



Colorado Springs Utilities

It's how we're all connected

**2022 ANNUAL OPERATING AND
FINANCIAL PLAN**

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Note: Immaterial differences may occur due to rounding.

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EXECUTIVE SUMMARY

ABOUT THE ANNUAL OPERATING AND FINANCIAL PLAN

The 2022 approved budget was developed to achieve the outcomes most important to the Utilities Board and customers: competitive utility rates; safe, reliable service and outstanding customer experiences.

The budget supports the financial metrics necessary to maintain at least a “AA” credit rating that helps keep customer rates competitive.

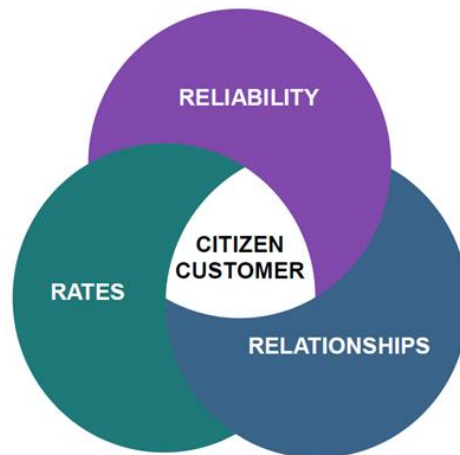
INTRODUCTION

Colorado Springs Utilities (Springs Utilities), like energy and water providers across the country, is

- Facing a rapidly changing industry.
- Experiencing relatively flat sales.
- Complying with increasing regulatory requirements.
- Experiencing increasing infrastructure needs.

To successfully meet current and future customer expectations, Springs Utilities will continue strategic, long-term planning efforts.

The Utilities Board is accountable for ensuring the benefits of local ownership and control for the citizens of Colorado Springs. Their strategic foundation of rates, reliability and relationships guides how the organization continues to uphold its mission of providing safe, reliable competitively-priced utility services for customers.



TOTAL BUDGET

The 2022 Approved Budget is \$1.2 billion, an **increase** of \$121.4 million, or 10.9 percent, from the 2021 Approved Budget. This **increase** is primarily the result of higher Capital Projects, Fuel Operations & Maintenance, and Debt Service costs. All increases and decreases are described in the detail that follows and are in comparison to the 2021 Approved Budget.

Capital Projects

Total Capital costs for 2022 are \$390.4 million and represents 31.6 percent of the 2022 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 2022 Capital expenditures **increase** by \$61.9 million, or 18.9 percent from the 2021 Approved Budget.

- Electric Capital **increases** by \$19.6 million, due to expansion and improvement of the fiber optic telecommunications infrastructure, partially offset by substantial completion of the Temporary Natural Gas Generators installation to replace the existing generation at the Martin Drake Power Plant.
- Natural Gas Capital **increases** by \$15.9 million, due to increased funding for Distribution Integrity Management Program (DIMP), 150P Over Pressure Protection Program, Utilities Reliability Program (URP), and Advanced Metering Infrastructure (AMI) upgrades. Additionally, for the new decarbonization gas infrastructure projects under the Sustainable Energy Plan (SEP) and to purchase new Gas Tapping and Stopping Equipment.
- Wastewater Capital **increases** by \$13.2 million, due to increased funding for Wastewater Plant Upgrades, Biogas Utilization Project, Northern Monument Creek Interceptor, and Utilities Reliability Program (URP).
- Common Capital to support all the services **increases** by \$10.9 million, due to increased funding for new Advanced Technologies Campus under SEP, Information Technology (IT) Lifecycle Upgrades, and Facility and Security Improvements.
- Water Capital **increases** by \$1.9 million, due to increased funding for new Highline Pressure Zone Extension and Redundant Supply to the Colorado Springs Airport, new Raw Water Pipeline from 33rd Street to the Tollefson (Mesa) Water Treatment Plant, and continued AMI upgrades, partially offset by the substantial completion of North Slope - Crystal Dam Rehabilitation.

Fuel Operations & Maintenance

Total Fuel Operations & Maintenance costs for 2022 are \$251.2 million and represents 20.3 percent of the 2022 Budget.

Total 2022 Fuel and Purchased Power expenditures **increase** by \$40.8 million, or 19.4 percent, from the 2021 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, through Joint Dispatch (JD) Market, Western Energy Imbalance Service (WEIS) Market, and wholesale market purchases.

Non-Fuel Operations & Maintenance

Total Non-Fuel Operations & Maintenance costs for 2022 are \$352.2 million and represents 28.5 percent of the 2022 Budget.

Total 2022 Non-Fuel Operations & Maintenance expenditures **increase** by \$1.3 million, or 0.4 percent, from the 2021 Approved Budget, primarily due to inflation.

Debt Service

Total Debt Service for 2022 is \$206.2 million and represents 16.7 percent of the 2022 Budget.

Total 2022 Debt Service payments **increase** by \$17.8 million or 9.4 percent from the 2021 Approved Budget primarily due to the 2021B bond issuance.

Surplus Payments to the City

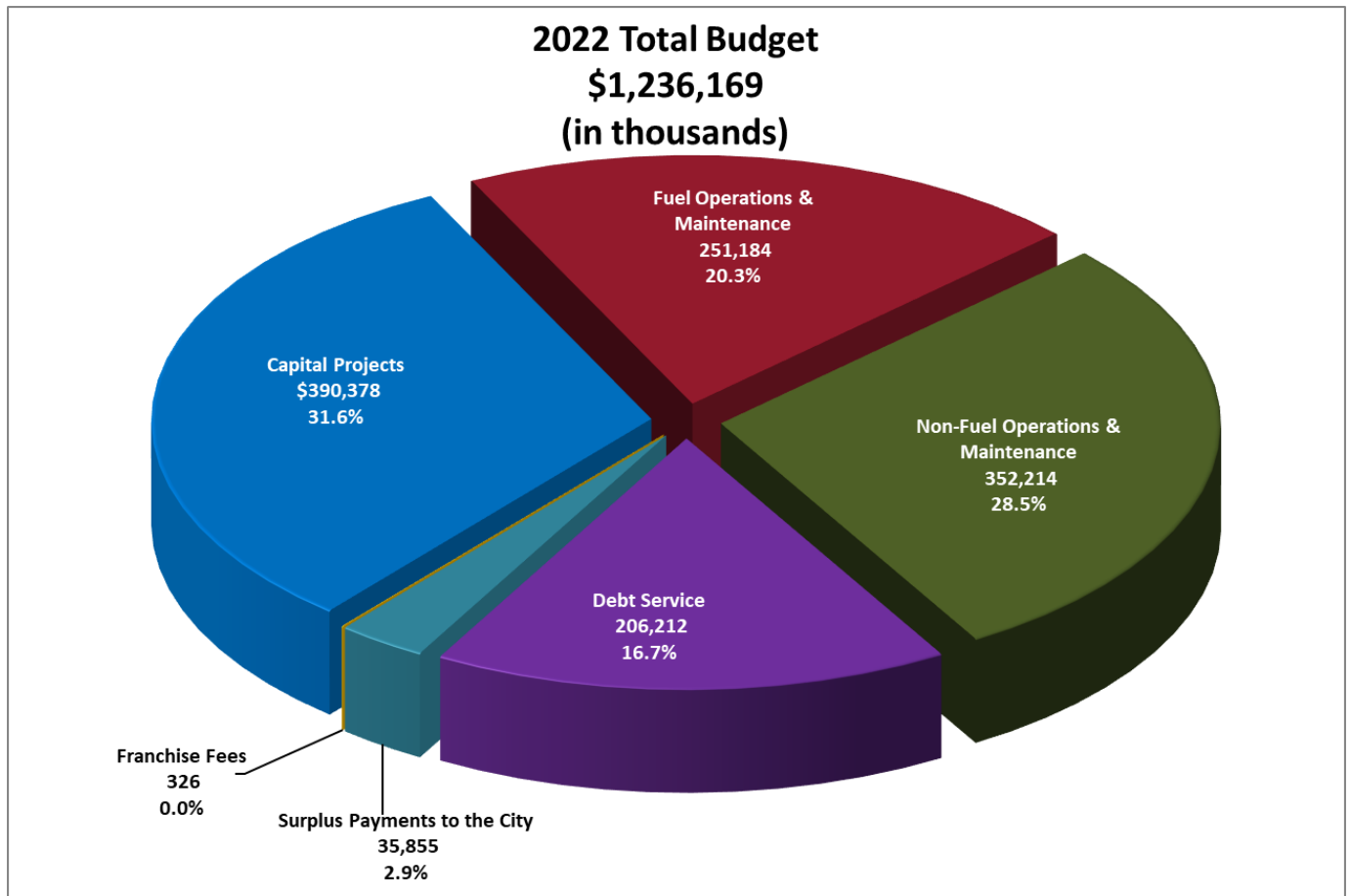
Total Surplus Payments to the City for 2022 are \$35.9 million and represent 2.9 percent of the 2022 Budget.

Total 2022 Surplus Payments to the City are planned to **decrease** by \$0.4 million or 1.0 percent from the 2021 Approved Budget due to a decline in inside city sales.

BUDGET SUMMARY

2022 BUDGET SUMMARY (in thousands)

	2022 Approved Budget	2021 Approved Budget	Increase / (Decrease)	% Change
Capital Projects	\$ 390,378	\$ 328,434	\$ 61,944	18.9%
Fuel Operations & Maintenance	251,184	210,411	40,773	19.4%
Non-Fuel Operations & Maintenance	352,215	350,930	1,285	0.4%
Debt Service	206,212	188,422	17,790	9.4%
Surplus Payments to the City	35,855	36,217	(362)	-1.0%
Franchise Fees	326	318	8	2.5%
TOTAL	\$ 1,236,169	\$ 1,114,730	\$ 121,439	10.9%



CAPITAL PROJECTS (in thousands)

	2022 Approved Budget	2021 Approved Budget	Increase / (Decrease)	% Change
Electric	\$ 215,777	\$ 196,174	\$ 19,603	10.0%
Natural Gas	46,598	30,687	15,910	51.8%
Water	68,986	67,082	1,904	2.8%
Wastewater	32,757	19,521	13,236	67.8%
Streetlighting	1,783	1,431	352	24.6%
Common	24,476	13,538	10,938	80.8%
TOTAL	\$ 390,378	\$ 328,434	\$ 61,944	18.9%

FUEL OPERATIONS & MAINTENANCE COSTS (in thousands)

	2022 Approved Budget	2021 Approved Budget	Increase / (Decrease)	% Change
Purchased Power	\$ 59,064	\$ 36,214	\$ 22,850	63.1%
Fuel for Territorial Generation	86,458	80,977	5,481	6.8%
Natural Gas	90,964	74,365	16,599	22.3%
Wholesale:				
Electric	18,312	16,963	1,350	8.0%
Natural Gas	1,789	5,731	(3,943)	-68.8%
Inter-Service Eliminations ¹	(5,403)	(3,839)	(1,564)	40.7%
TOTAL	\$ 251,184	\$ 210,411	\$ 40,773	19.4%

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.

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

	2022 Approved Budget	2021 Approved Budget	Increase / (Decrease)	% Change
Electric				
Labor & Benefits	\$ 93,079	\$ 88,544	\$ 4,534	5.1%
Non-Labor	54,412	60,367	(5,955)	-9.9%
Total	\$ 147,491	\$ 148,911	\$ (1,421)	-1.0%
Natural Gas				
Labor & Benefits	\$ 29,769	\$ 29,065	\$ 704	2.4%
Non-Labor	14,981	17,468	(2,487)	-14.2%
Total	\$ 44,750	\$ 46,533	\$ (1,783)	-3.8%
Water				
Labor & Benefits	\$ 62,214	\$ 59,672	\$ 2,542	4.3%
Non-Labor	62,409	63,700	(1,291)	-2.0%
Total	\$ 124,624	\$ 123,372	\$ 1,251	1.0%
Wastewater				
Labor & Benefits	\$ 27,845	\$ 25,589	\$ 2,257	8.8%
Non-Labor	14,410	15,010	(599)	-4.0%
Total	\$ 42,256	\$ 40,598	\$ 1,657	4.1%
Streetlighting				
Labor & Benefits	\$ 1,304	\$ 1,086	\$ 219	20.1%
Non-Labor	2,477	2,324	154	6.6%
Total	\$ 3,781	\$ 3,409	\$ 372	10.9%
Inter-Service Eliminations¹	\$ (10,687)	\$ (11,894)	\$ 1,208	10.2%
TOTAL	\$ 352,215	\$ 350,930	\$ 1,285	0.4%

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 & MAINTENANCE AND CAPITAL LABOR & BENEFIT COSTS (in thousands)

	2022 Approved Budget	2021 Approved Budget	Increase / (Decrease)	% Change
Operations & Maintenance	\$ 219,016	\$ 208,728	\$ 10,288	4.9%
Capital	30,285	24,163	6,122	25.3%
TOTAL	\$ 249,302	\$ 232,891	\$ 16,410	7.0%

LABOR & BENEFIT COSTS BY CATEGORY (in thousands)

	2022 Approved Budget	2021 Approved Budget	Increase / (Decrease)	% Change
Regular Base Pay	\$ 183,064	\$ 166,569	\$ 16,495	9.9%
Overtime	5,383	6,043	(660)	-10.9%
Standby/Shift	1,887	1,871	16	0.9%
Other Compensation	591	591	-	0.0%
Total Labor	\$ 190,925	\$ 175,074	\$ 15,850	9.1%
Employee Benefits	\$ 57,281	\$ 56,690	\$ 591	1.0%
Post-Retirement Expenses	1,096	1,127	(31)	-2.7%
Total Benefits	\$ 58,377	\$ 57,817	\$ 560	1.0%
TOTAL	\$ 249,302	\$ 232,891	\$ 16,410	7.0%

DEBT SERVICE (in thousands)

	2022 Approved Budget	2021 Approved Budget	Increase / (Decrease)	% Change
Electric				
Interest Payments ¹	\$ 38,449	\$ 35,829	\$ 2,619	7.3%
Principal Repayments	48,637	34,919	13,718	39.3%
Total	\$ 87,086	\$ 70,749	\$ 16,337	23.1%
Natural Gas				
Interest Payments ¹	\$ 6,758	\$ 6,361	\$ 397	6.2%
Principal Repayments	6,512	5,773	740	12.8%
Total	\$ 13,270	\$ 12,134	\$ 1,136	9.4%
Water				
Interest Payments ¹	\$ 44,654	\$ 45,097	\$ (443)	-1.0%
Principal Repayments	37,783	35,260	2,524	7.2%
Total	\$ 82,437	\$ 80,357	\$ 2,080	2.6%
Wastewater				
Interest Payments ¹	\$ 12,385	\$ 11,855	\$ 530	4.5%
Principal Repayments	10,529	12,747	(2,218)	-17.4%
Total	\$ 22,914	\$ 24,603	\$ (1,688)	-6.9%
Streetlighting				
Interest Payments ¹	\$ 270	\$ 283	\$ (13)	-4.5%
Principal Repayments	234	297	(63)	-21.1%
Total	\$ 505	\$ 580	\$ (75)	-13.0%
Total				
Interest Payments ¹	\$ 102,516	\$ 99,426	\$ 3,090	3.1%
Principal Repayments	103,696	88,995	14,701	16.5%
TOTAL	\$ 206,212	\$ 188,422	\$ 17,790	9.4%

¹ 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. 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				
	2022 Approved Budget	2021 Approved Budget	Increase / (Decrease)	% Change
Electric Service	\$ 11,227	\$ 10,790	\$ 437	4.0%
Natural Gas Service	871	625	245	39.2%
Water Service	3,543	3,865	(321)	-8.3%
Wastewater Service	448	453	(5)	-1.1%
TOTAL	\$ 16,090	\$ 15,733	\$ 356	2.2%

Operations & Maintenance Expense				
	2022 Approved Budget	2021 Approved Budget	Increase / (Decrease)	% Change
Fuel	\$ 5,403	\$ 3,839	\$ 1,564	40.7%
Non-Fuel	10,687	11,894	(1,208)	-10.2%
TOTAL	\$ 16,090	\$ 15,733	\$ 356	2.2%

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.

