – This key program of work provides for improvements needed to meet increasingly stringent plant effluent regulations, take advantage of economic and environmentally beneficial opportunities and extend the service life of the wastewater plants by addressing aging infrastructure needs identified in facility plans.

Wastewater Collection System Improvements – This program of work is aimed at improving the performance of the Utilities Wastewater Collection System and minimizing the risk of spills and includes: The Local Collectors Evaluation and Rehabilitation Program (LCERP); Collection System Rehabilitation/Replacement (R&R); and Lift Station and Force Main Rehabilitation Program (LSFM). Methodology includes inspection and evaluation of all facilities; rehabilitation and/or replacement of those found to be deficient; and re-inspection of pipelines on a regular cycle. Included are approximately 1,700 miles of sanitary sewer pipelines and 20 Lift Stations.

Sanitary Sewer Creek Crossings – This key program of work covers the Sanitary Sewer Creek Crossing (SSCC) Program, which works to ensure that wastewater pipelines in and near drainages (creeks) are protected from damage caused by streamflow, floods, and erosion. The SSCC program uses a variety of tools, including pipeline hardening and relocation, streambank stabilization, stream restoration, and the construction of grade control (drop) structures. This initiative supports Springs Utilities' commitment to stormwater management outlined in the 2016 Intergovernmental Agreement (IGA) between Colorado Springs Utilities, the City of Colorado Springs, and Pueblo County.

1. SSCC Collection System Rehabilitation/Replacement Program (495253)

\$ 3,309,444

The Sanitary Sewer Creek Crossing (SSCC) Rehabilitation/Replacement program evaluates, protects, and rehabilitates sanitary sewer pipelines that cross creeks and drainages in Springs Utilities' service area, while at the same time providing stream stability and reduced erosion and sedimentation. Funds are budgeted according to a 2016 IGA commitment and related Executive Agreement (\$3.3M in 2021) and reported annually to the City of Colorado Springs. In 2021, four projects are scheduled that will provide protection by constructing drop structures and stabilizing creek banks near existing pipelines.

2. URP-Wastewater Mains Replacement/Lining (495405)

2,499,996

The Springs Utilities Reliability Program (URP) is a multi-year program that proactively and holistically identifies, assesses, and prioritizes existing utility infrastructure, across all Springs Utilities services, for economy of scale construction opportunities which address potential barriers to future city growth. The URP supports I-6 Infrastructure, G-12 Urban Planning Area Utility Infrastructure Master Plan in the Colorado Springs Utilities Board Excellence in Governance Policy Manual.

3. Local Collectors Evaluation and Rehabilitation Program (LCERP) (495121)

2,000,004

The Local Collectors Evaluation and Rehabilitation Program (LCERP) is multi-year program entering the 16th year of implementation. The goal of LCERP is to determine the condition of every sanitary sewer pipeline less than 10" in diameter and place them on a rank based priority schedule to be re-inspected or rehabilitated. LCERP has completed over 167 total miles rehabilitating over 3100 individual line segments. 2021 and 2022 LCERP will rehabilitate approximately 40,000 feet pipe each year. LCERP is considered a condition of the 1041 Permit by Pueblo County for the Southern Delivery System.

4. Colorado Centre Metropolitan District Wastewater Capacity Purchase (495407)

Purchase of wastewater treatment and conveyance capacity for lower Banning

1,395,000

Lewis Ranch.

5. CSRRRF Electrical Upgrades Project (495343)

\$ 1,340,004

This project would allow us to complete a holistic improvement on the electrical feed, switchgear, power distribution and electrical and instrumentation systems on the digestion facility. Most of the equipment, wiring and conduit to be replaced have been in service since 1985 and are past the end of their useful life. In 2021 we will be moving forward with construction efforts; equipment upgrades and improvements as budget allows.

6. Wastewater Service Vehicles & Equipment (480017)

1,074,996

Replacement of Vehicles and Equipment for the Colorado Springs Utilities Wastewater Service to maintain a safe, cost effective and reliable fleet

7. LVSWRRF Blower and Aeration System Modifications (495307)

900,000

Conduct a Study and Alternative Analysis of the diffusers at the Las Vegas Street Wastewater Treatment Facility. Complete a design and/or performance specification for the replacement of the existing diffusers.

8. Northern Monument Creek Interceptor (495356)

849,996

The Northern Monument Creek Interceptor (NMCI) project consists of installing approximately 10 miles of 30-36" pipe and appurtenances from the southern edge of the US Air Force Academy (USAFA) to Monument, CO. The NMCI will enable Springs Utilities to eliminate multiple lift stations and accept wastewater flows from up to six sanitation districts located north of Colorado Springs, with the potential to generate \$2.5-3.0M of annual revenue. The 2021 project plan includes completing the NEPA permitting process and the commencement of the final design.

9. Public Improvement Projects - Wastewater (480015)

800,004

This capital activity and budget pays for Colorado Springs Utilities' share of wastewater relocations, betterments, and improvements because of Pikes Peak Rural Transportation Authority (PPRTA), City Capital Improvements Projects, El Paso County and Colorado Department of Transportation (CDOT) public improvement projects. 2021 public improvement wastewater projects include Circle Dr Bridges, 30th St Corridor, Centennial Extension Ph 2, Wooten and Edison Reconstruction, and Academy Blvd Reconstruction.

10. CSRRRF Drainage Improvements (495303)

Water infiltration has caused settling around the digesters resulting in some electrical failures. The electrical repairs have been completed as part of another project completed in 2013 but the water infiltration must be reduced to protect existing infrastructure.

11. CCTV Equipment (480004) 560,004

This project provides for replacement or upgrades of CCTV Cameras & Equipment used by collection system staff to evaluate the condition of sanitary sewer pipe.

12. Collection System Rehabilitation/Replacement (495236)

Collection System Rehabilitation/Replacement (CSRR) Project provides for the assessment and rehabilitation\replacement of the collection system for large diameter pipes (10" and greater). The CSRR is the successor to the SSERP (SSERP was mandated by a Compliance Order on Consent with the CDPHE). The large diameter portion of the sanitary sewer collection system consists of approximately 270 miles of pipe. 2021 CSRR will rehabilitate approximately 6,000 feet of pipe. CSRR is considered a condition of the 1041 Permit by Pueblo County for the Southern Delivery System.

13. Wastewater Lift Station and Force Main Evaluation and Rehabilitation Program (495281)

The Lift Station and Force Main Evaluation and Rehabilitation Program (LSFMERP) is a program to assess the condition of critical wastewater pump stations and force mains to avoid sanitary sewer overflows (SSOs). Capital funds cover necessary improvements for the lift stations to maintain reliability. Beginning in 2018, survey and assessment of lift stations commenced using the existing water pump station assessment template. Starting in 2021, the program will rehabilitate one pump station every other year. Rehabilitation projects will bridge two years of funding on each lift station.

