



Colorado Springs Utilities

It's how we're all connected

**2024 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 2024 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.

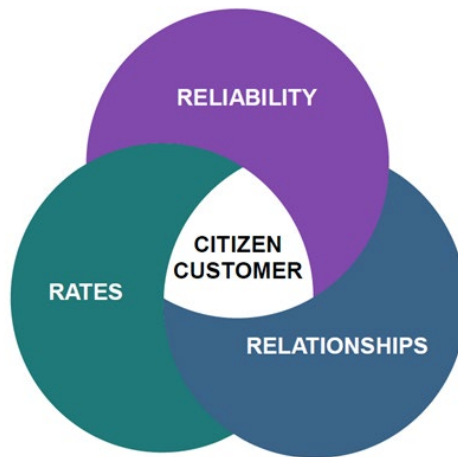
INTRODUCTION

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.
- Maintaining competitive pay and benefits in a tight labor market.

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 2024 Approved Budget is \$1.5 billion, a **decrease** of \$57.3 million, or 3.7 percent, from the 2023 Approved Budget. This **decrease** is primarily the result of lower Fuel Operations & Maintenance and Surplus Payments to the City. All increases and decreases are described in the detail that follows and are in comparison to the 2023 Approved Budget.

Capital Projects

Total Capital costs for 2024 are \$433.0 million and represents 28.8 percent of the 2024 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 2024 Capital expenditures **increases** by \$20.2 million, or 4.9 percent from the 2023 Approved Budget.

- Electric Capital **decreases** by \$11.3 million, due to the completion of Natural Gas Generator purchases, partially offset by increased funding for plant, transmission, and distribution infrastructure.
- Natural Gas Capital **increases** by \$3.3 million, due to Marksheffel Connector Gas Propane Air Plant (GPAP) expansion partially offset by decreased funding for Advanced Metering Infrastructure (AMI).
- Water Capital **increases** by \$21.4 million, due to Vehicles & Equipment purchases, Finished Water Linear Asset Program, Water Acquisitions, and Specialty Valves Rehabilitation and Replacement Program.
- Wastewater Capital **increases** by \$5.0 million, due to plant upgrades, for instance, Clear Spring Ranch Resource Recovery Facility (CSRRLF) electrical upgrades and J.D. Phillips Water Resource Reclamation Facility (JDPWRRF) diversion structure.
- Common Capital to support all the services **increases** by \$1.9 million, due to the Advanced Technologies Campus for Phase I Substation construction.

Fuel Operations & Maintenance

Total Fuel Operations & Maintenance costs for 2024 are \$418.7 million and represents 27.8 percent of the 2024 Budget.

Total 2024 Fuel and Purchased Power expenditures **decreases** by \$102.6 million, or 19.7 percent, from the 2023 Approved Budget primarily based on lower forecasted natural gas and market pricing. A one Standard Deviation (SD) of \$141.1 million added for contingency due to price volatility in the fuels market, this represents a \$56.6 million decrease to the 2023 Budget.

Non-Fuel Operations & Maintenance

Total Non-Fuel Operations & Maintenance costs for 2024 are \$404.7 million and represents 26.9 percent of the 2024 Budget.

Total 2024 Non-Fuel Operations & Maintenance expenditures **increases** by \$24.9 million, or 6.6 percent, from the 2023 Approved Budget, primarily due to retaining and attracting a skilled workforce, inflationary and system growth, Information Technology (IT) lifecycle upgrades, the clean heat plan, and cost of utilities.

- To maintain competitive compensation in an effort to attract and retain a skilled workforce, labor and benefits **increases** by \$19.0 million, or 6.9 percent from the 2023 Approved Budget. Overtime increases 92.8 percent, Standby/Shift increases 12.6 percent, employee benefits increases 2.5 percent and overall increase in base pay 5.8 percent.
 - 70 new positions; fleet, Fort Carson Intergovernmental Agreement (IGA), service response, engineers, project managers, advanced metering technology, substation operations, and locators
- Information Technology (IT) lifecycle upgrades **increases** \$2.7 million for operational technology initiatives, software licenses, and additional Operations and Maintenance for completed IT projects.
- The Clean Heat Plan (CHP) **increases** by \$2.7 million in compliance with state legislation passed in 2021 (Senate Bill 21-264).
- Cost of utilities **increases** by \$1.6 million to proposed rate increases.

Debt Service

Total Debt Service for 2024 is \$211.1 million and represents 14.0 percent of the 2024 Budget.

Total 2024 Debt Service payments **increases** by \$0.2 million or 0.1 percent from the 2023 Approved Budget primarily due to the 2022A-B bond issuance.

Surplus Payments to the City

Total Surplus Payments to the City for 2024 are \$36.4 million and represent 2.4 percent of the 2024 Budget.

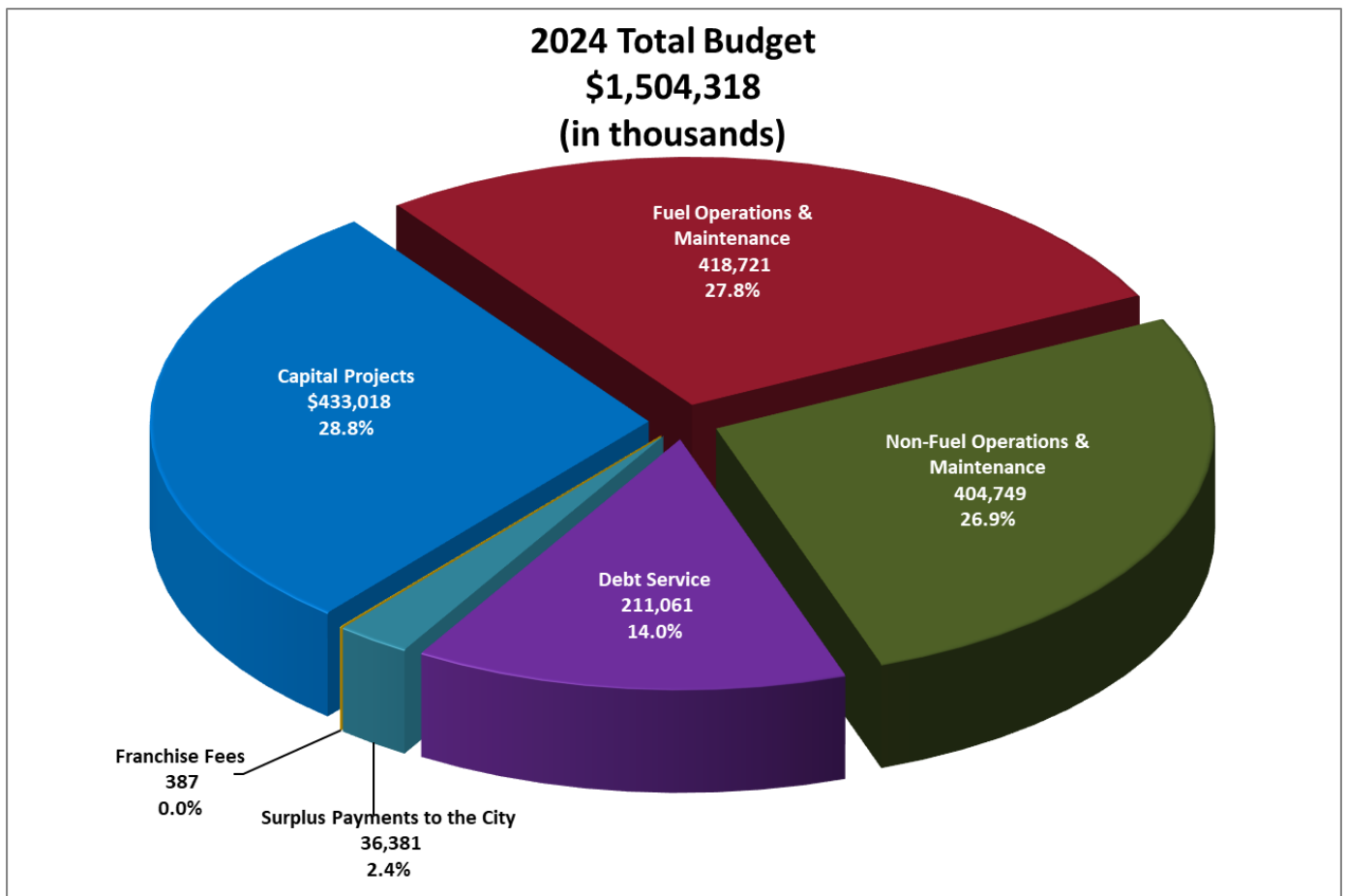
Total 2024 Surplus Payments to the City are planned to **decrease** by 0.4 percent from the 2023 Approved Budget due to a decrease in inside city sales.

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BUDGET SUMMARY

2024 BUDGET SUMMARY (in thousands)

	2024 Approved Budget	2023 Approved Budget	Increase / (Decrease)	% Change
Capital Projects	\$ 433,018	\$ 412,795	\$ 20,223	4.9%
Fuel Operations & Maintenance	418,721	521,331	(102,610)	-19.7%
Non-Fuel Operations & Maintenance	404,749	379,824	24,925	6.6%
Debt Service	211,061	210,863	198	0.1%
Surplus Payments to the City	36,381	36,513	(132)	-0.4%
Franchise Fees	387	329	59	17.8%
TOTAL	\$ 1,504,318	\$ 1,561,654	\$ (57,337)	-3.7%



CAPITAL PROJECTS (in thousands)

	2024 Approved Budget	2023 Approved Budget	Increase / (Decrease)	% Change
Electric	\$ 222,998	\$ 234,332	\$ (11,334)	-4.8%
Natural Gas	41,898	38,597	3,301	8.6%
Water	98,059	76,627	21,432	28.0%
Wastewater	40,321	35,334	4,987	14.1%
Streetlighting	1,730	1,810	(80)	-4.4%
Common	28,011	26,094	1,917	7.3%
TOTAL	\$ 433,018	\$ 412,795	\$ 20,223	4.9%

FUEL OPERATIONS & MAINTENANCE COSTS (in thousands)

	2024 Approved Budget	2023 Approved Budget	Increase / (Decrease)	% Change
Purchased Power	\$ 64,132	\$ 51,501	\$ 12,631	24.5%
Fuel for Territorial Generation	151,364	193,422	(42,057)	-21.7%
Natural Gas	203,900	259,700	(55,799)	-21.5%
Wholesale:				
Electric	3,873	18,977	(15,104)	-79.6%
Natural Gas	5,904	10,140	(4,236)	-41.8%
Inter-Service Eliminations ¹	(10,452)	(12,409)	1,957	-15.8%
TOTAL	\$ 418,721	\$ 521,331	\$ (102,610)	-19.7%

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)

	2024 Approved Budget	2023 Approved Budget	Increase / (Decrease)	% Change
Electric				
Labor & Benefits	\$ 105,968	\$ 100,899	\$ 5,070	5.0%
Non-Labor	61,334	57,419	3,915	6.8%
Total	\$ 167,302	\$ 158,318	\$ 8,985	5.7%
Natural Gas				
Labor & Benefits	\$ 36,934	\$ 32,630	\$ 4,304	13.2%
Non-Labor	18,065	15,918	2,146	13.5%
Total	\$ 54,999	\$ 48,548	\$ 6,451	13.3%
Water				
Labor & Benefits	\$ 68,477	\$ 69,304	\$ (827)	-1.2%
Non-Labor	67,630	62,907	4,723	7.5%
Total	\$ 136,107	\$ 132,211	\$ 3,896	2.9%
Wastewater				
Labor & Benefits	\$ 32,895	\$ 30,677	\$ 2,218	7.2%
Non-Labor	16,270	15,176	1,093	7.2%
Total	\$ 49,164	\$ 45,853	\$ 3,312	7.2%
Streetlighting				
Labor & Benefits	\$ 1,455	\$ 1,584	\$ (128)	-8.1%
Non-Labor	2,460	2,664	(204)	-7.7%
Total	\$ 3,915	\$ 4,248	\$ (333)	-7.8%
Inter-Service Eliminations¹	\$ (6,739)	\$ (9,354)	\$ 2,615	28.0%
TOTAL	\$ 404,749	\$ 379,824	\$ 24,925	6.6%

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)

	2024 Approved Budget	2023 Approved Budget	Increase / (Decrease)	% Change
Operations & Maintenance	\$ 250,358	\$ 240,115	\$ 10,244	4.3%
Capital	42,956	34,162	8,794	25.7%
TOTAL	\$ 293,314	\$ 274,277	\$ 19,038	6.9%

LABOR & BENEFIT COSTS BY CATEGORY (in thousands)

	2024 Approved Budget	2023 Approved Budget	Increase / (Decrease)	% Change
Regular Base Pay	\$ 213,851	\$ 202,160	\$ 11,691	5.8%
Overtime	11,290	5,856	5,434	92.8%
Standby/Shift	2,488	2,210	279	12.6%
Other Compensation	591	591	-	0.0%
Total Labor	\$ 228,220	\$ 210,817	\$ 17,404	8.3%
Employee Benefits	\$ 63,975	\$ 62,417	\$ 1,558	2.5%
Post-Retirement Expenses	1,119	1,043	76	7.3%
Total Benefits	\$ 65,094	\$ 63,460	\$ 1,634	2.6%
TOTAL	\$ 293,314	\$ 274,277	\$ 19,038	6.9%

DEBT SERVICE (in thousands)

	2024 Approved Budget	2023 Approved Budget	Increase / (Decrease)	% Change
Electric				
Interest Payments ¹	\$ 44,376	\$ 40,841	\$ 3,534	8.7%
Principal Repayments	39,555	43,917	(4,362)	-9.9%
Total	\$ 83,931	\$ 84,759	\$ (828)	-1.0%
Natural Gas				
Interest Payments ¹	\$ 8,186	\$ 7,158	\$ 1,029	14.4%
Principal Repayments	8,691	9,049	(358)	-4.0%
Total	\$ 16,877	\$ 16,206	\$ 670	4.1%
Water				
Interest Payments ¹	\$ 45,860	\$ 42,954	\$ 2,906	6.8%
Principal Repayments	40,306	42,667	(2,361)	-5.5%
Total	\$ 86,166	\$ 85,621	\$ 545	0.6%
Wastewater				
Interest Payments ¹	\$ 12,120	\$ 11,552	\$ 569	4.9%
Principal Repayments	11,438	12,252	(815)	-6.6%
Total	\$ 23,558	\$ 23,804	\$ (246)	-1.0%
Streetlighting				
Interest Payments ¹	\$ 239	\$ 251	\$ (12)	-4.9%
Principal Repayments	291	222	69	31.1%
Total	\$ 530	\$ 473	\$ 57	12.0%
Total				
Interest Payments ¹	\$ 110,781	\$ 102,756	\$ 8,025	7.8%
Principal Repayments	100,280	108,108	(7,827)	-7.2%
TOTAL	\$ 211,061	\$ 210,863	\$ 198	0.1%

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				
	2024 Approved Budget	2023 Approved Budget	Increase / (Decrease)	% Change
Electric Service	\$ 10,719	\$ 11,575	\$ (856)	-7.4%
Natural Gas Service	3,395	6,769	(3,375)	-49.9%
Water Service	2,598	2,944	(347)	-11.8%
Wastewater Service	480	474	6	1.2%
TOTAL	\$ 17,191	\$ 21,763	\$ (4,572)	-26.6%

Operations & Maintenance Expense				
	2024 Approved Budget	2023 Approved Budget	Increase / (Decrease)	% Change
Fuel	\$ 10,452	\$ 12,409	\$ (1,957)	-15.8%
Non-Fuel	6,739	9,354	(2,615)	-28.0%
TOTAL	\$ 17,191	\$ 21,763	\$ (4,572)	-26.6%

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.

2024 ENTERPRISE FINANCIAL PLAN

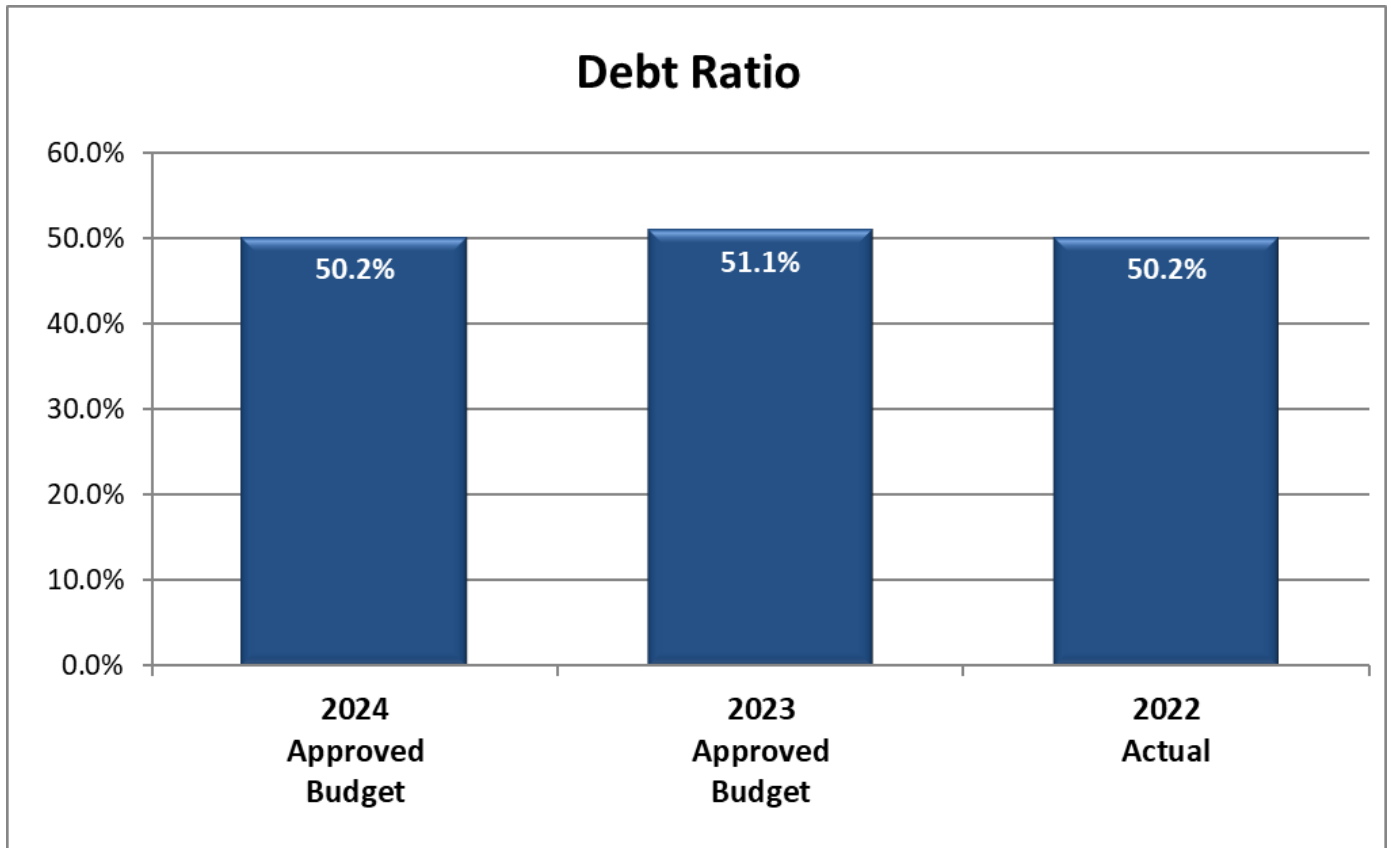
STATEMENT OF REVENUES, EXPENSES AND CHANGE IN NET POSITION (in thousands)