2022 ENTERPRISE FINANCIAL PLAN

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

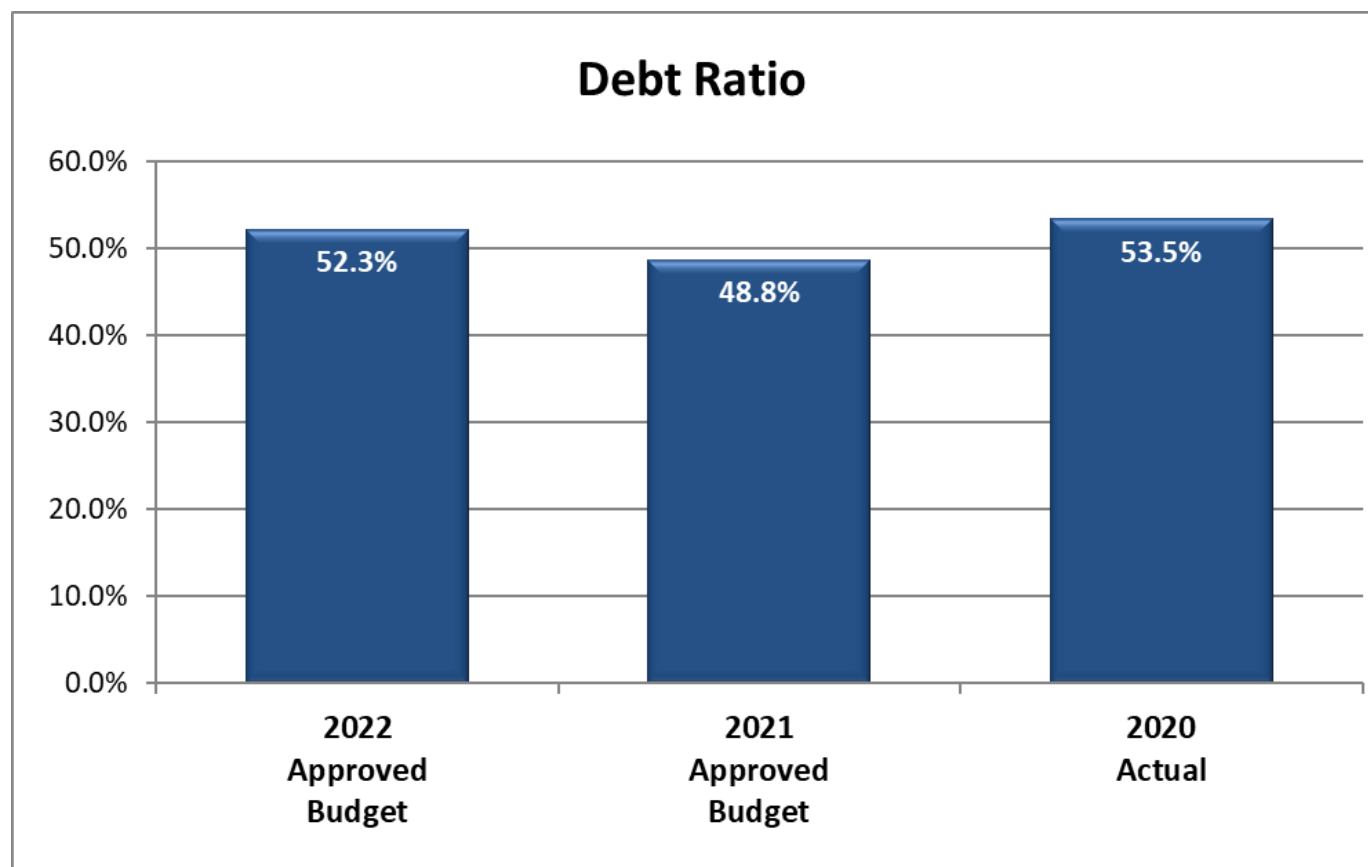
	2022 Approved Budget	2021 Approved Budget	2020 Actual	2022 Approved Budget Increase/(Decrease) from:			
				2021 Budget		2020 Actual	
OPERATING REVENUES	\$ 1,015,818	\$ 906,738	\$ 884,352	\$ 109,080	12.0%	\$ 131,466	14.9%
OPERATING EXPENSES							
Production & Treatment	\$ 141,259	\$ 145,088	\$ 121,259	\$ (3,829)	-2.6%	\$ 20,000	16.5%
Purchased Power, Gas & Water	166,968	126,943	118,744	40,025	31.5%	48,224	40.6%
Transmission & Distribution	51,752	51,836	45,725	(84)	-0.2%	6,027	13.2%
Maintenance	59,327	62,098	61,588	(2,771)	-4.5%	(2,260)	-3.7%
Administration & General	147,786	136,201	122,727	11,585	8.5%	25,059	20.4%
Customer Accounting & Collection	22,056	22,390	22,625	(334)	-1.5%	(569)	-2.5%
Customer Service & Information	14,250	16,783	12,861	(2,533)	-15.1%	1,389	10.8%
Franchise Fees	326	318	310	8	2.5%	16	5.2%
Depreciation & Amortization ¹	162,366	159,037	142,997	3,330	2.1%	19,369	13.5%
Total Operating Expenses	\$ 766,091	\$ 720,695	\$ 648,836	\$ 45,396	6.3%	\$ 117,255	18.1%
OPERATING INCOME	\$ 249,727	\$ 186,043	\$ 235,516	\$ 63,684	34.2%	\$ 14,211	6.0%
NON-OPERATING REVENUES/(EXPENSES)							
Investment Income	\$ 2,942	\$ 4,955	\$ 5,917	\$ (2,013)	-40.6%	\$ (2,975)	-50.3%
Other Revenue	5,988	5,940	12,012	48	0.8%	(6,024)	-50.2%
Other Expense	(1,218)	(1,417)	(41,883)	199	-14.0%	40,665	-97.1%
Interest Expense, net of AFUDC & Bond Amortization	(93,340)	(92,981)	(96,999)	(359)	0.4%	3,659	-3.8%
Total Non-Operating Revenues/(Expenses)	\$ (85,628)	\$ (83,503)	\$ (120,953)	\$ (2,125)	2.5%	\$ 35,325	-29.2%
INCOME/(LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	\$ 164,099	\$ 102,541	\$ 114,563	\$ 61,558	60.0%	\$ 49,536	43.2%
Contributions in Aid of Construction	\$ 52,509	\$ 40,410	\$ 73,222	\$ 12,098	29.9%	\$ (20,713)	-28.3%
Surplus Payments to the City	(35,855)	(36,217)	(35,154)	362	-1.0%	(701)	2.0%
Transfers - Other	-	-	(331)	-	0.0%	331	-100.0%
Special Items ²	-	-	(228,095)	-	0.0%	228,095	-100.0%
INCREASE/(DECREASE) IN NET POSITION	\$ 180,753	\$ 106,734	\$ (75,795)	\$ 74,019	69.3%	\$ 256,548	-338.5%

¹ GASB 68 and 75 are excluded in budgets and included in actuals for Depreciation and Amortization.

² Loss associated with the decommissioning of Drake, Nixon, and Birdsall power plants.

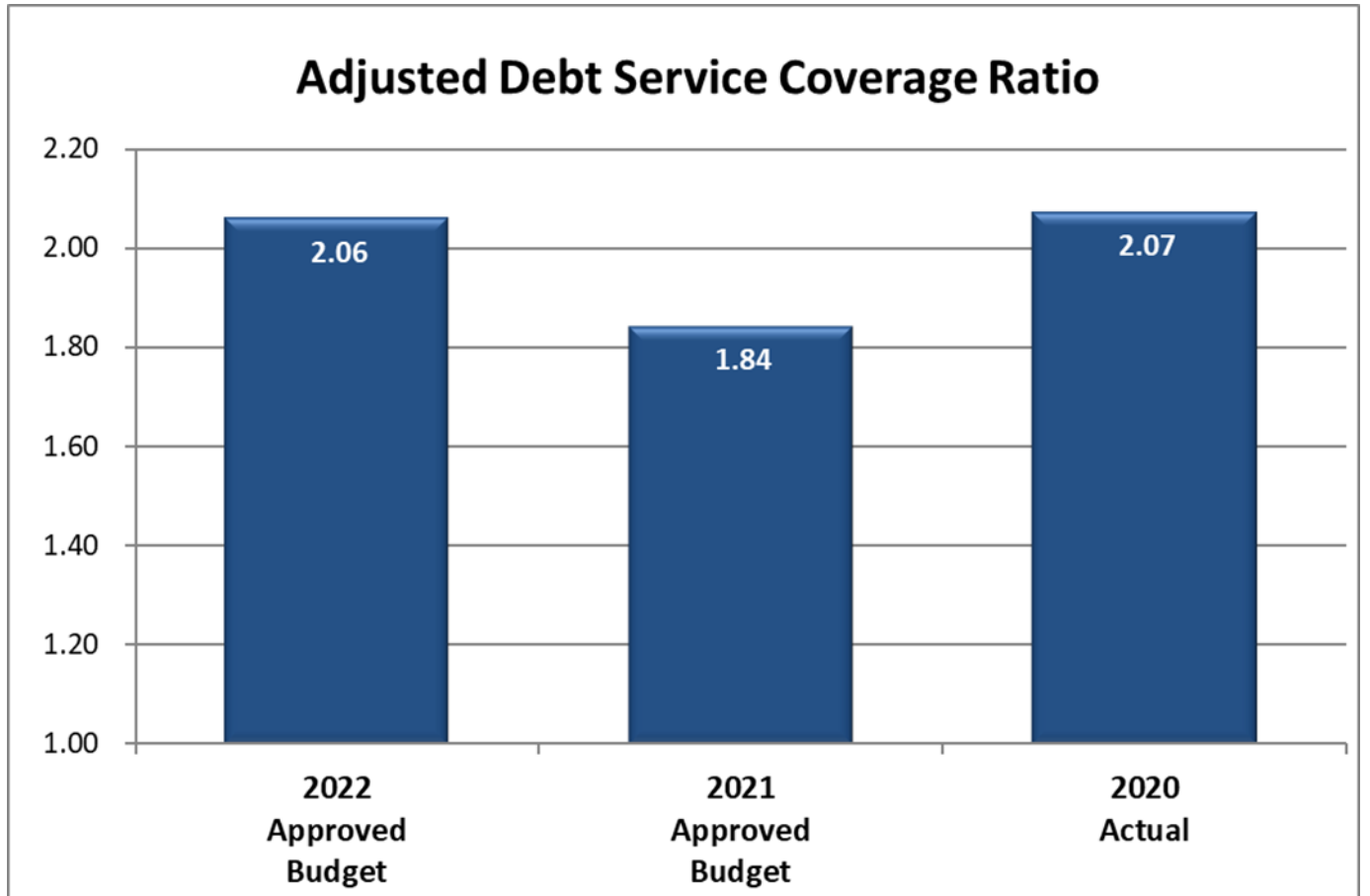
FINANCIAL MEASURES – DEBT RATIO (in thousands)

CALCULATION:	2022 Approved Budget	2021 Approved Budget	2020 Actual	2022 Approved Budget Increase/(Decrease) from:			
				2021 Budget		2020 Actual	
Current Maturities of Revenue Bonds	\$ 111,242	\$ 94,981	\$ 89,174	\$ 16,261	17.1%	\$ 22,067	24.7%
Current Notes & Loans Payable	436	426	431	11	2.5%	5	1.3%
Revenue Bonds, Net	2,354,863	1,986,833	2,184,770	368,029	18.5%	170,093	7.8%
Notes & Loans Payable	4,181	102,874	4,400	(98,693)	-95.9%	(220)	-5.0%
Net Gain/(Loss) Debt Refundings	(22,782)	(37,894)	(25,312)	15,112	-39.9%	2,530	-10.0%
Net Funded Debt	\$ 2,447,939	\$ 2,147,221	\$ 2,253,463	\$ 300,719	14.0%	\$ 194,476	8.6%
Current Maturities of Revenue Bonds	\$ 111,242	\$ 94,981	\$ 89,174	\$ 16,261	17.1%	\$ 22,067	24.7%
Current Notes & Loans Payable	436	426	431	11	2.5%	5	1.3%
Revenue Bonds, Net	2,354,863	1,986,833	2,184,770	368,029	18.5%	170,093	7.8%
Notes & Loans Payable	4,181	102,874	4,400	(98,693)	-95.9%	(220)	-5.0%
Net Gain/(Loss) Debt Refundings	(22,782)	(37,894)	(25,312)	15,112	-39.9%	2,530	-10.0%
Net Position	2,232,775	2,256,904	1,959,165	(24,129)	-1.1%	273,610	14.0%
Total Capitalization	\$ 4,680,714	\$ 4,404,125	\$ 4,212,628	\$ 276,589	6.3%	\$ 468,086	11.1%
Debt Ratio	52.3%	48.8%	53.5%	3.5%	7.3%	-1.2%	-2.2%



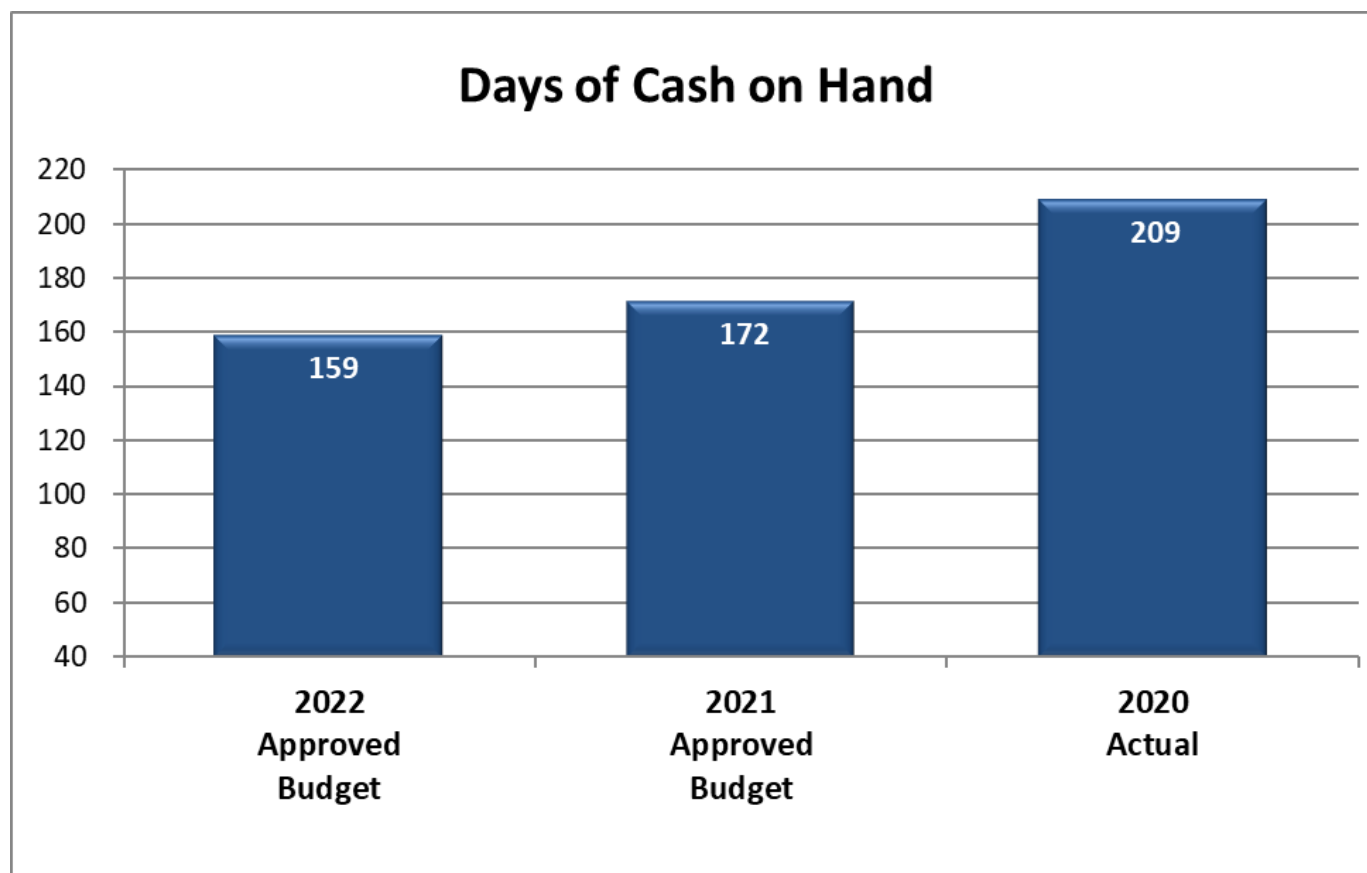
FINANCIAL MEASURES – ADJUSTED DEBT SERVICE COVERAGE RATIO (in thousands)

