



Colorado Springs Utilities

It's how we're all connected

EXCELLENCE IN GOVERNANCE POLICY MANUAL

Revised: June 18, 2024

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**COLORADO SPRINGS UTILITIES BOARD
EXCELLENCE IN GOVERNANCE POLICY MANUAL**

EXECUTIVE SUMMARY EXCELLENCE IN GOVERNANCE

The Colorado Springs Utilities (“Springs Utilities”) Board of Directors (“Utilities Board”) must excel in the primary obligations of governance for the community-owned enterprise to fulfill its mission and customer-focused performance expectations. The Excellence in Governance Policy Manual provides formal, written policies that describe governance requirements and establishes a clear distinction between the City Council’s, the Utilities Board’s and the Chief Executive Officer’s responsibilities and authorities. The Excellence in Governance policies are outlined in City Code Section 12.1.105.

COLORADO SPRINGS UTILITIES MISSION

Provide safe, reliable and competitively-priced utilities to our customers.

COLORADO SPRINGS UTILITIES VISION

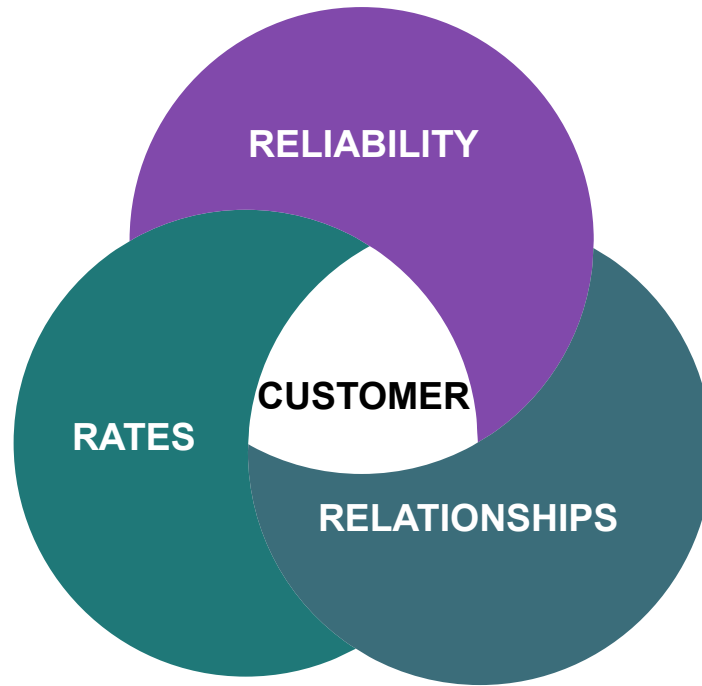
Ready for today, prepared for a sustainable future.