500,004

\$

719,880

14. Wastewater Infrastructure Corrosion Program (495322)

The intent of a comprehensive Wastewater Infrastructure Corrosion Program (WWICP) is to identify, evaluate, monitor, prioritize and construct the repair/replacement of failing cathodic protection systems to insure safe and reliable wastewater services to our customers. We are currently performing an assessment of the existing cathodic protection systems for the wastewater systems. This evaluation includes the cataloging and condition assessment of several asset groups based on criticality. 2021 will continue cathodic protection assessment at Las Vegas facility and implement recommended improvements from Studies and Alternatives analysis at JD Phillips.

15. WRRF Improvements Program (495338)

This program exists to provide funding for required capital improvements and upgrades at the Water Resource Recovery Facilities. This program will be used for relatively small projects that are identified either through the Facility Plan or through opportunities identified during operations. A typical use for this program could be replacement of pumps or valves identified as capital assets in the Unit of Property book but not large enough to justify their own project.

16. WRRF Control System Upgrade Program (495328)

Install control system, variable frequency drive and instrumentation improvements at Las Vegas, JD Phillips, and Clear Spring Ranch Water Resource Recovery Facilities. This project will improve controls reliability and efficiency at the treatment plants due to aging and obsolete controls, variable frequency drives and instrumentation and control schemes.

17. CSRRRF Biogas Utilization Project (495331)

A studies and alternatives analysis (SAA) were completed in 2017 to evaluate and determine the best use of biogas generated at the Clear Spring Ranch Resource Recovery Facility (CSRRRF). The selected alternative will offset boiler operation and maintenance (O&M) costs due to cleaner biogas being utilized in the boilers and has the potential to generate revenue by producing renewable gas and/or energy. The 2021 project plan includes completing design of the selected alternative.

\$ 416,004

350,004

300,000

18. Lab Equipment Capital - Wastewater (480003)

The Colorado Springs Utilities laboratory maintains over 30 distinct analytical instruments and ancillary pieces of equipment vital to the function of the laboratory. These instruments and equipment require periodic replacement as they reach the end of their life-span, or as technological advances and improved analytical methods drive the need for new instrumentation. This project encompasses those instruments and equipment necessary for continued Clean Water Act compliance.

19. CSRRRF Replace Heat Exchangers on Digesters 1-4 (495358)

This project would allow us to replace the heat exchangers used to heat up the liquid inside the digesters. The heat exchangers in use now have reached end of useful life and have even been repurposed from two other digesters that have seen less use.

20. LVSWRRF Influent Junction Box Replacement (495363)

This project would provide for the rehabilitation of the wastewater influent junction box to extend the life of the junction box until replacement which is planned for 2034.

21. JDPWRRF Replace Gates at plant (495360)

This project would allow for the replacement of the flow control gates feeding the secondary clarifiers. The current gates are extremely unreliable which has resulted in less than desirable operational scenarios. In 2021, we will move forward with the design followed by construction in 2022.

22. JDPWRRF UV Treated Effluent Bulb Replacement (495275)

UV bulbs must be replaced periodically due to a limited lifespan and effectiveness based primarily on the number of running hours and operating intensity. This program provides funding for the mass replacement of the bulbs as they reach the end of their useful life.

\$ 159,996

125,004

150,000

150,000

23. Wastewater Service to Unsewered Areas (495106)

Funding appropriated to this program provides financial assistance to Colorado Springs Utilities' customers in certain, qualifying scenarios, to promote the extension of the wastewater collection system and provide service capability to unsewered areas within the wastewater service territory. There are currently three (3) known, potential projects that could occur in 2021 subject to funding availability and customer interest, including: Bijou Valley Estates, 306 W Brookside St and 508 S 9th St.

24. CSRRRF Install Second Ferrous Chloride Feed Tank (495346)

This project would increase the on-site storage capacity of ferrous chloride to mitigate the requirement for just-in-time chemical deliveries while also providing redundancy for our aging ferrous chloride tank.

25. Wastewater Tools and Equipment (495321)

This project is for the purchase of large tools and equipment for the Distribution, Collection & Treatment Department, Wastewater Collections Section.

26. LVSWRRF Roof Replacement Program (495330)

The Las Vegas Water Resource Recovery Facility has 25 buildings with roofing systems that need repair or replacement. This program provides funding to replace the roofs in a systematic approach.

27. JDPWRRF UV Disinfection- Lower Bulb Replacement (495319)

This UV (ultraviolet light) disinfection system is installed at the inlet of the nonpotable water system, as required by our operating permit, to sterilize the bacteria before the water is released to the nonpotable water system. The UV bulbs have a design life based on number of hours and intensity. This project would allow us to replace the bulbs to operate in compliance with our operating permit.

28. LVSWRRF JB-2 Odor Control Media Replacement (495335)

The odor control vessel at the Las Vegas Street Water Resource Recovery Facility contains a media which removes the sulfur based odors that are removed from the junction box that combines the different flows into the plant. This area releases the hydrogen sulfide that is generate in the pipelines as the wastewater makes its way to the plant. The spent media must be replaced periodically (approximate media life is about three years) to mitigate odor emissions from the plant.

75,000

69,996

50,004

30,000

29. Wastewater System Design Review, Inspection and Acceptance (495062) \$ 12,000 Wastewater pipeline design review, inspection, and documentation for developers and contractors to ensure compliance with City Code and Colorado Springs Utilities' current Line Extension & Service Standards, and to protect system integrity.

Subtotal Capital - Wastewater	\$ 18,834,336
Capital Labor & Benefits	\$ 445,656
Administration & General Expense	\$ 240,798
2021 Total Capital - Wastewater with Allocated Components	\$ 19,520,790

WASTEWATER EXPENDITURES SUMMARY (in thousands)