CALCULATION:	2022 Approved Budget	2021 Approved Budget	2020 Actual	2022 Approved Budget Increase/(Decrease) from:			
				2021 Budget		2020 Actual	
Operating Revenues	\$ 1,015,818	\$ 906,738	\$ 884,352	\$ 109,080	12.0%	\$ 131,466	14.9%
Contributions in Aid of Construction (Cash and Developer Fees)	41,069	28,971	52,988	12,098	41.8%	(11,919)	-22.5%
Interest Earnings w/o Bond Interest	2,828	4,851	3,246	(2,023)	-41.7%	(418)	-12.9%
Build America Bonds Subsidy	4,439	4,391	6,983	48	1.1%	(2,544)	-36.4%
Total Revenue	\$ 1,064,154	\$ 944,951	\$ 947,570	\$ 119,203	12.6%	\$ 116,584	12.3%
Total Operating Expenses	\$ (766,091)	\$ (720,695)	\$ (648,836)	\$ (45,396)	6.3%	\$ (117,255)	18.1%
Depreciation & Amortization	162,366	159,037	142,997	3,330	2.1%	19,369	13.5%
Surplus Payments to the City	(35,855)	(36,217)	(35,154)	362	-1.0%	(701)	2.0%
Net Revenues	\$ 424,575	\$ 347,076	\$ 406,578	\$ 77,498	22.3%	\$ 17,997	4.4%
Bond Year Debt Service	\$ 206,212	\$ 188,422	\$ 196,289	\$ 17,790	9.4%	\$ 9,923	5.1%
Adjusted Debt Service Coverage Ratio	2.06	1.84	2.07	0.22	11.8%	(0.01)	-0.6%



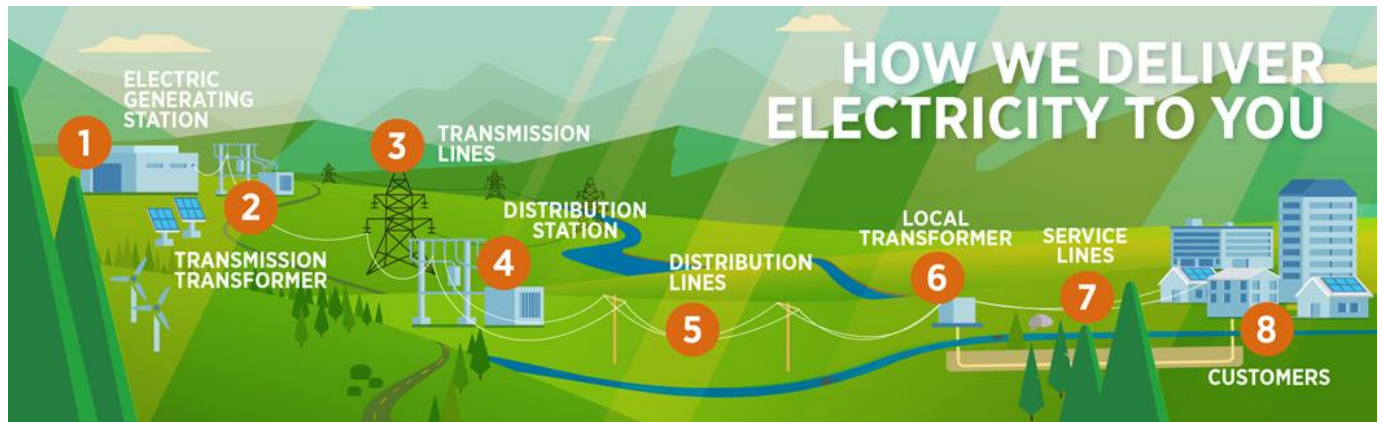
FINANCIAL MEASURES – DAYS OF CASH ON HAND (in thousands)

CALCULATION:	2022 Approved Budget	2021 Approved Budget	2020 Actual	2022 Approved Budget Increase/(Decrease) from:			
				2021 Budget		2020 Actual	
Cash and Cash Equivalents-Unrestricted	\$ 263,627	\$ 264,245	\$ 289,264	\$ (618)	-0.2%	\$ (25,637)	-8.9%
Cash Expense per Day							
Total Operating Expenses	\$ 766,091	\$ 720,695	\$ 648,836	\$ 45,396	6.3%	\$ 117,255	18.1%
Depreciation & Amortization	(162,366)	(159,037)	(142,997)	(3,330)	2.1%	(19,369)	13.5%
Net Cash Expense	\$ 603,724	\$ 561,658	\$ 505,838	\$ 42,066	7.5%	\$ 97,886	19.4%
Number of Days in Period	365	365	366	-	0.0%	(1)	-0.3%
Net Cash Expense Per Day	\$ 1,654	\$ 1,539	\$ 1,382	\$ 115	7.5%	\$ 272	19.7%
Days of Cash on Hand	159	172	209	(12)	-7.2%	(50)	-23.8%



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

STATISTICS

- Number of active electric meters: 241,133
- Annual electric use: 5.00 million MWh
- Record peak demand: 989 MW (July 2021)
- Net generating capability: 1,050 MW winter (2020-2021), 1,026 MW summer (2021)
- Power purchases (Summer 2021):
 - Western Area Power Administration 76 MW
 - Black Hills Colorado Electric, LLC Wind 60 MW
 - Palmer Solar Array 60 MW
 - Grazing Yak Solar Array 35 MW
 - Clear Spring Ranch Solar Array 10 MW
 - US Air Force Academy Solar 5 MW
 - Solar Gardens 4 MW
- Average System Availability Index (SAI): 99.9898%
- System Average Interruption Duration Index (SAIDI): 53.85 minutes

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 projects such as the temporary natural gas generators, electric infrastructure, advanced technologies campus, portfolio management, demand side management (DSM) distributed energy strategies, and distributed generation resources.

Keeping Up with System Growth – Colorado Springs has experienced substantial annual growth, resulting in new construction. Single family home permits have gone from 1,318 in 2012, to 2,352 in the 2022 Budget. Since 2012, 248 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, conductors, cables, transformers, and switchgears. These programs are necessary to maintain customer reliability expectations.

Fiber Network – Expand and improve the fiber optic telecommunications infrastructure for Springs Utilities.

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.

Electric Service Capital Projects**2022
Approved
Budget**

- | | |
|---|----------------------|
| 1. Operational Fiber Network (193952) | \$ 45,855,000 |
| This project will expand and improve the fiber optic telecommunications infrastructure. | |
| 2. SEP -Horizon Substation (193873) | 25,729,200 |
| This project is the construction of a new 230kV substation to support transmission needs following the retirement and decommissioning of the Martin Drake Power Plant. This new substation will support two line positions and two distribution transformers and has room for future expansion. | |
| 3. Temporary Natural Gas Generators (193909) | 24,673,068 |
| This project is the temporary installation of six generators that will help us better integrate renewable energy sources, further reduce CO2 emissions, and accelerate the retirement of the Martin Drake Power Plant. After transmission upgrades are completed, the generators will be relocated. | |
| 4. AMI -Electric (193691) | 10,890,912 |
| The Advanced Metering Infrastructure project involves upgrading our fleet of meters, across our entire customer base, with new electric meters and installing new hardware on our natural gas and water meters. This project updates technology and enables two-way communication. | |
| 5. SEP -Kelker-South Plant Transmission Line (193877) | 9,094,032 |
| This new overhead single circuit 115kV transmission line will connect Kelker substation on the southeast and South Plant downtown. This line will replace electricity that was generated at Martin Drake Power Plant. | |
| 6. SEP -Kelker Substation Expansion (193874) | 7,410,072 |
| This project will restructure the existing substation to transition both the 230kV and 115kV bus to breaker-and-a-half configurations. The purpose of the project is to protect future components of the substation, improve operational flexibility and increase reliability, and is necessary to retire the Martin Drake Power Plant. | |

7.	Front Range General Electric Hot Gas Path Replacement (193407)	\$ 6,219,288
	This project is payment toward the contractual long-term service agreement with General Electric for two turbines at the Front Range Power Plant. The parts in this capital project include, but are not limited to 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.	
8.	SEP -Briargate Substation Expansion (193872)	6,124,332
	This expansion of an existing 115kV substation to a 230kV substation will support expected regional growth and increase our system's resiliency and flexibility.	
9.	SEP -Bradley-Fountain Reconductor (193881)	4,555,464
	This project will reconduct an existing 115kV line to increase capacity. The project includes upgrading the conductor and replacing a few poles on the existing line.	
10.	Underground 12.5kV Distribution to Residential Customers (192296)	4,362,600
	This project will install underground electric single-phase distribution lines to residential areas not currently served. The project also supports upgrades to the system as necessitated by load additions.	
11.	SEP -Nixon-Fountain Reconductor (193880)	4,197,396
	This project will reconduct an existing 115kV line to increase capacity. The project includes upgrading the conductor and replacing a few poles on the existing line.	
12.	SEP -Portfolio Management (193887)	3,847,128
	This project is required to manage and deliver all the projects identified within Sustainable Energy Plan and is necessary to build a robust electric grid throughout Colorado Springs following the retirement and decommissioning of the Martin Drake Power Plant.	
13.	SEP -Briargate New Line CW-FR (193875)	3,764,820
	This project will install a new one mile 230kV line from the existing Briargate substation to a nearby transmission line in support of the retirement and decommissioning of the Martin Drake Power Plant.	

14.	SEP -Williams Creek Expansion (193927) This project will reconfigure and expand Williams Creek substation to improve operational flexibility and reliability and accommodate power from a renewable generation and energy storage facility.	\$ 3,531,912
15.	Electric Underground Infrastructure Corrective Maintenance (180331) This ongoing corrective maintenance program includes the reactive replacement of existing capital assets and related infrastructure of the underground electric distribution system due to third-party damage or catastrophic, functional, or operational failures.	2,962,152
16.	URP -Electric Underground (193867) The Utilities Reliability Program is a multi-year program that proactively and holistically identifies, assesses, and prioritizes existing utility infrastructure, across all Utilities services, for economy of scale construction opportunities which address potential barriers to future city growth.	2,712,324
17.	Electric Service Vehicles and Equipment (180333) This project will replace vehicles and equipment for the Electric Service division to maintain a safe, cost effective and reliable fleet.	2,307,504
18.	Underground 12.5kV Mainline to New Customers (192298) This project will install underground electric three phase distribution lines to areas not currently served. In addition, this budget supports upgrades to the system as necessitated by load additions.	2,284,092
19.	Horizon Substation Distribution Feeders (192532) This project will install four new distribution feeders near Horizon Substation. These circuits will tie into existing feeders and transfer load to the new Horizon 230/12kV transformer.	2,203,956
20.	Fuller Transformer Addition and Getaways (192503) This project will add a new power transformer and required feeder work at Fuller Substation to serve the Banning Lewis Ranch area as population growth continues.	2,088,996

21.	Distributed Energy Strategy and Energy Roadmap (193865)	\$ 2,000,004
	The Energy Roadmap will serve as a clear and comprehensive plan to identify new electric projects and programs to achieve strategic objectives. The Energy Roadmap will adopt new evolving utility business models, including Advanced Technologies Campus, Electric Vehicle Program and charging infrastructure, new Demand Side Management goals, Demand Respond and project implementation.	
22.	Substation Equipment Replacement (180449)	1,770,228
	This project will replace capitalized switchgear, circuit breakers and batteries, and provide upgrades to transformers in substations, as necessary, to ensure the integrity of the electric system.	
23.	Electric Underground Infrastructure Preventative Maintenance (193224)	1,571,364
	This preventative maintenance program includes the proactive replacement or rehabilitation of existing assets and related infrastructure of the underground electric distribution system that are beyond their expected reliable life, have a high probability or consequence of failure, or are assets that should be replaced based on operational or inspectional data. This program also includes system stewardship maintenance for safety or risk mitigation.	
24.	SEP -Cottonwood-Fuller Transmission Line Uprate (193876)	1,565,508
	This project will raise the existing transmission line, increase line capacity, and increase the clearance.	
25.	Underground 12.5kV Commercial Distribution (192297)	1,530,156
	This project will install new electric three phase mainline infrastructure to meet the demands of new commercial customers.	
26.	Kettle Creek 115/12.5kV Transformer Addition (193888)	1,299,996
	This project will install a new power transformer at the existing Kettle Creek Substation that will supply new 12.5kV feeders.	
27.	Fairview Transformer #1 Replacement (193939)	1,155,000
	This replacement of the substation transformer at Fairview Substation is the highest priority in our system due to the age and condition of the transformer.	
28.	Woodmen Transformer #1 Replacement (193954)	1,155,000
	The replacement of a substation transformer due to failure.	

29.	AMI -Operational Device Management (796636)	\$ 1,119,998
	The Operational Device Management is an application that provides an enterprise platform to efficiently manage smart device lifecycle, streamline inspection processes, efficiently manage smart devices, firmware updates and improve regulatory compliance.	
30.	Kettle Creek 12.5kV Feeder Addition (193889)	999,996
	This project will install new 12.5kV feeders at the existing Kettle Creek Substation to alleviate load in the Kettle Creek Substation area.	
31.	SIP -Bury Existing OH along S Academy Blvd & Hancock Expressway (173928)	957,636
	This project will bury approximately 3,260 feet of 12kV overhead transmission lines underground along South Academy Blvd and Hancock Expressway.	
32.	Electric Overhead Infrastructure Corrective Maintenance (180286)	806,796
	This ongoing corrective maintenance program includes the reactive replacement of existing capital assets and related infrastructure of the overhead electric distribution system due to third-party damage or catastrophic, functional, or operational failures.	
33.	Nixon Unit 1 Cooling Tower Fan Motors and Motor Controls (182867)	728,016
	This project will replace the Ray Nixon Power Plant Unit 1 cooling tower fan motors and motor controls to maintain unit reliability.	
34.	Front Range Air Cooled Condenser Switchgear (193693)	699,996
	This project will replace Air Cooled Condenser fan motors to ensure system reliability.	
35.	Green Mountain Substation Rebuild (193699)	699,996
	This project will rebuild the Green Mountain Substation, a rural distribution substation made up of aging and obsolete components.	
36.	Fontanero 115kV UG Reconfiguration (193933)	660,000
	This project reworks two segments of underground 115kV transmission lines located in the Fontanero roadway near I-25. This project is a smaller component of a larger City project to reconstruct deficient railway bridges that require lowering of the road surface.	