	2024 Approved Budget	2023 Approved Budget	2022 Actual	2024 Approved Budget Increase/(Decrease) from:			
				2023 Budget		2022 Actual	
OPERATING REVENUES	\$ 1,174,770	\$ 1,267,813	\$ 1,234,496	\$ (93,043)	-7.3%	\$ (59,726)	-4.8%
OPERATING EXPENSES							
Production & Treatment	\$ 195,421	\$ 244,616	\$ 204,342	\$ (49,195)	-20.1%	\$ (8,921)	-4.4%
Purchased Power, Gas & Water	287,267	337,439	286,021	(50,172)	-14.9%	1,246	0.4%
Transmission & Distribution	58,578	57,998	51,555	580	1.0%	7,023	13.6%
Maintenance	73,218	68,781	64,529	4,437	6.5%	8,689	13.5%
Administration & General	164,129	157,914	141,485	6,215	3.9%	22,644	16.0%
Customer Accounting & Collection	30,630	23,703	27,971	6,927	29.2%	2,659	9.5%
Customer Service & Information	14,228	10,704	12,605	3,524	32.9%	1,623	12.9%
Franchise Fees	387	329	391	59	17.8%	(3)	-0.9%
Depreciation & Amortization ¹	166,412	166,158	84,650	254	0.2%	81,762	96.6%
Total Operating Expenses	\$ 990,269	\$ 1,067,641	\$ 873,548	\$ (77,372)	-7.2%	\$ 116,721	13.4%
OPERATING INCOME	\$ 184,501	\$ 200,172	\$ 360,948	\$ (15,671)	-7.8%	\$ (176,447)	-48.9%
NON-OPERATING REVENUES/(EXPENSES)							
Investment Income	\$ 12,163	\$ 5,923	\$ 7,135	\$ 6,240	105.4%	\$ 5,028	70.5%
Other Revenue	5,868	5,918	47,771	(49)	-0.8%	(41,902)	-87.7%
Other Expense	(1,698)	(1,218)	(5,287)	(480)	39.4%	3,589	-67.9%
Interest Expense, net of AFUDC & Bond Amortization	(102,055)	(92,457)	(90,030)	(9,598)	10.4%	(12,025)	13.4%
Total Non-Operating Revenues/(Expenses)	\$ (85,721)	\$ (81,834)	\$ (40,411)	\$ (3,887)	4.7%	\$ (45,310)	112.1%
INCOME/(LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	\$ 98,780	\$ 118,337	\$ 320,537	\$ (19,558)	-16.5%	\$ (221,757)	-69.2%
Contributions in Aid of Construction	\$ 54,582	\$ 56,286	\$ 69,411	\$ (1,704)	-3.0%	\$ (14,830)	-21.4%
Surplus Payments to the City	(36,381)	(36,513)	(37,279)	132	-0.4%	897	-2.4%
Transfers - Other	-	-	(112)	-	0.0%	112	-100.0%
INCREASE/(DECREASE) IN NET POSITION	\$ 116,980	\$ 138,110	\$ 352,557	\$ (21,130)	-15.3%	\$ (235,577)	-66.8%

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

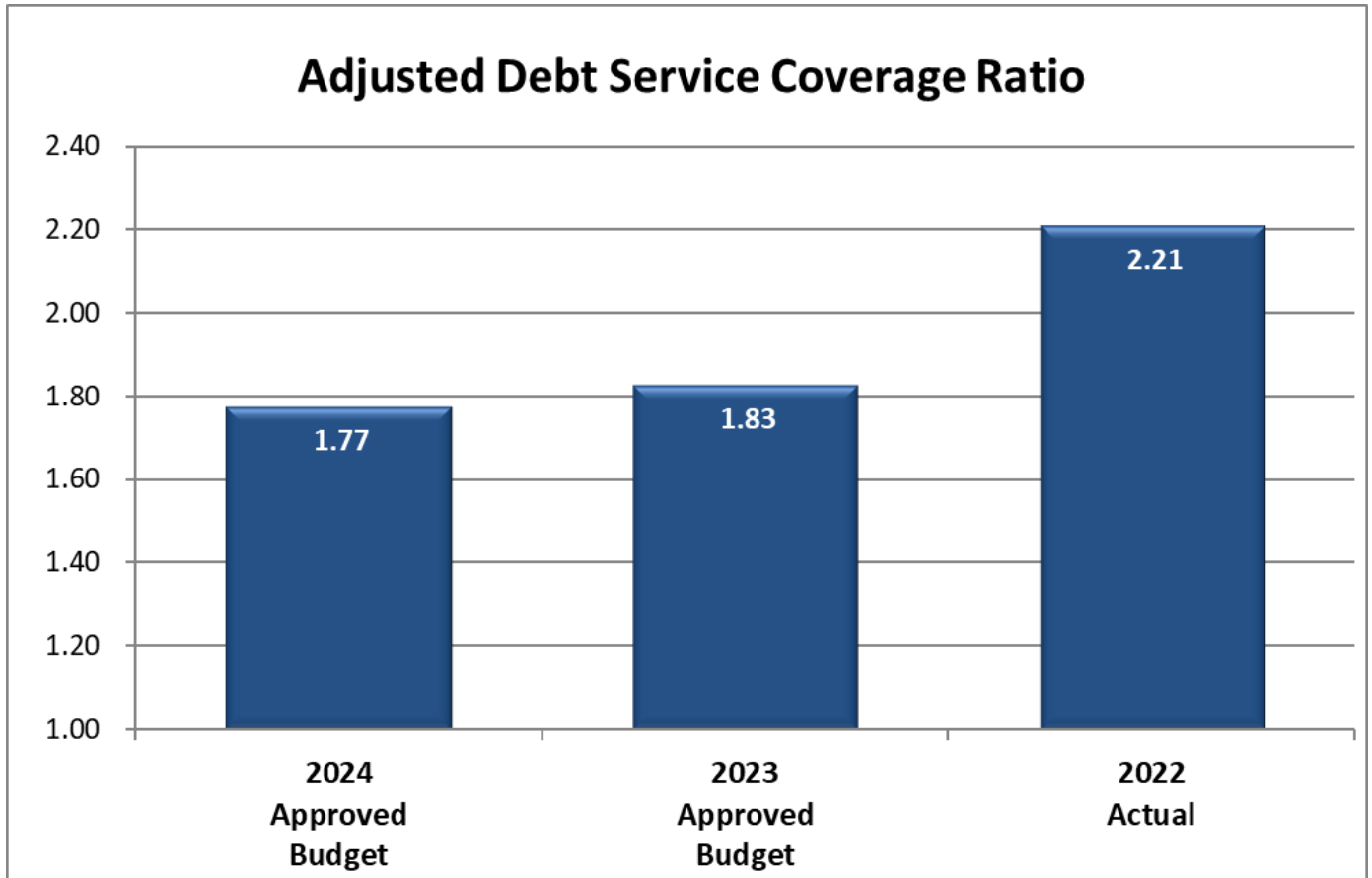
FINANCIAL MEASURES – DEBT RATIO (in thousands)

CALCULATION:	2024 Approved Budget	2023 Approved Budget	2022 Actual	2024 Approved Budget Increase/(Decrease) from:			
				2023 Budget		2022 Actual	
Current Maturities of Revenue Bonds	\$ 115,160	\$ 112,995	\$ 107,125	\$ 2,166	1.9%	\$ 8,035	7.5%
Current Notes & Loans Payable	459	447	453	11	2.5%	6	1.2%
Revenue Bonds, Net	2,591,788	2,445,964	2,320,234	145,823	6.0%	271,554	11.7%
Notes & Loans Payable	3,275	3,734	3,506	(459)	-12.3%	(231)	-6.6%
Net Gain/(Loss) Debt Refundings	5,592	(11,989)	4,783	17,580	-146.6%	809	16.9%
Net Funded Debt	\$ 2,716,274	\$ 2,551,152	\$ 2,436,101	\$ 165,122	6.5%	\$ 280,173	11.5%
Current Maturities of Revenue Bonds	\$ 115,160	\$ 112,995	\$ 107,125	\$ 2,166	1.9%	\$ 8,035	7.5%
Current Notes & Loans Payable	459	447	453	11	2.5%	6	1.2%
Revenue Bonds, Net	2,591,788	2,445,964	2,320,234	145,823	6.0%	271,554	11.7%
Notes & Loans Payable	3,275	3,734	3,506	(459)	-12.3%	(231)	-6.6%
Net Gain/(Loss) Debt Refundings	5,592	(11,989)	4,783	17,580	-146.6%	809	16.9%
Net Position	2,695,082	2,440,313	2,415,655	254,769	10.4%	279,426	11.6%
Total Capitalization	\$ 5,411,355	\$ 4,991,465	\$ 4,851,756	\$ 419,891	8.4%	\$ 559,599	11.5%
Debt Ratio	50.2%	51.1%	50.2%	-0.9%	-1.8%	0.0%	0.0%



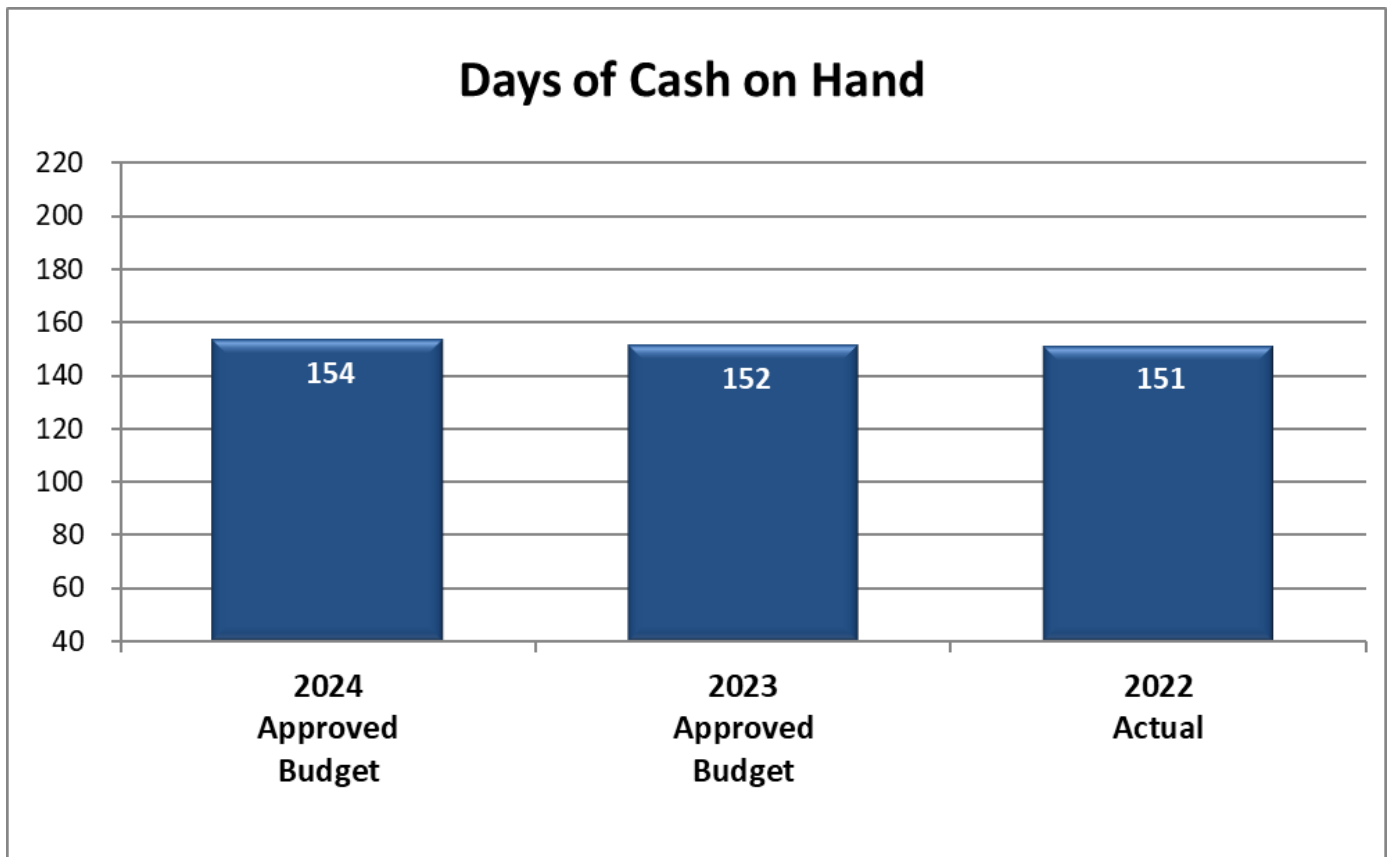
FINANCIAL MEASURES – ADJUSTED DEBT SERVICE COVERAGE RATIO (in thousands)

CALCULATION:	2024 Approved Budget	2023 Approved Budget	2022 Actual	2024 Approved Budget Increase/(Decrease) from:			
				2023 Budget		2022 Actual	
Operating Revenues	\$ 1,174,770	\$ 1,267,813	\$ 1,234,496	\$ (93,043)	-7.3%	\$ (59,726)	-4.8%
Contributions in Aid of Construction (Cash and Developer Fees)	43,142	44,846	36,456	(1,704)	-3.8%	6,686	18.3%
Interest Earnings w/o Bond Interest	12,049	5,809	4,714	6,240	107.4%	7,335	155.6%
Build America Bonds Subsidy	4,327	4,369	4,451	(42)	-1.0%	(124)	-2.8%
Total Revenue	\$ 1,234,288	\$ 1,322,837	\$ 1,280,118	\$ (88,548)	-6.7%	\$ (45,829)	-3.6%
Total Operating Expenses	\$ (990,269)	\$ (1,067,641)	\$ (873,548)	\$ 77,372	-7.2%	\$ (116,721)	13.4%
Depreciation & Amortization	166,412	166,158	84,650	254	0.2%	81,762	96.6%
Surplus Payments to the City	(36,381)	(36,513)	(37,279)	132	-0.4%	897	-2.4%
Net Revenues	\$ 374,050	\$ 384,840	\$ 453,941	\$ (10,790)	-2.8%	\$ (79,891)	-17.6%
Bond Year Debt Service	\$ 211,061	\$ 210,863	\$ 205,752	\$ 198	0.1%	\$ 5,309	2.6%
Adjusted Debt Service Coverage Ratio	1.77	1.83	2.21	(0.06)	-3.3%	(0.44)	-19.9%



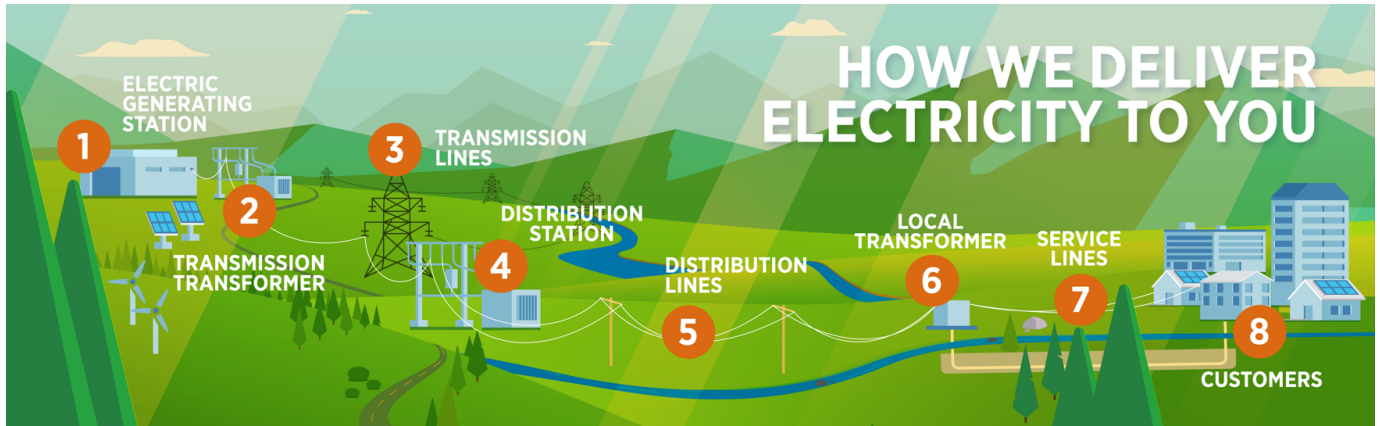
FINANCIAL MEASURES – DAYS OF CASH ON HAND (in thousands)

CALCULATION:	2024 Approved Budget	2023 Approved Budget	2022 Actual	2024 Approved Budget Increase/(Decrease) from:			
				2023 Budget		2022 Actual	
Cash and Cash Equivalents-Unrestricted	\$ 286,631	\$ 374,635	\$ 327,307	\$ (88,003)	-23.5%	\$ (40,676)	-12.4%
Cash Expense per Day							
Total Operating Expenses	\$ 990,269	\$ 1,067,641	\$ 873,548	\$ (77,372)	-7.2%	\$ 116,721	13.4%
Depreciation & Amortization	(166,412)	(166,158)	(84,650)	(254)	0.2%	(81,762)	96.6%
Fuel Comodity - Increased Cost	(141,106)	-	-	(141,106)	-	(141,106)	-
Net Cash Expense	\$ 682,751	\$ 901,483	\$ 788,898	\$ (218,732)	-24.3%	\$ (106,147)	-13.5%
Number of Days in Period	366	365	365	1	0.3%	1	0.3%
Net Cash Expense Per Day	\$ 1,865	\$ 2,470	\$ 2,161	\$ (604)	-24.5%	\$ (296)	-13.7%
Days of Cash on Hand	154	152	151	2	1.3%	3	2.0%



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 3,900+ 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: 249,466
- Annual electric use: 5.00 million MWh
- Record peak demand: 989 MW (July 2021)
- Net generating capability: 842 MW winter (2022-2023), 982 MW summer (2023)
- Power purchases (summer 2023):
 - 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 (ASAI): 99.9924%
- System Average Interruption Duration Index (SAIDI): 36.24 minutes

Electric Service Capital Projects		2024 Approved Budget
1.	Operational Fiber Network (193952) Expand and improve the fiber optic telecommunications infrastructure for Colorado Springs Utilities.	\$ 68,408,000
2.	SEP Kelker Substation Rebuild-Expansion (193874) Expansion and reconstruction of an existing substation to transition both the 230kV and 115kV bus to breaker-and-a-half configurations. Reconstruction allows for an additional two 115kV lines, 230kV line and substation equipment. 2024 work will focus on the construction of the new 230kV portion of the substation.	17,093,000
3.	Front Range CT1 & CT2 Rotor Replacement (193898) Purchase and Installation of CT1 and CT2 Combustion Turbine Rotors: CT1 and CT2 will have to refurbished rotors installed, CT2 will be installed in the Fall of 2024 and CT1 will be installed in the Spring of 2025. Purchase cost of rotor spread out over 2023, 2024 and 2025	12,188,000
4.	Central Bluffs Substation (193642) Provide a new facility to accommodate future load growth and contingency needs around the North Nevada revitalization project and UCCS. The new facility would allow Colorado Springs Utilities to remove 2 substations and 1 switch station from service which would otherwise require significant upgrades. Work planned to be accomplished in 2024 includes completion of property acquisition transactions, completion of equipment procurement, existing building demolitions, new substation design and partial construction.	10,000,000
5.	Front Range General Electric Hot Gas Path Replacement (193407) Payments toward the contractual long-term service agreement (LTSA) with General Electric (GE) for two Frame 7FA Combustion Turbines at the Front Range Power Plant. Parts include, but are not limited to, rows 1, 2 and 3 turbine blades, buckets and nozzle replacement parts considered as part of the "Hot Gas Path" of the combustion turbine. Payment is based on the operating hours of the plants and is a contractual obligation.	8,550,000
6.	Electric Service Vehicles & Equipment (180333) Replacement of vehicles and equipment for the Colorado Springs Utilities Electric Service to maintain a safe, cost effective and reliable fleet.	6,786,000

7.	Underground 12.5kV Distribution to New Residential Customers (192296) Install underground electric single-phase distribution to residential areas not currently served and support upgrades to the system as necessitated by load additions. This is a development driven yearly program and the requesting developer pays the Contribution in Aid of Construction contract based on the Utilities Rules and Regulations. This program is an Obligation to Serve as per Colorado Springs City Code Section 12.2.301.	\$ 5,981,000
8.	AMI Project - Electric (193691) Continuation in executing the mass deployment to transition from Automated Meter Reading (AMR) to Advanced Metering Infrastructure (AMI). Intended purchase of 2-way electric single and three phase meters to replace residential, commercial, and industrial meters in Utilities' service territory.	5,354,000
9.	SEP EIRP Implementation (193784) Replacement generation needed to support the decommissioning of Drake, Nixon 1 and Birdsall power plants.	4,754,000
10.	Electric Underground Infrastructure Corrective Maintenance (180331) 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. Replacement includes cable, conduit, vaults, transformers, switches, reclosers, et cetera. Reimbursed funds from third-party damage are credited back to the Colorado Springs Utilities general fund.	3,103,000
11.	Distribution System Improvements (192383) Routine system enhancements and extensions to the electrical distribution system required to maintain electric reliability and contingency switching solutions for existing customers. These projects are critical to the integrity of the system, especially in areas experiencing higher vertical and/or horizontal load growth.	3,040,000
12.	Substation Equipment Replacement (180449) Capitalized switchgear, circuit breaker, and battery replacements and upgrades to transformers in substations to ensure the integrity of the electric system.	3,000,000
13.	System Additions for New Development (193974) Install new electric three phase mainline infrastructure to connect new development areas and provide redundancy per our design standards. This development driven program is an Obligation to Serve as per Colorado Springs City Code Section 12.2.301.	3,000,000
14.	Manitou Units 1&2 Turbines & Generators Rehabilitation Project (193970) Rehabilitate Units 1&2 at the Manitou Hydroelectric Facility to include a full generator rewind, new rotor field, and new runner.	2,400,000