UTILITIES BOARD STRATEGIC FOCUS

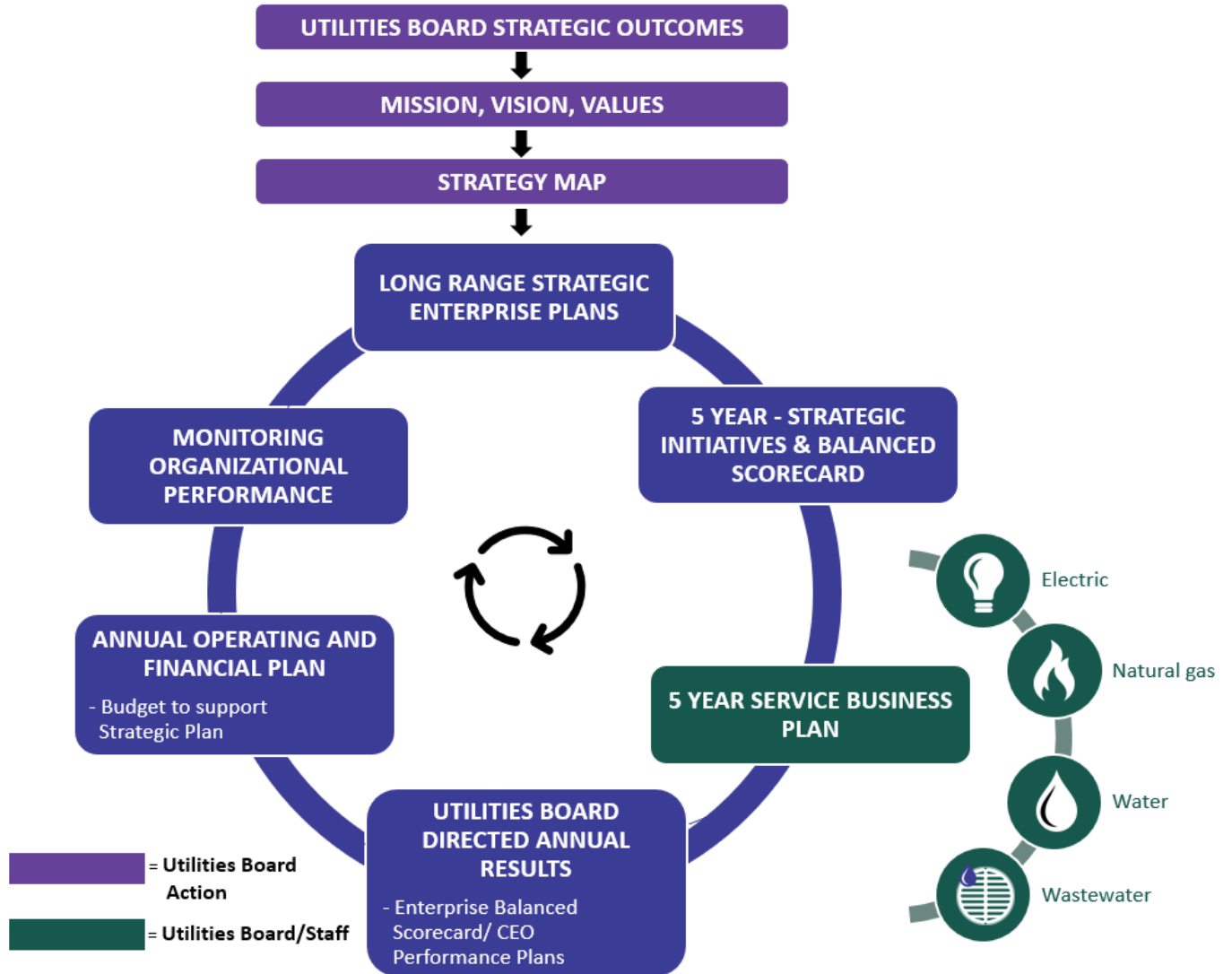
The Utilities Board is primarily and ultimately accountable to ensure the benefits of local ownership and control to the citizens of Colorado Springs. The Utilities Board also has a responsibility to its current and future customers by balancing rates, reliability and relationships, with the primary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

ORDER OF PRECEDENCE

In the event of a conflict between the terms of this Excellence in Governance Policy Manual and other applicable governance controls, the following order of precedence establishes the hierarchy of control: (1) applicable law, including by not limited to the Colorado Springs Charter and City Code, (2) Springs Utilities’ Tariffs and Utilities Rules and Regulations, (3) Utilities Board By-Laws, and (4) the Excellence in Governance Policy Manual.



COLORADO SPRINGS UTILITIES GOVERNANCE



UTILITIES BOARD DUTIES, RESPONSIBILITIES, AND ADMINISTRATIVE AUTHORITIES

Category:	Utilities Board Duties	Date of Adoption:	May 16, 2018
Policy Number:	D: 1-2	Revision Date:	
		Revision Number:	

The Utilities Board must fulfill fiduciary duties by acting in the best interest of the organization and owners and comply with statutory and regulatory duties.

D-1 Fiduciary: The Utilities Board governs Springs Utilities in accord with sound business principles, in a manner that supports long-term sustainability of the enterprise and maximizes value to the citizens.

D-2 Statutory and Regulatory: The Utilities Board conducts all business in full compliance with applicable legal, statutory, and regulatory requirements.