37.	System Capacity Improvements (192383)	\$ 600,000
	This project will allow system capacity improvements to meet existing customers' increasing loads or to address potential outage restoration issues. This project also backs up existing circuits as needed to maintain system integrity and reliability.	
38.	Claremont Substation 230/34.5kV Transformer Addition (193884)	600,000
	This project will install a new 230kV/34.5kV power transformer at Claremont Substation to supply new 34.5kV feeders.	
39.	Electric Time and Material for Capital Work (192909)	564,528
	This project is for capital expenditures to fund electric third-party billing projects (requests by customers to move existing electric infrastructure). The work is required to be compliant with the Electric Line Extension Service Standards and the National Electric Safety Code.	
40.	SEP -Temporary Natural Gas Generators Relocation (193948)	422,604
	This project will design and start permitting the relocation of the six LM2500s from the Martin Drake Site to two permanent locations within our service territory.	
41.	SIP -Bury Existing OH on Ruxton Ave from Cog Railway Station North (173908)	415,008
	This project will bury 1,500 feet of 12kV transmission lines underground along Ruxton Ave.	
42.	AMI -Multi (796649)	403,622
	This project is a necessary transition from AMR to AMI. This project reflects intended purchase of 2-way electric, gas, and water modules to replace residential, commercial, and industrial meters and modules.	
43.	Electric Meters - Base Requirements (192347)	368,832
	This project is an additions and replacements program for electric meters to connect customers to our 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. The automated electric metering improves billing accuracy, reduces revenue loss, reduces field trips, and improves safety.	

44.	Front Range Air Cooled Condenser Monorail Lifting System (193723)	\$ 350,004
	This project is the installation of a new monorail system to allow for improved safety and efficiency of maintenance activities. The current configuration of the Air Cooled Condenser structure does not allow for safe or efficient removal of gearboxes and motors.	
45.	Substation Asset Management Software (193892)	350,004
	This project will purchase software to help manage substation data and develop risk analysis for improved planning and budgeting in the future.	
46.	Nixon Coal Handling Carbon Monoxide Monitor Replacement (193788)	330,000
	This project will replace the Ray Nixon Power Plant Unit 1 Carbon Monoxide Detection Coal Handling system.	
47.	Grid Modernization (193057)	300,000
	These pilot projects will optimize or enhance the electric power system and leverage new technology and ideas supporting the Energy Vision. These projects are designed to be short pilots that test whether a concept will provide value to Springs Utilities and its customers.	
48.	Front Range CT2 Operational Flexibility Improvements (193793)	300,000
	This a multi-year project to upgrade the combustion turbine controls to improve the unit turndown and ramp rates, shorten combustion turbine start times, and improve combustion turbine performance throughout the load range. The upgrades will improve the units' capability to respond to greater renewables penetration as well as drive greater value in a market.	
49.	Front Range CT1 Operational Flexibility Improvements (193792)	300,000
	This a multi-year project to upgrade the combustion turbine controls to improve the unit turndown and ramp rates, shorten combustion turbine start times, and improve combustion turbine performance throughout the load range. The upgrades will improve the units' capability to respond to greater renewables penetration as well as drive greater value in a market.	
50.	SEP -Williams Creek Substation Line Switches (193943)	289,248
	This project will modify the Williams Creek substation to include disconnects on all incoming transmission lines.	

51.	Downtown Network Upgrades (182536)	\$ 285,000
	This project provides critical upgrades for obsolete and aged network equipment serving existing downtown customers, continuing beyond the implementation of arc flash protection and remote-control technology for a safer work environment.	
52.	Relay Instrumentation and Controls Equipment Replacement (193225)	239,292
	This project is designed to systematically replace aging electromechanical transmission/distribution protection panels with microprocessor panels to reduce Operations & Maintenance costs, improve protection and system reliability, and enhance system functionality.	
53.	Advanced Distribution Management System (193695)	238,356
	The Advanced Distribution Management System is the software platform that supports the full suite of distribution management and optimizations. The project includes functions that automate outage restoration and optimize the performance of the distribution grid.	
54.	System Reliability Improvements (180217)	210,000
	This project will address electric system reliability issues or concerns in areas that exceed established criteria. These projects will improve area and system reliability for both overhead and underground systems.	
55.	Arc Flash Mitigation (193079)	208,080
	This project includes the design and installation of controls and equipment to limit potential arc-flash exposure levels in substation switchgear and distribution feeder protective systems.	
56.	Static Line Installation for Twin Rocks Pump Station (193895)	200,004
	This project will install a static line on the existing 34.5kV overhead distribution line serving Twin Rocks Pump Station to improve the reliability of the distribution line.	
57.	Birdsall Unit 2 Boiler Feed Pumps Refurbishment / Replacement (193947)	200,004
	This project will refurbish and/or replace Units 2A & 2B Boiler Feed Pumps (including a rotating assembly) for increased unit reliability.	
58.	Public Improvements -Electric (180283)	195,000
	This project will install or relocate existing electric facilities in conjunction with Municipal Government Public Works, Pikes Peak Rural Transit Authority, and Improvement District projects.	

59.	Front Range Unit 1: Online Generator Monitoring System (193944) This project will install an Online Generator Continuous Monitoring System in Unit 1 to help with condition assessment, preventive maintenance, and outage planning.	\$ 174,996
60.	Front Range Unit 2 Online Generator Monitoring System (193946) This project will install an Online Generator Continuous Monitoring System in Unit 2 to assist with condition assessment, preventive maintenance, and outage planning.	174,996
61.	Front Range Unit 3: Online Generator Monitoring System (193945) This project will install an Online Generator Continuous Monitoring System in Unit 3 to help with condition assessment, preventive maintenance, and outage planning.	174,996
62.	Electric Transmission Infrastructure Corrective Maintenance (193406) This ongoing corrective maintenance program includes the reactive replacement of existing capital assets and related infrastructure of the overhead and underground electric transmission system due to third-party damage or catastrophic, functional, or operational failures.	150,000
63.	Electric Planning System Model Enhancements (180378) This project will purchase and implement electric distribution forecasting software to allow energy planning 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.	140,004
64.	Nixon Coal Handling Washdown System for Unloading System (193542) This project is to design, purchase, and install a new and upgraded dust control, washdown and fire protection in the coal unloading system.	125,004
65.	Overhead Distribution Construction (192295) This project will install new overhead electric service to residential and commercial customers in areas that are currently fed by overhead distribution lines or are located outside of the city limits, and upgrades to the overhead distribution system as necessitated by load additions.	114,252

66.	Nixon 1 Coal Handling Safety Improvements (182865)	\$ 99,996
	This project is for the design, purchase, and installation of replacement coal handling equipment that impacts safety and compliance with National Fire Protection Association 850, National Fire Protection Association 68 and insurance recommendations.	
67.	Front Range Steam Turbine Synchronizer Replacement (193832)	75,000
	This is a multi-year project with materials and equipment being procured a year ahead of installing the new Front Range Power Plant steam turbine synchronizer.	
68.	Nixon 1 Vibration Monitoring Additions (182872)	71,004
	This project will install permanent vibration monitoring instrumentation on critical rotating equipment to provide data and trend analysis on equipment performance.	
69.	Clear Springs Ranch Well Field Pump Panel Electrical Replacements (193833)	69,996
	This project will replace the electrical panels in seven well field pump houses that supply water to Clear Springs Ranch. The panels will be replaced to maintain reliability for this critical infrastructure.	
70.	Electric Tools and Equipment (180332)	50,004
	This project is for the replacement of tools and equipment for the Energy Construction Operations & Maintenance electric service to stay current with technology while utilizing the tools to make capital improvements or add capital equipment to our electric system.	
71.	Front Range Replacement Temp Control Units Chemistry Unit #1 (193936)	44,004
	This project is for the replacement of the temperature control units for heat recovery steam generator 1 chemistry control.	
72.	Front Range Replacement Temp Control Units Chemistry Unit #2 (193937)	44,004
	This project is for the replacement of the temperature control units for heat recovery steam generator 2 chemistry control.	

73.	AMR/AMI Network New Growth & Replacement (796463)	\$ 41,616
	This project is for the purchase of additional AMR concentrators, repeaters and collectors and AMI gateways and routers to accommodate new growth areas and existing meters in CSU service territory. New unlicensed devices being sold in consumer markets are causing interference and require additional concentrators to overcome meter read issues.	
74.	Front Range Purchase and Install Reverse Osmosis Membranes (193913)	24,996
	This project will replace the membranes on the Front Range Power Plant reverse osmosis unit.	
75.	Nixon 1 Cooling Tower Fan Blades and Hubs (193189)	24,996
	This project will replace the Ray Nixon 1 Cooling Tower fan blades and hubs to maintain unit reliability.	
76.	Streetlight Replacements (Outside City Limits) (192931)	23,280
	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.	
77.	Power Quality Meter Program (193771)	20,004
	This multi-year program will continue to add power quality meters to extend our reach of visibility across the distribution system; this allows us to troubleshoot system anomalies and provide data to customers.	
78.	Push Camera and Retrieval Kit (193951)	12,000
	This project will purchase a push camera and retrieval tool for the Operating Engineering Group - Performance and Reliability Unit.	
79.	Birdsall 1 Exciter Programmable Logic Controller Replacement (193088)	9,996
	This project is to upgrade the exciter programmable logic controller at Birdsall Power Plant Unit 1.	

80. Retrofits for Fused Elbows with No Connectors (193658)	\$ 9,996
<p>This project is to review and retrofit approximately 150 fused elbow installations and 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 fuses device.</p>	
Subtotal Capital - Electric	\$ 202,578,664
Capital Labor & Benefits	11,560,523
Administration & General Expense	1,637,963
2022 Total Capital - Electric with Allocated Components	\$ 215,777,150

Streetlight Service Capital Projects		2022 Approved Budget
1. Streetlight New Construction (892346)	This project will install new street lighting infrastructure for new residential subdivisions and newly developed arterial roadways.	\$ 680,436
2. Streetlight Replacements (Inside City Limits) (892930)	This project will replace capital assets for the streetlight system within the City of Colorado Springs that have failed either through exceeding their useful life or due to third party damage.	573,000
3. Streetlight (892330)	This project is to fund a multi-year program to install residential and arterial roadway Streetlight in previously developed areas as per the Transfer Agreement to General Fund signed in May of 2006.	169,152
Subtotal Capital - Streetlight		\$ 1,422,588
Capital Labor & Benefits		360,514
Administration & General Expense		-
2022 Total Capital - Streetlight with Allocated Components		\$ 1,783,102

ELECTRIC EXPENDITURES SUMMARY (in thousands)

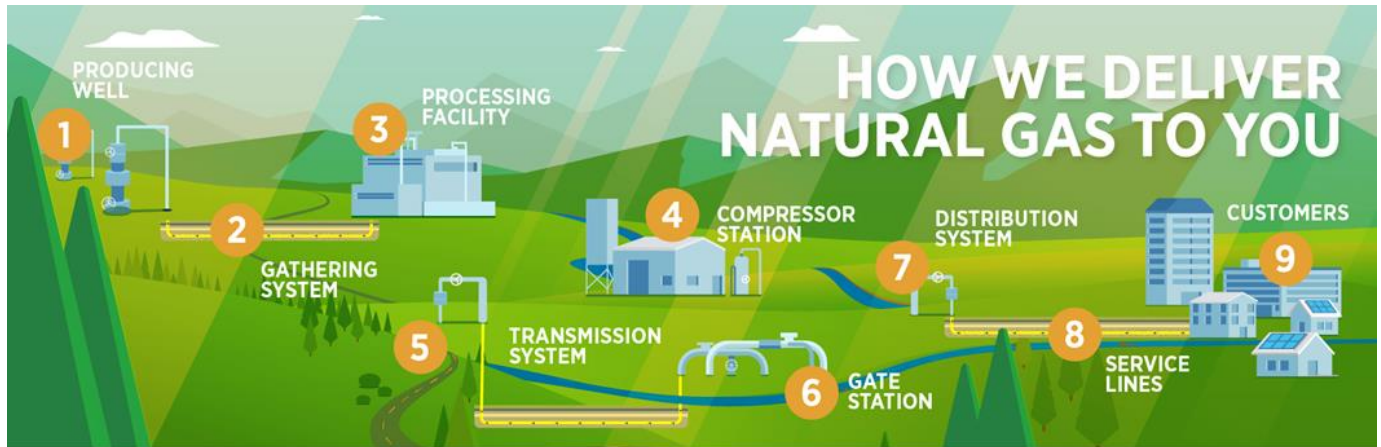
Account Group	2022 Approved Budget	2021 Approved Budget	2020 Actual	2022 Approved Budget Increase/ (Decrease) from:			
				2021 Budget		2020 Actual	
Fuel Operations and Maintenance	\$ 163,834	\$ 134,154	\$ 121,826	\$ 29,681	22.1%	\$ 42,008	34.5%
Non-Labor Operations & Maintenance							
Production and Treatment	\$ 2,242	\$ 2,492	\$ 2,326	\$ (251)	-10.1%	\$ (84)	-3.6%
Purchased Power	60	700	415	(640)	-91.4%	(355)	-85.5%
Transmission and Distribution	5,092	5,503	5,088	(410)	-7.5%	4	0.1%
Maintenance	16,681	21,131	15,310	(4,450)	-21.1%	1,371	9.0%
Customer Service and Information	4,928	7,410	4,934	(2,482)	-33.5%	(6)	-0.1%
Administrative and General	21,606	19,108	16,043	2,499	13.1%	5,563	34.7%
Customer Accounting and Collections	3,802	4,023	3,815	(221)	-5.5%	(13)	-0.3%
Total Non-Labor Operations & Maintenance	\$ 54,412	\$ 60,367	\$ 47,933	\$ (5,955)	-9.9%	\$ 6,479	13.5%
Labor & Benefits							
Production and Treatment	\$ 8,721	\$ 9,862	\$ 7,519	\$ (1,141)	-11.6%	\$ 1,201	16.0%
Transmission and Distribution	14,202	12,868	12,879	1,334	10.4%	1,324	10.3%
Maintenance	17,076	15,616	18,847	1,460	9.3%	(1,771)	-9.4%
Customer Service and Information	2,350	2,267	1,881	82	3.6%	469	24.9%
Administrative and General	46,784	44,014	40,991	2,770	6.3%	5,793	14.1%
Customer Accounting and Collections	3,946	3,917	4,148	29	0.7%	(202)	-4.9%
Total Labor & Benefits	\$ 93,079	\$ 88,544	\$ 86,265	\$ 4,534	5.1%	\$ 6,814	7.9%
Total Non-Fuel Operations & Maintenance ¹	\$ 147,490	\$ 148,911	\$ 134,198	\$ (1,421)	-1.0%	\$ 13,293	9.9%
Streetlight	\$ 3,781	\$ 3,409	\$ 3,486	\$ 372	10.9%	\$ 295	8.5%
Surplus Payments to the City	25,192	25,502	24,756	(311)	-1.2%	436	1.8%
Debt Service	87,590	71,329	74,457	16,262	22.8%	13,133	17.6%
Direct Capital	217,560	197,606	74,128	19,955	10.1%	143,433	193.5%
Allocated Capital ²	9,010	5,396	5,451	3,613	67.0%	3,558	65.3%
Total	\$ 654,458	\$ 586,307	\$ 438,302	\$ 68,151	11.6%	\$ 216,156	49.3%

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

² Common Capital allocated to Electric Service.

NATURAL GAS SERVICE OVERVIEW

SERVICE HIGHLIGHTS



- | | | | |
|---|---|---|---|
| 1 | EXTRACTS NATURAL GAS FROM THE GROUND | 6 | REDUCES PRESSURE FOR SAFE DISTRIBUTION LOCALLY; MERCAPTAN (ROTTEN EGG SMELL) IS ADDED |
| 2 | TRANSPORTS NATURAL GAS TO PROCESSING FACILITY | 7 | MOVES NATURAL GAS UNDERGROUND FROM GATE STATIONS THROUGH THE CITY |
| 3 | REMOVES IMPURITIES THAT CORRODE PIPELINES AND REDUCE ENERGY VALUE OF GAS | 8 | DISTRIBUTE NATURAL GAS TO HOMES AND BUSINESSES |
| 4 | BOOSTS PRESSURE OF NATURAL GAS TO MOVE THROUGH TRANSMISSION SYSTEM | 9 | FINALLY, NATURAL GAS IS DELIVERED TO YOU |
| 5 | TRANSPORTS NATURAL GAS HUNDREDS OF MILES UNDERGROUND FROM PRODUCING REGIONS | | |

STATISTICS

- Number of active natural gas meters: 214,849
- Total net throughput volume: 23,602,854 Mcf at 14.65 psia
- Peak demand: 266,786 Mcf at 14.73 psia (February 2011)
- Miles of main: 2,611

2022 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 and advanced technologies campus.