15.	Underground 12.5kV Three Phase Mainline to New Residential and Commercial Customers (192298) Install underground electric three phase distribution to residential and commercial areas not currently served and support upgrades to the system as necessitated by load additions. This is a development driven program, and the requesting developer pays the Contribution in Aid of Construction contract based on the Utilities Rules and Regulations. This program is an Obligation to Serve as per Colorado Springs City Code Section 12.2.301.	\$ 2,376,000
16.	Underground 12.5kV Commercial Distribution (192297) Install new electric three phase mainline infrastructure including transformers to meet the demands of new commercial customers. This is a development driven program, and the requesting customer pays the Contribution in Aid of Construction contract, based on Utilities Rules and Regulations. This program is deemed as an Obligation to Serve as per Colorado Springs City Code Section 12.2.301.	2,258,000
17.	New Substation - Northeast Area of Existing Service Territory (194030) Build a new substation in the vicinity of Briargate substation area. Requirements include ~1 mile of new transmission, new 50MVA 230/13.2kV transformer, switchgear, and up to 4 new feeders.	2,000,000
18.	Nixon Unit 1 Secondary Superheater Replacement (193972) Replacement of the secondary superheater outlet assemblies to return the Nixon Unit to reliable generation of 195 MW Net.	2,000,000
19.	Electric Underground Infrastructure Preventative Maintenance (193224) Proactive replacement/rehabilitation of existing assets and related infrastructure (e.g., cable, conduit, vaults, transformers, switches, reclosers, etc.) of the underground electric distribution system that are beyond their expected reliable life, have a high probability/consequence of failure based on risk-based models, or are assets that should be replaced based on operational/inspectional data. This program also includes system stewardship maintenance such as cable rejuvenation and rehab of infrastructure for safety or risk mitigation.	1,935,000
20.	SEP Portfolio Management (193887) Manage and deliver all the projects identified within the Sustainable Energy Plan portfolio.	1,850,000
21.	SEP Risk Tracking (193926) Risk contingency required to cover portfolio level risk expenses identified within the Sustainable Energy Plan portfolio.	1,838,000

22.	Front Range HRSG1 Elevator (193118) Install an elevator on Front Range Heat Recovery Steam Generator 1 (HRSG1) to safely transport personnel and tools to the top of the structure and provide a means for evacuating someone from of the top of HRSG1 in an emergency.	\$ 1,720,000
23.	Patty Jewett Substation - Add New Transformer, Switchgear, Feeders, and Retire Memorial Hospital Sub (194026) Install a new 25MVA 34.5/13.2kV transformer, switchgear, two new feeders, and retire aging equipment at Memorial Hospital substation.	1,630,000
24.	Flying Horse Substation - Add New Transformer, Switchgear, and Feeders (193780) Add new transformer, switchgear, breaker and up to 4 new feeders for contingency of the other transformer and future load growth. Work planned for completion in 2024 includes completion of feeder planning, civil/structural (external) design, electrical (internal) design, and order of remaining equipment.	1,600,000
25.	SEP MW-KE Transmission Line (193880) Upgrade the Midway - Kelker 115kV transmission line to a double circuit (115kV/230kV) steel structure transmission line to increase import capability into the system. Full rebuild of MW-NX, NX-FN, FN-BY and BY-KE 115kV segments. The line will favor the existing alignment to reduce ROW acquisition requirements.	1,570,000
26.	Horizon Substation - Add New Feeder (194025) Add a 4th distribution feeder from the 230/13.2kV transformer to serve new load in the vicinity of Horizon substation.	1,558,000
27.	Front Range Steam Line Stop Check Valves (193720) Replace aging and mis operating steam system stop check valves.	1,500,000
28.	SEP Flying Horse Substation - Series Reactor Addition (193966) Add reactor to the Flying Horse substation. The planned reactor at Flying Horse is needed so that present and proposed renewable injections of power into adjoining systems do not overload Colorado Springs Utilities' system under contingency. Work planned for accomplishment during 2024 includes delivery and installation of major equipment, completion of construction, commissioning, and energization of the new reactor.	1,236,000
29.	Nixon 1 Pulverizer Major Component Replacement (192985) Support the replacement of critical components in coal pulverizers and the overhaul of two pulverizers.	1,200,000

30.	Nixon ZD Flocculator Tanks Refurbishment (194070) Full refurbishment of the Flocculator tanks. The two flocculator tanks (clarifiers) have been in service for over 40 years. Previous UT testing of the clarifier shells have found several extremely thin spots in the clarifier shells. The shell will need to be refurbished with new steel in areas and coating. All new equipment inside the clarifiers, such as the flocculators, filters, settling media, etc., will need to be replaced to refurbish the shell. These clarifiers are critical for the operation of the Nixon Zero Discharge plant and will be through the end of 2029.	\$ 1,200,000
31.	Santa Fe Substation - Add New Transformer, Switchgear, and Feeders (194029) Install a new 50MVA 115/13.2kV transformer, switchgear, and up to four feeders to provide contingency planning and support to the local area.	1,080,000
32.	Green Mountain Substation Rebuild (193699) Replacement of Green Mountain Substation, a rural distribution substation made up of aging and obsolete components.	1,055,000
33.	Nixon ZD - All Softening Plant Vessels (193529) Replace all vessels at the Zero Discharge (ZD) Softening Plant to restore reliable effluent treatment and return supply needs for Nixon and Front Range Power Plants.	1,000,000
34.	Electric Overhead Infrastructure Corrective Maintenance (180286) 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. Replacement includes conductors, structures, transformers, switches, reclosers, et cetera. Reimbursed funds from third-party damage are credited back to the Colorado Springs Utilities general fund.	841,000
35.	Williams Creek Substation - Add New Transformer, Switchgear, and Feeders (194034) Install a new 50MVA 230/13.2kV transformer, switchgear, and two feeders.	840,000
36.	Fuller Substation - Add New Transformer, Switchgear, and Feeders (194033) Install a new 50MVA 230/13.2kV transformer, switchgear, and up to four feeders.	770,000
37.	Electric Meters - Base Requirements (192347) Purchase electric meters and minor materials needed providing for Capital additions to connect new residential, commercial, and industrial electric customers to Colorado Springs Utilities' system based on growth and lifecycle replacement. This program additionally provides for Capital replacements of damaged and defective meters, and support of the Electric Measurement Accuracy Control (EMAC) Program. Electric meters are an obligation to serve requirement.	730,000

38.	Fontanero 115kV UG Reconfiguration (193933) Rework two segments of underground 115kV transmission lines located in the Fontanero roadway near the I-25 overpass. Driven by the City of Colorado Springs, this project is a smaller component of a larger City project to reconstruct deficient railway bridges which require lowering of the road surface. Work to be accomplished in 2024 includes delivery of new undergrounds conductors, procurement of conductor splice kits, pulling and terminating of new conductors and abandonment of old duct bank, and project commissioning and closeout.	\$ 715,000
39.	SEP Horizon Sub (New) (193873) Construction of a new 230kV substation to support transmission needs in support of decommissioning of Drake and to support distribution needs for the region. This project is part of Phase 1 in the Advanced Technologies Campus.	708,000
40.	Substation Asset Management Software (193892) Purchase software that will help manage substation data, facility ratings and develop risk analysis for better planning, budgeting, and compliance in the future.	700,000
41.	Front Range ACC Blade Replacement (193631) Replacement of Front Range aluminum Air Cooled Condenser (ACC) fan blades with fiberglass to improve blade longevity. This is a multi-year project to replace ACC blades.	700,000
42.	Electric Time and Material for Capital Work (192909) Fund Electric Third-Party Billing projects (requests by customers to move existing electric infrastructure) that are requested during the year. The work is required to be compliant with the Electric Line Extension Service Standards and the National Electric Safety Code. Colorado Springs Utilities will charge the customer 95% of the cost to accomplish this work.	689,000
43.	N1 PA Fan Overhauls (194066) Replace the rotating element of the PA fans. In the past three years, the primary air (PA) fans have begun to exhibit issues that will affect the availability and reliability of the Nixon Plant. Holes found in the fan wheel blade for C PA fan early in 2019 led to the replacement of that fan, and creation of an annual PM for OEG inspections of all PA fans.	550,000
44.	N1 RA Fan Baghouse Damper Replacement (194067) Replace all the reverse air fan dampers to prevent further corrosion of the fans to maintain their functionality until the retirement of Nixon. The existing reverse air fan dampers are corroded to the point that they no longer seal or provide isolation. Due to lack of sealing this allows flue gas to bypass the damper and condense on any reverse air fan that is out of service causing corrosion issues to the fans.	500,000
45.	Nixon 1 Baghouse Bags (182895) Replace Nixon 1 Baghouse Bags.	500,000

46.	Tesla Hydro Isolation Valves Replacement Project (193975) Material purchase and install of the main 36" spherical stop valve along with two additional 4" spherical brake valves and one 3" spherical drain valve.	\$ 500,000
47.	Claremont Substation - Add Transformer, Switchgear, and Feeders (193884) Install a new 104MVA 230/34.5kV power transformer and two new 34.5kV feeders to tie into Powers Substation and Peterson Field Substation.	500,000
48.	N1 Cooling Tower Decking / Drift Eliminators Replacement (194071) Replace the Cooling Tower fan deck and drift eliminators. The N1 Cooling Tower fan deck is made of fiber-reinforced plastic. The fan deck has warped, decayed, and loosened over time and needs to be replaced to allow for the continued efficient and safe operation of the deck. The handrails are wooden and have split, fallen off in places, and is loose. The handrails also require replacement for the safety of employees on the fan deck.	500,000
49.	Horizon Substation - Add New (34.5kV) Transformer, Switchgear, and Feeders (194037) Install a new 104MVA 230/34.5kV transformer, switchgear, and two feeders to support anticipated large customer growth and provide a source for future 34.5/13.2kV substation(s).	470,000
50.	Front Range Emergency Power Upgrade (193794) Upgrade of the Front Range Power Plant emergency power supply system to include a 125kW diesel generator and battery system. Project will provide emergency power for critical plant equipment.	400,000
51.	Fontanero Substation - Add Second 115/12.5 kV Transformer, Switchgear, Feeders, and retire Yampa Sub (194045) Install a new 50 MVA, 115/12.47kV transformer, associated switchgear, and four feeders to support growth and retire Yampa substation.	380,000
52.	Atmel Substation - Add New Transformer, Switchgear, and Feeders (193745) Install a new 50MVA 115/13.2kV transformer, switchgear, and up to four feeders to provide contingency planning and support to the local area.	370,000
53.	Central Substation - Add New Transformer, Switchgear, and Feeders (194032) Install a new 50MVA 115/13.2kV transformer, switchgear, and up to four feeders.	360,000
54.	FRPP Unit 2: Online Generator Monitoring System (193946) Install an Online Generator Continuous Monitoring System in Unit 2 to help with condition assessment, preventive maintenance, and outage planning.	350,000

55.	FRPP Unit 1: Online Generator Monitoring System (193944) Install an Online Generator Continuous Monitoring System in Unit 1 to help with condition assessment, preventive maintenance, and outage planning.	\$ 350,000
56.	SEP Kelker-South Plant New 115kV Transmission Line (193877) New overhead single circuit 115kV transmission line from Kelker Substation to South Plant Substation. This added transmission infrastructure is needed to support Drake decommissioning and future Temporary Natural Gas Generator (TNGG) relocation.	335,000
57.	Front Range CT1 Operational Flexibility Improvements (193792) Upgrade the combustion turbine controls in order to improve performance. The multi-year upgrades will improve the unit's capability to respond to greater renewables penetration as well as drive greater value in a market. In 2024, the equipment will be purchased for installation in 2025.	300,000
58.	Front Range CT2 Operational Flexibility Improvements (193793) Upgrade the combustion turbine controls in order to improve performance. The multi-year upgrades will improve the unit's capability to respond to greater renewables penetration as well as drive greater value in a market. In 2024, the equipment will be purchased for installation in 2025.	300,000
59.	Tesla Hydro Plant Control System (193728) Procure and replace the obsolete control system at Tesla to maintain operational reliability.	300,000
60.	Nixon 1 BFP Rotating Assembly Replacement (193167) Replace Nixon 1 BFP Rotating Assembly.	300,000
61.	CSR GSU SPARE (192952) Purchase a spare GSU transformer for Clear Springs Ranch to support both Front Range Power Plant and Nixon Power Plant. The transformer has been in use since 1953. Funds in 2024 are planned for the down payment.	280,000
62.	Public Improvements-Electric (180283) Install or relocate existing electric facilities in conjunction with Municipal Government Public Works projects, Pikes Peak Rural Transit Authority, and Improvement Districts. This is required by the 2001 Utilities Relocation Executive Agreement.	276,000
63.	AMI Project-Multi (796649) Continuation in executing Colorado Springs Utilities' strategy for a necessary transition from Automated Meter Reading (AMR) to Advanced Metering Infrastructure (AMI). This project reflects intended purchase of 2-way electric, gas, and water modules to replace residential, commercial, and industrial meters and modules in Utilities' service territory.	252,034

64.	Front Range ACC Gearbox (193487) Gearbox replacement on the Air-Cooled Condenser (ACC).	\$ 250,000
65.	RIC Equipment Replacement (193225) Systematically replace aging electromechanical transmission/distribution protection panels with microprocessor panels in an effort to reduce O&M costs, improve protection system reliability, and enhance system functionality.	249,000
66.	Nixon ZD Facility Roof (193845) Refurbish Zero Discharge Plant Upper and Lower Roof.	240,000
67.	Arc Flash Mitigation (193079) Design and install controls and equipment to limit potential arc-flash exposure levels in substation switchgear and distribution feeder protective systems.	216,000
68.	Nixon 1 Boiler Feed Pump (193812) Refurbish Boiler Feed Pump "A" Rotating Assembly to As-New Condition at end of component life.	200,000
69.	Nixon 1 FD Fan Motors (182627) Replace two motors on forced draft (FD) fans.	200,000
70.	Electric Wireless SCADA Communications Network (193996) Replace end-of-life/unsupported electric UHF SCADA radio system with current more secure technology.	195,000
71.	FRPP Unit 3: Online Generator Monitoring System (193945) Install an Online Generator Continuous Monitoring System in Unit 3 to help with condition assessment, preventive maintenance, and outage planning.	175,000
72.	Nixon 1 Stack Elevator Refurbish (193179) Refurbish and Upgrade Nixon 1 Stack Elevator and Controls System.	170,000
73.	CSR Dam Construction Upgrade (796741) Improvements to the Clear Spring Ranch dam to ensure continued compliance with permits by minimizing the amount of groundwater leaving the site.	150,020
74.	Electric Transmission Infrastructure Corrective Maintenance (193406) Reactive replacement of existing capital assets and related infrastructure (including conductors, structures, cable, foundations, vaults/lids, et cetera) of the overhead and underground electric transmission system due to third-party damage or catastrophic, functional, or operational (e.g., safety, reliability) failures. Reimbursed funds from third-party damage are credited back to the Colorado Springs Utilities general fund.	150,000

75.	Nixon 1 Vibration Monitoring Additions (182872) Procure and install permanent vibration monitoring instrumentation on critical rotating equipment to support our condition-based maintenance program. Vibration data is a critical data source for the detection and prevention of critical failures on rotating equipment.	\$ 150,000
76.	Electric Planning System Model Enhancements (180378) Purchase and implement the Electric Distribution forecasting software to allow energy planning personnel to better prepare for the future. Traditional forecasting methods lack the ability to identify probabilities of new loads and resources such as Electric Vehicles and Batteries.	140,000
77.	Front Range ACC Fan Motor Replacement (193868) Systematic replacement of all Air-Cooled Condenser fan motors as they near end of useful life. One row's motors will be replaced annually.	125,000
78.	Overhead Distribution Construction (192295) Install new overhead electric service to new residential and commercial customers in areas that are currently fed by overhead distribution lines or are located outside of the city limits. In addition, this development driven program also supports upgrades to the overhead distribution system as necessitated by load additions. This program is an Obligation to Serve as per Colorado Springs City Code Section 12.2.301.	117,000
79.	CSR CCR Landfill Redesign Cover (194062) Design and construction of final cover for the Clear Spring Ranch Coal Combustion Residual landfill. Permit-level design for final cover is planned for 2024, 60% and 90% design will take place in 2029 and construction of final cover will occur in approximately 2030, following Nixon Power Plant shutdown. Design and permitting in 2024 is intended to both meet regulatory requirements and to lessen operation and maintenance costs associated with the current design plans.	105,000
80.	North Plant-Central Bluff 115kV Line Reconductor (194056) Reconductor existing North Plant-Central Bluff 115kV transmission line to increase load carrying capabilities and to address contingency loading issues.	100,000
81.	Nixon 1 DA Tray Replacement (193785) Replace Nixon 1 deaerator (DA) tank trays and nozzles due to continuous operation, wear, mechanical stresses, and fluid impacts.	100,000

82.	AMR/AMI Network New Growth & Replacement (796463) Purchase additional Automated Meter Reading (AMR) concentrators, repeaters and collectors and Advanced Metering Infrastructure (AMI) gateways and routers to accommodate new growth areas and existing meters in Colorado Springs Utilities' service territory. Unlicensed frequency will require that Utilities add concentrators to affected areas to maintain current reliability. New unlicensed devices being sold in consumer markets are causing interference and require additional concentrators to overcome meter read issues. This on-going project is required as part of Colorado Springs Utilities' obligation to serve.	\$	86,412
83.	Nixon Zero Discharge Decant Basin Pump Replacement (193395) Replacement of the zero-discharge plant decant basin pumps No. 2 and No. 3.		75,000
84.	CSR Well Field Pump Panel Electrical Replacements (193833) Replace the electrical panels in 7 Well field pump houses that supply water to Clear Springs Ranch. The panels need be replaced to maintain reliability for this critical infrastructure.		70,000
85.	Nixon 3 Turbine Vibration Monitoring System Replacement (193205) Replace obsolete Bentley Nevada vibration monitoring system on Nixon Unit 3. This system monitors combustion turbine vibrations to alert an operator of an issue and is used for equipment protection.		65,000
86.	Nixon 2 Turbine Vibration Monitoring System Replacement (193202) Replace obsolete Bentley Nevada vibration monitoring system on Nixon Unit 2. This system monitors combustion turbine vibrations to alert an operator of an issue and is used for equipment protection.		65,000
87.	Nixon 1 Crusher Motor (193212) Refurbish Nixon 1 Coal Handling Crusher Motor.		55,000
88.	Electric Tools & Equip (180332) Replacement of tools & equipment for the Construction and Maintenance electric service to stay current with technology while utilizing the tooling to make capital improvements or add capital equipment to our electric system.		50,000
89.	Nixon 1 Boiler Economizer Ash Hopper Upper Screw Conveyor (193176) Refurbishment of the Nixon 1 ash screw conveyor which is subjected to heavy erosion as a result of the abrasive nature of the ash that it transports.		50,000
90.	Nixon ZD Lab Refurbishment (194068) Nixon ZD Lab Refurbishment.		50,000

91.	Nixon 1 Cooling Tower Fan Blades and Hubs (193189) Replace Nixon 1 Cooling Tower Fan Blades and Hubs to maintain unit reliability.	\$ 50,000
92.	Energy Plants Breaker Contact Timing Tester (194063) Purchase of breaker contact timing tester for the Energy Plants	45,000
93.	Front Range CT2 Exhaust Expansion Joint (193114) Replace the exhaust expansion joint on CT2 due to wear and possibility of failure.	30,000
94.	Nixon 1 Distributed Control System Replacement (180359) Periodic replacement of various electronic components in the Nixon Unit 1 Distributed Control System (DCS) resulting from device failure, obsolescence, or necessary upgrades to sustain current function.	30,000
95.	Front Range HVAC Unit Replacement (193577) Replacement of HVAC units due to end of service life. They are critical to keep the plant control and electrical service equipment in a temperature-controlled environment.	30,000
96.	Nixon 1 Cooling Tower Fan Gearbox (193252) Replace Nixon 1 Cooling Tower Fan Gearbox.	30,000
97.	Nixon ZD - Demister Pad Replacement (194069) Replace evaporator #2 demister pads every two years.	25,000
98.	FRP Time Synchronization Server Upgrade (193826) Replace the existing time sync server used for the Offsite Monitoring system with GE with a newer updated system. Current system has been in service since 2003 and is obsolete in design and may have reliability issues in the coming years.	25,000
99.	CMD Streetlight Replacements (Outside City Limits) (192931) Reactive replacement of existing streetlight capital assets due to third-party damage or catastrophic, functional, or operational failures. This activity covers the portion of the streetlight system that is located outside the City of Colorado Springs Streetlight Enterprise to include private roads within the city limits and all roads outside the city limits, but within the electric service territory. Reimbursed funds from third-party damage (if any) are credited back to the Colorado Springs Utilities general fund.	25,000
100.	Nixon 1 Coal Conveyor Belt 6A Replacement (193378) Replace Nixon 1 Coal Conveyor Belt 6A.	19,000
101.	Nixon 1 Conveyor Belt 7A replacement (193862) Replace Nixon 1 Conveyor Belt 7A.	17,000