UTILITIES BOARD DUTIES, RESPONSIBILITIES AND ADMINISTRATIVE AUTHORITIES

Category:	Utilities Board Responsibilities	Date of Adoption:	May 16, 2018
Policy Number:	R: 1-4	Revision Date:	
		Revision Number:	

The Utilities Board is responsible for Springs Utilities' future vision, long-term organizational sustainability and assuring the highest level of performance by providing:

R-1 Direction: The Utilities Board develops the Strategic Plan and vision for the enterprise jointly with the Chief Executive Officer.

R-2 Outcomes: The Utilities Board establishes and communicates strategic Board Expected Results that citizens and customers value.

R-3 Oversight: The Utilities Board monitors compliance with Instructions to the Chief Executive Officer, achievement of Board Expected Results and the Chief Executive Officer's performance to provide responsible oversight.

R-4 Accountability: The Utilities Board is ultimately accountable to the citizens; ensuring the benefits of local ownership and control.

UTILITIES BOARD DUTIES, RESPONSIBILITIES AND ADMINISTRATIVE AUTHORITIES

Category:	Utilities Board Administrative Authorities – City Code	Date of Adoption:	May 16, 2018
Policy Number:	UBA: 1-4	Revision Date:	
		Revision Number:	

Pursuant to City Code 12.1.104, the Utilities Board has the following administrative authorities.

UBA-1: Hire, set the salary, evaluate and terminate the Chief Executive Officer.

UBA-2: Appoint Utilities Policy Advisory Committee members and customer advisory group members.

UBA-3: Approve the sale, conveyance or lease of Springs Utilities property and water rights that are not a substantial part of a Utilities system.

UBA-4: Appoint directors and representatives to water authorities, partnerships, joint ventures and similar entities in which Springs Utilities participates.

CITY COUNCIL AUTHORITIES

Category:	City Council Legislative Authorities Regarding Colorado Springs Utilities - City Code	Date of Adoption:	May 16, 2018
Policy Number:	CCA: 1-9	Revision Date:	February 21, 2024
		Revision Number:	1

In addition to other powers provided in the City Code and the City Charter, the City Code section 12.1.104 reserves the following legislative authorities regarding Springs Utilities to City Council.

CCA-1: Pass Ordinances.

CCA-2: Issue Revenue Bonds.

CCA-3: Institute Eminent Domain Proceedings.

CCA-4: Appropriate Funds and Adopt Annual Budgets.

CCA-5: Approve Intergovernmental Agreements.

CCA-6: Adopt or Change Rates and Tariffs for Regulated Products and Services.

CCA-7: Create Advisory Boards in Accordance with the City Charter.

CCA-8: Approve the Sale, Conveyance or Lease of a Substantial Part of Utilities Systems and Water Rights with an affirmative vote of a supermajority of sixty percent (60%) of the electors of the City voting upon that question in accordance with the City Charter.

CCA-9: Take any action expressly required of the Council in its legislative capacity by the Colorado Constitution, the City Charter or other controlling law.

UTILITIES BOARD COMMITMENTS AND PRACTICES

Category:	Utilities Board Commitments to Excellence in Governance	Date of Adoption:	May 16, 2018
Policy Number:	C: 1-6	Revision Date:	February 21, 2024
		Revision Number:	1

Utilities Board actions that promote excellence in governance.

C-1 Utilities Board Ethics and Norms

1. Utilities Board Members comply with the City Code of Ethics.
2. Utilities Board Members should fully engage in Utilities Board activities including preparing for Utilities Board deliberations, supporting Utilities Board policy decisions, clarifying misinformation and communicating honestly and directly.

C-2 Utilities Board Evaluation

1. The Utilities Board will complete a self-evaluation to initiate improvement opportunities.

C-3 Limits of Individual Authority

1. Utilities Board Members do not have individual authority over Springs Utilities, the Chief Executive Officer or Springs Utilities staff.
2. Utilities Board Members only act or speak on behalf of the Utilities Board when authorized by the Utilities Board.

C-4 Utilities Board Development

1. Utilities Board Members are encouraged to participate in a structured orientation and ongoing industry and governance education.