Keeping Up with System Growth – The economic growth of the last few years has resulted in significant expansion of the Natural Gas System. Since 2012, 250 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 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 allow 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.

Natural Gas Service Projects

2022
Approved
Budget

- | | |
|---|---------------------|
| 1. AMI Project -Gas (293167) | \$ 5,537,808 |
| This project will continue the transition from AMR to AMI. This project reflects intended purchase of 2-way gas modules to replace residential, commercial, and industrial meters. | |
| 2. URP -Gas Mains Replacement (293189) | 4,757,448 |
| This project replaces gas mains as part of the Utilities Reliability Program, a multi-year program that proactively and holistically identifies, assesses, and prioritizes existing utility infrastructure, across all services, for economy of scale construction opportunities which address potential barriers to future city growth. | |
| 3. SEP -Decarbonization Projects on LDC (293199) | 3,750,000 |
| These decarbonization projects reduce Greenhouse Gas emissions on the Local Distribution Company system. A clean heat standard is being established at the state level that seeks to have utilities across the State reduce GHG emissions by 4% by 2025 and 22% by 2030 . | |
| 4. Gas 150P Over Pressure Protection (293186) | 3,500,004 |
| This project will complete gas distribution system improvements driven by regulatory compliance with the Pipeline and Hazardous Materials Safety Administration, 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. | |
| 5. DIMP -Gas 150P System Renewals (293179) | 3,200,004 |
| This project identifies the highest risk and highest pressure 150 PSIG main segments and replaces them with more modern coated steel piping. | |
| 6. New Construction Billable (293041) | 2,745,888 |
| This project will 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. | |
| 7. Gas Tapping and Stopping Equipment (293196) | 2,000,004 |
| This project will procure necessary equipment to complete tapping and stopping work on 12" to 20" gas mains. | |

8.	DIMP -Gas Coated Steel Renewals (293180) This project replaces high risk segments of coated steel pipe.	\$ 1,632,000
9.	Gas Unplanned Maintenance (293183) This project will 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.	1,560,804
10.	Gas Service Vehicles and Equipment (280021) This project replaces vehicles and equipment for the gas service area to maintain a safe, cost effective and reliable fleet.	1,500,000
11.	DIMP -Gas Bare Steel Replacements (293178) This project identifies the highest risk bare steel mains and services and replaces them with plastic.	1,326,000
12.	Gas Meters -Base Requirements (293043) This project will purchase gas meters, temperature and pressure instruments, parts, connection materials and regulators to connect new residential, commercial, and industrial gas customers to our system. The project will also replace damaged and defective meters.	1,324,356
13.	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.	1,158,000
14.	AMI -Operational Device Management (796636) This project is for an application that provides an enterprise platform to efficiently manage smart device lifecycle, streamline inspection processes, efficiently manage smart devices firmware updates, and improve regulatory compliance.	979,999
15.	DIMP -Gas Risk Based Projects (293182) This project will address risks that do not fit in the Bare Steel, Coated Steel, 150 PSIG System and Vintage Plastic replacement programs.	769,080

16.	New Construction Non-Billable (293042)	\$ 758,604
	This project will install gas main extensions to new customers, which requires the oversizing of the mainline for future developments to meet new customer growth and is not covered by developer advance payments. This project will also install scattered service stubs for infill areas and inspections for all new services.	
17.	AMI -Multi (796649)	353,170
	This project is a necessary transition from AMR to AMI. This project reflects intended purchase of 2-way electric, gas, and water modules to replace residential, commercial, and industrial meters and modules.	
18.	Gas Distribution System Improvements (293044)	230,004
	This project will install 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.	
19.	DIMP -Gas Condition Assessment Program (293188)	200,004
	This project includes keyholing and assessing the condition of bare steel, coated steel and 150 psi pipelines that have been identified as high risk and will ensure appropriate mitigating measures are in place to reduce risk.	
20.	Gas Time and Material for Capital Work (293122)	184,020
	This project is for third-party billing projects required to be compliant with the Gas Line Extension Service Standards and Public Utility Commission.	
21.	Gas Propane Air Plant XLE Compressor Radiators Refurbishment (293198)	174,996
	This project will renew major components of the XLE/ Engine cooling system and ten radiators will be re-cored.	
22.	Public Improvements-Gas (280024)	117,588
	This project will install or relocate existing gas facilities in conjunction with Municipal Government Public Works, Pikes Peak Rural Transit Authority, and Improvement Districts.	

23.	Gas Propane Air Plant Tank Farm Catwalk Project (293192)	\$ 75,000
	This project will install a permanent catwalk to access critical instrumentation and relief valves on the 42 tanks at the Gas Propane Air Plant. Currently relief valves can only be accessed by erecting scaffold and the instrumentation by scaffold or manlift.	
24.	Gas Instrumentation and Control Meter Station Improve/Upgrades (293184)	69,996
	This project will upgrade five aging gas meter station equipment: Drennan, North, South, McClintock, and Security.	
25.	Gas Tools and Equipment (280019)	50,004
	This project will replace tools and equipment for the Energy Construction Operations & Maintenance gas service area to stay current with technology or add capital equipment to our gas system.	
26.	DIMP -Emergency Valve Replacement (280005)	39,996
	This project will replace non-functional valves, identified through performing annual inspection, maintenance, and operation of all designated Gas Emergency Valves, which are designed to stop the flow of gas in specific situations such as creek crossings.	
27.	AMR/AMI Network New Growth and Replacement (796463)	36,414
	This project is for the purchase of additional AMR concentrators, repeaters and collectors and AMI gateways and routers to accommodate new growth areas and existing meters in CSU service territory. New unlicensed devices being sold in consumer markets are causing interference and require additional concentrators to overcome meter read issues.	
28.	DIMP -Distribution Regulator Station Replacement (280011)	31,824
	This project will replace district regulator stations that are in poor condition. Some of the regulators to be replaced are custom fabricated or the manufacturers have discontinued the regulator model and no longer supply replacement parts.	

29. DIMP -Gas Distribution System Improvements (280034)	\$ 30,000
<p>This project will complete gas distribution system improvements driven by regulatory compliance with the Pipeline and Hazardous Materials Safety Administration. Projects include installation of new gas infrastructure such as metering and regulating equipment, emergency valves, and telemetry monitor points.</p>	
Subtotal Capital - Gas	\$ 38,093,015
Capital Labor & Benefits	8,293,550
Administration & General Expense	211,350
2022 Total Capital - Gas with Allocated Components	\$ 46,597,915

NATURAL GAS EXPENDITURES SUMMARY (in thousands)

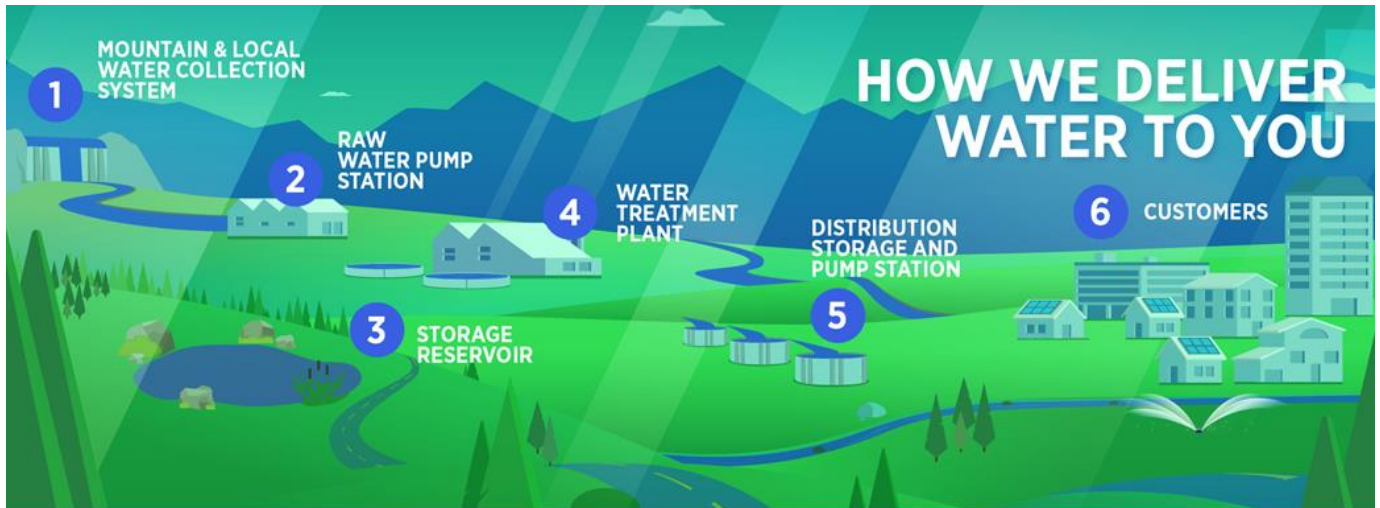
Account Group	2022 Approved Budget	2021 Approved Budget	2020 Actual	2022 Approved Budget Increase/ (Decrease) from:			
				2021 Budget		2020 Actual	
Fuel Operations & Maintenance	\$ 92,753	\$ 80,096	\$ 70,102	\$ 12,657	15.8%	\$ 22,651	32.3%
Non-Labor Operations & Maintenance							
Transmission and Distribution	\$ 2,952	\$ 3,834	\$ 3,322	\$ (881)	-23.0%	\$ (370)	-11.1%
Maintenance	1,022	3,276	1,662	(2,254)	-68.8%	(640)	-38.5%
Customer Service and Information	2,048	1,908	1,399	140	7.3%	650	46.5%
Administrative and General	6,284	5,670	4,045	613	10.8%	2,239	55.4%
Customer Accounting and Collections	2,674	2,779	2,716	(105)	-3.8%	(42)	-1.5%
Total Non-Labor Operations & Maintenance	\$ 14,981	\$ 17,468	\$ 13,144	\$ (2,487)	-14.2%	\$ 1,837	14.0%
Labor & Benefits							
Transmission and Distribution	\$ 10,362	\$ 10,139	\$ 7,937	\$ 223	2.2%	\$ 2,425	30.6%
Maintenance	1,974	2,114	2,517	(140)	-6.6%	(542)	-21.6%
Customer Service and Information	1,155	1,413	1,154	(258)	-18.3%	1	0.1%
Administrative and General	12,684	11,832	11,029	853	7.2%	1,655	15.0%
Customer Accounting and Collections	3,593	3,566	3,776	26	0.7%	(184)	-4.9%
Total Labor & Benefits	\$ 29,769	\$ 29,065	\$ 26,413	\$ 704	2.4%	\$ 3,356	12.7%
Total Non-Fuel Operations & Maintenance ¹	\$ 44,750	\$ 46,533	\$ 39,557	\$ (1,783)	-3.8%	\$ 5,193	13.1%
Surplus Payments to the City	\$ 8,050	\$ 8,124	\$ 7,879	\$ (75)	-0.9%	\$ 171	2.2%
Debt Service	13,270	12,134	12,461	1,136	9.4%	809	6.5%
Direct Capital	46,598	30,687	27,903	15,910	51.8%	18,695	67.0%
Allocated Capital ²	1,701	856	884	845	98.8%	818	92.5%
Total	\$ 207,122	\$ 178,430	\$ 158,785	\$ 28,691	16.1%	\$ 48,336	30.4%

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

² Common Capital allocated to Natural Gas Service.

WATER SERVICE OVERVIEW

SERVICE HIGHLIGHTS

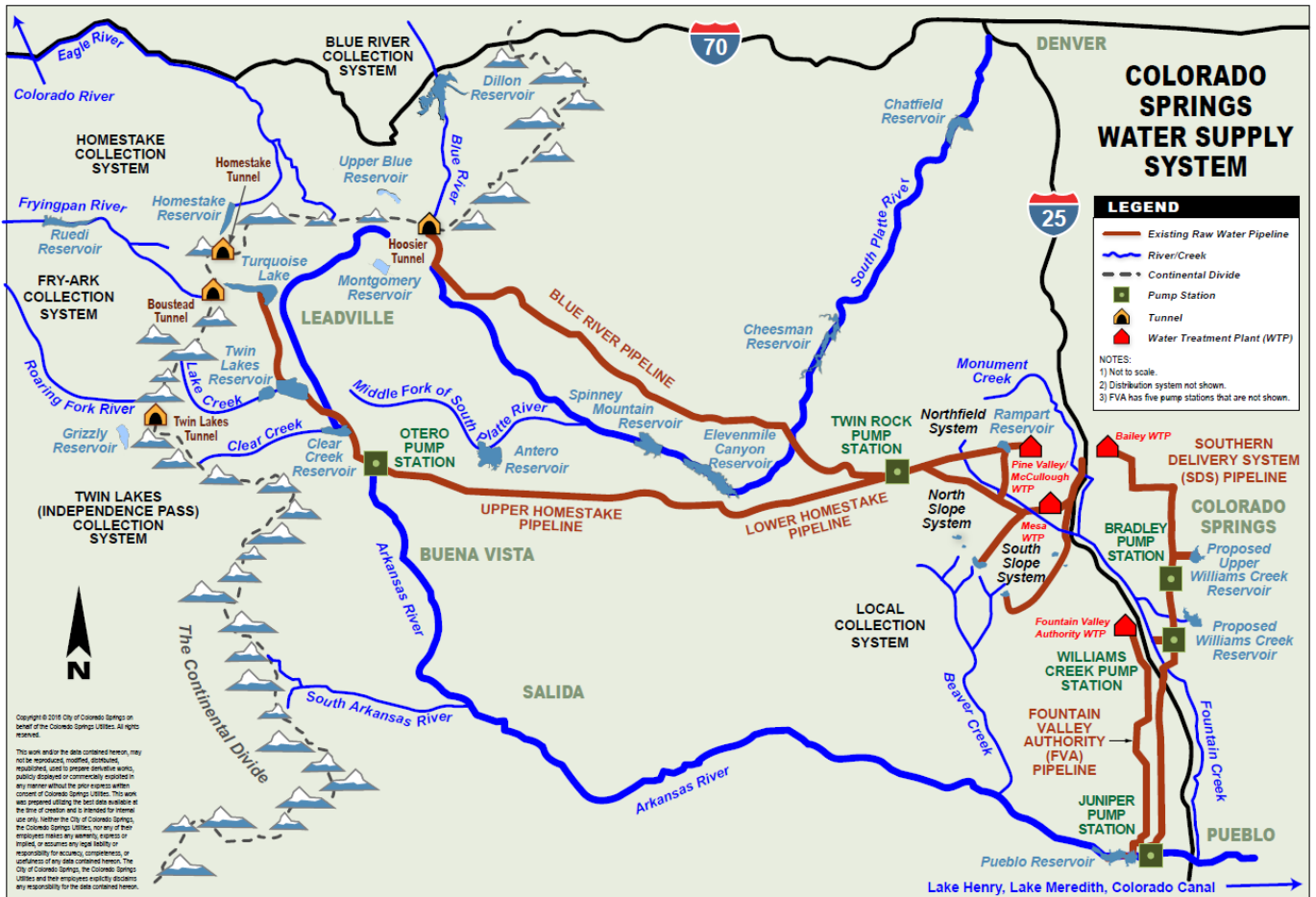


- 1 COLLECTS ROCKY MOUNTAIN SNOWMELT FROM UP TO 100+ MILES AWAY
- 2 MOVES COLLECTED WATER TO STORAGE RESERVOIRS
- 3 CAN HOLD UP TO 3.5 YEARS OF SUPPLY AND SUPPORT RECREATION

- 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

STATISTICS

- Number of active water meters: 151,804
- Annual potable water deliveries: 74,989 AF (24.4 billion gallons)
- Total nonpotable output (all sources): 9,227 AF
- Total Arkansas River and Local Exchange: 21,399 AF
- Treatment capacity: 259 mgd (peak), 243.5 mgd (sustained)
- Record peak demand: 182 mgd (July 2001)
- Water System includes:
 - 4 trans mountain diversion systems that carry water from over 100 miles away
 - 2,209 miles of potable water mains
 - 25 raw water storage reservoirs
 - 11 raw water pump stations (including 2 Fountain Valley Authority)
 - 6 water treatment plants (including 1 Fountain Valley Authority)



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 nonpotable 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 near- and 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

2022
Approved
Budget

- 1. Finished Water Linear Asset Program (394744)** **\$ 12,644,844**

The Finished Water Linear Asset Program focuses 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. This project will rehabilitate approximately 65 miles of pipeline using condition assessment, cathodic protection, design, lining, and replacement.