		FY21		FY20				Increa	ase/ (De	crea	ase) from:		
Account Group	Α	pproved	A	Approved		FY19							
	Budget			Budget		Actual		FY20 Budget			FY19 Actual		
Non-Labor Operations & Maintenance													
Production and Treatment	\$	3,217	\$	3,474	\$	3,516	\$	(257)	-7.4%	\$	(299)	-8.5%	
Transmission and Distribution		2,552		2,584		1,784		(31)	-1.2%		768	43.1%	
Maintenance		2,868		2,995		2,948		(127)	-4.2%		(80)	-2.7%	
Customer Service and Information		346		319		292		27	8.5%		54	18.6%	
Administrative and General		5,042		4,284		4,071		759	17.7%		972	23.9%	
Customer Accounting and Collections		984		905		804		79	8.7%		180	22.4%	
Total Non-Labor Operations & Maintenance	\$	15,010	\$	14,560	\$	13,414	\$	449	3.1%	\$	1,595	11.9%	
Labor & Benefits													
Production and Treatment	\$	3,475	\$	3,523	\$	3,428	\$	(48)	-1.4%	\$	47	1.4%	
Transmission and Distribution		5,805		6,025		4,762		(221)	-3.7%		1,043	21.9%	
Maintenance		1,977		2,563		3,660		(586)	-22.9%		(1,683)	-46.0%	
Customer Service and Information		981		1,144		954		(164)	-14.3%		27	2.9%	
Administrative and General		10,999		10,680		9,938		320	3.0%		1,062	10.7%	
Customer Accounting and Collections		2,352		2,220		2,106		131	5.9%		246	11.7%	
Total Labor & Benefits	\$	25,589	\$	26,156	\$	24,847	\$	(567)	-2.2%	\$	741	3.0%	
Total Non-Fuel Operations & Maintenance ¹	\$	40,598	\$	40,716	\$	38,262	\$	(118)	-0.3%	\$	2,337	6.1%	
Debt Service	\$	24,603	\$	24,293	\$	24,618	\$	309	1.3%	\$	(15)	-0.1%	
Direct Capital		19,521		16,900		19,971		2,620	15.5%		(451)	-2.3%	
Allocated Capital ²		1,994		1,734		1,323		260	15.0%		671	50.7%	
Total	\$	86,716	\$	83,644	\$	84,174	\$	3,072	3.7%	\$	2,542	3.0%	

¹Non-Fuel O&M does not include inter-service eliminations or GASB 68 and 75 pension expense.

²Common capital allocated to Wastewater Service.

ENTERPRISE-WIDE

	Common Service Projects	2021 Approved Budget
1.	Customer Care and Billing (CC&B) Reimplementation Program (596654) Reimplementation of the Customer Care and Billing (CC&B) system to include a new software version, updated underlying infrastructure, revised business functionality with fewer customizations and the inclusion of new business functionality provided in the more recent software. Will enable us to work more efficiently, serve customers more effectively and reduce risk to the CC&B application. This is an estimated cost dependent on the RFP outcome over a multi-year deployment.	\$ 5,637,660
2.	Common Service Vehicles & Equipment (580175) Replacement of Vehicles and Equipment for the Colorado Springs Utilities Common Service to maintain a safe, cost effective and reliable fleet	1,050,000
3.	Database Platform Upgrade (596653) Consolidation and decommission of three database environments into a single supportable Oracle database environment for sustainability and expanded functionality. A single platform simplifies maintenance, patching, redundancy and fail over.	999,996
4.	Enterprise Reporting & Analytics Software Replacement (596655) Replacement of current enterprise reporting and analytics software.	750,000
5.	LYSC01 Roof Upgrade and Replacement (596497) This project will replace the current roof at the Leon Young Service Center which currently at end-of-life. The scope includes upgrading the insulation of the existing roof for increased efficiency and thermal comfort.	699,996
6.	Network Enterprise Services Program (596544) This program includes 2 projects: Access Switch/Router Replacements - Enterprise Common Operating Environment & Control Networks. Network Performance Mgmt. & Diagnostics - Hardware & software to capture, analyze, measure & alert on network traffic.	666,948

7. BRDS02 Switchgear Replacement (596582)

Funding for this project will complete the replacement of mission critical main switchgear and controls at our Systems Energy Control Center which are currently at end of life. The switchgear refers to an electrical tool that regulates the flow of electricity within an electrical system. The switchgear exists to prevent overloads and short circuits as well as to de-energize circuits for testing and maintenance. The project goal is to improve reliability and the ability to perform required maintenance. A modern switchgear solution will be designed to address the deficiencies in the system.

8. Security Camera System Upgrade (596656)

500,004

549,996

\$

Complete replacement of the Pelco camera system utilized in Security Operations due to end of life / no longer serviceable.

9. Pikes Peak Regional Comm Network-Colorado Springs Utilities (596377)

384,504

Project to replace aging generators that provides redundant power to communication sites: Ski Summit, Mt. Pittsburg, Badger Mtn, Fountain Valley Authority and Woodland Park.

10. CMN Tools & Equip (580141)

330,000

Replacement of tools & equipment for the ECOM common service to stay current with technology while utilizing the tooling to make capital improvements or add capital equipment to our system.

11. Infrastructure Platform Program (596535)

300,000

On premise backup capacity expansion to support new project backup needs, data encryption, and sync copy to a cloud service.

12. Lawson Ming.le Upgrade (596658)

249,996

Lawson/Infor Ming.le12. upgrades the user interface for the primary financial and human resources tool to improve functionality. This is the first component of a full system upgrade and modernization.

13. POTR02 Blue River Board Room New Audio Visual System (596628)

200,004

Life Cycle replacement of audio/visual equipment at the Blue River Board Room to allow for continued use of audio/video functionality in support of common Utilities Board functions.

14. Network Transport Services Program (596622)

124,500

This program includes three projects:Hwy 24 Fiber build initiated in 2020, with installation of a fiber lateral to the Cascade Hydro plant. Communication Site Generator & Battery Plant Replacement -Squirrel Creek. Communication Site Battery Plant -Corral Bluffs.

15.	Faro Terrestrial Scanner (596645) Update the Terrestrial Scanner hardware to latest affordable version	\$ 69,996
16.	Cyber Operations and Resiliency Program (596545) Cyber testing and alerting devices	43,656
17.	Technology Services and Support Program (596533) Replace end-of-life large format printers/plotters.	33,996
18.	Clear Spring Ranch Miscellaneous Improvements (596365) Ongoing upgrades and additions to the Clear Spring Ranch, including those portions of the ranch utilized for Utility Operations and for the irrigation and share cropping operations.	24,996
19.	SCADA (580216) The SCADA (Supervisory Control and Data Acquisition) system has various hardware replacements and software purchases occur throughout the year.	9,996
	Subtotal Capital - Common	\$ 12,626,244
	Capital Labor & Benefits	\$ 731,599
	Administration & General Expense	\$ 180,599
	2021 Total Capital - Common with Allocated Components	\$ 13,538,442

ADMINISTRATIVE AND GENERAL (in thousands)