C-5 Utilities Board Decisions

1. The Utilities Board uses the expertise and diversity of viewpoints of Utilities Board Members, Utilities Policy Advisory Committee and customer advisory group recommendations, staff recommendations, external expert opinions and public input to make effective decisions.

C-6 Utilities Board Policies

1. The Utilities Board develops, reviews and approves written governance policies and guidelines that reflect their strategic vision, direction and focus.

UTILITIES BOARD COMMITMENTS AND PRACTICES

Category:	Utilities Board Practices for Excellence in Governance	Date of Adoption:	May 16, 2018
Policy Number:	P: 1-5	Revision Date:	February 21, 2024
Guidelines	Committee Purpose, Structure and Operation (G-2)	Revision Number:	1

Utilities Board practices that promote excellence in governance.

P-1 Utilities Board Meetings

1. Utilities Board meetings are open to the public, conducted in an orderly, efficient and productive manner and adhere to the Colorado Open Meetings Law, the Utilities Board Bylaws and Parliamentary Law and Practice for Nonprofit Organizations and Utilities Board Bylaws.
2. Utilities Board meetings follow agendas that are developed using an approved Utilities Board Annual Agenda Planning Calendar, include public comment and focus discussions on Utilities Board responsibilities.

P-2 Chief Executive Officer Excellence

1. The Utilities Board establishes leadership excellence by hiring an effective Chief Executive Officer.
2. The Utilities Board supports the Chief Executive Officer and provides strategic counsel and leadership development opportunities.
3. The Chief Executive Officer is under the authority of and accountable to the Utilities Board; all other staff are under the authority of and accountable to the Chief Executive Officer.

P-3 Unified Utilities Board Direction to the Chief Executive Officer

1. Only the full Utilities Board, operating during open publicly-noticed meetings, has the authority to direct the Chief Executive Officer.
2. Only the Utilities Board acting as a majority through formal motions can set strategic direction, make administrative and policy decisions, establish Board Expectations, evaluate the Chief Executive Officer's performance or assign resource-intensive tasks.

P-4 Role of the Chair

1. The Utilities Board Chair is responsible for upholding Utilities Board Commitments and Practices.
2. The Utilities Board Chair sets the meeting agendas, runs meetings and appoints

Utilities Board Committee Chairs and Committee Members. The Utilities Board Chair represents and speaks for the Utilities Board unless the Utilities Board or Board Chair specifically delegate this authority to another Utilities Board Member.

3. The Utilities Board Chair recognizes multiple positions of Utilities Board Members on issues which have not yet been decided or voted upon.

P-5 Committees

1. Utilities Board Committees and Subcommittees are established and disbanded by Utilities Board vote, do not make decisions, do not have authority over operations or staff and may not act or speak for the Utilities Board.
2. Utilities Board Committees review, analyze and provide recommendations and policy alternatives for consideration by the entire Utilities Board. A dissenting recommendation may be provided.
3. Utilities Board Subcommittees review, analyze and provide recommendations and policy alternatives to Utilities Board Committees. A dissenting recommendation may be provided.
4. Utilities Board Committees and Subcommittees follow Board-Approved Work Plans and Committee Purpose, Structure and Operation Guidelines.
5. Standing Utilities Board Committees include the Strategic Planning Committee, Personnel Committee, Finance Committee and the Program Management Review Committee. Each Utilities Board Committee will be comprised of a minimum of three Board Members.
6. Utilities Board Committees are comprised of Utilities Board Members appointed by the Chair.
7. Utilities Board Subcommittees may include citizens and customers appointed by the Utilities Board.
8. The Utilities Board Utilities Policy Advisory Committee is established and disbanded by Utilities Board vote and is comprised of citizens and customers appointed by the Utilities Board.
9. Utilities Board ad-hoc customer advisory groups are established and disbanded by Utilities Board vote and are comprised of Utilities Board Members appointed by the Chair and citizens and customers appointed by the Utilities Board. Unless otherwise stated, an ad-hoc customer advisory group ceases to exist upon completion of its task.