- 2. AMI Project -Water (394669)** **7,899,648**

This project will transition from AMR to AMI. This project reflects intended purchase of 2-way water modules to replace residential, commercial, and industrial modules.

- 3. Highline Pressure Zone Extension and Redundant Supply (394749)** **4,299,996**

This project includes design and construction of 5.2 miles of 30", 24" and 12" water transmission and distribution mains that will extend the Highline Pressure Zone of the potable water system further to the south. The project will provide water service to the southerly portion of the Banning Lewis Ranch annexation area and create a redundant water supply to the Colorado Springs Airport.

- 4. Public Improvement Projects -Water (380083)** **3,999,996**

This project is for Springs Utilities' share of water relocations, betterments, and improvements as a result of Pikes Peak Rural Transportation Authority, City Capital Improvements Projects, El Paso County and Colorado Department of Transportation public improvement projects. Expected projects currently include Circle Dr Bridges, 30th St Corridor, and Fontanero Bridges.

- 5. Potable Pumping Station Replacement Program (394587)** **3,210,000**

This project evaluates, prioritizes, rehabilitates and/or replaces pump stations, pump station equipment and systems to maintain reliable water service to our customers. The 2022 projects include design of the Point of the Pines and Green Mountain Falls Potable Systems, and construction of Point of the Pines Potable System.

6.	URP -Water Mains Replacement (394741)	\$ 2,675,004
	The Utilities Reliability Program is a multi-year program that proactively and holistically identifies, assesses, and prioritizes existing utility infrastructure, across all services, for economy of scale construction opportunities which address potential barriers to future city growth.	
7.	Continental-Hoosier System Project (394345)	2,499,996
	This project seeks to permit a storage enlargement of 8,100 acre-feet at Montgomery Reservoir to improve collection and conveyance management and increase the average annual yield delivered through the Blue River pipeline by 4,000 acre-feet.	
8.	Potable Water Tank Refurbishment/Replacement Program (394575)	2,262,012
	The program addresses issues found during periodic condition assessment, inspections, and maintenance activities of the water distribution systems' 43 potable water tanks. This project includes Cedar Heights Tank 2 Replacement, Wilson Tank Permitting and Solicitation and Broadmoor 4 Rehabilitation.	
9.	Eagle River Memorandum of Understanding Project (396081)	2,000,004
	This project continues the joint water supply project to develop the Homestake conditional water rights under the 1998 Eagle River Memorandum of Understanding and will deliver 10,000 acre-feet of average annual yield. This project includes selection of a National Environmental Policy Act Program Manager and continued pre-permitting work, studies to refine project configuration, and potential acquisition of wetland credits and reservoir property.	
10.	Specialty Valves Rehabilitation and Replacement Program (394651)	1,852,620
	This program identifies, evaluates, prioritizes, and implements the rehabilitation/replacement of specialty valves in the water system to ensure safe and reliable water service to our customers. The project includes the FLYR5 Valve Vault Replacement, purchase of valves for the Manitou Hydro Valve Replacement, and purchase of valves for the Academy Corridor Valve Replacement.	
11.	33rd Street Raw Water Pipeline (394754)	1,800,000
	This project is an emergency replacement and rehabilitation project of the Raw Water Pipeline from 33rd Street to the Tollefson Water Treatment Plant and is required to finish the startup and commissioning of the newly constructed 33rd Street Pump Station.	

12.	Tollefson Water Treatment Plant Upgrades Program (394536) This project will make improvements to address aging infrastructure, increase local water use, and extend the service life of the Tollefson Water Treatment Plant. The phase I construction includes several new facilities, most notably the new pretreatment facility, needed to maintain capacity and begin steps to accept more local water.	\$ 1,500,000
13.	Homestake Suction Pipeline Replacement (394477) This project funds the replacement of the sixth through tenth sections of the 66" Otero suction pipeline in the Homestake Reservoir through 2025.	1,148,352
14.	Water Service Vehicles and Equipment (380109) This project replaces vehicles and equipment for water service to maintain a safe, cost effective and reliable fleet.	1,104,996
15.	Water Meters -Base Requirements (394204) This project will purchase water meters, parts, connection materials and water modules to connect new residential, commercial, and industrial water customers to our system. The project also replaces damaged and defective meters.	1,077,276
16.	Homestake Collection System Pipeline Repair and Rehabilitation (394711) This project will install access points for inspection, construction, and relining pipeline in the Homestake System.	800,004
17.	Tollefson Water Treatment Plant Upgrades Phases II and III (394688) This project makes several improvements at the Tollefson Water Treatment Plant to address regulatory requirements. Phases II and III will make watermain improvements in 2022 and the design of the Highline Tank project.	740,004
18.	AMI -Operational Device Management (796636) This project is for an application that provides an enterprise platform to efficiently manage smart device lifecycle, streamline inspection processes, efficiently manage smart devices firmware updates, and improve regulatory compliance.	699,999
19.	Las Vegas Street WRRF East Nonpotable Reservoir Floor Replacement (394498) This project continues repair of the Las Vegas Street Water Resource Recovery Facility (WRRF) east nonpotable water reservoir basin spalling, and cracking of the concrete surface based on findings from the 2017 engineering study and alternatives.	600,000

20.	Rosemont System Improvements (394692)	\$ 500,004
	This project implements system improvements to the Rosemont Delivery System including raw water transmission main improvements and control valve installation to meet operational and customer requirements for raw water delivery.	
21.	Water Acquisition -Temporary Use Waters (394683)	500,004
	This project is for development of new water sharing projects or alternative transfer methods to acquire temporary use waters, which is essential for mitigating risks from drought, administration of water rights associated to other sources of supply, long-term water resource management flexibility and diversification of supplies.	
22.	Twin Rock Pump Station Medium Voltage Drive Replacement (394730)	500,004
	This project is the start of the replacement of the medium voltage variable frequency drives (VFDs) at the Twin Rocks pump station, our primary source for raw water delivery, to limit down time and unexpected outages due to drive failures. There is no longer adequate support or part availability due to the manufacturer discontinuing the 6KV VFD platform.	
23.	Homestake Dam Protective Mastic Liner (394712)	399,996
	This project is to reapply the Homestake Dam mastic liner to protect the asphalt that makes up the impermeable face of the Dam. The existing mastic liner is nearing the end of its design life and is showing signs of wear due to abrasion by ice and debris.	
24.	Homestake Operator Housing Replacement (394738)	375,000
	This project involves the construction of two caretaker houses for the Homestake Operator Housing that were built in the early 1960's using aluminum electrical wiring, asbestos ceiling texture and declining in condition.	
25.	Homestake 66 Inline Valve on Discharge Line (394675)	350,004
	This project is for the design and valve purchase that will be capable of isolating the Otero Pump Station from the discharge line that holds millions of gallons of water at 300 psi. An inline valve allows for shutting off this line in emergency situations and for scheduled maintenance.	

26.	Water Infrastructure Corrosion Program -Raw Water (394678)	\$ 344,496
	This project funds the Water Infrastructure Corrosion Program - Raw Water to identify, assess, prioritize, and construct the repair/replacement of raw water cathodic protection systems to ensure safe and reliable water service to our customers.	
27.	AMI -Multi (796649)	252,264
	This project is a necessary transition from AMR to AMI. This project reflects intended purchase of 2-way electric, gas, and water modules to replace residential, commercial, and industrial meters and modules.	
28.	Water System Infrastructure Continuity (380096)	249,996
	This project is funding for the Water System Infrastructure Continuity Program that adds and replaces water system infrastructure when project costs are over the \$5,000 Operating & Maintenance threshold and when the project is not covered by the Water Main Replacement Program.	
29.	Briargate Pressure Zone 36" Interconnection (394652)	249,996
	This project is a result of a vulnerability identified in the 2016 Finished Water System Plan. A 36" pipeline is planned to extend approximately three miles from Old Ranch Road and Powers Boulevard to Highway 83 and Flying Horse Club Drive to create redundancy in the existing system, improve the ability to respond to emergency situations, improve operational flexibility and enhance water quality.	
30.	Fire Hydrant Installation (380099)	200,004
	This project is to replace hydrants that are non-operational or that are obsolete because replacement parts are no longer manufactured.	
31.	Recovery of Yield Storage (394419)	200,004
	This project is the development of additional reservoir storage, a primary recommendation of the Integrated Water Resource Plan. Recovery of Yield participants are actively pursuing a leased project site (with option to purchase) and design alternative which would allow the Intergovernmental Agreement parties to collectively capture 5,000 ac-ft of foregone diversions that result from participation in the Arkansas River Flow Management Program.	

32.	Water Valve Replacement (394703) This project funds the Water Valve Replacement Program, which replaces water valves when project costs are over the \$5,000 Operations & Maintenance threshold and when the project is not covered by the Water Main Replacement Program.	\$ 200,004
33.	Upper Williams Creek Reservoir – Southern Delivery System (394716) This project was originally part of the Phase I portion of the Southern Delivery System Program and will complete the phase I land acquisition and associated environmental clearances for the remaining portion of the future Gary Bostrom Reservoir site, a terminal storage of raw water closer to our community.	200,004
34.	Homestake Vehicles and Equipment (380124) This project replaces vehicles and equipment for the Homestake Water Project to maintain a safe, cost effective, and reliable fleet. Funding in 2022 will replace a 1991 water truck and a 1991 dump truck, and potentially acquire a pull-behind crusher to reduce the costs of purchasing road base.	187,500
35.	Lab Capital Equipment - Water (380082) This project is for the replacement of instruments and equipment necessary for continued Safe Drinking Water Act compliance as they reach the end of their lifespan, or as technological advances and improved analytical methods drive the need for new instrumentation.	159,996
36.	Pine Valley Water Treatment Plant Finished Water Baffling (394722) This project is for the design of the selected alternative to ensure the Pine Valley Water Treatment Plant complies with disinfection regulations for finished water supplied to the plant itself (first customer) and early compliance points in the distribution system.	150,000
37.	Lower Arkansas Water Management Association Shares Acquisition (394672) This project is for the reimbursement to the Lower Arkansas Water Management Association for engineering, legal and administrative expenses associated with the change case as the shares acquired move through water court for a change in use and place of use.	140,004
38.	Water Tools and Equipment (380101) This project is for the purchase of large tools and equipment over \$5,000 for the Distribution, Collection & Treatment Department, Construction and Maintenance Section, such as shoring, large pumps, and other equipment needs.	140,004

39.	Finished Water System Plan Improvements Phase I (394573) This project includes easement acquisition, design and construction of pipelines, pump stations, tanks and pressure regulating valves identified in the 2016 Finished Water System Plan to provide increased redundancy and robustness to the existing system.	\$ 136,284
40.	Homestake Pipeline Replacement for Leak Remediation (394715) This project provides for the purchase and installation of pipe replacement kits to maintain the operational capability of this critical infrastructure.	125,004
41.	Lower Arkansas Water Management Association Exchange Decree (394752) This project is to fund the water court application 21CW3015 for approval of substitution and exchange for waters associated to the 2,500 shares of Lower Arkansas Water Management Association common stock that will be delivered in five of ten years.	99,996
42.	Homestake Mass Asset Valve Purchases (394753) This project provides for the purchase and installation of specialized shutoff valves and air valves. Pipeline failures can prevent the Otero Pump Station from pumping for two to six weeks.	99,996
43.	Tollefson Water Treatment Plant -33rd Street Pump Station Intake (394452) This upgrade project will improve the operation of the intake and pump station, to increase the use of local water supply, and upgrade the facility, which is more than 50 years old. The project will replace the existing intake, channel, and pump station. Facility startup and commissioning is planned for Q2 of 2022.	99,996
44.	Homestake Expanded Asphalt at Otero (394747) This project would pave approximately 35,000 square feet to encompass most of the structures on-site. This will reduce mud and dust accumulation and improve the ability to plow snow and keep the drainage systems clear of gravel.	90,000
45.	Homestake Suction Line Debris Screen (394740) This project is for the construction of a debris screen to remove flotsam before it reaches the Homestake suction pipeline.	75,000
46.	Homestake SCADA System Upgrades (380125) This project will upgrade the Homestake Supervisory Control and Data Acquisition (SCADA) system including replacing and upgrading equipment that is essential for reliable operation of the Otero Pump Station.	35,004

47. Water Tap Installation -New Customers (380108)	This project is for the inspection and installation of water taps for new residential and commercial customers on water mains.	\$ 30,000
48. AMR/AMI Network New Growth and Replacement (796463)	This project is for the purchase of additional AMR concentrators, repeaters and collectors and AMI gateways and routers to accommodate new growth areas and existing meters in CSU service territory. New unlicensed devices being sold in consumer markets are causing interference and require additional concentrators to overcome meter read issues.	26,010
49. Developer Initiated Projects -Water (394114)	This project promotes the extension of the water distribution system and provides service capability to previously unserved areas to customers in certain, qualifying scenarios.	24,996
50. Water System Design, Review, Inspection and Acceptance (394132)	This project is for the design, review, inspection, and documentation for developers and contractors to ensure compliance with current Water Line Extension & Service Standards, and to protect system integrity.	12,000
 Subtotal Capital - Water		<hr/> \$ 58,968,321
Capital Labor & Benefits		6,953,102
Administration & General Expense		3,064,576
 2022 Total Capital - Water with Allocated Components		<hr/> \$ 68,985,999 <hr/>

WATER EXPENDITURES SUMMARY (in thousands)

Account Group	2022 Approved Budget	2021 Approved Budget	2020 Actual	2022 Approved Budget Increase/ (Decrease) from:			
				2021		2020	
				Budget	Actual	Budget	Actual
Non-Labor Operations & Maintenance							
Production and Treatment	\$ 25,323	\$ 27,656	\$ 23,058	\$ (2,333)	-8.4%	\$ 2,265	9.8%
Purchased Water	9,505	10,275	9,939	(769)	-7.5%	(433)	-4.4%
Transmission and Distribution	2,132	2,511	1,890	(379)	-15.1%	242	12.8%
Maintenance	8,635	7,963	8,795	672	8.4%	(161)	-1.8%
Customer Service and Information	1,475	1,453	1,376	22	1.5%	100	7.2%
Administrative and General	13,208	11,608	10,055	1,599	13.8%	3,152	31.3%
Customer Accounting and Collections	2,131	2,234	2,203	(103)	-4.6%	(71)	-3.2%
Total Non-Labor Operations & Maintenance	\$ 62,409	\$ 63,700	\$ 57,316	\$ (1,291)	-2.0%	\$ 5,094	8.9%
Labor & Benefits							
Production and Treatment	\$ 12,115	\$ 13,815	\$ 12,078	\$ (1,700)	-12.3%	\$ 37	0.3%
Transmission and Distribution	8,402	7,430	6,388	971	13.1%	2,013	31.5%
Maintenance	7,953	6,722	7,725	1,231	18.3%	229	3.0%
Customer Service and Information	1,234	1,004	1,039	230	22.9%	195	18.7%
Administrative and General	29,958	28,167	26,271	1,792	6.4%	3,687	14.0%
Customer Accounting and Collections	2,552	2,533	2,682	19	0.7%	(131)	-4.9%
Total Labor & Benefits	\$ 62,214	\$ 59,672	\$ 56,184	\$ 2,542	4.3%	\$ 6,031	10.7%
Total Non-Fuel Operations & Maintenance ¹	\$ 124,624	\$ 123,372	\$ 113,499	\$ 1,251	1.0%	\$ 11,124	9.8%
Surplus Payments to the City	\$ 2,614	\$ 2,590	\$ -	\$ 23	0.9%	\$ 2,614	0.0%
Debt Service	82,437	80,357	84,516	2,080	2.6%	(2,079)	-2.5%
Direct Capital	68,986	67,082	64,675	1,904	2.8%	4,311	6.7%
Allocated Capital ²	9,986	5,292	5,374	4,694	88.7%	4,612	85.8%
Total	\$ 288,646	\$ 278,693	\$ 268,065	\$ 9,954	3.6%	\$ 20,581	7.7%

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

² Common Capital allocated to Water Service.