		FY21	FY20		Incre	ease/ (D	ecrease) from:			
Account Group	Service	Approved Budget	Approved Budget	FY19 Actual	FY20 Budget		FY19 A	ctual		
Non-Labor Administrative and General		Duaget	Dauget	Actual	11200	uuget	1113 A	ctuui		
Customer Service and Information	Electric	\$ 7,410	\$ 5,517	\$ 6,941	\$ 1,893	34.3%	\$ 469	6.8%		
	Natural Gas	1,908	2,097	1,508	(188)			26.6%		
	Water	1,453	1,267	964	187	14.7%	489	50.8%		
	Wastewater	346	319	292	27	8.5%	54	18.6%		
	Sub-Total	\$ 11,118	\$ 9,200	\$ 9,705	\$ 1,918	20.8%	\$ 1,413	14.6%		
Administrative and General	Electric	\$ 19,108	\$ 17,626	\$ 17,078	\$ 1,482	8.4%		11.9%		
	Natural Gas	5,670	6,150	5,342	(479)			6.1%		
	Water	11,608	10,559	9,940	1,049	9.9%	,	16.8%		
	Wastewater	5,042	4,284	4,071	759	17.7%		23.9%		
	Streetlights	219	181	181	38	20.8%		20.6%		
	Sub-Total	\$ 41,647	\$ 38,800	\$ 36,612	\$ 2,847	7.3%	\$ 5,034	13.8%		
Customer Accounting and Collections	Electric	\$ 4,023	\$ 3,921	\$ 3,662	\$ 102	2.6%	\$ 362	9.9%		
and the same of th	Natural Gas	2,779	2,768	2,717	12	0.4%	•	2.3%		
	Water	2,234	2,157	2,074	78	3.6%		7.8%		
	Wastewater	984	905	804	79	8.7%		22.4%		
	Streetlights	_	-	10	0	- %		-100.0%		
	Sub-Total	\$ 10,022	\$ 9,751	\$ 9,266	\$ 271	2.8%	_ ` '	8.2%		
Total Non-Labor Administrative and General	Total	\$ 62,786	\$ 57,750	\$ 55,583	\$ 5,036	8.7%	\$ 7,203	13.0%		
Labor & Benefits Administrative & General										
Customer Service and Information	Electric	\$ 2,267	\$ 2,443	\$ 1,961	\$ (176)	7 20/	\$ 307	15.6%		
Customer Service and information	Natural Gas	1,413	1,649	1,375		-14.3%		2.8%		
	Water	1,413	1,049	1,373	, ,	-14.3%		-17.8%		
	Wastewater	981	1,172	954		-14.3%		2.9%		
	Sub-Total	\$ 5,666	\$ 6,408	\$ 5,509	\$ (743)			2.8%		
		7 3,555	γ ο,	7 2,222	7 (1.10)		7 200			
Administrative and General	Electric	\$ 44,014	\$ 42,766	\$ 39,655	\$ 1,247	2.9%	\$ 4,358	11.0%		
	Natural Gas	11,832	11,497	10,680	335	2.9%		10.8%		
	Water	28,167	27,348	25,416	818	3.0%	2,750	10.8%		
	Wastewater	10,999	10,680	9,938	320	3.0%	1,062	10.7%		
	Streetlights	614	596	552	17	2.9%		11.1%		
	Sub-Total	\$ 95,625	\$ 92,887	\$ 86,241	\$ 2,738	2.9%	\$ 9,384	10.9%		
Customer Accounting and Collections	Electric	\$ 3,917	\$ 3,701	\$ 3,492	\$ 216	5.8%	\$ 426	12.2%		
castomer recounting and concentions	Natural Gas	3,566	3,369	3,179	197	5.8%		12.2%		
	Water	2,533	2,393	2,258	140	5.8%		12.2%		
	Wastewater	2,352	2,220	2,238	131	5.9%		11.7%		
	Sub-Total	\$ 12,369	\$ 11,684	\$ 11,034		5.9%		12.1%		
Total Labor & Benefits Administrative and General	Total	\$113,659	\$110,979	\$102,785	\$ 2,680	2.4%	\$10,874	10.6%		
Total Administrative and Concert ¹		\$176,445	\$168,730	\$158,368	\$ 7 716	A 69/	\$18,077	11 49/		
Total Administrative and General ¹	ļ.	31/0,445	\$106,/3U	\$136,308	7 /,/ ا	4.0%	\$10,U//	11.4%		

¹Total Administrative and General does not include inter-service eliminations or GASB 68 and 75 pension expense.



2021 DIVISION OPERATIONS AND MAINTENANCE BUDGET

By Division (in thousands)

		FY21		FY20	Inc	rease/ (Dec	rease) from:
Account Group	Αŗ	pproved	Α	pproved			
		Budget		Budget		FY20 Bu	ıdget
Division Total ¹	\$	583,093	\$	574,121	\$	8,972	2.0%
Corporate							
Labor	\$	543	\$	543	\$	(0)	0.0%
Benefits		50,488		48,219		2,269	5.0%
Outside Professional Services		1,373		1,373		0	0.0%
Office Expenses, Materials & Supplies		236		236		0	0.0%
Travel, Education & Employee Expenses		48		48		0	0.0%
Professional/Industry Memberships & Publications		3		3		0	0.0%
Misc. Accounting General		12,987		18,319		(5,332)	-29.0%
Sub-Total ¹	\$	65,678	\$	68,741	\$	(3,063)	-4.0%
CEO Direct Reports							
Labor	\$	10,590	\$	13,029	\$	(2,439)	-19.0%
Outside Professional Services		584		458		126	27.0%
Equipment Lease & Maintenance		397		386		10	3.0%
Office Expenses, Materials & Supplies		137		139		(2)	-1.0%
Travel, Education & Employee Expenses		833		657		177	27.0%
Conserve, Safety, Customer Assist & Financial Info		187		163		24	15.0%
Professional/Industry Memberships & Publications		464		465		(1)	0.0%
Misc. Accounting General		3		-		3	0.0%
Sub-Total ¹	\$	13,195	\$	15,297	\$	(2,102)	-14.0%
Energy Services							
Labor	\$	51,650	\$	53,206	\$	(1,556)	-3.0%
Outside Professional Services		21,506		15,996		5,509	34.0%
Equipment Lease & Maintenance		1,979		1,633		346	21.0%
Buildings & Utilities		7,786		10,022		(2,236)	-22.0%
Office Expenses, Materials & Supplies		208,756		203,728		5,027	2.0%
Travel, Education & Employee Expenses		1,400		1,507		(106)	-7.0%
Conserve, Safety, Customer Assist & Financial Info		4		26		(22)	-86.0%
Professional/Industry Memberships & Publications		1,080		1,057		23	2.0%
Sub-Total ¹	\$	294,159	\$	287,174	\$	6,985	2.0%

¹Totals exclude inter-service eliminations, Administration & General overhead, or GASB 68 and 75 pension expense.