102.	Nixon 1 Coal Conveyor Belt 8A Replacement (193384) Replace Nixon 1 Coal Conveyor Belt 8A.	\$ 17,000
103.	CSR Sitewide Stormwater Improvements (796742) Design and permitting of necessary improvements to control storm water runoff around the Clear Spring Ranch Resource Recovery Facility and the southern Clear Spring Ranch solid waste disposal units with a purpose of protecting existing infrastructure from damage and preventing stormwater from comingling with waste.	15,302
104.	Nixon 1 5A Magnetic Separator Belt Replacement (193382) Replace Nixon 1 5A Magnetic Separator Belt.	15,000
105.	Nixon 1 4A Magnetic Separator Belt Replacement (193381) Replace Nixon 1 4A Magnetic Separator Belt.	15,000
106.	Nixon 1 Coal Conveyor Belt 9A Replacement (193379) Replace Nixon 1 Coal Conveyor Belt 9A.	15,000
107.	OEG-PRU Push Camera and Retrieval Kit (193951) Purchase of push camera and retrieval tool for equipment inspections when access is unavailable.	12,000
	Subtotal Capital - Electric	\$ 203,042,768
	Capital Labor & Benefits	\$ 17,422,085
	Administration & General Expense	\$ 2,533,067
	2024 Total Capital - Electric with Allocated Components	\$ 222,997,920

Streetlight Service Capital Projects		2024 Proposed Budget
1. Streetlights - New Construction (892346)	Install new street lighting infrastructure for new residential subdivisions and newly developed arterial roadways. This budget supports City Ordinance 02-187 which is part of Colorado Springs City Code 7.7.801.	\$ 622,000
2. CMD Streetlight Replacements (Inside City Limits) (892930)	Replace capital assets for the streetlight system within the City of Colorado Springs which have failed either through exceeding their useful life or due to third party damage. An interlocal service level agreement is in place with the City of Colorado Springs for this activity.	608,000
3. Streetlights (892330)	Multiyear program to install residential and arterial roadway streetlights in previously developed areas, as per the Transfer Agreement to General Fund signed in May of 2006, and support Public Safety Lighting requested by Colorado Springs Utilities customers, the Colorado Springs Police Department, and the General City.	173,000
Subtotal Capital - Streetlights		\$ 1,403,000
Capital Labor & Benefits		\$ 327,181
Administration & General Expense		\$ -
2024 Total Capital - Streetlights with Allocated Components		<u>\$ 1,730,181</u>

ELECTRIC EXPENDITURES SUMMARY (in thousands)

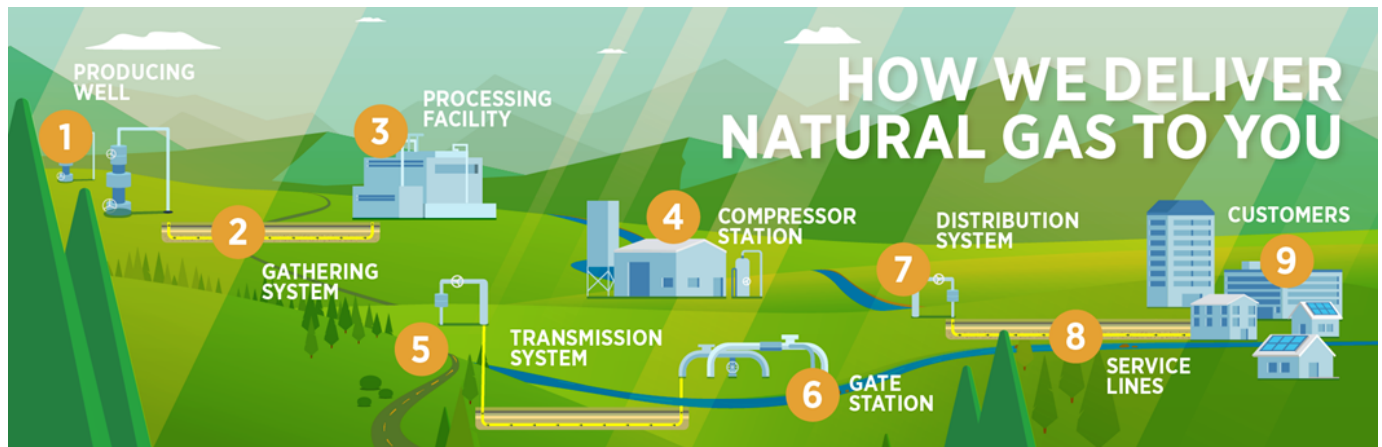
Account Group	2024 Approved Budget	2023 Approved Budget	2022 Actual	2024 Approved Budget Increase/ (Decrease) from:			
				2023 Budget		2022 Actual	
Fuel Operations and Maintenance	\$ 219,369	\$ 263,900	\$ 250,422	\$ (44,531)	-16.9%	\$ (31,053)	-12.4%
Non-Labor Operations & Maintenance							
Production and Treatment	\$ 986	\$ 611	\$ 1,268	\$ 375	61.3%	\$ (282)	-22.2%
Purchased Power	531	356	298	175	49.1%	233	78.4%
Transmission and Distribution	5,908	5,107	6,287	801	15.7%	(379)	-6.0%
Maintenance	23,285	24,083	17,769	(798)	-3.3%	5,516	31.0%
Customer Service and Information	3,256	1,356	4,167	1,900	140.1%	(911)	-21.9%
Administrative and General	22,514	21,942	22,288	572	2.6%	226	1.0%
Customer Accounting and Collections	4,853	3,963	4,608	890	22.4%	245	5.3%
Total Non-Labor Operations & Maintenance	\$ 61,334	\$ 57,419	\$ 56,685	\$ 3,915	6.8%	\$ 4,649	8.2%
Labor & Benefits							
Production and Treatment	\$ 7,685	\$ 9,636	\$ 6,264	\$ (1,951)	-20.3%	\$ 1,421	22.7%
Transmission and Distribution	19,492	17,027	15,278	2,465	14.5%	4,214	27.6%
Maintenance	19,986	18,620	19,647	1,366	7.3%	340	1.7%
Customer Service and Information	2,050	2,369	1,803	(319)	-13.5%	248	13.7%
Administrative and General	50,718	48,902	41,248	1,816	3.7%	9,469	23.0%
Customer Accounting and Collections	6,038	4,344	5,314	1,693	39.0%	724	13.6%
Total Labor & Benefits	\$ 105,968	\$ 100,899	\$ 89,554	\$ 5,070	5.0%	\$ 16,414	18.3%
Total Non-Fuel Operations & Maintenance ¹	\$ 167,302	\$ 158,318	\$ 146,239	\$ 8,985	5.7%	\$ 21,063	14.4%
Streetlight	\$ 3,915	\$ 4,248	\$ 3,858	\$ (333)	-7.8%	\$ 57	1.5%
Transfers to City- Surplus	25,855	25,572	25,671	282	1.1%	183	0.7%
Debt Service	84,461	85,232	88,059	(771)	-0.9%	(3,599)	-4.1%
Direct Capital	224,728	236,142	214,273	(11,414)	-4.8%	10,456	4.9%
Allocated Capital ²	10,972	9,926	8,943	1,046	10.5%	2,029	22.7%
Total	\$ 736,602	\$ 783,338	\$ 737,465	\$ (46,736)	-6.0%	\$ (864)	-0.1%

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: 222,226
- Total net throughput volume: 25,006,574 Mcf at 14.65 psia
- Peak demand: 266,786 Mcf at 14.73 psia (February 2011)
- Miles of main: 2,733

Natural Gas Service Projects

**2024
Approved
Budget**

- | 1. | DIMP - Gas 150P System Renewals (293179)
Identify and replace the highest risk 150 PSIG main segments with more modern coated steel piping. 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. The 150 PSIG system consists of the highest-pressure mains in the distribution system. Because the pressure is higher the consequence of failure is higher and poses a greater risk to the safety of our customers if left unmaintained. | \$ 6,595,000 |
|-----------|---|---------------------|
| 2. | Marksheffel Connector GPAP expansion (293170)
Increase the capacity of existing Propane Air Plant (PAP) from 1,800 dekatherm/hour to 2,400 dekatherm/hour by installing three additional air compressors. | 4,211,000 |
| 3. | New Construction Billable (293041)
Development driven program to install new gas mains and service stubs to residential and commercial areas not currently served. This program also funds the extensions of the 150 psig gas mainlines as necessitated by load additions. The requesting customer pays the Contribution in Aid of Construction contract based on the Utilities Rules and Regulations. The program is an Obligation to Serve as per Colorado Springs City Code section 12.3.201. | 3,648,000 |
| 4. | AMI Project - Gas (293167)
Continuation in executing the mass deployment to transition from Automated Meter Reading (AMR) to Advanced Metering Infrastructure (AMI). This deployment project reflects intended purchase of 2-way gas modules to replace residential, commercial, and industrial meters in Colorado Springs Utilities' service territory. | 3,605,000 |
| 5. | Gas Service Vehicles & Equipment (280021)
Replacement of vehicles and equipment for the Colorado Springs Utilities Gas Service to maintain a safe, cost effective and reliable fleet. | 2,553,000 |
| 6. | Gas Unplanned Maintenance (293183)
Complete emergent gas distribution maintenance projects that cannot be planned within the normal budget cycle. Projects may include renewals due to leaks, excavation damages and cathodic protection system failures. Federal Regulations require prompt remedial action for correcting these deficiencies. Typically, prompt remedial action is within one calendar year. Response to city improvement projects may also be performed within this program. Program scoping is based on a historical trend of past program activity. | 1,656,000 |

7.	<p>Gas 150P Over Pressure Protection (293186)</p> <p>Complete gas distribution system improvements driven by regulatory compliance with the Pipeline and Hazardous Materials Safety Administration, Part 192.195 for over pressure protection at the five gate stations. Projects include installation of new gas infrastructure such as regulating equipment, emergency valves, electrical, instrumentation, backup generators, equipment enclosures, and relief valves. Work in 2024 includes construction of North and South Gate Stations with Drennan and Security Gate Stations being constructed in 2025.</p>	\$ 1,500,000
8.	<p>Gas Meters - Base Requirements (293043)</p> <p>Purchase gas meters, modules, temperature and pressure instruments, parts, connection materials and regulators based on growth and lifecycle replacement. This program provides for Capital additions to connect new residential, commercial, and industrial gas customers to Colorado Springs Utilities' system. In addition, it provides for Capital replacements of damaged/defective meters and meters replaced through the Gas Measurement Accuracy Control (GMAC) Program. Gas meters are an obligation to serve requirement.</p>	1,365,000
9.	<p>DIMP - Gas Coated Steel Renewals (293180)</p> <p>Replace high risk segments of coated steel pipe. Aging coating materials can deteriorate and become disbonded from the pipe. When coatings fail, corrosion can attack the exposed steel pipe. 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.</p>	1,268,000
10.	<p>New Construction Non-Billable (293042)</p> <p>Installation of gas main extensions to new customers which requires the oversizing of the mainline for future developments. This is required to meet new customer growth identified through the gas modeling software and is not covered by developer advance payments. In addition, this budget funds the installation of scattered service stubs for infill areas and the inspection cost for all new services.</p>	1,249,000
11.	<p>Gas Distribution System Improvements (293044)</p> <p>Complete the installation of new gas main infrastructure to the existing distribution system to provide capacity, improve system reliability and service to existing and future customers. Projects may include reinforcements of existing infrastructure, pressure updates, main extensions, and new regulator stations.</p>	860,000
12.	<p>New Gas Propane Air Plant (293166)</p> <p>Design and construct an additional Propane Air Plant identified by the 2020 Gas Integrated Resource Plan (GIRP) needed for peaking capacity in the mid to late-2020s.</p>	736,000

13.	DIMP - Gas Bare Steel Replacements (293178) Identify the highest risk bare steel mains and services and replaces them with plastic. Uncoated steel pipelines are known as bare steel pipelines. The age and lack of protective coating typically makes bare steel pipelines of higher risk as compared to some other pipelines and candidates for accelerated replacement programs. 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.	\$ 721,000
14.	Gas Maximum Allowable Operating Pressure (MAOP) (293205) Verify and validate gas operating pressures, materials, and components in the gas distribution system. Requirements tied to CFR § 192.611.	600,000
15.	Gas Tools & Equip (280019) Replacement of tools & equipment for the Construction and Maintenance gas service to stay current with technology while utilizing the tooling to make capital improvements or add capital equipment to our gas system.	554,000
16.	Gas Time and Material for Capital Work (293122) Fund Gas Third-Party Billing projects (requests by customers to move existing gas infrastructure) that are requested during the year. The work is required to be compliant with the Gas Line Extension Service Standards and Public Utility Commission Part 192. Colorado Springs Utilities will charge the customer 95% of the cost to accomplish this work.	461,000
17.	DIMP - Gas Vintage Plastic Renewals (293181) Replace high risk vintage pipe segments, fittings, and valves. 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. 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.	452,000
18.	Public Improvements-Gas (280024) Install or relocate existing gas facilities in conjunction with Municipal Government Public Works projects, Pikes Peak Rural Transit Authority, and Improvement Districts. This budget is required by the 2001 Utilities Relocation Executive Agreement.	230,000
19.	AMI Project-Multi (796649) Continuation in executing Colorado Springs Utilities' strategy for a necessary transition from Automated Meter Reading (AMR) to Advanced Metering Infrastructure (AMI). This project reflects intended purchase of 2-way electric, gas, and water modules to replace residential, commercial, and industrial meters and modules in Utilities' service territory.	220,530

20.	DIMP - Gas Risk Based Projects (293182) Address risks identified by the DIMP Program that do not fit in the Bare Steel, Coated Steel, 150 PSIG System and Vintage Plastic replacement programs. These risks are primarily identified by SME information and failure data. 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.	\$ 200,000
21.	Gas Operations Tools & Equipment (293206) Replacement of tools & equipment for the Gas Leak Search, Gas Distribution Operations, and Gas Instrument Control Teams to stay current with technology while utilizing the tooling to make capital improvements or add capital equipment to our gas system.	150,000
22.	AMR/AMI Network New Growth & Replacement (796463) Purchase additional Automated Meter Reading (AMR) concentrators, repeaters and collectors and Advanced Metering Infrastructure (AMI) gateways and routers to accommodate new growth areas and existing meters in Colorado Springs Utilities' service territory. Unlicensed frequency will require that Utilities add concentrators to affected areas to maintain current reliability. New unlicensed devices being sold in consumer markets are causing interference and require additional concentrators to overcome meter read issues. This on-going project is required as part of Colorado Springs Utilities' obligation to serve.	75,610
23.	Gas Instrumentation & Control (GIC) Meter Station Improve/Upgrades (293184) Upgrade aging gas meter station equipment. There are currently five-meter stations in our system; Drennan, North, South, McClintock, and Security. These stations are where Colorado Springs Utilities takes possession of the Natural Gas from Kinder Morgan. This is also where Utilities odorizes the gas to be distributed to our customers	70,000
24.	DIMP - Emergency Valve Replacement (280005) Replacement of non-functional valves identified through performing annual inspection, maintenance, and operation of all designated Gas Emergency Valves per DOT (Department of Transportation) requirements. Emergency Valves are designed to stop the flow of gas in specific situations such as creek crossings (an Emergency Valve would be located on each side of the streambed above the high-water mark). Emergency Valves are in the main line and are boxed and accessible from ground level.	40,000

25.	DIMP - Distribution Regulator Station Replacement (280011) Replacement of district regulator stations that are in poor condition. Each regulator station has two regulators, one is for normal control of the flow of gas and the other provides over pressure protection in the event the control regulator fails. Some of the regulators to be replaced are custom fabricated or the manufacturers have discontinued the regulator model and no longer supply replacement parts. Gas Distribution Operations (GDO) determines which regulators to replace based on type of equipment (obsolete).	\$ 34,000
26.	DIMP - Gas Distribution System Improvements (280034) Complete gas distribution system improvements driven by regulatory compliance with the Pipeline and Hazardous Materials Safety Administration, Part 192. Projects include installation of new gas infrastructure such as metering and regulating equipment, emergency valves, and telemetry monitor points.	31,000
	Subtotal Capital - Gas	\$ 33,085,140
	Capital Labor & Benefits	\$ 8,486,300
	Administration & General Expense	\$ 326,847
	2024 Total Capital - Gas with Allocated Components	\$ 41,898,287

NATURAL GAS EXPENDITURES SUMMARY (in thousands)

Account Group	2024 Approved Budget	2023 Approved Budget	2022 Actual	2024 Approved Budget Increase/ (Decrease) from:			
				2023 Budget		2022 Actual	
Fuel Operations & Maintenance	\$ 209,804	\$ 269,840	\$ 205,207	\$ (60,035)	-22.2%	\$ 4,598	2.2%
Non-Labor Operations & Maintenance							
Transmission and Distribution	\$ 2,930	\$ 2,805	\$ 3,218	\$ 125	4.5%	\$ (288)	-8.9%
Maintenance	1,017	1,230	1,277	(213)	-17.3%	(260)	-20.3%
Customer Service and Information	3,186	2,683	1,648	503	18.7%	1,538	93.3%
Administrative and General	7,565	6,263	6,131	1,302	20.8%	1,434	23.4%
Customer Accounting and Collections	3,366	2,937	3,294	429	14.6%	72	2.2%
Total Non-Labor Operations & Maintenance	\$ 18,065	\$ 15,918	\$ 15,568	\$ 2,146	13.5%	\$ 2,497	16.0%
Labor & Benefits							
Transmission and Distribution	\$ 10,249	\$ 12,567	\$ 8,291	\$ (2,318)	-18.4%	\$ 1,958	23.6%
Maintenance	2,394	2,438	2,677	(45)	-1.8%	(284)	-10.6%
Customer Service and Information	1,299	953	929	346	36.4%	370	39.9%
Administrative and General	17,579	12,723	11,050	4,856	38.2%	6,529	59.1%
Customer Accounting and Collections	5,413	3,949	4,830	1,464	37.1%	583	12.1%
Total Labor & Benefits	\$ 36,934	\$ 32,630	\$ 27,778	\$ 4,304	13.2%	\$ 9,156	33.0%
Total Non-Fuel Operations & Maintenance ¹	\$ 54,999	\$ 48,548	\$ 43,345	\$ 6,451	13.3%	\$ 11,653	26.9%
Transfers to City- Surplus	\$ 8,332	\$ 8,367	\$ 9,165	\$ (35)	-0.4%	\$ (833)	-9.1%
Debt Service	16,877	16,206	13,861	670	4.1%	3,016	21.8%
Direct Capital	41,898	38,597	28,983	3,301	8.6%	12,915	44.6%
Allocated Capital ²	1,994	1,842	1,660	152	8.3%	335	20.2%
Total	\$ 333,904	\$ 383,401	\$ 302,220	\$ (49,496)	-12.9%	\$ 31,684	10.5%

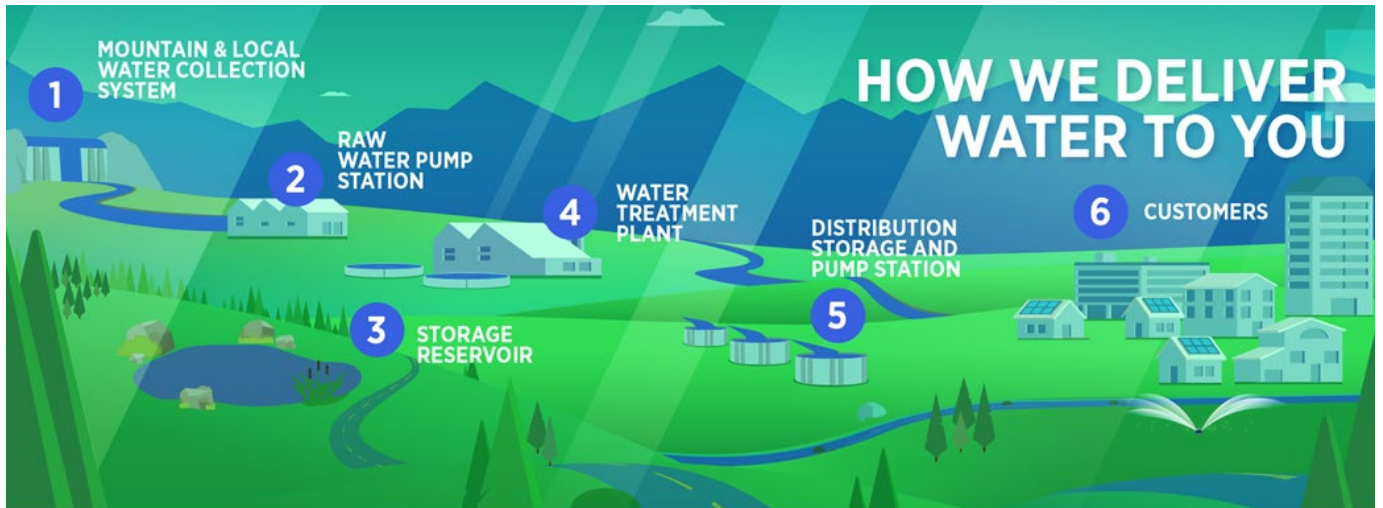
¹ Non-Fuel O&M does not include inter-service eliminations, GASB 68 and 75 pension and OPEB expense.