EXPECTATIONS

Category:	Utilities Board/Chief Executive Officer Partnership Expectations	Date of Adoption:	May 16, 2018
Policy Number:	E: 1-3	Revision Date:	February 21, 2024
		Revision Number:	1

The Utilities Board and the Chief Executive Officer work in partnership to achieve excellence in governance and operations to attain long-term organizational success and sustainability.

E-1 Utilities Board/Chief Executive Officer Strategic Collaboration

1. The Utilities Board and Chief Executive Officer work jointly to set the vision and strategic direction for the enterprise.
2. The Utilities Board and Chief Executive Officer work jointly to establish approved Board Expected Results and Leadership Competencies for the Utilities Board’s annual evaluation of the Chief Executive Officer’s performance.

E-2 Chief Executive Officer Responsibilities

1. The Chief Executive Officer shall direct that all business practices, activities and decisions are in accord with sound business principles and the City Code of Ethics.
2. The Chief Executive Officer assists the Utilities Board in obtaining sufficient knowledge to meet their joint responsibilities through continuous education and development opportunities.
3. The Chief Executive Officer supports the Utilities Board responsibility of organizational oversight by providing policy compliance reports in Utilities Board meeting materials following a schedule and procedure approved annually by the Utilities Board.
4. The Chief Executive Officer provides sufficient resources for the Utilities Board including assigned staff support for: Utilities Board Committees and Subcommittees, Utilities Policy Advisory Committee (UPAC), research requests, customer inquiry responses, customer advisory groups, stakeholder engagement and consultant management.
5. The Chief Executive Officer informs the Utilities Board about Economic Development incentives that have been offered and about material changes that affect operations or policy compliance or Board Expected Results through communication that is timely, accurate and clear.
6. The Chief Executive Officer presents staff and Utilities Board Committee recommendations on an equally informative basis and if applicable, includes alternatives with pros and cons for Utilities Board decision making.

7. The Chief Executive Officer communicates Utilities Board direction and decisions to citizens and customers.
8. The Chief Executive Officer protects the Utilities Board from a sudden loss of the Chief Executive Officer's services by having at least two Officer emergency successors familiar with current issues and business procedures; by traveling with only one of the designated emergency successors and by allowing no more than three Officers to travel together.
9. The Chief Executive Officer complies with Utilities Board Policies, Instructions and Guidelines to the Chief Executive Officer.
10. The Chief Executive Officer advises the Utilities Board if in his/her opinion, the Utilities Board is not in compliance with its Commitments, Practices and Partnership Expectations for Excellence in Governance policies, particularly in the case of Utilities Board behavior which is detrimental to the work relationship between the Utilities Board and the Chief Executive Officer.

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

1. The Utilities Board, in its discretion, is empowered to adopt written governance policies and guidelines for the Chief Executive Officer.
2. The Utilities Board and the Chief Executive Officer work in partnership to achieve excellence in governance to attain long-term organizational sustainability. They work jointly to set the strategic direction and vision for the enterprise.
3. The Utilities Board establishes a clear distinction between its duties, responsibilities and authorities and the Chief Executive Officer's responsibilities and authorities through formal, written governance policies.
4. The Utilities Board respects and supports the exclusive authority of the Chief Executive Officer to lead the enterprise.
5. To the maximum extent legally possible and guided by the Utilities Board governance policies, the Chief Executive Officer is authorized to make decisions, take actions, establish processes and procedures, implement plans, and work on behalf of the enterprise with customers, elected officials, government agencies, stakeholders and the public to meet the Utilities Board's strategic focus and Board Expected Results. In addition to any other powers or duties conferred by the City Charter, City Code, other statutes, the Board policies, ordinances, rules or regulations, the Chief Executive Officer has the authority to:
 - A. Execute all business contracts entered into by Springs Utilities and all other contracts and agreements.