By Division (in thousands)

		FY21		FY20	Increase/ (Decrease) from:			
Account Group	Ар	proved	Α	pproved				
	В	udget		Budget		FY20 Bud	dget	
Water Services								
Labor	\$	23,051	\$	23,058	\$	(7)	0.0%	
Outside Professional Services		10,140		10,308		(169)	-2.0%	
Equipment Lease & Maintenance		226		225		1	1.0%	
Buildings & Utilities		11,622		11,550		72	1.0%	
Office Expenses, Materials & Supplies		19,565		19,355		210	1.0%	
Travel, Education & Employee Expenses		419		412		7	2.0%	
Conserve, Safety, Customer Assist & Financial Info		298		283		15	5.0%	
Professional/Industry Memberships & Publications		74		77		(3)	-4.0%	
Misc. Accounting General		125		107		18	17.0%	
Sub-Total ¹	\$	65,518	\$	65,375	\$	143	0.0%	
System Planning and Projects								
Labor	\$	21,345	\$	18,705	\$	2,640	14.0%	
Outside Professional Services		10,978		10,497		481	5.0%	
Equipment Lease & Maintenance		2,228		1,464		764	52.0%	
Buildings & Utilities		253		251		2	1.0%	
Office Expenses, Materials & Supplies		265		233		32	14.0%	
Travel, Education & Employee Expenses		475		339		136	40.0%	
Conserve, Safety, Customer Assist & Financial Info		4,926		4,211		715	17.0%	
Professional/Industry Memberships & Publications		279		150		129	86.0%	
Sub-Total ¹	\$	40,749	\$	35,849	\$	4,899	14.0%	
Customer and Corporate Services								
Labor	\$	37,157	\$	36,606	\$	551	2.0%	
Outside Professional Services		3,760		5,241		(1,482)	-28.0%	
Equipment Lease & Maintenance		22,017		20,725		1,292	6.0%	
Buildings & Utilities		1,532		1,649		(116)	-7.0%	
Office Expenses, Materials & Supplies		3,340		3,016		324	11.0%	
Travel, Education & Employee Expenses		398		282		116	41.0%	
Conserve, Safety, Customer Assist & Financial Info		2,236		2,211		25	1.0%	
Professional/Industry Memberships & Publications		210		212		(2)	-1.0%	
Misc. Accounting General		3,145		2,811		334	12.0%	
Sub-Total ¹	\$	73,795	\$	72,752	\$	1,043	1.0%	

¹Totals exclude inter-service eliminations, Administration & General overhead, or GASB 68 and 75 pension expense.

Account Group		FY21		FY20		Increase/ (Decrease) from:	
		Approved		Approved			
	Budget		Budget		FY20 Budget		
Enviromental							
Labor	\$	4,833	\$	4,872	\$	(39)	-1.0%
Outside Professional Services		584		454		130	29.0%
Equipment Lease & Maintenance		114		111		3	3.0%
Office Expenses, Materials & Supplies		307		303		3	1.0%
Travel, Education & Employee Expenses		64		59		5	9.0%
Professional/Industry Memberships & Publications		10		14		(3)	-25.0%
Sub-Total ¹	\$	5,913	\$	5,814	\$	99	2.0%
Planning and Finance							
Labor	\$	4,185	\$	4,619	\$	(434)	-9.0%
Outside Professional Services		4,966		4,822		144	3.0%
Equipment Lease & Maintenance		0		0		(0)	-5.0%
Office Expenses, Materials & Supplies		32		32		(1)	-2.0%
Travel, Education & Employee Expenses		93		56		37	66.0%
Professional/Industry Memberships & Publications		54		54		(0)	-1.0%
Misc. Accounting General		5,779		5,828		(49)	-1.0%
Sub-Total ¹	\$	15,109	\$	15,413	\$	(303)	-2.0%
Regulatory and Compliance							
Labor	\$	3,893	\$	3,762	\$	131	3.0%
Outside Professional Services		439		310		129	42.0%
Equipment Lease & Maintenance		400		152		248	163.0%
Buildings & Utilities		3,971		3,192		779	24.0%
Office Expenses, Materials & Supplies		106		127		(22)	-17.0%
Travel, Education & Employee Expenses		123		117		6	5.0%
Conserve, Safety, Customer Assist & Financial Info		5		5		0	8.0%
Professional/Industry Memberships & Publications		22		22		(0)	-1.0%
Misc. Accounting General		5		5		0	0.0%
Sub-Total ¹	\$	8,964	\$	7,693	\$	1,271	17.0%

¹Totals exclude inter-service eliminations, Administration & General overhead, or GASB 68 and 75 pension expense.



GLOSSARY OF TERMS

Acre-feet (AF) – The volume (as of irrigation water) that will cover one acre to a depth of one foot.

Allowance for Funds Used During Construction (AFUDC) – Capitalized cost related to borrowed and/or equity funds used for construction purposes during the accounting period. AFUDC is applied to multi-year major projects based on life-to-date project cost.

Annual Operating and Financial Plan (AOFP) – The annual plan that financially moves Springs Utilities toward achieving our strategic destination. The AOFP provides financial data based on analysis of the current budget.

Appropriation – The amount of cash funds that Springs Utilities is authorized to spend by City Council in each year.

Authorities – A legal entity of two or more participants organized to accomplish a mutually advantageous goal. Springs Utilities currently participates in several Authorities created for the acquisition, collection, and/or storage of water.

Authority debt service – Off balance sheet principal and interest obligations related to the Authorities Springs Utilities currently participates in, such as the Fountain Valley Authority.

Advanced Metering Infrastructure (AMI) – An integrated communications and data network of advanced metering, automation, and sensing devices, that enable improved operating efficiencies and end user consumption information.

Automated Meter Reading (AMR) – Using wireless radio transmitters, AMR remotely reads customer meters and then transfers the data into the billing system. Springs Utilities utilizes AMR for meter reads for all services.

Balanced scorecard — A measurement-based strategic management system and tool that translates an organization's mission and strategy into a comprehensive set of performance measures. The balanced scorecard provides a method of aligning business activities to strategy and monitoring performance of strategic goals over time. Springs Utilities follows the Kaplan-Norton Balanced Scorecard methodology.

Bond amortization expenses – The recognition of bond expenses over the life of the issue.

Bond interest – Interest on bonds issued.

Bond proceeds – Monies that Springs Utilities receives when it sells bonds to fund major capital projects. The proceeds are normally net of bond issuance expenses.

Bond proceeds applied – Funds that are spent in an accounting period, such as a budget year, that are obtained through bond financing.

Bond ratings – A measure of the quality and safety of a bond, based on the issuer's financial condition; more specifically, an evaluation from a rating agency indicating the likelihood that a debt issuer will be able to meet scheduled interest and principal repayments. Typically, AAA is highest (best), and D is lowest (worst). Springs Utilities maintains a "Aa2" as rated by Moody's, a "AA" as rated by Standard & Poor's, and a "AA" as rated by Fitch Ratings.