² Common Capital allocated to Natural Gas Service.

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WATER SERVICE OVERVIEW

SERVICE HIGHLIGHTS

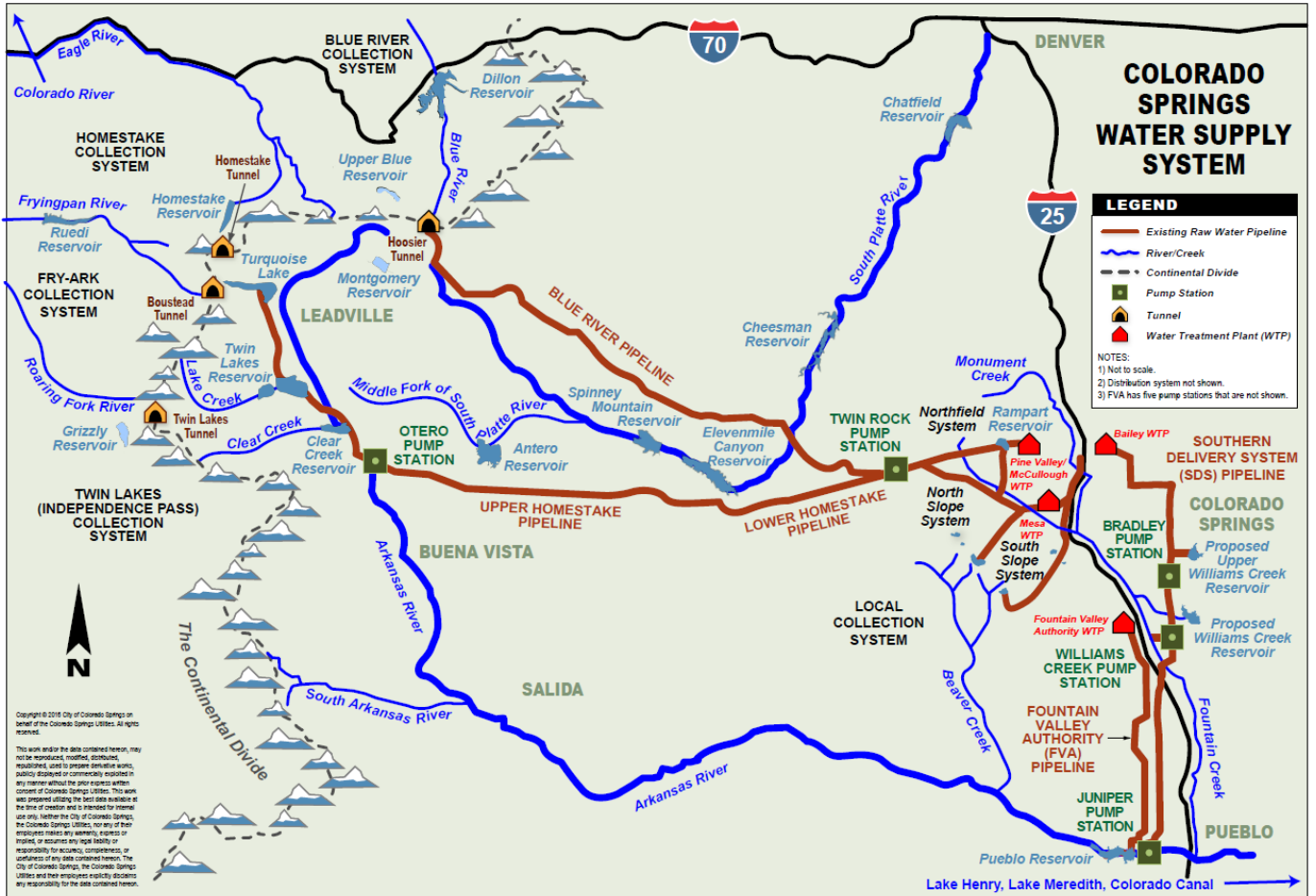


- 1 COLLECTS ROCKY MOUNTAIN SNOWMELT FROM UP TO 100+ MILES AWAY
- 2 MOVES COLLECTED WATER TO STORAGE RESERVOIRS
- 3 CAN HOLD UP TO 3.5 YEARS OF SUPPLY AND SUPPORT RECREATION

- 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: 157,069
- Annual potable water deliveries: 72,434 AF (23.6 billion gallons)
- Total nonpotable output (all sources): 7,454 AF
- Total Arkansas River and Local Exchange: 42,304 AF
- Treatment capacity: 278 mgd (peak), 233 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
 - 2,269 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)



Water Service Projects

2024
Approved
Budget

- | | |
|---|----------------------|
| 1. Finished Water Linear Asset Program (394744) | \$ 18,766,000 |
| Renew 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. Colorado Springs Utilities has over 2,100 miles of transmission and distribution water mains that we serve. The program plan for 2024 is to rehabilitate approximately 50 miles of this pipeline using Condition Assessment, Cathodic Protection, Design, Lining and Replacement. | |
| 2. Water Service Vehicles & Equipment (380109) | 9,069,000 |
| Replacement of vehicles and equipment for the Colorado Springs Utilities Water Service to maintain a safe, cost effective and reliable fleet. | |
| 3. Highline Pressure Zone Extension and Redundant Supply (394749) | 7,000,000 |
| Design and construct 5.2 miles of 30", 24" and 12" water transmission and distribution main that will extend the Highline Pressure Zone of the potable water system further to the south to provide water service to the southerly portion of the Banning Lewis Ranch annexation area along with create a redundant water supply to the Colorado Springs Airport. The 2024 project plan is to begin construction in the end of the 1st quarter of 2024 and with a final completed schedule for end of 2026. | |
| 4. Water Acquisition - Temporary Use Waters (394683) | 6,800,000 |
| Develop new water sharing projects or alternative transfer methods (ATMs) to acquire temporary use waters. ATMs have been identified in the Integrated Water Resource Plan (IWRP) as a key component of a Balanced Portfolio. Acquiring new water supplies through ATMs in the near-term is essential for mitigating risks from drought and administration of water rights associated to other sources of supply. Acquiring new water supplies through ATMs is essential for long-term water resource development to serve the city through buildout. | |
| 5. Specialty Valves Rehabilitation and Replacement Program (394651) | 5,926,000 |
| Implement the rehab/replacement of specialty valves in the water system, already identified, assessed, and prioritized, to ensure safe and reliable water service to our customers. Work in 2024 includes: Academy Corridor, Phase 2 and Academy & Meadowland Valve Vault D/B project. | |
| 6. AMI Project - Water (394669) | 4,920,000 |
| Continuation in executing the mass deployment to transition from Automated Meter Reading (AMR) to Advanced Metering Infrastructure (AMI). This deployment project reflects intended purchase of 2-way water modules to replace residential, commercial, and industrial meters in Colorado Springs Utilities' service territory. | |

7.	Public Improvement Projects - Water (380083)	\$ 4,000,000
	Colorado Springs Utilities' share of water relocations, betterments, and improvements as a result of Pikes Peak Rural Transportation Authority (PPRTA), City Capital Improvements Projects, El Paso County and Colorado Department of Transportation (CDOT) public improvement projects. 2024 public improvement water projects currently include Circle Dr. Bridges, Fontenaro and I-25 Bridges, Academy Blvd. Reconstruction, Galley and West Fork of Sand Creek, Reconstruction of Nevada Ave Storm Sewer Outfall, and Marksheffel Widening.	
8.	Continental-Hoosier System Project (394345)	2,978,000
	Permit a storage enlargement of 8100 ac-ft at Montgomery Reservoir to improve collection and conveyance management in the CHS system and increase the average annual yield delivered through the Blue River pipeline by 4000 ac-ft. The total storage capacity at Montgomery after the enlargement will be 13,800 ac-ft. The project is identified in multiple studies as a critical project to maintain reliability for current customers and at buildout of the City. Permitting activities extend through 2026 with construction in 2027.	
9.	Potable Pumping Station Replacement Program (394587)	2,575,000
	Rehabilitate and/or replace pump stations, pump station equipment and systems to maintain reliable water service to our customers. Formal condition assessments have identified targeted replacement of PS Equipment and Systems.	
10.	LVSRRF East Non-potable Reservoir Floor Replacement (394498)	2,429,000
	Replace the concrete liner for the Las Vegas Street Wastewater Resource Recovery Facility (LVSRRF) east non-potable water reservoir basin. The basin is experiencing significant spalling and cracking of the concrete surface. The project design to replace the concrete liner was completed in 2018 based on findings from the 2017 engineering study and alternatives analysis. Phase 1 of the east non-potable water reservoir replacement construction commenced Q4 2023 with a phase 2 completion in 2024.	
11.	N. Slope - South Catamount Dam Rehabilitation (394696)	2,200,000
	Rehabilitate the steel upstream face of South Catamount Dam to include cleaning, removal of corrosion scale, repair of the facing as required, rehabilitating cathodic protection, applying an appropriate coating (polyurethane or epoxy), and repair of damaged concrete at the plinth and groins. The project will rehabilitate the outlet works to minimize risk and maximize reliability and repair as well as the dam face and appurtenant structures, increasing useful life of the asset, and minimizing dam safety risk.	

- | | | |
|------------|--|---------------------|
| 12. | Ruxton 24 and 30" Raw Water Main Replacement/Rehabilitation" (394790)
In support of the City of Manitou Springs Ruxton Avenue Infrastructure Improvement Project, Colorado Springs Utilities is currently evaluating relocation of one 24-inch and one 30-inch raw water line extending within the current Ruxton Avenue extents. Design work is being coordinated through JR Engineering in collaboration with the City of Manitou Springs overall project design, with overall project scope recommendations being collaborated with Utilities' operations division. Water main relocation and/or rehabilitation work is currently scheduled to occur between 2024 and 2027. | \$ 2,000,000 |
| 13. | Homestake Collection System Pipeline Repair and Rehabilitation (394711)
Preparation and interior relining of the above grade reaches phase of this project continues in 2024 and includes dewatering, debris removal and interior coating removal and installation. This is one of four projects identified as a result of the 2008 Homestake Assessment Project. | 1,987,000 |
| 14. | Potable Water Tank Refurbishment/Replacement Program (394575)
Prioritize, refurbish and/or replace tanks and appurtenances to provide uninterrupted water delivery. The program addresses issues found during periodic condition assessment, inspections, and maintenance activities of the water distribution systems 43 potable water tanks. Each tank project ensures potable water distribution storage, fire protection and pump station suction storage to the water distribution system. 2024 includes: Cedar Heights 3 Tank, and Austin Bluffs 5-million-gallon tank. | 1,855,000 |
| 15. | Briargate Pressure Zone Interconnection, Phase 1 (394652)
Extend a 24" and 16" pipeline approximately 3.8 miles from Old Ranch Road and Powers Boulevard to the Highway 83 PS. This is a vulnerability identified in the 2016 FWSP, reviewed and modified in the 2021 FWSP. This extension will 1) increase reliability, 2) reduce pumping requirements at the Northgate PS, extending its useful life without capacity increases and 3) provide the emergency connection between two independent Briargate Pressure Zones. | 1,695,000 |
| 16. | Homestake Suction Pipeline Replacement (394477)
Continued replacement of sections of the Otero suction pipeline. The 2008 Homestake Assessment Project detected circumferential and longitudinal cracks in the 66" Otero suction pipeline. These cracks pose a significant risk to the life of the nearly 50-year-old pipeline. Failure of this pipeline could lead to a failure in the obligation to serve, since the majority of Colorado Springs Utilities' raw water is transported through this crucial pipeline. Required for continued compliance with Excellence in Governance Policy I-6. | 1,159,000 |

17.	Water Meters - Base Requirements (394204) Purchase water meters, parts, connection materials and water modules. It provides for Capital additions to connect new residential, commercial, and industrial water customers to Colorado Springs Utilities' system. In addition, it provides for Capital replacements of damaged and defective meters, meters replaced through the Meter Life Cycle Replacement Program and Wide Flow Program. Water meters are an obligation to serve requirement.	\$ 916,000
18.	Homestake Operator Housing Replacement (394738) Demolition and new construction of the 2nd caretaker house, to be performed in 2024. The Homestake Operator Housing is old and in declining condition. Both houses were constructed in the early 1960's using aluminum electrical wiring and asbestos ceiling texture. Due to limited space, both existing houses have/had to be demolished prior to their replacement at the same location.	773,000
19.	Rosemont Pipeline Replacement (394476) Initiate design of the most critical section(s) of the 14 miles of the Rosemont pipeline and program the replacement of these sections. This is a multi-year project to address permitting and construction sequence needs of the difficult to access pipeline.	618,000
20.	Homestake Suction Line Debris Screen (394740) Construct a log boom in Twin Lakes Reservoir to capture debris before it reaches the pipeline and Otero Pump Station. The Homestake suction pipeline draws water from Twin Lakes. All debris, that makes its way into the pipeline, ends up in the pumps at the Otero Pump Station. Once the pump efficiency is reduced, the pump must be shut off, pulled, and cleaned. This can affect multiple pumps multiple times during the year. Any debris that makes it through the pumps will end up in the valves at the Spinney Mountain Tap which requires further cleaning and pumping rate reduction.	515,000
21.	Penrose Dam Rehabilitation (394787) Design field investigation work for the long-term rehabilitation needs of the Penrose Dam to meet current dam safety guidelines.	500,000
22.	Water System Infrastructure Continuity (380096) Add and replace water system infrastructure when project costs are over the \$5,000 O&M threshold and when the project is not covered by the water main replacement program. This program is budgeted annually and accounts for necessary infrastructure needs that are not funded under other programs.	450,000
23.	Water Infrastructure Corrosion Program-Raw Water (394678) Construct the repair/replacement of raw water cathodic protection systems, already identified, assessed, and prioritized, to ensure safe and reliable water service to our customers. The WICP is essential for compliance with our Excellence in Governance Policy I-6.	358,000

24.	Ute Pass WTP Improvements Program (394691) Provide for long term improvements for the Ute Pass WTP. Phase 1 initiates the design of sodium hypochlorite disinfection and soda ash chemical feed system. The Studies and Alternatives Analysis was completed in 2022.	\$ 300,000
25.	Homestake 66 Inline Valve on Discharge Line" (394675) Long lead valve purchase and installation at Otero Pump Station. Currently, there are no valves capable of isolating the Otero Pump Station from the discharge line that holds millions of gallons of water at 300 psi. Should a pipe break, or a valve fail, this water would drain back and potentially flood the Pump Station and operator housing. An inline valve would allow for shutting off this line in emergency situations and for scheduled maintenance. The project has been designed and the long lead valve will be pre-purchased in 2024 for installation in 2025.	258,000
26.	Nonpotable Water System Improvement Program (394605) Initiate design of additional off-line storage to improve system operation of the nonpotable system. In addition, the new storage will meet regulations that require lining of earth embankment storage ponds.	250,000
27.	Periodic replacement of over thirty distinct analytical instruments and ancillary pieces of equipment vital to the function of the Colorado Springs Utilities laboratory. These instruments and equipment require replacement as they reach the end of their lifespan, or as technological advances and improved analytical methods drive the need for new instrumentation. This project encompasses those instruments and equipment necessary for continued Safe Drinking Water Act (SDWA) compliance.	250,000
28.	Fire Hydrant Installation (380099) Replace hydrants that are non-operational or that are obsolete because replacement parts are no longer manufactured. These hydrants are identified through the O&M preventive maintenance program and notification by internal and external sources.	250,000
29.	Water Valve Replacement (394703) Replace water valves not covered by the water main replacement program. Examples are smaller footage jobs that are not engineered, large valve replacement, pipe replacement work and rehabilitation done for Water System Continuity or needs not covered by the City's Paving Initiative. This program is budgeted annually and accounts for necessary infrastructure needs that are not funded under other programs.	200,000
30.	AMI Project-Multi (796649) Continuation in executing Colorado Springs Utilities' strategy for a necessary transition from Automated Meter Reading (AMR) to Advanced Metering Infrastructure (AMI). This project reflects intended purchase of 2-way electric, gas, and water modules to replace residential, commercial, and industrial meters and modules in Utilities' service territory.	157,522

31.	Homestake Discharge Pipeline Replacement (394731) Replace critical segments of the Homestake Discharge Pipeline prioritized to be susceptible to failure through comprehensive risk analysis that includes leak history, corrosion potential, strength analysis, and consequence of failure.	\$ 155,000
32.	Homestake Vehicles & Equipment (380124) Replace vehicles and equipment according to a scheduled program to maintain a safe, cost effective, and reliable fleet for the Homestake Water Project. The Homestake fleet includes forty-nine units.	155,000
33.	Water Tools & Equip (380101) Purchase large tools and equipment over \$5,000 for the Construction and Maintenance Group (CMG), such as shoring, large pumps, and other equipment needs.	140,000
34.	Homestake Pipeline Replacement for Leak Remediation (394715) Purchase and installation of pipe replacement kits for the Otero Pump Station. Pipeline failures can prevent the Otero Pump Station from pumping for two to six weeks. This amounts to between 1.6 billion and 5.2 billion gallons of lost pumping opportunity. To maintain the operational capability of this critical infrastructure, it is imperative that leaking or failed sections of pipe be replaced. Homestake personnel are experienced in the replacement of leaking or failed PCP with steel pipe, having already performed this task in eight locations.	125,000
35.	Developer Initiated Projects - Water (394114) Provide financial assistance to Colorado Springs Utilities' customers in certain, qualifying scenarios, to promote the extension of the water distribution system and provide service capability to previously unserved areas within the water service territory.	108,000
36.	Homestake 10 Nozzle Repairs for Four Surge Tanks" (394676) Nozzle Repairs for four Surge Tanks. The Surge Tanks are devices that protect the 66" discharge line's integrity during flow surges. In 2017, the Surge Tank shut off valves were closed to allow the tanks to be drained for re-lining. During the tank relining process, it was discovered that some of the nozzles under the shutoff valves have corroded. Wall thickness are still within the pressure design window but will need to be repaired while the line is drained for the valve replacements.	100,000
37.	LAWMA Exchange Decree (394752) Water court application 21CW3015 for approval of substitution and exchange for waters associated to the 2,500 shares of Lower Arkansas Water Management Association (LAWMA) common stock that will be delivered to Utilities in 5 out of 10 years.	100,000
38.	CSR GP1 Monofill Closure (394766) Complete closure and construction of the Clear Spring Ranch Gravel Pit #1 Monofill final cover.	60,000

39.	AMR/AMI Network New Growth & Replacement (796463) Purchase additional Automated Meter Reading (AMR) concentrators, repeaters and collectors and Advanced Metering Infrastructure (AMI) gateways and routers to accommodate new growth areas and existing meters in Colorado Springs Utilities' service territory. Unlicensed frequency will require that Utilities add concentrators to affected areas to maintain current reliability. New unlicensed devices being sold in consumer markets are causing interference and require additional concentrators to overcome meter read issues. This on-going project is required as part of Colorado Springs Utilities' obligation to serve.	\$ 54,007
40.	Homestake SCADA System Upgrades (380125) Replacing and upgrading equipment that is essential for reliable operation of the Otero Pump Station.	36,000
41.	Water Tap Install - New Cust (380108) Inspections and installations of water taps for new residential and commercial customers on Colorado Springs Utilities owned water mains.	30,000
42.	Homestake Mass Asset Valve Purchases (394753) 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. This amounts to between 1.6 billion and 5.2 billion gallons of lost pumping opportunity. To maintain the operational capability of this critical infrastructure, it is imperative that shutoff valves and air valves be replaced on a rotating schedule. Homestake personnel are experienced in the replacement of these type of valves.	26,000
43.	Water System Design Review, Inspection and Acceptance (394132) Water system extension design review, inspection, and documentation for developers and contractors to ensure compliance with City Code and Colorado Springs Utilities' current Line Extension & Service Standards, and to protect system integrity.	12,000
	Subtotal Capital - Water	\$ 82,255,529
	Capital Labor & Benefits	\$ 11,064,490
	Administration & General Expense	\$ 4,739,287
	2024 Total Capital - Water with Allocated Components	\$ 98,059,306