- B. Delegate signature authority to staff reporting to the Chief Executive Officer by Utilities Enterprise Policy and may provide for further delegation of this signatory authority as appropriate.
- C. Adopt and promulgate written Utilities Enterprise Policies and service standards and specifications consistent with the provisions of the City Charter or City Code concerning matters that are applicable to all operations and finances of Springs Utilities, including all operational units.
- D. Delegate authority to direct reports to the Chief Executive Officer by written Utilities Enterprise Policies, to adopt service standards and specifications for each respective division.
- E. Make and enforce rules and regulations as may be necessary for the regulation, collection, rebating and refunding of user charges for utility services.
- F. Identify and certify that an imminent hazard condition exists and abate the hazard.
- G. Interrupt or curtail utility services or to provide for the interruption or curtailment of utility services whenever emergency circumstances, including, without limitation, supply limitations or restrictions, treatment restrictions or limitations, transmission or distribution system restrictions or failures or operational problems, require immediate interruption or curtailment of utility services for operational or safety reasons.
- H. Issue revocable permits or licenses for the use of public property primarily used by Springs Utilities, including watershed areas, for any purpose not inconsistent with the City Code, regulations established by the Chief Executive Officer or other laws and ordinances regulating the use and occupancy of public property.
- I. Establish regulations governing the issuance or denial of revocable permits and licenses and setting insurance requirements, fees and terms and conditions necessary to protect the public health, safety and welfare and the safety and welfare of Springs Utilities operations, equipment and facilities.

INSTRUCTIONS

Category:	Utilities Board Instructions to the Chief Executive Officer	Date of Adoption:	May 16, 2018
Policy Title (Number):	Pricing of Services (I-1)	Revision Date:	
Monitoring Type:	Internal	Revision Number:	
Monitoring Frequency:	Annual		
Guidelines:	Rate Design (G-5) Electric and Gas Cost Adjustments (G-6)		

The Chief Executive Officer shall direct that pricing practices result in rates that are just, reasonable and not unduly discriminatory. Accordingly, the CEO shall:

1. Establish pricing practices that result in revenues that are sufficient to provide safe, reliable utility services to Springs Utilities citizens and customers.
2. Establish pricing practices that maintain financial viability of each separate regulated service.

INSTRUCTIONS

Category:	Utilities Board Instructions to the Chief Executive Officer	Date of Adoption:	May 16, 2018
Policy Title (Number):	Financial Condition and Activities (I-2)	Revision Date:	February 21, 2024
Monitoring Type:	Internal; City Auditor	Revision Number:	3
Monitoring Frequency:	Quarterly, Annual		
Guidelines:	Local Vendor (G-7)		

The Chief Executive Officer shall direct that financial condition and activities and actual expenditures are consistent with Board Expected Results. Accordingly, the CEO shall:

1. Operate within total appropriations for the fiscal year and inform the Utilities Board of:
 - A. Significant financial variances.
 - B. Expenditures that exceed the Federal Energy Regulatory Commission capital and operating and maintenance budget classifications in electric, natural gas, water, wastewater and common.
 - C. Budget transfers and canceled major capital projects over \$500,000 in the approved budget or new major capital projects not funded in the approved budget.
2. Inform the Utilities Board of contracts that have been issued over \$500,000, not to include blanket contracts.
3. Invest funds in accordance with Bond Ordinance requirements and Springs Utilities Investment Plan.
4. Ensure controls are in place for receiving, processing or disbursing funds and allow only bonded or insured personnel access to material amounts of funds.
5. Ensure receivables are resolved within a reasonable grace period.
6. Settle payroll and debts in a timely manner.
7. Ensure tax payments or other government ordered payments are timely and materially accurate.
8. Operate within the applicable sections of the Colorado State Procurement Code and Springs Utilities procurement policies and procedures assuring legal and fiscal compliance with competitive acquisition practices, conflict of interest, favoritism and procurement from local vendors.
9. Inform the Utilities Board of significant financial impacts on the Municipal Government.