WASTEWATER SERVICE OVERVIEW

SERVICE HIGHLIGHTS



- | | |
|---|--|
| 1 WASTEWATER GOES DOWN YOUR DRAINS | 5 3 RECOVERY FACILITIES TREAT WASTEWATER THROUGH MULTI-STEP PROCESS |
| 2 TAKES WASTEWATER FROM HOMES AND BUSINESSES TO LIFT STATIONS | 6 THE RECLAIMED WATER IS RELEASED TO FOUNTAIN CREEK WHERE WE'RE ABLE TO REUSE IT THROUGH WATER EXCHANGES |
| 3 MOVES WASTEWATER FROM LOW TO HIGH ELEVATIONS | |
| 4 MOVES WASTEWATER TO RESOURCE RECOVERY FACILITY | |

STATISTICS

- Number of active accounts: 147,767
- Wastewater treated: average of 38 million gpd
- Combined permitted capacity: 95 million gpd
- Miles of sewer main pipe: 1,780 miles
- Wastewater System includes:
 - 2 water resource recovery facilities
 - 1 solid handling facility
 - 20 lift stations

2022 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 1,800 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 Springs Utilities, the City of Colorado Springs, and Pueblo County.

Wastewater Service Projects

2022
Approved
Budget

- 1. Clear Springs Ranch WRRF Biogas Utilization Project (495331)** **\$ 3,999,996**

This Water Resource Recovery Facility (WRRF) biogas project will allow us to harness renewable energy from a byproduct of anaerobic digestion and create a revenue source for the wastewater service line for years to come. The project will also provide clean natural gas for use in the boilers, reducing Operations & Maintenance expenses and improve safety.
- 2. Sanitary Sewer Creek Crossing Collection System Program (495253)** **3,600,000**

This program evaluates, protects, and rehabilitates/replaces sanitary sewer pipelines that cross creeks and drainages to provide stream stability and reduced erosion and sedimentation. This project includes two larger projects that will provide protection by constructing drop structures and stabilizing creek banks near existing pipelines.
- 3. URP -Wastewater Mains Replacement/Lining (495405)** **3,024,996**

This program is a multi-year program that proactively and holistically identifies, assesses, and prioritizes existing utility infrastructure across all services for economy of scale construction opportunities to address potential barriers to future city growth.
- 4. Las Vegas Street WRRF Blower and Aeration Modifications (495307)** **2,600,004**

This project will be the first of three years of construction and rehabilitation of the air delivery system that will allow us to meet current and future flow and load conditions and to comply with anticipated upcoming discharge regulations. The project is required to continue providing an uninterrupted level of service for our customers in a reliable and efficient manner.
- 5. Local Collectors Evaluation and Rehabilitation Program (495121)** **2,499,996**

This program is multi-year program entering the 18th year of implementation 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 reinspected or rehabilitated. This project will rehabilitate approximately 40,000 feet pipe.

6.	Northern Monument Creek Interceptor (495356)	\$ 2,400,000
	This project consists of installing approximately 10 miles of 30-36" pipe and appurtenances to eliminate multiple lift stations, accept wastewater from six sanitation districts and potentially generate \$2.5 to \$3 million in annual revenue. The 2022 project plan includes procuring and completing up to 60% design.	
7.	Clear Springs Ranch WRRF Electrical Upgrades Project (495343)	2,190,000
	This project will allow us to begin a holistic improvement on the electrical feed, switchgear, power distribution, and electrical and instrumentation systems in the digestion facility.	
8.	Colorado Centre Metropolitan District Wastewater Capacity Purchase (495407)	1,374,324
	This project is for the purchase of wastewater treatment and conveyance capacity for the lower Banning Lewis Ranch development.	
9.	J.D. Phillips WRRF Diversion Structure (495365)	1,250,004
	This project will improve the current diversion structure existing gates, which are inoperable due to corrosion, to allow wastewater flows to be controlled and managed. This project needs to be completed before the Northern Monument Creek Interceptor is fully operational.	
10.	Wastewater Service Vehicles and Equipment (480017)	1,153,752
	This project is for the replacement of vehicles and equipment for Wastewater Services to maintain a safe, cost effective and reliable fleet.	
11.	Las Vegas Street WRRF Primary Clarifier Gates (495412)	999,996
	This project will allow for the replacement of the isolation gates feeding the primary clarifiers, some of which have corroded entirely through and some need seal replacements. The gates need to be replaced to allow for operational flexibility.	
12.	J.D. Phillips WRRF Inlet Secondary Clarifier Gates (495360)	915,000
	This project will restore the flexibility and enable optimal performance and operations of the secondary clarifier inlet gates that are jammed, thereby limiting their availability, and preventing operations of the facility and the secondary treatment process to occur optimally and efficiently. The facility is operating at less than desired efficiency without full operational flexibility.	

13.	Wastewater Lift Station and Force Main Program (495281) This program assesses the condition of critical wastewater pump stations and force mains to avoid sanitary sewer overflows. This project will rehabilitate one pump station every other year.	\$ 900,000
14.	Public Improvement Projects - Wastewater (480015) This capital project pays for our share of wastewater relocations, betterments, and improvements as a result of Pikes Peak Rural Transportation Authority, City Capital Improvements Projects, El Paso County and Colorado Department of Transportation public improvement projects. 2022 projects currently include Circle Dr Bridges, 30th St Corridor and Fontanero Bridges.	800,004
15.	Closed-circuit Television Equipment (480004) This project provides for replacement or upgrades of cameras and equipment used by collection system staff to evaluate the condition of sanitary sewer pipes.	590,004
16.	Collection System Rehabilitation/Replacement (495236) This project will rehabilitate approximately 6,000 feet of wastewater pipe and is considered a condition of the 1041 Permit by Pueblo County for the Southern Delivery System.	500,004
17.	WRRF Improvements Program (495338) This program will provide funding for required capital improvements and upgrades at the Water Resource Recovery Facilities for relatively small projects such as the replacement of pumps or valves identified as capital assets in the Unit of Property book but not large enough to justify their own project.	350,004
18.	WRRF Control System Upgrade Program (495328) This project will provide improvements for the control system, variable frequency drive and instrumentation at Las Vegas Street, J.D. Phillips, and Clear Springs Ranch Water Resource Recovery Facilities due to aging and obsolete controls, variable frequency drives and instrumentation and control schemes.	300,000
19.	Las Vegas Street WRRF Primary Sediment Basin Concrete (495362) This project will allow us to make significant repairs to concrete that has deteriorated due to exposure to hydrogen sulfide emitted in the primary sedimentation basins. The project will extend the life of the basins for another 40 to 50 years and avoid the need to rebuild the basins.	249,996

20.	Clear Springs Ranch WRRF French Drain Upgrade (495353) This project would provide funding to upgrade the dam pump-back system French drain, which collects the liquid and delivers it to the pump-back system.	\$ 249,996
21.	Wastewater Infrastructure Corrosion Program (495322) This program identifies, evaluates, monitors, prioritizes, and constructs the repair/replacement of failing cathodic protection systems to insure safe and reliable wastewater services to our customers. The project in 2022 will focus on cathodic protection systems repairs at the J.D. Phillips Water Resource Recovery Facility and new systems on secondary clarifiers.	212,004
22.	Las Vegas Street WRRF Sky Flume Odor Control Media (495323) This project will replace the spent media to mitigate odor emissions from the plant at the Las Vegas Street Water Resource Recovery Facility, reduce the damage to the infrastructure and minimize the release to the environment.	170,004
23.	Lab Equipment Capital - Wastewater (480003) This project encompasses the instruments and equipment necessary for Clean Water Act compliance and are vital to the function of the laboratory as they reach the end of their lifespan, or as technological advances and improved analytical methods drive the need for new instrumentation.	159,996
24.	J.D. Phillips WRRF Variable Frequency Drives (495361) This project would install variable frequency drives on the recirculation pumps in the aeration basins to allow the pump rates to be changed to better match the treatment needs, improve the quality of the effluent, and save money on pumping costs.	150,000
25.	Las Vegas Street WRRF Headworks Odor Control Media (495310) This project will replace the spent media to mitigate odor emissions from the Las Vegas Street Water Resource Recovery Facility to remove the sulfur-based odors from the step screens, screenings building and grit chambers. These areas generate unpleasant nuisance odors and hazardous gases which need to be removed to maintain a safe working environment.	129,996
26.	Clear Springs Ranch WRRF Roof Replacement Program (495337) This project will improve roofing systems that need repair or replacement.	125,004
27.	Wastewater Service to Unsewered Areas (495106) This project promotes the extension of the wastewater collection system and provides service capability to unsewered areas.	99,996

28. 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.	\$ 75,000
29. Clear Springs Ranch WRRF Stormwater Improvements (495347)	This project would make necessary improvements to control storm water runoff from around the energy recovery building to protect existing infrastructure from further damage and cease the flow of stormwater into the facility.	66,000
30. Las Vegas Street WRRF Roof Replacement Program (495330)	This project will improve roofing systems that need repair or replacement.	50,004
31. J.D. Phillips WRRF Capacitors in UV UPS System (495369)	This project will replace the capacitors, an integral part of the power supply system for the ultraviolet disinfection system.	50,004
32. Wastewater System Design, Review, Inspection and Acceptance (495062)	This project is for the design, review, inspection, and documentation of the wastewater pipeline for compliance with City Code and Line Extension & Service Standards, and to protect system integrity.	12,000
Subtotal Capital - Wastewater		\$ 31,248,084
Capital Labor & Benefits		1,297,850
Administration & General Expense		211,350
2022 Total Capital - Wastewater with Allocated Components		\$ 32,757,284

WASTEWATER EXPENDITURES SUMMARY (in thousands)

Account Group	2022 Approved Budget	2021 Approved Budget	2020 Actual	2022 Approved Budget Increase/ (Decrease) from:			
				2021 Budget		2020 Actual	
Non-Labor Operations & Maintenance							
Production and Treatment	\$ 3,582	\$ 3,217	\$ 3,578	\$ 365	11.3%	\$ 4	0.1%
Transmission and Distribution	1,646	2,552	1,845	(907)	-35.5%	(199)	-10.8%
Maintenance	2,369	2,868	3,112	(498)	-17.4%	(742)	-23.9%
Customer Service and Information	260	346	320	(86)	-24.8%	(60)	-18.7%
Administrative and General	5,656	5,042	4,197	614	12.2%	1,459	34.8%
Customer Accounting and Collections	898	984	863	(87)	-8.8%	35	4.0%
Total Non-Labor Operations & Maintenance	\$ 14,410	\$ 15,010	\$ 13,915	\$ (599)	-4.0%	\$ 496	3.6%
Labor & Benefits							
Production and Treatment	\$ 4,106	\$ 3,475	\$ 3,470	\$ 631	18.1%	\$ 636	18.3%
Transmission and Distribution	5,764	5,805	5,209	(40)	-0.7%	556	10.7%
Maintenance	2,946	1,977	3,090	969	49.0%	(144)	-4.7%
Customer Service and Information	799	981	758	(182)	-18.5%	41	5.4%
Administrative and General	11,770	10,999	10,266	771	7.0%	1,504	14.6%
Customer Accounting and Collections	2,460	2,352	2,575	108	4.6%	(115)	-4.5%
Total Labor & Benefits	\$ 27,845	\$ 25,589	\$ 25,368	\$ 2,257	8.8%	\$ 2,477	9.8%
Total Non-Fuel Operations & Maintenance ¹	\$ 42,256	\$ 40,598	\$ 39,283	\$ 1,657	4.1%	\$ 2,973	7.6%
Debt Service	\$ 22,914	\$ 24,603	\$ 25,066	\$ (1,688)	-6.9%	\$ (2,152)	-8.6%
Direct Capital	32,757	19,521	17,903	13,236	67.8%	14,855	83.0%
Allocated Capital ²	3,779	1,994	2,034	1,785	89.5%	1,745	85.8%
Total	\$ 101,707	\$ 86,716	\$ 84,286	\$ 14,991	17.3%	\$ 17,421	20.7%

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

² Common Capital allocated to Wastewater Service.

ENTERPRISE-WIDE

Common Service Projects		2022 Approved Budget
1.	Advanced Technologies Campus - Common (596664) This project is a platform to test new technologies, pilots, and proof of concepts before deployment in the field. It will consist of multiple labs including a power system, cyber security, communications, Advanced Metering Infrastructure and Home Area Networking, electric vehicle, Distributed Energy Resource, and a situational awareness lab.	\$ 6,922,428
2.	Customer Technology Modernization Program (596654) This project is for the reimplementing of the Customer Care and Billing 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. This project will enable us to work more efficiently, serve customers more effectively and reduce risk to the application.	6,000,000
3.	Network Enterprise Services Program (596544) This project includes the replacement of the access switch/router for both the enterprise common operating environment and control networks, and network security replacements for firewalls and virtual private network equipment. The purpose is to replace equipment with more efficient, reliable, and capable systems to improve the security, availability, capacity and serviceability of the local area, wide area and extended networks.	2,499,996
4.	Plaza of the Rockies Divestment Project (596572) This project is the divestment of the 2nd and 4th floors in the Plaza of the Rockies, as identified in the Facilities Strategic Plan, to provide long-term cost savings and to optimize space within facilities. To achieve these objectives, we will need to renovate and upgrade current spaces to accommodate additional personnel and improve space usage.	1,500,000
5.	Common Service Vehicles and Equipment (580175) This project is for the replacement of vehicles and equipment for the common service areas to maintain a safe, cost effective and reliable fleet.	1,102,500

6.	Database Platform Upgrade (596653) This project is for the consolidation and decommission of three database environments into a single, supportable Oracle database environment for sustainability and expanded functionality, and database version upgrades where possible. A single platform simplifies maintenance, patching, redundancy and fail over.	\$ 999,996
7.	Security Camera System Upgrade (596656) This project is for the replacement of the Pelco camera system utilized in security operations, due to end of life and the current system being no longer serviceable.	759,996
8.	Application Program (596605) This project will install upgrades or replacements of the eB, Mail Transfer Agent Replacement and Quorum Pipeline Transaction Management systems that are at the end of life.	500,004
9.	Infrastructure Platform Program (596535) This project is for the expansion of the on-premises capacity to support new project needs for our enterprise systems.	500,004
10.	Leon Young Service Center Roof Upgrade and Replacement (596497) This project will replace the roof of the Leon Young Service Center and upgrading the insulation of the existing roof for increased efficiency and thermal comfort.	500,004
11.	Cyber Operations and Resiliency Program (596545) This project is for the purchase of cyber testing and alerting devices.	500,004
12.	Enterprise Duress Notification System (596632) This project is for the purchase of a comprehensive system for emergencies and notifications to ensure the safety of employees and contractors. The systems will include (at a minimum) a duress function and a mass notification function on an enterprise-wide level.	300,000