WATER EXPENDITURES SUMMARY (in thousands)

Account Group	2024 Approved Budget	2023 Approved Budget	2022 Actual	2024 Approved Budget Increase/ (Decrease) from:			
				2023 Budget		2022 Actual	
Non-Labor Operations & Maintenance							
Production and Treatment	\$ 29,155	\$ 26,451	\$ 29,352	\$ 2,703	10.2%	\$ (198)	-0.7%
Purchased Water	9,988	9,866	9,569	122	1.2%	419	4.4%
Transmission and Distribution	1,904	1,671	2,739	233	13.9%	(835)	-30.5%
Maintenance	7,798	6,949	8,254	849	12.2%	(456)	-5.5%
Customer Service and Information	2,297	1,244	2,232	1,053	84.6%	65	2.9%
Administrative and General	13,990	14,549	15,016	(559)	-3.8%	(1,026)	-6.8%
Customer Accounting and Collections	2,498	2,176	2,269	322	14.8%	229	10.1%
Total Non-Labor Operations & Maintenance	\$ 67,630	\$ 62,907	\$ 69,432	\$ 4,723	7.5%	\$ (1,802)	-2.6%
Labor & Benefits							
Production and Treatment	\$ 12,382	\$ 12,947	\$ 12,862	\$ (565)	-4.4%	\$ (480)	-3.7%
Transmission and Distribution	8,482	9,123	6,812	(641)	-7.0%	1,670	24.5%
Maintenance	10,333	9,073	8,374	1,261	13.9%	1,959	23.4%
Customer Service and Information	1,097	1,135	818	(38)	-3.3%	279	34.1%
Administrative and General	32,376	34,223	28,947	(1,847)	-5.4%	3,428	11.8%
Customer Accounting and Collections	3,807	2,803	3,428	1,004	35.8%	379	11.0%
Total Labor & Benefits	\$ 68,477	\$ 69,304	\$ 61,242	\$ (827)	-1.2%	\$ 7,236	11.8%
Total Non-Fuel Operations & Maintenance ¹	\$ 136,107	\$ 132,211	\$ 130,674	\$ 3,896	2.9%	\$ 5,433	4.2%
Transfers to City- Surplus	\$ 2,400	\$ 2,574	\$ -	\$ (174)	-6.8%	\$ 2,400	- %
Debt Service	86,166	85,621	82,100	545	0.6%	4,066	5.0%
Direct Capital	98,059	76,627	94,946	21,432	28.0%	3,114	3.3%
Allocated Capital ²	10,969	10,380	9,352	589	5.7%	1,617	17.3%
Total	\$ 333,702	\$ 307,414	\$ 317,072	\$ 26,288	8.6%	\$ 16,630	5.2%

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: 152,695
- Wastewater treated: average of 38 million gpd
- Combined permitted capacity: 95 million gpd
- Miles of sewer main pipe: 1,816 miles
- Wastewater System includes:
 - 2 water resource recovery facilities
 - 1 solid handling facility
 - 20 lift stations

Wastewater Service Projects

2024
Approved
Budget

- 1. CSRRRF Biogas Utilization Project (495331)** **\$ 11,000,000**

Harness renewable energy from a byproduct of anaerobic digestion at Clear Springs Ranch Resource Recovery Facility (CSRRRF). The project will provide clean natural gas for use in the boilers at CSRRRF thereby reducing Operating and Maintenance (O&M) expenses and improving safety. This will not only put Colorado Springs Utilities on a path of fiscally responsible sustainability and environmental stewardship but also create a revenue source for the wastewater service line for years to come.
- 2. CSRRRF Electrical Upgrades Project (495343)** **5,406,000**

Complete a holistic improvement on the electrical feed, switchgear, power distribution and electrical and instrumentation systems on the digestion facility. A majority of the equipment, wiring and conduit to be replaced have been in service since 1985 and are past the end of their useful life. Construction activities were kicked off in Q3 of 2023 and are anticipated to last through early 2025.
- 3. LVSRRF Aeration System Modifications (495307)** **3,340,000**

Multi-year effort to upgrade the Aeration System which supports wastewater treatment in the five basins at the Las Vegas Street Water Recovery Facility. Critical components of the existing aeration system have reached the end of their useful life, reducing system performance. This project includes completion of design, then two years of construction and rehabilitation of the aeration air delivery system and will allow Colorado Springs Utilities to meet current and future flow and load conditions and comply with upcoming discharge regulations.
- 4. SSCC Collection System Rehabilitation/Replacement Program (495253)** **3,300,000**

Evaluate, protect, and rehabilitate sanitary sewer pipelines that cross creeks and drainages in Colorado Springs Utilities' service area, while at the same time providing stream stability and reduced erosion and sedimentation. Funds are budgeted according to a 2016 IGA commitment and related Executive Agreement and reported annually to the City of Colorado Springs. In 2024, two large-scale projects are planned to continue and/or commence to meet Utilities \$3.3M 2024 Stormwater IGA commitment.
- 5. JDPWRRF Diversion Structure (495365)** **2,245,000**

Improve the current diversion structure so that the existing gates, which are inoperable due to corrosion, can be operated and wastewater flows controlled and managed. This project is necessary to efficiently divert and manage flows to and from JDPWRR and the Las Vegas Wastewater Treatment plant and needs to be completed before the Northern Monument Creek Interceptor is fully operational. Construction and project completion are scheduled in 2024.

6.	Local Collectors Evaluation and Rehabilitation Program (LCERP) (495121) Determine the condition of every sanitary sewer pipeline less than 10" in diameter and place them on a rank based priority schedule to be re-inspected or rehabilitated. The Local Collectors Evaluation and Rehabilitation Program (LCERP) is multi-year program entering the 20th year of implementation. LCERP has rehabilitated over 3100 individual line segments totaling approximately 167 total miles. 2024 LCERP will rehabilitate approximately 30,000 feet pipe. LCERP is considered a condition of the 1041 Permit by Pueblo County for the Southern Delivery System.	\$ 2,000,000
7.	LVSWRRF Influent Junction Box Replacement (495363) Provide for the rehabilitation and/or replacement of various components of the Las Vegas Street Water Recovery Facility influent infrastructure, to include pipes, manholes, gates, junction boxes, a new diversion structure, and odor control.	1,180,000
8.	LVSWRRF Sludge Pump Replacement (495309) Replacement of the Las Vegas Street Water Recovery Facility blended sludge pumps that are used to pump the solids from the Las Vegas Street Water Resource Recovery Facility to the Clear Spring Ranch Resource Recovery Facility. The pumps are approaching end of life and will be replaced with newer models that are sized to provide service during their anticipated 20-year design life.	1,170,000
9.	Northern Monument Creek Interceptor (495356) Install approximately 8.5 miles of 30" pipe and appurtenances from the southern edge of the US Air Force Academy to the Upper Monument Creek WWTF just outside of the northern edge of the Academy. This project will enable Colorado Springs Utilities to eliminate at least one lift station in the near term and allow the flexibility to eliminate more in the future. It will accept wastewater flows from two sanitation districts north of Colorado Springs.	1,000,000
10.	LVSWRRF I&C Improvements (495371) Upgrade the control system at the Las Vegas Street Water Resource Recovery Facility. Currently the control system is an amalgamation of multiple upgrades with some more than 30 years old.	980,000
11.	Wastewater Service Vehicles & Equipment (480017) Replacement of vehicles and equipment for the Colorado Springs Utilities Wastewater Service to maintain a safe, cost effective and reliable fleet.	925,000
12.	LVSWRRF Replace Gates at Primary Clarifiers (495412) Replacement of the Las Vegas Street Water Recovery Facility isolation gates feeding the primary clarifiers. Some of the current gates have corroded entirely through and some of the gates need replacement of their seals. Some of the gate failures are catastrophic and one clarifier cannot currently be taken off-line for routine maintenance. The gates need to be replaced to allow for operational flexibility.	848,000

13.	Public Improvement Projects - Wastewater (480015) Colorado Springs Utilities' share of water relocations, betterments, and improvements as a result of Pikes Peak Rural Transportation Authority (PPRTA), City Capital Improvements Projects, El Paso County and Colorado Department of Transportation (CDOT) public improvement projects. 2024 public improvement water projects currently include Circle Dr. Bridges, Fontanero and I-25 Bridges, Academy Blvd. Reconstruction, Galley and West Fork of Sand Creek, Black Forest Rd Reconstruction, Nevada Ave Storm Sewer Outfall, and Marksheffel Widening.	\$ 800,000
14.	Collection System Rehabilitation/Replacement (495236) Assessment and rehabilitation\replacement of the collection system for large diameter pipes (10" and greater). The Collection System Rehabilitation/Replacement (CSRR) is the successor to the SSERP (SSERP was mandated by a Compliance Order on Consent with the CDPHE). The large diameter portion of the sanitary sewer collection system consists of approximately 270 miles of pipe. 2024 CSRR will rehabilitate approximately 2,000 feet of pipe. CSRR is considered a condition of the 1041 Permit by Pueblo County for the Southern Delivery System.	500,000
15.	JDPWRRF Inlet Secondary Clarifier Gates (495360) Restore the flexibility and enable optimal performance and operations at J.D. Phillips Water Resource Reclamation Facility (JDPWRRF). The secondary clarifier inlet gates at JDPWRRF are jammed, limiting their availability, and preventing the operations of the facility and the secondary treatment process to occur optimally and efficiently. This puts the overall ability of the JDPWRRF to meet the effluent limits consistently and reliably, at risk. The facility is operating at risk without full operational flexibility. Design was completed in 2022 and the construction phase commenced Q4 2023. Completion Q1 2024.	475,000
16.	CSR Dam Construction Upgrade (796741) Improvements to the Clear Spring Ranch dam to ensure continued compliance with permits by minimizing the amount of groundwater leaving the site.	350,048
17.	CSRRRF Replace Sludge Piping at Wall in ERB and Digesters (495351) Replacement of several segments of process piping at the Clear Spring Ranch Resource Recovery Facility, which have experienced significant corrosion. The locations of most significant corrosion are primarily located at wall penetrations and believed to be limited in length. The affected penetrations include the feed piping and digester feed piping at two other locations.	350,000
18.	WRRF Improvements Program (495338) Required capital improvements and upgrades at the Water Resource Recovery Facilities. This program will be used for relatively small projects that are identified either through the Facility Plan or through opportunities identified in the course of operations. A typical use for this program could be replacement of pumps or valves identified as capital assets in the Unit of Property book but not large enough to justify their own project.	350,000

19.	Wastewater Lift Station and Force Main Evaluation and Rehabilitation Program (495281)	\$ 309,000
	Assess the condition of critical wastewater pump stations and force mains to avoid sanitary sewer overflows (SSOs). Complete necessary improvements for the lift stations to maintain reliability. In 2018, survey and assessment of all lift stations commenced. The program is set up to rehabilitate one pump station or force main every other year. Rehabilitation projects will bridge two years of funding on each lift station.	
20.	Wastewater Infrastructure Corrosion Program (495322)	306,000
	Repair/replacement of failing cathodic protection systems, that have already been identified, evaluated, monitored, and prioritized, to insure safe and reliable wastewater services to our customers. 2023 focused on performing an assessment of the existing cathodic protection systems for the wastewater systems. This evaluation included the cataloging and condition assessment of several asset groups based on criticality. 2024 will focus on cathodic protection systems repairs as deemed necessary by the evaluation process.	
21.	WRRF Control System Upgrade Program (495328)	300,000
	Install control system, variable frequency drive and instrumentation improvements at Las Vegas, JD Phillips, and Clear Spring Ranch Water Resource Recovery Facilities. This project will improve control's reliability and efficiency at the treatment plants due to aging and obsolete controls, variable frequency drives and instrumentation and control schemes.	
22.	LVSRRF RAS Pump Replacement (495402)	300,000
	Replace the Recycled Activated Sludge pumps at the Las Vegas Street Water Resource Recovery Facility, as identified in the Facility Plan performed in 2019 on the Las Vegas Street Water Resource Recovery Facility.	
23.	Wastewater Service to Unsewered Areas (495106)	211,000
	Funding appropriated to this program provides financial assistance to Colorado Springs Utilities' customers in certain, qualifying scenarios, to promote the extension of the wastewater collection system and provide service capability to unsewered areas within the wastewater service territory.	
24.	WW Lift Station and Force Main NMCI Related Infrastructure Improvement Program (495401)	200,000
	Upgrade Middle Tributary, Monument Branch, and Kettle Creek Lift Stations, or provide a gravity connection to NMCI. The project will help address capacity at the Kettle Creek Lift Station and appropriately invest capital money to resolve issues with the Middle Tributary Lift Station.	

25.	LVSRRF Headworks Odor Control Media Replacement (495310) Replace spent media periodically (approximate media life is about five years) in order to mitigate odor emissions from the Las Vegas Street Water Resource Recovery Facility. The odor control vessels at the plant contain a media which removes the sulfur-based odors that are removed from the headworks facility, namely the step screens, screenings building and the grit chambers. These areas generate unpleasant nuisance odors and hazardous gases which need to be removed in order to maintain a safe working environment.	\$ 180,000
26.	CCTV Equipment (480004) Replacement or upgrades of CCTV Cameras & Equipment used by collection system staff to evaluate the condition of sanitary sewer pipe.	175,000
27.	Lab Equipment Capital - Wastewater (480003) Periodic replacement of over thirty distinct analytical instruments and ancillary pieces of equipment vital to the function of the Colorado Springs Utilities laboratory. These instruments and equipment require replacement as they reach the end of their lifespan, or as technological advances and improved analytical methods drive the need for new instrumentation. This project encompasses those instruments and equipment necessary for continued Clean Water Act compliance.	165,000
28.	Wastewater Tools and Equipment (495321) Purchase large tools and equipment for the Distribution, Collection & Treatment Department, Wastewater Collections Section.	80,000
29.	CSRRRF Grit Solid Waste Disposal Area Plan (495423) Required new design and permit modification for the Clear Spring Ranch Grit Solid Waste Disposal Area to expand the permitted capacity, create a new stormwater detention pond, and to meet state regulatory requirements. This project will allow for continued operations at the waste disposal facility.	79,000
30.	LVSRRF Replace batteries at the UV System (495326) Replace the batteries at the UV System at the Las Vegas Street Water Resource Recovery Facility. The UV (ultraviolet light) disinfection system is installed at the outlet of the plant to sterilize the bacteria before discharging the effluent to the receiving stream as required by the operating permit. The UV bulbs require continuous power from an Uninterruptible Power Supply (UPS) which can power the system until the backup power system can take over the power supply. These batteries have a limited life span and must be replaced on a schedule in order to prevent failure.	70,000
31.	CSR Sitewide Stormwater Improvements (796742) Design and permitting of necessary improvements to control storm water runoff around the Clear Spring Ranch Resource Recovery Facility and the southern Clear Spring Ranch solid waste disposal units with a purpose of protecting existing infrastructure from damage and preventing stormwater from comingling with waste.	35,705

32.	LVSRRF JB-2 Odor Control Media Replacement (495335)	\$ 27,000
	Replace spent media periodically (approximate media life is about three years) in order to mitigate odor emissions from the Las Vegas Street Water Resource Recovery Facility. The odor control vessel at the Las Vegas Street Water Resource Recovery Facility contains a media which removes the sulfur-based odors that are removed from the junction box that combines the different flows into the plant. This area releases the hydrogen sulfide that is generate in the pipelines as the wastewater makes its way to the plant.	
33.	CSRRRF FSB Supernatant Upgrades (495425)	25,000
	Make necessary improvements to control storm water runoff around the Facultative Sludge Basins and Supernatant Impoundments at the Clear Spring Ranch Resource Recovery Facility. Improvements will protect existing infrastructure from damage, minimize the flow of storm water into the impoundments, and provide upgrades to the impoundments to meet regulatory requirements.	
34.	Wastewater System Design Review, Inspection and Acceptance (495062)	12,000
	Wastewater pipeline design review, inspection, and documentation for developers and contractors to ensure compliance with City Code and Colorado Springs Utilities' current Line Extension & Service Standards, and to protect system integrity.	
35.	JDPWRRF Replace UPS Batteries at the UV System (495312)	10,000
	Replace the batteries at the UV System at the J.D. Phillips Water Resource Reclamation Facility. The UV (ultraviolet light) disinfection system is installed at the outlet of the plant to sterilize the bacteria before discharging into State waters - as required by our operating permit. The UV bulbs require continuous power so they are fed from an Uninterruptible Power Supply (UPS) which powers the system until the backup power system can take over. The batteries on the UPS are critical components and have a limited life span which must be replaced on a five-year schedule in order to prevent failure of the UV disinfection system resulting in a permit violation.	
	Subtotal Capital - Wastewater	\$ 38,703,753
	Capital Labor & Benefits	\$ 1,290,122
	Administration & General Expense	\$ 326,847
	2024 Total Capital - Wastewater with Allocated Components	\$ 40,320,722

WASTEWATER EXPENDITURES SUMMARY (in thousands)

Account Group	2024 Approved Budget	2023 Approved Budget	2022 Actual	2024 Approved Budget Increase/ (Decrease) from:			
				2023 Budget		2022 Actual	
Non-Labor Operations & Maintenance							
Production and Treatment	\$ 5,122	\$ 4,264	\$ 4,655	\$ 858	20.1%	\$ 467	10.0%
Transmission and Distribution	1,669	1,622	1,765	47	2.9%	(96)	-5.5%
Maintenance	2,230	2,006	2,743	224	11.2%	(513)	-18.7%
Customer Service and Information	200	307	429	(107)	-34.8%	(229)	-53.3%
Administrative and General	6,120	6,159	6,164	(39)	-0.6%	(45)	-0.7%
Customer Accounting and Collections	929	819	908	110	13.5%	21	2.3%
Total Non-Labor Operations & Maintenance	\$ 16,270	\$ 15,176	\$ 16,665	\$ 1,093	7.2%	\$ (395)	-2.4%
Labor & Benefits							
Production and Treatment	\$ 3,840	\$ 4,526	\$ 3,929	\$ (685)	-15.1%	\$ (89)	-2.3%
Transmission and Distribution	6,441	6,445	5,943	(3)	-0.1%	498	8.4%
Maintenance	5,010	3,266	3,300	1,744	53.4%	1,710	51.8%
Customer Service and Information	842	656	580	186	28.4%	263	45.3%
Administrative and General	13,051	13,085	11,287	(34)	-0.3%	1,764	15.6%
Customer Accounting and Collections	3,710	2,700	3,331	1,011	37.4%	379	11.4%
Total Labor & Benefits	\$ 32,895	\$ 30,677	\$ 28,370	\$ 2,218	7.2%	\$ 4,525	16.0%
Total Non-Fuel Operations & Maintenance ¹	\$ 49,164	\$ 45,853	\$ 45,034	\$ 3,312	7.2%	\$ 4,130	9.2%
Debt Service	\$ 23,558	\$ 23,804	\$ 21,732	\$ (246)	-1.0%	\$ 1,826	8.4%
Direct Capital	40,321	35,334	13,221	4,987	14.1%	27,100	205.0%
Allocated Capital ²	4,076	3,945	3,555	130	3.3%	521	14.7%
Total	\$ 117,119	\$ 108,936	\$ 83,541	\$ 8,183	7.5%	\$ 33,577	40.2%