Capital expenditures – Capital expenditures are those investments in property, plant, and equipment that have a useful life that is greater than one year (depreciable assets). They can be comprised of either constructed or purchased assets and are distinguished from Operation and Maintenance (OPERATIONS AND MAINTENANCE) expense.

Capital outlay – Capital outlay is the amount used during a period to acquire or improve long-term assets such as property, plant, or equipment.

Capitalized interest – Interest payments on bonds that are capitalized over the life of a project rather than expensed in the current year. This applies primarily to the Southern Delivery System.

CCF / ccf - 100 cubic feet

CF / cf - Cubic feet

Change in cash on hand – A change in total cash position during a specific reporting period. As used in the sources and uses statement, this will define cash used as a source of funds or cash additions as a use of sources.

City – City of Colorado Springs

City Charter – The City of Colorado Springs is a Colorado home rule municipality operating under its City Charter. The Charter defines the basic legal requirements and process for approval of the budget, along with the annual appropriation ordinance, annual sources ordinance and any supplemental appropriations.

City Code – The Colorado Springs City Code encompasses any regulation or provision required and/or enforced within the City of Colorado Springs (coloradosprings.gov).

City gate – Point at which a local utility distribution system connects to the interstate pipeline. This facility reduces the pressure of the natural gas from its transmission rate (from 200 to 1,500 pounds per square inch) down to a rate more appropriate to consumer usage (as low as 3 psi). The city gate also adds sour-smelling Mercaptan to the naturally odorless gas to make it easier to quickly sniff out a natural gas leak.

Colorado Renewable Energy Standard – legislation signed on March 22, 2010, by Governor Bill Ritter (<u>HB 1001</u>) requiring that 30 percent of Colorado's electricity come from renewable energy sources by 2020. (<u>c2es.org</u>)

Common bond reserve fund – Classified as a restricted investment, this fund is derived from a mixture of bond proceeds and customer revenues. This fund was established for the benefit of bondholders to prevent deficiencies in the payment of principal and interest on outstanding Senior Lien debt. Deposits are not required if the fund is not less than a minimum reserve as prescribed by the Bond Ordinance. Any excess may be transferred to the unrestricted fund (Income Fund).

Construction funds applied – These are unspent construction funds borrowed in previous time periods or use of fund balance (reserve to meet contingencies and unforeseen events). Funds applied are carried forward into the new budget year.

Contribution in Aid of Construction (CIAC) — These are tariff based fees, fees that offset construction costs and developer contributed plant. These can also be cash and non-cash contributions from developers for specific projects. A primary example is the development charge on new water and wastewater connections to Springs Utilities' system. A development charge is assessed for connection to the water and wastewater systems to compensate existing customers for the costs of developing the current system and to help pay for the growth of the system caused by new customers.

Critical Infrastructure Protection (CIP) – Coordinated efforts to improve and sustain physical and cyber security especially with regard to the bulk power system of North America and reliability; i.e. standards development, compliance enforcement, assessments of risk and preparedness, disseminating critical information via alerts to industry, and raising awareness of key issues. (nerc.com)

Customer Care and Billing (CC&B) – System to receive and rate call data records and generate customers.

Customer rebates – Springs Utilities offers several rebates for energy and water efficiency updates to customers to help them conserve resources and save money, including but not limited to windows, furnace, and irrigation controllers.

Days of cash on hand – This metric is an indication of Springs Utilities' ability to fund Operations and Maintenance expenditures at any given time. It is calculated as follows: Unrestricted cash and cash equivalents/ (Average Annual Net Cash Expense /# of days in the year).

Days of working capital – This metric is an indication of Springs Utilities' ability to fund Operations and Maintenance expenditures at any given time. It is calculated as follows: Working Capital/ (Average Annual Operations and Maintenance Expense / # of days in the year).

Debt – To raise cash for a portion of capital improvements, Springs Utilities sells bonds to investors. The timing and the size of the bond issue is determined by the amount of capital spending identified in financial forecasts, for the following budget year. Debt service includes both the principal and interest payments to investors.

Debt service coverage ratio – Debt service coverage is a measure of an organization's ability to pay its debt service obligations. Debt Service Coverage Ratio is calculated as follows: (Net revenues/ Debt Service). Springs Utilities reduces net revenues by surplus funds transferred to the City in this calculation.

Depreciation – Depreciation represents the use of capital assets over their useful life. Eventually all physical assets wear out or become obsolete. Depreciation recognizes this fact but does not represent either an actual cash outflow or cash inflow.

Derivatives – Contracts which derive their value from underlying assets, such as commodities and bonds. Buyers and sellers often hedge against uncertainty about future price by making a contract for future trading at a specified price. The contract is a financial instrument called a derivative. An interest rate swap contract is a current example of a Utilities derivative instrument.

Electric Cost Adjustment (ECA) – Mechanism that tracks and passes through to customers the actual cost of purchased fuel or purchased electricity. Adjustments can be decreases or increases.

Federal Energy Regulatory Commission (FERC) – An independent agency which regulates the interstate transmission of electricity, natural gas, and oil. (<u>ferc.gov</u>)

Financial metrics – Springs Utilities sets financial targets to measure performance in specific areas which enable the organization to financially sustain a "AA" bond rating.

Fixed cost coverage ratio – Total fixed costs coverage is the ratio of net pledged revenues to debt service on long-term debt including fixed Operations and Maintenance contracts and fixed capacity payments. Fixed cost coverage ratio is calculated as: (Net pledged revenues available for Debt Service + Authority Debt Service + Electric Capacity Payment)/(Springs Utilities' Debt Service + Authority Debt Service + Electric Capacity Payments).

Franchise fees (taxes) – Springs Utilities pays a franchise fee to other cities to provide electric and natural gas service within their municipal boundaries.

Gallons per day (Gpd) – Measurement of fluids.

Gas Cost Adjustment (GCA) – Mechanism that tracks and passes through to customers the actual cost of the purchased natural gas. Adjustments can be decreases or increases.

Green Mountain Falls – A community located west of Colorado Springs.

Heating degree days – The number of days times the number of degrees that the average temperature is below 65 degrees Fahrenheit.

Hedging (or price hedging) – Method to reduce the risk of loss caused by price fluctuation. It consists of the purchase or sale of equal quantities of the same or very similar commodities in two different markets at approximately the same time, with the expectation that a future change in price in one market will be offset by an opposite change in the other market.

Inter-service eliminations – Deduction of revenue and operating expense generated internally and between services. These amounts are reflected when each service is reported, but "eliminated" when consolidated results are reported to prevent double counting of internal revenues and their corresponding operating and maintenance expense.

Integrated resource plan – A long-term strategic plan that combines technical analysis and public participation for business development in the various services.

Interest expense – Interest expense is the cost of borrowing funds. It is shown as a financial expense item within the income statement.