13. Geospatial Field Survey Technology (596670)	This project is for the purchase of 14 EOS Arrow Gold RTK High-Accuracy global positioning system (GPS) laser range-finder devices to be used with our current geographic information system applications for the long-term asset, digital twin program and the Gas Tracking & Traceability program. This device allows field crews to perform location GPS without the dangers to crews standing in the middle of a busy street or down in a trench.	\$ 155,004
14. Supervisory Control and Data Acquisition (580216)	This project is for the acquisition of the Supervisory Control and Data Acquisition system hardware replacements and software purchases.	120,000
15. Clevest Mobile Workforce Management System Expansion (596668)	This project is for the expansion of the use and functionality for internal standardization on the Clevest Workforce Mobile.	99,996
16. Common Tools and Equipment (580141)	This project is for the replacement of tools and equipment for the Energy Construction Operations & Maintenance common service to stay current with technology while utilizing the tooling to make capital improvements or add capital equipment to our system.	30,000
17. Technology Services and Support Program (596533)	This project is for the replacement of large format printers and plotters that have reached their end of life.	8,148
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Subtotal Capital - Common		\$ 22,498,080
Capital Labor & Benefits		1,819,804
Administration & General Expense		158,513
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2022 Total Capital - Common with Allocated Components		\$ 24,476,397

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ADMINISTRATIVE AND GENERAL (in thousands)

Account Group	Service	2022 Approved Budget	2021 Approved Budget	2020 Actual	2022 Approved Budget Increase/ (Decrease) from:				
					2021		2020		
					Budget	%	Actual	%	
Non-Labor Administrative and General									
Customer Service and Information	Electric	\$ 4,928	\$ 7,410	\$ 4,934	\$ (2,482)	-33.5%	\$ (6)	-0.1%	
	Natural Gas	2,048	1,908	1,399	140	7.3%	650	46.5%	
	Water	1,475	1,453	1,376	22	1.5%	100	7.2%	
	Wastewater	260	346	320	(86)	-24.8%	(60)	-18.7%	
	Sub-Total	\$ 8,712	\$ 11,118	\$ 8,029	\$ (2,405)	-21.6%	\$ 683	8.5%	
Administrative and General	Electric	\$ 21,606	\$ 19,108	\$ 16,043	\$ 2,499	13.1%	\$ 5,563	34.7%	
	Natural Gas	6,284	5,670	4,045	613	10.8%	2,239	55.4%	
	Water	13,208	11,608	10,055	1,599	13.8%	3,152	31.3%	
	Wastewater	5,656	5,042	4,197	614	12.2%	1,459	34.8%	
	Streetlight	250	219	179	31	14.3%	71	39.5%	
	Sub-Total	\$ 47,003	\$ 41,647	\$ 34,520	\$ 5,356	12.9%	\$12,484	36.2%	
Customer Accounting and Collections	Electric	\$ 3,802	\$ 4,023	\$ 3,815	\$ (221)	-5.5%	\$ (13)	-0.3%	
	Natural Gas	2,674	2,779	2,716	(105)	-3.8%	(42)	-1.5%	
	Water	2,131	2,234	2,203	(103)	-4.6%	(71)	-3.2%	
	Wastewater	898	984	863	(87)	-8.8%	35	4.0%	
	Streetlight	-	-	11	-	-0.0%	(11)	-100.0%	
	Sub-Total	\$ 9,506	\$ 10,022	\$ 9,608	\$ (516)	-5.1%	\$ (102)	-1.1%	
Total Non-Labor Administrative and General	Total	\$ 65,221	\$ 62,786	\$ 52,156	\$ 2,435	3.9%	\$13,065	25.0%	
Labor & Benefits Administrative & General									
Customer Service and Information	Electric	\$ 2,350	\$ 2,267	\$ 1,881	\$ 82	3.6%	\$ 469	24.9%	
	Natural Gas	1,155	1,413	1,154	(258)	-18.3%	1	0.1%	
	Water	1,234	1,004	1,039	230	22.9%	195	18.7%	
	Wastewater	799	981	758	(182)	-18.5%	41	5.4%	
	Sub-Total	\$ 5,538	\$ 5,666	\$ 4,832	\$ (128)	-2.3%	\$ 706	14.6%	
Administrative and General	Electric	\$ 46,784	\$ 44,014	\$ 40,991	\$ 2,770	6.3%	\$ 5,793	14.1%	
	Natural Gas	12,684	11,832	11,029	853	7.2%	1,655	15.0%	
	Water	29,958	28,167	26,271	1,792	6.4%	3,687	14.0%	
	Wastewater	11,770	10,999	10,266	771	7.0%	1,504	14.6%	
	Streetlight	650	614	571	36	5.9%	78	13.7%	
	Sub-Total	\$101,846	\$ 95,625	\$ 89,128	\$ 6,221	6.5%	\$12,718	14.3%	
Customer Accounting and Collections	Electric	\$ 3,946	\$ 3,917	\$ 4,148	\$ 29	0.7%	\$ (202)	-4.9%	
	Natural Gas	3,593	3,566	3,776	26	0.7%	(184)	-4.9%	
	Water	2,552	2,533	2,682	19	0.7%	(131)	-4.9%	
	Wastewater	2,460	2,352	2,575	108	4.6%	(115)	-4.5%	
	Sub-Total	\$ 12,550	\$ 12,369	\$ 13,181	\$ 182	1.5%	\$ (631)	-4.8%	
Total Labor & Benefits Administrative and General	Total	\$119,934	\$113,659	\$107,142	\$ 6,275	5.5%	\$12,792	11.9%	
Total Administrative and General¹		\$185,155	\$176,445	\$159,298	\$ 8,710	4.9%	\$25,857	16.2%	

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

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2022 DIVISION OPERATIONS & MAINTENANCE BUDGET

By Division (in thousands)

Account Group	2022 Approved Budget	2021 Approved Budget	2022 Approved Budget Increase/ (Decrease) from: 2021 Budget	
Division Total ¹	\$ 624,772	\$ 583,093	\$ 41,678	7.1%
Corporate				
Labor	\$ 609	\$ 543	\$ 66	12.1%
Benefits	49,325	50,488	(1,163)	-2.3%
Outside Professional Services	1,102	1,373	(270)	-19.7%
Equipment Lease & Maintenance	5	-	5	- %
Buildings & Utilities	341	-	341	- %
Office Expenses, Materials & Supplies	329	236	93	39.4%
Travel, Education & Employee Expenses	10	48	(38)	-79.4%
Professional/Industry Memberships & Publications	2	3	(1)	-46.8%
Misc. Accounting General	18,795	12,987	5,808	44.7%
Sub-Total ¹	\$ 70,518	\$ 65,678	\$ 4,840	7.4%
CEO Direct Reports (Division 1)				
Labor	\$ 17,753	\$ 10,415	\$ 7,339	70.5%
Outside Professional Services	396	579	(183)	-31.6%
Equipment Lease & Maintenance	387	397	(9)	-2.4%
Office Expenses, Materials & Supplies	132	125	7	6.0%
Travel, Education & Employee Expenses	642	793	(151)	-19.0%
Conserve, Safety, Customer Assist & Financial Info	215	187	28	15.0%
Professional/Industry Memberships & Publications	496	462	34	7.4%
Sub-Total ¹	\$ 20,022	\$ 12,957	\$ 7,065	54.5%
Information Technology (Division 3)				
Labor	\$ 12,972	\$ 13,611	\$ (640)	-4.7%
Outside Professional Services	437	917	(480)	-52.3%
Equipment Lease & Maintenance	12,150	11,070	1,081	9.8%
Buildings & Utilities	881	923	(42)	-4.5%
Office Expenses, Materials & Supplies	875	72	803	1115.4%
Travel, Education & Employee Expenses	97	181	(85)	-46.7%
Professional/Industry Memberships & Publications	4	9	(5)	-57.8%
Sub-Total ¹	\$ 27,416	\$ 26,784	\$ 632	2.4%

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

By Division (in thousands)

Account Group	2022 Approved Budget	2021 Approved Budget	2022 Approved Budget Increase/ (Decrease) from: 2021 Budget	
Planning and Finance (Division 4)				
Labor	\$ 4,411	\$ 4,185	\$ 226	5.4%
Outside Professional Services	4,807	4,966	(159)	-3.2%
Equipment Lease & Maintenance	-	0	(0)	-100.0%
Office Expenses, Materials & Supplies	36	32	5	14.4%
Travel, Education & Employee Expenses	115	93	22	23.0%
Professional/Industry Memberships & Publications	115	54	61	113.8%
Misc. Accounting General	6,651	5,779	872	15.1%
Sub-Total ¹	\$ 16,136	\$ 15,109	\$ 1,026	6.8%
Customer and Corporate Services (Division 5)				
Labor	\$ 20,745	\$ 21,143	\$ (398)	-1.9%
Outside Professional Services	1,729	1,877	(147)	-7.8%
Equipment Lease & Maintenance	6,788	7,024	(236)	-3.4%
Buildings & Utilities	(0)	6	(6)	-101.6%
Office Expenses, Materials & Supplies	3,074	3,268	(194)	-5.9%
Travel, Education & Employee Expenses	212	217	(5)	-2.3%
Conserve, Safety, Customer Assist & Financial Info	2,183	2,236	(54)	-2.4%
Professional/Industry Memberships & Publications	147	200	(53)	-26.6%
Misc. Accounting General	-	3,145	(3,145)	-100.0%
Sub-Total ¹	\$ 34,877	\$ 39,116	\$ (4,239)	-10.8%
Operations Division (Division 7)				
Labor	\$ 79,528	\$ 74,452	\$ 5,076	6.8%
Outside Professional Services	25,263	28,064	(2,801)	-10.0%
Equipment Lease & Maintenance	4,510	5,130	(620)	-12.1%
Buildings & Utilities	16,700	18,420	(1,720)	-9.3%
Office Expenses, Materials & Supplies	263,882	214,794	49,088	22.9%
Travel, Education & Employee Expenses	1,838	1,812	25	1.4%
Conserve, Safety, Customer Assist & Financial Info	0	4	(4)	-96.6%
Professional/Industry Memberships & Publications	1,098	1,094	3	0.3%
Misc. Accounting General	181	125	56	44.7%
Sub-Total ¹	\$ 392,999	\$ 343,895	\$ 49,105	14.3%

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

By Division (in thousands)

Account Group	2022 Approved Budget	2021 Approved Budget	2022 Approved Budget Increase/ (Decrease) from: 2021 Budget	
Water Compliance & Innovation (Division 8)				
Labor	\$ 16,854	\$ 16,193	\$ 660	4.1%
Outside Professional Services	7,929	8,329	(399)	-4.8%
Equipment Lease & Maintenance	1,429	1,789	(360)	-20.1%
Buildings & Utilities	3,489	5,562	(2,074)	-37.3%
Office Expenses, Materials & Supplies	4,251	14,011	(9,760)	-69.7%
Travel, Education & Employee Expenses	315	320	(6)	-1.8%
Conserve, Safety, Customer Assist & Financial Info	3,701	5,227	(1,527)	-29.2%
Professional/Industry Memberships & Publications	236	222	14	6.2%
Misc. Accounting General	5	5	-	0.0%
Sub-Total ¹	\$ 38,208	\$ 51,659	\$ (13,451)	-26.0%
System Planning and Projects (Division 9)				
Labor	\$ 15,887	\$ 16,704	\$ (817)	-4.9%
Outside Professional Services	6,445	8,224	(1,779)	-21.6%
Equipment Lease & Maintenance	1,278	1,952	(674)	-34.5%
Buildings & Utilities	247	253	(6)	-2.3%
Office Expenses, Materials & Supplies	228	205	23	11.2%
Travel, Education & Employee Expenses	377	389	(12)	-3.1%
Conserve, Safety, Customer Assist & Financial Info	1	2	(0)	-13.3%
Professional/Industry Memberships & Publications	112	150	(37)	-25.0%
Misc. Accounting General	5	3	2	80.7%
Sub-Total ¹	\$ 24,582	\$ 27,882	\$ (3,300)	-11.8%

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

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GLOSSARY OF TERMS

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

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

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.

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

Appropriation – Sources and Uses of Funds approved through ordinance by City Council.

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.

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.

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. 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) and an expenditure threshold equal to or greater than \$5,000. They can be comprised of either constructed or purchased assets and are distinguished from Operation 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 ([HB 1001](#)) requiring that 30 percent of Colorado’s electricity come from renewable energy sources by 2020. (c2es.org)

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 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 & 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).

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.

Depreciation – Depreciation represents the use of capital assets over their expected 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. (ferc.gov)

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 & 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.

GASB – Governmental Accounting Standards Board. Springs Utilities financial statements are prepared in accordance with generally accepted accounting principles in the United States of America as applied to units of local government, which are promulgated by GASB.

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.

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

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 & Maintenance – See Operations & 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.

OPEB – Other Postemployment Benefits.

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 & 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 & 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 investor-owned 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.

Surplus Payments to the City – Springs Utilities provides for surplus payments to the City based on a fixed rate per kWh of electricity, Mcf at 14.65 psi of natural gas delivered and cf water delivered within the City limits, without exclusion for interdepartmental deliveries.

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.

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.

WRRF – Water Resource Recovery Facility

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. 21-104

AN ORDINANCE APPROVING THE ANNUAL BUDGET FOR COLORADO SPRINGS UTILITIES AND APPROPRIATING MONIES FOR THE SEVERAL PURPOSES NAMED IN THE COLORADO SPRINGS UTILITIES' ANNUAL BUDGET FOR THE YEAR ENDING DECEMBER 31, 2022

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, 2022 in the amount of \$1,236,168,874 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 2022 to meet the expenses of the Colorado Springs Utilities for the year 2022:

Colorado Springs Utilities: \$1,236,168,874

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 effect on January 1, 2022.

Section 6. Introduced, read, and passed on first reading and ordered published
this 9th day of November 2021.

Finally Passed: November 23, 2021


Council President

ATTEST:

By: 
Sarah B. Johnson, City Clerk



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 COLORADO SPRINGS UTILITIES’ ANNUAL BUDGET FOR THE YEAR ENDING DECEMBER 31,2022” was introduced and read at a regular meeting of the City Council of the City of Colorado Springs, held on November 9th, 2021; that said ordinance was finally passed at a regular meeting of the City Council of said City, held on the 23rd day of November 2021, and that the same was published by title and in full, in accordance with Section 3-80 of Article III of the Charter, 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 23th day of November 2021.


Sarah B. Johnson, City Clerk



1st Publication Date: November 12th, 2021
2nd Publication Date: November 26th, 2021

Effective Date: December 1st, 2021

Initial: SBJ
City Clerk

ORDINANCE NO. 21-105

AN ORDINANCE IDENTIFYING AND APPROVING
COLORADO SPRINGS UTILITIES' ANNUAL SOURCES OF
FUNDS FOR THE YEAR ENDING DECEMBER 31,2022

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, 2022, 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 2022 as shown:

Colorado Springs Utilities: \$1,184,165,998

Section 2. 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 \$1,184,165,998.

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 approving the Budget and appropriating monies shall be in full force and effect on effect on January 1, 2022.

Section 5. Introduced, read, and passed on first reading and ordered published this 9th day of November 2021.

Finally Passed: November 23, 2021


Council President


ATTEST:


By: 
Sarah B. Johnson, City Clerk



I HEREBY CERTIFY, that the foregoing ordinance entitled “AN ORDINANCE IDENTIFYING AND APPROVING COLORADO SPRINGS UTILITIES’ ANNUAL SOURCES OF FUNDS FOR THE YEAR ENDING DECEMBER 31,2022” was introduced and read at a regular meeting of the City Council of the City of Colorado Springs, held on November 9th, 2021; that said ordinance was finally passed at a regular meeting of the City Council of said City, held on the 23rd day of November 2021, and that the same was published by title and in full, in accordance with Section 3-80 of Article III of the Charter, a newspaper published and in general circulation in said City, at least ten days before its passage.

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