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		2024 Approved Budget
1.	<p>Computerized Maintenance Management System (CMMS) Upgrade (596710) Update work management system. This program will have two components 1) technology upgrade to Maximo version 7.6; and 2) full work management upgrade to meeting Colorado Springs Utilities' current and future needs.</p>	\$ 5,251,433
2.	<p>Advanced Technologies Campus - Common (596664) Continue to develop the Master Plan for the Advanced Technologies Campus. This plan will capture the future development for this particular site. Phase 1 remains intact with the construction of the Substation and its support infrastructure. Phase 2 - 5 have been put on hold until the Master Plan is completed.</p>	2,162,590
3.	<p>Common Service Vehicles & Equipment (580175) Replacement of vehicles and equipment for the Colorado Springs Utilities Common Service to maintain a safe, cost effective and reliable fleet.</p>	1,792,489
4.	<p>Network Enterprise Services Program (596544) Procurement of essential network equipment based on 2024 Infrastructure Update Plan. Equipment includes fifty-three small Industrial Switches to serve as vital components of our networking backbone, eleven Rack Mount Switches to be installed in our data center racks ensuring seamless data flow and enhanced performance across our server infrastructure, six Site Chassis Switches (large, modular) to be deployed at our primary site locations, providing high capacity and resilient network connections.</p>	1,500,409
5.	<p>Data Analytics and Strategy - Storage & Access (596712) Utilize advance cloud and on-premise technologies to achieve enterprise goals of making all data reliably and securely available to the enterprise through common interfaces. Supports agile and timely analytics and business decisions, along with general reporting and interconnections.</p>	1,500,409
6.	<p>Financial System Upgrade (Infor V11-3Q22)* (596678) Upgrade Lawson to Infor latest version in cloud. This will migrate all finance, HR, and some supply chain existing and new functionality to Infor.</p>	1,313,358

7.	Roadmap Defined Projects (596594) Overall program of progressing IT forward within an evolving Technology Portfolio. The Technology Portfolio has continued to be refined to support the entire Organization. The portfolio now contains a series of defined programs and projects supporting enterprise applications, data, and infrastructure tied to a common enterprise architecture.	\$ 1,000,273
8.	Service Now Rebuild (596711) Rebuild Service Now to improve IT service delivery, increase activity automation, align to updated data standards, and support regulatory and business needs for both IT and the enterprise at large.	1,000,273
9.	Data Analytics and Strategy - Analytics & AI (596715) Utilize advance cloud and on-premise technologies to achieve enterprise goals of making all data analytics tools and platforms securely available to the enterprise through common interfaces. Supports agile and timely analytics and business decisions. Critical to leverage sensor and other sources to modernize our organization.	1,000,273
10.	Trunked Radio System Replacement Program (596669) Execute the life cycle replacement of trunked radios for Colorado Springs Utilities.	958,261
11.	Infrastructure Platform Program (596535) Ongoing system upgrades and replacements to ensure reliability and security. Incorporates compliance with Cyber Security policies and next generation of hardware for Colorado Springs Utilities' data center and operations infrastructure. Supports the evolving capacity, performance, and expected growth needs.	800,218
12.	FONT02 Mechanical Units Replacement Project (596734) Replace 5 Make Up Air Unit (MAU) at FONT02 (City/SERCO Fleet Building) that are at end of life.	783,214
13.	LVTP09 Boiler Replacement Project (596735) Replace 2 existing cast iron boilers in the Las Vegas Lab LVTP09 that are at end of life.	773,211
14.	SCADA (580216) Hardware replacement and software purchases required for The SCADA (Supervisory Control and Data Acquisition) system.	750,205

15.	Application Program (596605) Conduct upgrades or replacements of end-of-life technology. Work will focus on tech modernization, automation, elimination of tech debt, and improve our systems to ensure compliance with our cybersecurity policies. There are currently multiple systems in scope with this funding. Tracking and reporting on each body of work will be completed to ensure accountability. Future year estimates are based on technology trends along with reasonable technology lifecycle projections applied to software applications.	\$ 500,136
16.	Edge Computing Technology (596738) Implement an Edge technology infrastructure. The utilities industry is a highly data-driven sector that requires instant insights for better decision-making. The rise of Edge technology (Internet of Things-IoT, or Industrial Internet of Things-IIOT) has revolutionized the way businesses operate, by providing real-time data processing and analysis capabilities that improve efficiency, reliability, and customer satisfaction.	500,136
17.	GIS Technology Modernization Project (596651) Replace ArcGIS Geometric Network GIS software. The supplier, Esri, has conveyed the current GIS software, "ArcGIS Geometric Network," will be replaced with a new foundational "Utility Network" by the end of 2028 for the storing and management of the GIS utilities infrastructure. The new Esri Utility Network is a comprehensive framework of functionality in ArcGIS for modeling multi-service utilities. This is a multi-year project.	500,136
18.	Enterprise Duress Notification System (596632) Replace existing Enterprise Duress Notification System. A comprehensive system for employee emergencies and notifications that includes a duress function and a mass notification function on an enterprise-wide level.	416,114
19.	Board Room Upgrade (596739) Upgrade all AV and technology in the Board room. The Board room has not been updated since 2014 and the AV and technology equipment is at end of life and not supported.	250,068
20.	Security and Operational Data Stream Enhancements (596740) Improve the overall performance and efficiency of the security camera system. Research and resolve issues with the security camera network by focusing on three aspects: the cameras themselves, the capabilities of the NVR/DVR systems, and the Avigilon software.	250,068
21.	Communication Site Generator Replacement (596718) Replace backup generators at Corral Bluffs and Squirrel Creek communication sites. Generators ensure uninterrupted power to critical communication infrastructure.	147,040

22. Microwave Radio Lifecycle Replacement (596717)	Upgrade the microwave radio system due to many components which are at end of life. This microwave transports Colorado Springs Utilities network traffic into the mountains and metro area. This project is to upgrade the equipment components over a period of 5 years.	\$ 136,037
23. Cyber Operations and Resiliency Program (596545)	Cyber testing and alerting devices.	50,014
24. Technology Services and Support Program (596533)	Replace end-of-life large format printers/plotters.	34,009
25. CMN Tools & Equip (580141)	Replace tools & equipment for the Construction and Maintenance Common Service in an effort to stay current with technology and make improvements or add equipment to the system.	30,008
Subtotal Capital - Common		\$ 23,400,382
Capital Labor & Benefits		\$ 4,365,979
Administration & General Expense		\$ 245,135
2024 Total Capital - Common with Allocated Components		\$ 28,011,496

ADMINISTRATIVE AND GENERAL (in thousands)

Account Group	Service	2024 Approved Budget	2023 Approved Budget	2022 Actual	2024 Approved Budget Increase/ (Decrease) from:				
					2023		2022		
					Budget	%	Actual	%	
Non-Labor Administrative and General									
Customer Service and Information	Electric	\$ 3,256	\$ 1,356	\$ 4,167	\$ 1,900	140.1%	\$ (911)	-21.9%	
	Natural Gas	3,186	2,683	1,648	503	18.7%	1,538	93.3%	
	Water	2,297	1,244	2,232	1,053	84.6%	65	2.9%	
	Wastewater	200	307	429	(107)	-34.8%	(229)	-53.3%	
	Sub-Total	\$ 8,939	\$ 5,591	\$ 8,476	\$ 3,348	59.9%	\$ 463	5.5%	
Administrative and General	Electric	\$ 22,514	\$ 21,942	\$ 22,288	\$ 572	2.6%	\$ 226	1.0%	
	Natural Gas	7,565	6,263	6,131	1,302	20.8%	1,434	23.4%	
	Water	13,990	14,549	15,016	(559)	-3.8%	(1,026)	-6.8%	
	Wastewater	6,120	6,159	6,164	(39)	-0.6%	(45)	-0.7%	
	Streetlight	259	245	255	14	5.6%	4	1.7%	
	Sub-Total	\$ 50,448	\$ 49,159	\$ 49,855	\$ 1,289	2.6%	\$ 593	1.2%	
Customer Accounting and Collections	Electric	\$ 4,853	\$ 3,963	\$ 4,608	\$ 890	22.4%	\$ 245	5.3%	
	Natural Gas	3,366	2,937	3,294	429	14.6%	72	2.2%	
	Water	2,498	2,176	2,269	322	14.8%	229	10.1%	
	Wastewater	929	819	908	110	13.5%	21	2.3%	
	Streetlight	15	12	16	3	25.2%	(1)	-5.0%	
	Sub-Total	\$ 11,662	\$ 9,907	\$ 11,095	\$ 1,755	17.7%	\$ 567	5.1%	
Total Non-Labor Administrative and General	Total	\$ 71,049	\$ 64,657	\$ 69,426	\$ 6,392	9.9%	\$ 1,624	2.3%	
Labor & Benefits Administrative & General									
Customer Service and Information	Electric	\$ 2,050	\$ 2,369	\$ 1,803	\$ (319)	-13.5%	\$ 248	13.7%	
	Natural Gas	1,299	953	929	346	36.4%	370	39.9%	
	Water	1,097	1,135	818	(38)	-3.3%	279	34.1%	
	Wastewater	842	656	580	186	28.4%	263	45.3%	
	Sub-Total	\$ 5,289	\$ 5,113	\$ 4,129	\$ 176	3.4%	\$ 1,160	28.1%	
Administrative and General	Electric	\$ 50,718	\$ 48,902	\$ 41,248	\$ 1,816	3.7%	\$ 9,469	23.0%	
	Natural Gas	17,579	12,723	11,050	4,856	38.2%	6,529	59.1%	
	Water	32,376	34,223	28,947	(1,847)	-5.4%	3,428	11.8%	
	Wastewater	13,051	13,085	11,287	(34)	-0.3%	1,764	15.6%	
	Streetlight	685	655	543	30	4.5%	142	26.1%	
	Sub-Total	\$114,410	\$109,589	\$ 93,076	\$ 4,821	4.4%	\$21,333	22.9%	
Customer Accounting and Collections	Electric	\$ 6,038	\$ 4,344	\$ 5,314	\$ 1,693	39.0%	\$ 724	13.6%	
	Natural Gas	5,413	3,949	4,830	1,464	37.1%	583	12.1%	
	Water	3,807	2,803	3,428	1,004	35.8%	379	11.0%	
	Wastewater	3,710	2,700	3,331	1,011	37.4%	379	11.4%	
	Sub-Total	\$ 18,968	\$ 13,796	\$ 16,904	\$ 5,172	37.5%	\$ 2,064	12.2%	
Total Labor & Benefits Administrative and General	Total	\$138,666	\$128,497	\$114,109	\$10,169	7.9%	\$24,557	21.5%	
Total Administrative and General¹		\$209,715	\$193,154	\$183,534	\$16,561	8.6%	\$26,181	14.3%	

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

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TOTAL LABOR AND NON-FUEL OPERATIONS & MAINTENANCE

By Account Group (in thousands)

Account Group	FY24 Approved Budget	FY23 Approved Budget	FY22 Actuals	FY24 Approved Budget Increase/ (Decrease) from:			
				FY23 Budget		FY22 Actuals	
Labor	\$ 228,220	\$ 210,817	\$ 194,589	\$ 17,403	8.3%	\$ 33,631	17.3%
Benefits	65,094	\$ 63,460	\$ 56,781	1,634	2.6%	8,313	14.6%
Outside Professional Services	50,716	46,171	47,728	4,545	9.8%	2,988	6.3%
Equipment Lease & Maintenance	27,829	26,026	29,532	1,803	6.9%	(1,703)	-5.8%
Buildings & Utilities	25,711	22,600	27,598	3,111	13.8%	(1,887)	-6.8%
Office Expenses, Materials & Supplies	38,657	35,812	38,100	2,845	7.9%	558	1.5%
Travel, Education & Employee Expenses	3,637	2,703	2,785	934	34.6%	852	30.6%
Conserve, Safety, Customer Assist & Financial Info	6,106	3,618	5,777	2,488	68.8%	329	5.7%
Professional/Industry Memberships & Publications	1,802	1,710	1,715	92	5.4%	87	5.1%
Misc. Accounting General	19,651	20,890	15,482	(1,240)	-5.9%	4,169	26.9%
Total ¹	\$ 467,424	\$ 433,807	\$ 420,086	\$ 33,617	7.7%	\$ 47,337	11.3%

By Division (in thousands)

Division	FY24 Approved Budget	FY23 Approved Budget	FY22 Actuals	FY24 Approved Budget Increase/ (Decrease) from:			
				FY23 Budget		FY22 Actuals	
Corporate	\$ 15,138	\$ 17,046	\$ 15,684	\$ (1,908)	-11.2%	\$ (546)	-3.5%
CEO Direct Reports (Division 1)	1,240	1,108	1,006	132	11.9%	234	23.2%
Admin and Human Resources (Division 2)	91,930	88,899	67,938	3,031	3.4%	23,992	35.3%
Planning and Finance (Division 4)	19,501	17,107	16,950	2,394	14.0%	2,551	15.0%
Customer & Enterprise Services (Division 5)	72,975	67,581	70,023	5,394	8.0%	2,952	4.2%
Operations Division (Division 7)	210,620	192,083	192,645	18,538	9.7%	17,975	9.3%
System Planning and Projects (Division 9)	56,019	49,983	55,839	6,037	12.1%	180	0.3%
Total ¹	\$ 467,424	\$ 433,807	\$ 420,086	\$ 33,617	7.7%	\$ 47,337	11.3%

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

By Division (in thousands)

Account Group	FY24 Approved Budget	FY23 Approved Budget	FY22 Actuals	FY24 Approved Budget Increase/ (Decrease) from:			
				FY23 Budget		FY22 Actuals	
Corporate							
Labor	\$ 574	\$ 569	\$ 907	\$ 5	0.9%	\$ (333)	-36.7%
Outside Professional Services	1,138	1,019	459	119	11.7%	678	147.6%
Equipment Lease & Maintenance	7	11	11	(4)	-33.1%	(4)	-33.1%
Buildings & Utilities	175	275	175	(100)	-36.2%	1	0.3%
Office Expenses, Materials & Supplies	574	303	490	270	89.2%	84	17.0%
Travel, Education & Employee Expenses	55	51	57	4	7.7%	(2)	-4.0%
Conserve, Safety, Customer Assist & Financial Info	3	-	3	3	- %	-	0.0%
Professional/Industry Memberships & Publications	1	1	-	-	0.0%	1	0.0%
Misc. Accounting General	12,612	14,818	13,582	(2,207)	-14.9%	(971)	-7.1%
Sub-Total ¹	\$ 15,138	\$ 17,046	\$ 15,684	\$ (1,908)	-11.2%	\$ (546)	-3.5%

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

CORPORATE SIGNIFICANT FINANCIAL CHANGES

2023 to 2024

- **Labor** – No Significant Change
- **\$0.1 million Outside Professional Services** – Increases in payments to the City, most significantly influenced by City Council and Real Estate Services.
- **Equipment Lease & Maintenance** – No Significant Change
- **(\$0.1 million) Buildings & Utilities** – Janitorial Service
- **\$0.3 million Office Expenses, Materials & Supplies** – Increases in obsolete inventory and miscellaneous materials & supplies – stock items
- **Travel, Education & Employee Expenses** – No Significant Change
- **Conserve, Safety, Customer Assist & Financial Info** – No Significant Change
- **Professional/Industry Memberships & Publications** – No Significant Change
- **(\$2.2 million) Misc. Accounting General** – Decrease in non-fuel executive contingency fund

2022 to 2024

- **(\$0.3 million) Labor** – Decrease in no planned severance payouts
- **\$0.7 million Outside Professional Services** – Increase most significantly influenced by no planned reclass of windstorm expenditures or cost estimates accrued in 2021 credited in 2022.
- **Equipment Lease & Maintenance** – No Significant Change
- **Buildings & Utilities** – No Significant Change
- **\$0.1 million Office Expenses, Materials & Supplies** – Increases in obsolete inventory and miscellaneous materials & supplies – stock items
- **Travel, Education & Employee Expenses** – No Significant Change
- **Conserve, Safety, Customer Assist & Financial Info** – No Significant Change
- **Professional/Industry Memberships & Publications** – No Significant Change
- **(\$1.0 million) Misc. Accounting General** – Decrease in the SDS regulatory asset amortization payment

By Division (in thousands)

Account Group	FY24 Approved Budget	FY23 Approved Budget	FY22 Actuals	FY24 Approved Budget Increase/ (Decrease) from:			
				FY23 Budget		FY22 Actuals	
CEO Direct Reports (Division 1)							
Labor	\$ 693	\$ 552	\$ 518	\$ 141	25.6%	\$ 175	33.8%
Outside Professional Services	63	113	60	(51)	-44.7%	3	4.4%
Office Expenses, Materials & Supplies	-	-	0	-	- %	(0)	-100.0%
Travel, Education & Employee Expenses	60	28	57	33	118.2%	3	4.7%
Professional/Industry Memberships & Publications	424	416	371	8	2.0%	53	14.3%
Sub-Total ¹	\$ 1,240	\$ 1,108	\$ 1,006	\$ 132	11.9%	\$ 234	23.2%

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

CEO DIRECT REPORTS (DIVISION 1) SIGNIFICANT FINANCIAL CHANGES

2023 to 2024

- **\$0.1 million Labor** – Position shift from Customer & Enterprise Services (Division 5)
- **Outside Professional Services** – No Significant Change
- **Travel, Education & Employee Expenses** – No Significant Change
- **Professional/Industry Memberships & Publications** – No Significant Change

2022 to 2024

- **\$0.2 million Labor** – Increases most significantly influenced by the following
 - \$0.1 million Position shift from Customer & Enterprise Services (Division 5)
 - \$0.1 million Pay Changes
- **Outside Professional Services** – No Significant Change
- **Travel, Education & Employee Expenses** – No Significant Change
- **Professional/Industry Memberships & Publications** – No Significant Change

By Division (in thousands)

Account Group	FY24 Approved Budget	FY23 Approved Budget	FY22 Actuals	FY24 Approved Budget Increase/ (Decrease) from:			
				FY23 Budget		FY22 Actuals	
Admin and Human Resources (Division 2)							
Labor	\$ 24,365	\$ 23,344	\$ 9,137	\$ 1,021	4.4%	\$ 15,228	166.7%
Benefits	65,094	63,460	56,781	1,634	2.6%	8,313	14.6%
Outside Professional Services	495	361	300	134	37.2%	196	65.3%
Equipment Lease & Maintenance	777	613	826	165	26.9%	(49)	-5.9%
Office Expenses, Materials & Supplies	334	397	302	(63)	-15.8%	33	10.9%
Travel, Education & Employee Expenses	658	507	410	151	29.8%	249	60.8%
Conserve, Safety, Customer Assist & Financial Info	135	140	134	(6)	-4.0%	1	0.7%
Professional/Industry Memberships & Publications	66	73	50	(8)	-10.4%	16	32.3%
Misc. Accounting General	5	4	0	1	26.1%	5	3005.6%
Sub-Total ¹	\$ 91,930	\$ 88,899	\$ 67,938	\$ 3,031	3.4%	\$ 23,992	35.3%

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

ADMIN AND HUMAN RESOURCES (DIVISION 2) SIGNIFICANT FINANCIAL CHANGES

2023 to 2024

- **\$1.0 million Labor** – Increases most significantly influenced by the following
 - \$0.4 million Net position shifts from Customer & Enterprise Services (Division 5), Operations Division (Division 7), and System Planning and Projects (Division 9)
 - \$0.3 million Base Pay Adjustment Pool - the 2024 base pay budget proposes a 3.0 percent increase above the 2023 base pay budget. As in 2022 and 2023, base pay adjustment dollars will be distributed for operational adjustments and performance, and market-based adjustments. Due to the timing of budgeting, 2023 adjustments for the second half of the year are compounded into the 2024 adjustment pool.
 - \$0.2 million Pay Changes - Actual pay changes from 2022 and 2023 are budgeted in a base pay adjustment pool within Employee Corporate Expenses, however once pay changes, it is accounted for in the area in which the employee works.
 - \$0.1 million New Safety Coordinator position
- **\$1.6 million Benefits** – Increase to account for seventy new positions
- **\$0.1 million Outside Professional Services** – Increase to Hartford, Gallagher Benefits Consulting Services
- **\$0.2 million Equipment Lease & Maintenance** – Increase in software maintenance fee agreement for Cority and Oracle, and a new agreement for PayScale Inc.
- **(\$0.1 million) Office Expenses, Materials & Supplies** – Decrease in materials & supplies for industrial and safety supplies due to purchases in 2021
- **\$0.1 million Travel, Education & Employee Expenses** – Increase in uniforms, safety clothing, employee relocation expenses, and service awards
- **Conserve, Safety, Customer Assist & Financial Info** – No Significant Change
- **Professional/Industry Memberships & Publications** – No Significant Change
- **Misc. Accounting General** – No Significant Change