Interest income – Springs Utilities invests certain cash assets to receive interest earnings until that cash is needed. All interest earned is recorded as interest income.

Joint venture – A contractual agreement that joins two or more parties for the purpose of executing a business undertaking. All parties agree to share in the profits and losses of the enterprise.

Kaplan Norton Balanced Scorecard – An approach to strategic management developed in the early 1990's by Drs. Robert Kaplan (Harvard Business School) and David Norton. They named this system the "balanced scorecard." (See "Balanced Scorecard" definition above.)

Kilovolt (kV / KV) – A unit of potential equal to 1,000 volts.

Kilowatt (KW) - A unit of potential equal to 1,000 watts.

Kilowatt hour (kWh) – The work performed by one kilowatt of electric power in one hour. A kWh is the unit on which the price of electrical energy is based. Example: a 1000-watt light bulb operating for one hour will use one kWh.

Liquidity – Liquidity refers to how quickly an asset can be turned into cash, used up, or expires; used in reference to assets, which are listed on the balance sheet in the order of their liquidity.

MCF – 1,000 cubic feet. This is a measure of natural gas usage.

Manitou Springs – A community located four miles west of Colorado Springs.

Mark-to-Market valuations – An accounting procedure by which assets are "marked," or recorded, at their current market value, which may be higher or lower than their purchase price or book value.

Measure – Statement of how success in achieving an objective will be measured and tracked. Measures are written statements of what we will track and trend over time, not the actual targets such as direction and speed.

Megawatt (MW) - 1,000 watts.

Megawatt hour (MWh) – A unit of energy, especially electrical energy, equal to the work done by one watt acting for one hour and equivalent to 3,600 joules.

MGD – Millions of gallons per day.

Mission – A statement that defines the reason an organization exists. Springs Utilities' mission is to provide safe, reliable, competitively priced electric, natural gas, water, and wastewater services to our citizen-owners and customers.

Non-Fuel, Non-Labor Operations and Maintenance – See Operations and Maintenance expense.

Nonpotable – Water not suited for drinking.

North American Electric Reliability Corporation (NERC) – The electric reliability organization (ERO) certified by the Federal Energy Regulatory Commission to establish and enforce reliability standards for the bulk power system. (nerc.com)

Off-system sales – Electric sales outside of the system.

Operating cash – Operating cash, classified as unrestricted cash, is derived from customer revenues and excess earnings from restricted funds. These funds are used to pay for operating and maintenance expenses and the portion of capital activities not covered by bond proceeds. The major accounts included are the operating checking, savings, petty cash, and excess cash in deposit accounts linked to an investment safekeeping institution.

Operating income – Operating revenues less operating expense.

Operations and Maintenance (Operations and Maintenance) expense – Day-to-day expenses that Springs Utilities incurs to produce and deliver electricity, natural gas, water, and wastewater treatment. The major categories of Operations and Maintenance expenses are (1) labor, (2) purchased fuel, power, and gas, and (3) operating and maintenance expense (all other Non-Fuel and Non-Fuel expenses).

Operating revenue – Revenue which Springs Utilities receives from customers for the sale of electricity, natural gas, water, wastewater, and streetlight use. Miscellaneous revenues are also included in this category.

Other reserve funds – Typically classified as restricted cash and investments, these funds are derived from bond proceeds. They are also established for the benefit of bondholders to prevent deficiencies in the payment of principal and interest on outstanding debt but are established for Subordinate Lien Bondholders when a Surety Bond has not been purchased for the same purpose.

Overhead (OH) – Electric distribution lines located above ground.

Principal and interest funds – Principal and interest funds, classified as restricted investment, are derived from operating or income funds and are used to pay debt service.

PSIA – Pounds per square inch (absolute pressure)

Purchased fuel, power, and gas – Springs Utilities purchases coal, natural gas, and other fuels for electric generation, natural gas for gas system distribution, and electricity from other suppliers. These expenses comprise purchased fuel, power, and natural gas.

Public Utilities Commission (PUC) – Operated in each state, the Colorado PUC is a Colorado entity which has full economic and quality of service regulatory authority over intrastate telecommunication services, and investorowned electric, natural gas and water utilities, as well as partial regulatory control over municipal utilities and electric associations.

Purchased Power – Electricity purchased by Springs Utilities from other suppliers; a component of purchased fuel, power, and natural gas.

Rebate funds –Typically classified as restricted investments, these funds are derived from customer revenues and excess earnings from restricted funds. They are subject to First Lien Bond provisions and may be required to be remitted to the U.S. Treasury because of arbitrage calculations.

Regional Haze Rules – In 1999, the U.S. Environmental Protection Agency finalized the Regional Haze Rule which calls for state, tribal and federal agencies to work together to improve visibility in 156 national parks and wilderness areas; including the 21 Class I Wilderness areas managed by the U.S. Fish and Wildlife Service.

Remarketing, liquidity, and other financing fees — Various fees including those paid to a Remarketing Agent for computing rates applicable to variable rate bonds, and for arranging the remarketing (re-selling) of any variable rate bonds tendered for purchase by the bond owners and fees paid to a Liquidity Provider (usually a bank) for agreeing to purchase any variable rate bonds tendered. It also includes the costs for the line of credit, rating agency annual review costs, arbitrage expenses, the cost of swap valuations, disclosure expenses, and miscellaneous financing costs.

Restricted cash and investments – A distinction are made between restricted and unrestricted funds when managing cash and investments. Restricted cash and investments consist of acquisition funds, principal and interest funds, common bond reserve funds, other reserve funds, and rebate funds.

Sedimentation – The process of depositing sediment (matter that settles to the bottom of a liquid), settling.

Single Family Equivalent (SFE) – Single family household.

Sources of funds — The origination of cash received by Springs Utilities to pay for various activities of the organization. There are three major categories of cash sources: operations, financing and investments/other. The primary source of cash is from operations; customers paying for the utility services provided to them. The second largest source is from financing. As needed, Springs Utilities generates cash from selling bonds to investors to pay for capital improvements of the system. The remaining cash receipts include cash from interest on investments, contributions-in-aid, and customer deposits.

Supervisory Control and Data Acquisition (SCADA) – A process control system that is used in myriad applications, including manufacturing, communications, distribution (water, gas, power) and heating, cooling, and security in buildings. A SCADA system collects data from sensors in local and remote locations and sends them to central computers to control local machinery.

Territorial generation – Electric generation within Springs Utilities' certificated service territory.

Third-Party Billing – A form of billing where an intermediary handles the invoicing and payment between a purchaser and a vendor.

Time and materials – Time and materials accounts include revenues and expenses applicable to operations which are non-utility in character but nevertheless constitute a distinct operating activity. Specifically, damages to utility equipment by third parties and Springs Utilities subsequent billing to those third parties for reimbursement of repair work are recorded to time and materials accounts.