2022 to 2024

- **\$15.2 million Labor** – Increases most significantly influenced by the following
 - \$13.4 million Base Pay Adjustment Pool - the 2024 base pay budget proposes a 3.0 percent increase above the 2023 base pay budget. As in 2022 and 2023, base pay adjustment dollars will be distributed for operational adjustments and performance, and market-based adjustments. Due to the timing of budgeting, 2023 adjustments for the second half of the year are compounded into the 2024 adjustment pool.
 - \$1.0 million Employee Leave Payout – Increase in sick leave conversion, retiree sick leave, and separating employee vacation expense
 - \$0.4 million Net position shifts from Customer & Enterprise Services (Division 5), Operations Division (Division 7), and System Planning and Projects (Division 9)
 - \$0.3 million Pay Changes - Actual pay changes from 2022 and 2023 are budgeted in a base pay adjustment pool within Employee Corporate Expenses, however once pay changes, it is accounted for in the area in which the employee works.
 - \$0.1 million New Safety Coordinator position
- **\$8.3 million Benefits** – Increases to account for rising health care cost trends, increased utilization, increases to pay-related benefits, and large claim costs
- **\$0.2 million Outside Professional Services** – Increases to account for
 - \$0.1 million Records management and storage to transition from Iron Mountain to AARM
 - \$0.1 million split between Employee Climate Survey required by governance to be completed every 5 years, 2024 is the 5th year, Job Description Physical Requirements Analysis to meet federal labor guidelines, was last done in 2021, and Insourcing drug and alcohol sample collection at the Health Clinic, new contract signed with Quest Diagnostics.
- **Equipment Lease & Maintenance** – No Significant Change
- **Office Expenses, Materials & Supplies** – No Significant Change
- **\$0.2 million Travel, Education & Employee Expenses** – Increase to account for
 - \$0.1 million Employee Relocation Expenses
 - \$0.1 million split between uniforms, safety clothing, and college tuition
- **Conserve, Safety, Customer Assist & Financial Info** – No Significant Change
- **Professional/Industry Memberships & Publications** – No Significant Change
- **Misc. Accounting General** – No Significant Change

By Division (in thousands)

Account Group	FY24 Approved Budget	FY23 Approved Budget	FY22 Actuals	FY24 Approved Budget Increase/ (Decrease) from:			
				FY23 Budget		FY22 Actuals	
Planning and Finance (Division 4)							
Labor	\$ 6,187	\$ 5,182	\$ 4,857	\$ 1,005	19.4%	\$ 1,330	27.4%
Outside Professional Services	5,300	4,969	5,195	331	6.7%	105	2.0%
Office Expenses, Materials & Supplies	15	31	16	(16)	-51.5%	(1)	-7.2%
Travel, Education & Employee Expenses	73	57	49	16	27.5%	23	46.9%
Professional/Industry Memberships & Publications	116	66	151	50	75.1%	(35)	-22.9%
Misc. Accounting General	7,810	6,801	6,683	1,009	14.8%	1,128	16.9%
Sub-Total ¹	\$ 19,501	\$ 17,107	\$ 16,950	\$ 2,394	14.0%	\$ 2,551	15.0%

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

PLANNING AND FINANCE (DIVISION 4) SIGNIFICANT FINANCIAL CHANGES

2023 to 2024

- **\$1.0 million Labor** – Increases most significantly influenced by the following
 - \$0.7 million Net position shifts from Customer & Enterprise Services (Division 5) from Operations Division (Division 7)
 - \$0.2 million Pay Changes - Actual pay changes from 2022 and 2023 are budgeted in a base pay adjustment pool within Employee Corporate Expenses, however once pay changes, it is accounted for in the area in which the employee works.
 - \$0.1 million New Corporate Financial Analyst Principal position
- **\$0.3 million Outside Professional Services** – Increase in City Attorney’s Office (CAO) designated legal service billable hours
- **Office Expenses, Materials & Supplies** – No Significant Change
- **Travel, Education & Employee Expenses** – No Significant Change
- **Professional/Industry Memberships & Publications** – No Significant Change
- **\$1.0 million Misc. Accounting General** – Increases most significantly influenced by insurance premiums

2022 to 2024

- **\$1.3 million Labor** – Increases most significantly influenced by the following
 - \$0.7 million Net position shifts from Customer & Enterprise Services (Division 5) from Operations Division (Division 7)
 - \$0.3 million Pay Changes - Actual pay changes from 2022 and 2023 are budgeted in a base pay adjustment pool within Employee Corporate Expenses, however once pay changes, it is accounted for in the area in which the employee works.
 - \$0.2 million Budgeted turnover vs actual turnover
 - \$0.1 million New Corporate Financial Analyst Principal position
- **\$0.1 million Outside Professional Services** – Increase in sales and load forecasting consultant
- **Office Expenses, Materials & Supplies** – No Significant Change
- **Travel, Education & Employee Expenses** – No Significant Change
- **Professional/Industry Memberships & Publications** – No Significant Change
- **\$1.1 million Misc. Accounting General** – Increases most significantly influenced by insurance premiums

By Division (in thousands)

Account Group	FY24 Approved Budget	FY23 Approved Budget	FY22 Actuals	FY24 Approved Budget Increase/ (Decrease) from:			
				FY23 Budget		FY22 Actuals	
Customer & Enterprise Services (Division 5)							
Labor	\$ 39,462	\$ 37,051	\$ 35,183	\$ 2,412	6.5%	\$ 4,279	12.2%
Outside Professional Services	2,800	2,500	3,372	301	12.0%	(571)	-16.9%
Equipment Lease & Maintenance	21,719	20,275	21,305	1,444	7.1%	414	1.9%
Buildings & Utilities	1,203	1,077	1,312	126	11.7%	(109)	-8.3%
Office Expenses, Materials & Supplies	5,287	4,388	5,175	900	20.5%	112	2.2%
Travel, Education & Employee Expenses	309	142	335	167	117.7%	(27)	-7.9%
Conserve, Safety, Customer Assist & Financial Info	2,110	2,008	2,382	102	5.1%	(272)	-11.4%
Professional/Industry Memberships & Publications	84	122	31	(38)	-30.9%	53	168.7%
Misc. Accounting General	(1)	20	927	(20)	-102.6%	(927)	-100.1%
Sub-Total ¹	\$ 72,975	\$ 67,581	\$ 70,023	\$ 5,394	8.0%	\$ 2,952	4.2%

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

CUSTOMER & ENTERPRISE SERVICES (DIVISION 5) SIGNIFICANT FINANCIAL CHANGES

2023 to 2024

- **\$2.4 million Labor** – Increases most significantly influenced by the following
 - \$1.9 million Twenty-seven new positions (25 Fleet and 2 Material Techs)
 - \$0.2 million Pay Changes - Actual pay changes from 2022 and 2023 are budgeted in a base pay adjustment pool within Employee Corporate Expenses, however once pay changes, it is accounted for in the area in which the employee works.
 - \$0.2 million Standby/Shift to account for pay changes
 - \$0.1 million Overtime to account for pay changes
- **\$0.3 million Outside Professional Services** – Increase split between Website Redesign and a new Public Affairs Specialist Sr
- **\$1.4 million Equipment Lease & Maintenance** – Increase/(Decrease) most significantly influenced by
 - \$2.8 million IT Lifecycle Upgrades and Maintenance
 - **(\$1.4 million)** Internal vehicle maintenance
- **\$0.1 million Buildings & Utilities** - Increase most significant in cellular services
- **\$0.9 million Office Expenses, Materials & Supplies** – Increases most significantly influenced by the following
 - \$0.5 million Warehouse materials and supplies to align more closely to actuals
 - \$0.3 million Postage expense
- **\$0.2 million Travel, Education & Employee Expenses** – Increase in training, travel, seminars, and conferences to align more closely to actuals
- **\$0.1 million Conserve, Safety, Customer Assist & Financial Info** – Increase in advertising to align more closely to actuals
- **Professional/Industry Memberships & Publications** – No Significant Change
- **Misc. Accounting General** – No Significant Change

2022 to 2024

- **\$4.3 million Labor** – Increases most significantly influenced by the following
 - \$2.4 million Pay Changes - Actual pay changes from 2022 and 2023 are budgeted in a base pay adjustment pool within Employee Corporate Expenses, however once pay changes, it is accounted for in the area in which the employee works.
 - \$1.9 million Twenty-seven new positions (25 Fleet and 2 Material Techs)
- **(\$0.6 million) Outside Professional Services** – Decreases most significantly influenced by the following
 - **(\$0.5 million)** Agency temp labor
 - **(\$0.1 million)** Net consultants and general outside professional services
- **\$0.4 million Equipment Lease & Maintenance** - Increase/**(Decrease)** most significantly influenced by
 - \$3.4 million IT Lifecycle Upgrades and Maintenance
 - **(\$3.0 million)** Internal vehicle maintenance
- **(\$0.1 million) Buildings & Utilities** - Decrease in long distance phone service and building maintenance
- **\$0.1 million Office Expenses, Materials & Supplies** – Increase in non-stock materials and supplies
- **Travel, Education & Employee Expenses** – No Significant Change
- **(\$0.3 million) Conserve, Safety, Customer Assist & Financial Info** – Decrease in customer information expenses
- **Professional/Industry Memberships & Publications** – No Significant Change
- **(\$0.9 million) Misc. Accounting General** – Decrease in Electric Transformer payments

By Division (in thousands)

Account Group	FY24 Approved Budget	FY23 Approved Budget	FY22 Actuals	FY24 Approved Budget Increase/ (Decrease) from:			
				FY23 Budget		FY22 Actuals	
Operations Division (Division 7)							
Labor	\$ 122,803	\$ 111,915	\$ 114,751	\$ 10,887	9.7%	\$ 8,052	7.0%
Outside Professional Services	30,651	27,595	25,482	3,056	11.1%	5,170	20.3%
Equipment Lease & Maintenance	4,715	4,532	4,514	183	4.0%	201	4.5%
Buildings & Utilities	24,315	21,227	25,152	3,088	14.5%	(837)	-3.3%
Office Expenses, Materials & Supplies	26,100	25,160	25,992	939	3.7%	108	0.4%
Travel, Education & Employee Expenses	2,042	1,618	1,709	424	26.2%	333	19.5%
Professional/Industry Memberships & Publications	776	799	772	(23)	-2.9%	4	0.6%
Misc. Accounting General	(781)	(765)	(5,726)	(16)	2.1%	4,945	-86.4%
Sub-Total ¹	\$ 210,620	\$ 192,083	\$ 192,645	\$ 18,538	9.7%	\$ 17,975	9.3%

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

OPERATIONS DIVISION (DIVISION 7) SIGNIFICANT FINANCIAL CHANGES

2023 to 2024

- **\$10.9 million Labor** – Increases most significantly influenced by the following
 - \$5.2 million Overtime to account for pay changes
 - \$4.2 million Pay Changes - Actual pay changes from 2022 and 2023 are budgeted in a base pay adjustment pool within Employee Corporate Expenses, however once pay changes, it is accounted for in the area in which the employee works.
 - \$2.2 million Twenty-five new positions (8 Fort Carson and 17 various classifications)
 - **(\$0.7 million)** Net position shifts to Admin and Human Resources (Division 2) and Planning and Finance (Division 4), and from System Planning and Projects (Division 9)
- **\$3.1 million Outside Professional Services** – Increases most significantly influenced by the following
 - \$1.1 million Power Plant Maintenance
 - \$0.5 million Contractor Locating
 - \$0.4 million Water Treatment Plant Maintenance
 - \$0.4 million Water and Wastewater Production and Treatment Expenses
 - \$0.1 million Construction Maintenance Restoration
 - \$0.1 million AMR Managed Service Fee
 - \$0.1 million Asset Management Implementation
 - \$0.1 million Asset Management Geospatial Technology
 - \$0.1 million System and Field Operations Maintenance
- **\$0.2 million Equipment Lease & Maintenance** – Increase/**(Decrease)** most significantly influenced by
 - \$0.5 million Software Maintenance Fees to support Asset Management Geospatial Technology
 - **(\$0.3 million)** Internal vehicle maintenance
- **\$3.1 million Buildings & Utilities** – Increases most significantly influenced by the following
 - \$1.6 million Cost of Utilities
 - \$0.7 million Power for Pumping costs
 - \$0.3 million Security service contract price increases, add UCSC security,
 - \$0.3 million Grounds Maintenance
 - \$0.2 million Facility Projects
- **\$0.9 million Office Expenses, Materials & Supplies** – Increase in materials and supplies stock

- **\$0.4 million Travel, Education & Employee Expenses** – Increases most significantly influenced by the following
 - \$0.2 million Uniforms and Safety Clothing
 - \$0.1 million Travel Expenses
 - \$0.1 million Training Expenses
- **Professional/Industry Memberships & Publications** – No Significant Change
- **Misc. Accounting General** – No Significant Change

2022 to 2024

- **\$8.1 million Labor** – Increases most significantly influenced by the following
 - \$6.2 million Pay Changes - Actual pay changes from 2022 and 2023 are budgeted in a base pay adjustment pool within Employee Corporate Expenses, however once pay changes, it is accounted for in the area in which the employee works.
 - \$2.2 million Twenty-five new positions (8 Fort Carson and 17 various classifications)
 - \$0.4 million Budgeted turnover vs actual turnover
 - **(\$0.7 million)** Net position shifts to Admin and Human Resources (Division 2) and Planning and Finance (Division 4), and from System Planning and Projects (Division 9)
- **\$5.2 million Outside Professional Services** – Increase most significantly influenced by Power Plant Maintenance
- **\$0.2 million Equipment Lease & Maintenance** – Increase most significantly influenced by Software Maintenance Fees
- **(\$0.8 million) Buildings & Utilities** – Decrease most significantly influenced by Power for Pumping
- **\$0.1 million Office Expenses, Materials & Supplies** – Increase in materials and supplies non-stock
- **\$0.3 million Travel, Education & Employee Expenses** – Increase in travel expenses
- **Professional/Industry Memberships & Publications** – No Significant Change
- **\$4.9 million Misc. Accounting General** – Increases most significantly influenced by the following
 - \$4.0 million Homestake Expenses
 - \$0.6 million Fountain Valley Treatment Plant
 - \$0.3 million Southern Delivery System

By Division (in thousands)

Account Group	FY24 Approved Budget	FY23 Approved Budget	FY22 Actuals	FY24 Approved Budget Increase/ (Decrease) from:			
				FY23 Budget		FY22 Actuals	
System Planning and Projects (Division 9)							
Labor	\$ 34,136	\$ 32,204	\$ 29,235	\$ 1,932	6.0%	\$ 4,900	16.8%
Outside Professional Services	10,269	9,613	12,861	656	6.8%	(2,592)	-20.2%
Equipment Lease & Maintenance	611	596	2,876	15	2.4%	(2,266)	-78.8%
Buildings & Utilities	17	20	959	(3)	-13.3%	(941)	-98.2%
Office Expenses, Materials & Supplies	6,347	5,533	6,125	814	14.7%	223	3.6%
Travel, Education & Employee Expenses	441	301	168	140	46.5%	273	162.6%
Conserve, Safety, Customer Assist & Financial Info	3,858	1,470	3,258	2,388	162.5%	599	18.4%
Professional/Industry Memberships & Publications	335	233	341	102	43.7%	(6)	-1.8%
Misc. Accounting General	6	13	16	(7)	-53.1%	(10)	-63.4%
Sub-Total ¹	\$ 56,019	\$ 49,983	\$ 55,839	\$ 6,037	12.1%	\$ 180	0.3%

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

SYSTEM PLANNING AND PROJECTS (DIVISION 9) SIGNIFICANT FINANCIAL CHANGES

2023 to 2024

- **\$1.9 million Labor** – Increases most significantly influenced by the following
 - \$1.8 million Sixteen new positions (8 Engineers, 7 Project Managers, and 1 Conservation Specialist)
 - \$0.4 million Pay Changes - Actual pay changes from 2022 and 2023 are budgeted in a base pay adjustment pool within Employee Corporate Expenses, however once pay changes, it is accounted for in the area in which the employee works.
 - \$0.1 million Overtime to account for pay changes
 - **(\$0.4 million)** Net position shifts to Admin and Human Resources (Division 2), Customer & Enterprise Services (Division 5), and Operations Division (Division 7)
- **\$0.7 million Outside Professional Services** – Increase most significantly influenced by water resources management expenses
- **Equipment Lease & Maintenance** – No Significant Change
- **Buildings & Utilities** – No Significant Change
- **\$0.8 million Office Expenses, Materials & Supplies** – Increases most significantly influenced by the following
 - \$0.6 million Arkansas River Exchanges (Leases)
 - \$0.3 million Water Conservation Programs
- **\$0.1 million Travel, Education & Employee Expenses** – Increase in employee expenses
- **\$2.4 million Conserve, Safety, Customer Assist & Financial Info** – Increase in Clean Heat Plan
- **\$0.1 million Professional/Industry Memberships & Publications** – Increase in subscriptions
- **Misc. Accounting General** – No Significant Change

2022 to 2024

- **\$4.9 million Labor** – Increases most significantly influenced by the following
 - \$2.1 million Pay Changes - Actual pay changes from 2022 and 2023 are budgeted in a base pay adjustment pool within Employee Corporate Expenses, however once pay changes, it is accounted for in the area in which the employee works.
 - \$1.8 million Sixteen new positions (8 Engineers, 7 Project Managers, and 1 Conservation Specialist)
 - \$1.4 million Budgeted turnover vs actual turnover
 - **(\$0.4 million)** Net position shifts to Admin and Human Resources (Division 2), Customer & Enterprise Services (Division 5), and Operations Division (Division 7)
- **(\$2.6 million) Outside Professional Services** – Decreases most significantly influenced by the following
 - **(\$1.1 million)** Customer Technology Modernization (CTM) Program
 - **(\$0.9 million)** Financial System Upgrade
 - **(\$0.3 million)** Cyber Get Better
- **(\$2.3 million) Equipment Lease & Maintenance** – Decreases most significantly influenced by the following software maintenance fees
 - **(\$1.1 million)** Customer Technology Modernization (CTM) Program
 - **(\$0.6 million)** Financial System Upgrade
 - **(\$0.3 million)** Cyber Get Better
 - **(\$0.3 million)** multiple various software fees
- **(\$0.9 million) Buildings & Utilities** - Decrease in cost of utilities
- **\$0.2 million Office Expenses, Materials & Supplies** – Increase most significantly influenced by water resources management expenses
- **\$0.3 million Travel, Education & Employee Expenses** – Increases most significantly influenced by the following
 - \$0.1 million Uniforms and safety clothing
 - \$0.1 million Employee expense
 - \$0.1 million split between Training, Travel, Seminars, and Conferences
- **\$0.6 million Conserve, Safety, Customer Assist & Financial Info** – Increase in Clean Heat Plan
- **Professional/Industry Memberships & Publications** – No Significant Change
- **Misc. Accounting General** – No Significant Change

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. 23 - 60

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, 2024

NOW, THEREFORE, 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, 2024 in the amount of \$1,504,317,581 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 2024 to meet the expenses of the Colorado Springs Utilities for the year 2024:

Colorado Springs Utilities: of \$1,504,317,581

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.

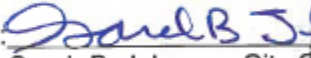
Section 5. This ordinance approving the Budget and appropriating monies shall be in full force and effect on effect on January 1, 2024.

Section 6. Introduced, read, and passed on first reading and ordered published this 24th day of October 2023.

Finally Passed: November 14, 2023


Randy Helms, Council President

ATTEST:

By: 
Sarah B. Johnson, City Clerk



CAO: _____
COS: _____

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, 2024**" was introduced and read at a regular meeting of the City Council of the City of Colorado Springs, held on October 24, 2023; that said ordinance was finally passed at a regular meeting of the City Council of said City, held on the 14th day of November 2023, and that the same was published by title and in summary, in accordance with Section 3-80 of Article III of the Charter, a newspaper published and in general circulation in the Gazette, at least ten days before its passage.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of the City, this 14th day of November 2023.


Sarah B. Johnson, City Clerk



1st Publication Date: October 27, 2023
2nd Publication Date: November 17, 2023

Effective Date: November 22, 2023

Initial: SSJ
City Clerk

ORDINANCE NO. 23 - 59

AN ORDINANCE IDENTIFYING AND APPROVING
COLORADO SPRINGS UTILITIES' ANNUAL
SOURCES OF FUNDS FOR THE YEAR ENDING
DECEMBER 31, 2024

NOW, THEREFORE, 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, 2024, 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 2024 as shown:

Colorado Springs Utilities: \$1,483,254,374

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 \$1,483,254,374.

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.

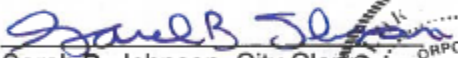
Section 4. This ordinance approving the Budget and appropriating monies shall be in full force and effect on effect on January 1, 2024.


Section 5. Introduced, read, and passed on first reading and ordered published
this 24th day of October 2023.

Finally Passed: November 14, 2023


Randy Helms, Council President

ATTEST:

By: 
Sarah B. Johnson, City Clerk



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