Transfer – Surplus funds to City – Springs Utilities pays the City of Colorado Springs a fee in-lieu of taxes. These payments are to replace the franchise, property, and sales tax revenues the City will collect if electric, natural gas, and water services were to be provided by an investor owned (for profit) utility.

Underground (UG) – Electric transmission, distribution lines located below/under the ground.

Use of funds — Springs Utilities budgeted expenditure for cash received. The use of cash is reported using the same major categories: operations, financing and investments/other. The largest use of cash is for operational expenses; labor, fuel, and other expenses related to the day-to-day operation and maintenance of Springs Utilities' systems. The amount of operating cash used to pay for capital projects is also identified. Financing costs represent the principal and interest payments for the outstanding bond issues. Investments/other include purchase of investments, payments for joint ventures, and other cash expenses.

Watershed – A region or area bounded peripherally by a divide, and draining ultimately to a particular watercourse or body of water.

Watt – The absolute meter-kilogram-second unit of power equal to the work done at the rate of one joule per second or to the power produced by a current of one ampere across a potential difference of one volt: $\frac{1}{746}$ horsepower.

Western Area Power Administration (WAPA) – One of four power marketing administrations within the U.S. Department of Energy whose role is to market and transmit electricity from multi-use water projects. WAPA's mission is to market and deliver reliable, renewable, cost-based hydroelectric power and related services within a 15-state region of the central and western United States.

Wheeling – Refers to the ability of an energy consumer to select their own energy supplier, or "wheel in" energy from one of two or more different suppliers. Springs Utilities primarily wheels electricity from WAPA to local military bases and charges for the use of the transmission system.

Working capital – Current assets minus inventories minus prepaids minus current liabilities.

APPENDIX

ORDINANCE NO. 20-83

AN ORDINANCE APPROVING THE ANNUAL BUDGET FOR COLORADO SPRINGS UTILITIES AND APPROPRIATING MONIES FOR THE SEVERAL

PURPOSES NAMED IN THE ANNUAL BUDGET FOR

COLORADO SPRINGS UTILITIES FOR THE YEAR ENDING DECEMBER 31, 2021

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF COLORADO SPRINGS:

Section 1. The Chief Executive Officer of Colorado Springs Utilities having prepared and presented to this City Council an annual budget for Colorado Springs Utilities for the year ending December 31, 2021 in the amount of \$1, 114,730,278 which proposed annual budget is in such detail as to the aggregate sum and the items thereof allowed to each department as the Colorado Springs Utilities Board of Directors has deemed advisable.

Section 2. Pursuant to Charter, the Council hereby adopts the Budget and upon the basis of the Budget, the sum of money hereinafter specified is hereby appropriated out of the revenues and fund balance of the Colorado Springs Utilities for the year 2021 to meet the expenses of the Colorado Springs Utilities for the year 2021.

Colorado Springs Utilities: \$1,114,730,278

Section 3. The Council President and the City Clerk are directed to sign the Budget as herein adopted, and to file the same with the City Controller and the Chief Planning and Finance Officer of Colorado Springs Utilities.

Section 4. All ordinances or parts of ordinances in conflict herewith are hereby repealed and all statutes of the State of Colorado or parts thereof in conflict herewith are hereby superseded.

Section 5. This ordinance approving the Budget and appropriating monies shall be in full force and effect on January 1, 2021.

Introduced, read, and passed on first reading and ordered published this 27th day of October 2020.

Finally passed: November 1 0th 2020

Council President

I HEREBY CERTIFY, that the foregoing ordinance entitled "AN ORDINANCE

APPROVING THE ANNUAL BUDGET FOR COLORADO SPRINGS UTILITIES AND

APPROPRIATING MONIES FOR THE SEVERAL PURPOSES NAMED IN THE ANNUAL

BUDGET FOR COLORADO SPRINGS UTILITIES FOR THE YEAR ENDING DECEMBER

31 2021" was introduced and read at a regular meeting of the City Council of the City of Colorado Springs, held on October 27th 2020; that said ordinance was finally passed at a regular meeting of the City Council

of said City, held on the 10th day of November 2020, and that the same was published by title and

summary, in accordance with Section 3-80 of Article III of the Charter, in the Transcript, a newspaper

published and in general circulation in said City, at least ten days before its passage.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of the City, this 12th day

of November 2020.

1 st Publication Date: October 30th, 2020

2nd Publication Date: November 13th, 2020

Effective Date: November 18th, 2020

City Clerk

ORDINANCE NO. 20-84

AN ORDINANCE IDENTIFYING AND ACCEPTING THE ANNUAL SOURCES OF FUNDS FOR COLORADO SPRINGS UTILITIES FOR THE YEAR ENDING DECEMBER 31, 2021

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF COLORADO SPRINGS:

Section 1. Based upon the annual budget for Colorado Springs Utilities for the year ending December 31, 2021, heretofore presented by the Chief Executive Officer of Colorado Springs Utilities, this City Council hereby accepts the aggregate sources of funds identified by the Chief Executive Officer of Colorado Springs Utilities for the year 2021 as shown:

Colorado Springs Utilities:

\$1,122,148,563

- Section 2. That the City Council hereby finds, determines and declares that the amount of money necessary to fund Colorado Springs Utilities' operation, taking into account the amounts available from other sources to meet the expenses of Colorado Springs Utilities for the ensuing year, is the sum of \$ 1,122,148,563.
- Section 3. All ordinances or parts of ordinances in conflict herewith are hereby repealed and all statutes of the State of Colorado or parts thereof in conflict herewith are hereby superseded.

Section 4. This ordinance accepting the identified sources of funds shall be in full force and effect on January 1, 2021.

Introduced, read, and passed on first reading and ordered published this 27th day of October 2020.

Finally passed: November 10th 2020

Council President

ATTEST:

I HEREBY CERTIFY, that the foregoing ordinance entitled "AN ORDINANCE

IDENTIFYING AND ACCEPTING THE ANNUAL SOURCES OF FUNDS FOR COLORADO SPRINGS UTILITIES FOR

THE YEAR ENDING DECEMBER 31 2021" was introduced and read at a regular meeting of the City Council

of the City of Colorado Springs, held on October 27th 2020; that said ordinance was finally passed at a

regular meeting of the City Council of said City, held on the 10th day of November 2020, and that the

same was published by title and summary, in accordance with Section 3-80 of Article III of the Charter,

in the Transcript, a newspaper published and in general circulation in said City,

at least ten days before its passage.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of the City, this 12th day

of November 2020.

1 st Publication Date: October 30th, 2020

2nd Publication Date: November 13th, 2020

Effective Date: November 18th, 2020

Sarah B. Johnson, Qay Clerk

Initial: 553

City Clerk