INSTRUCTIONS

Category:	Utilities Board Instructions to the Chief Executive Officer	Date of Adoption: May 16, 2018
Policy Title (Number):	Financial Planning and Budgeting (I-3)	Revision Date: June 18, 2024
Monitoring Type:	Internal	Revision Number: 2
Monitoring Frequency:	Annual	
Guidelines:	Water Reserve Account (G-8) Water Acquisition Account (G-12) Determinations to Construct Water and/or Wastewater Extensions (G-13)	

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

1. Maintain financial stability by meeting Utilities Board approved financial metrics that support an AA long-term credit rating.
2. Financially position the enterprise to meet long-range infrastructure funding requirements while moderating customers' average base bill adjustments.
3. Use planning assumptions that accurately forecast revenues and expenses.
4. Direct that a water reserve account is established and maintained to manage water sales volatility.
5. Direct that a water acquisition account is established and maintained to fund expenditures that enable timely acquisitions and participation in supply projects that increase raw water system yield.
6. Use financial methods that share the cost of utility infrastructure between current and future customers.
7. Use risk-based modeling and a defined enterprise procedure to prioritize operations and maintenance infrastructure.
8. Inform Utilities Board of Springs Utilities' determinations to design and construct water distribution and/or wastewater collection systems as defined in sections VIII.B.1 and IX.C.1 of Utilities Rules and Regulations.

INSTRUCTIONS

Category:	Utilities Board Instructions to the Chief Executive Officer	Date of Adoption: May 16, 2018
Policy Title (Number):	Risk Management (I-4)	Revision Date:
Monitoring Type:	Internal; City Auditor; External	Revision Number:
Monitoring Frequency:	Semi-Annual, Annual, Years ending in 0 and 5	

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

1. Maintain a Risk Management Committee to identify, measure, monitor, manage and report risk on an enterprise-wide basis.
2. Operate under and maintain a written Enterprise Risk Management (ERM) Plan which includes the required plans listed below that each include management level approval, detailed procedures, internal controls and reporting requirements and external audits.
 - A. Energy Risk Management Plan - establishes procedures for limiting organizational exposure to price volatility and supports the acquisition or sale of energy that does not unreasonably jeopardize the ability to meet customer needs.
 - B. Investment Plan - establishes investment scope, objectives, delegation of authority, standards of prudence, eligible investments and transactions, risk tolerance and safekeeping and custodial procedures for the investment of all funds.
 - C. Financial Risk Management Plan - establishes objectives and procedures for minimizing risk to support responsible compliance.

INSTRUCTIONS

Category:	Utilities Board Instructions to the Chief Executive Officer	Date of Adoption: May 16, 2018
Policy Title (Number):	Economic Development (I-5)	Revision Date:
Monitoring Type:	Internal	Revision Number:
Monitoring Frequency:	Annual	

The Chief Executive Officer shall direct that the enterprise's obligation to serve responsibilities are the primary method to support economic development but may also use other approved methods of support. Accordingly, the CEO shall:

1. Offer economic development incentives, special rates or terms and conditions for utility services and alternative development solutions when they are defined within Springs Utilities Rules and Regulations, Tariffs and City Code and approved by the City Auditor.
2. Consider economic development support that:
 - A. Optimizes existing utility infrastructure.
 - B. Grows the customer base.
 - C. Assures a neutral or positive impact to citizens.
 - D. Partners with local entities.
3. Create a business-friendly culture by eliminating operational policies and standards that no longer provide value and by proactively communicating the rationale behind current operational policies.
4. Provide access to existing utilities infrastructure and capacity information while minimizing security risks.

INSTRUCTIONS			
Category:	Utilities Board Instructions to the Chief Executive Officer	Date of Adoption:	May 16, 2018
Policy Title (Number):	Infrastructure (I-6)	Revision Date:	February 21, 2024
Monitoring Type:	Internal	Revision Number:	2
Monitoring Frequency:	Annual		
Guidelines:			

The Chief Executive Officer shall direct that annual, five-year and 20-year infrastructure plans are developed and maintained for each utility service. Accordingly, the CEO shall:

1. Use a reasonable planning period to meet obligation to serve requirements for current and future customers.
2. Base plans on operational and regulatory requirements to provide safety, system reliability and security.
3. Maintain an organization-wide long-range infrastructure plan that considers the annual impact to the typical customer bill, maintains strong financial metrics and sequences infrastructure projects to the extent operationally and financially practical.
4. Plan for replacement of aging infrastructure, information and operational technology upgrades, utility relocations for public works and road projects, life extension of existing systems and services to approved contract customers.
5. Coordinate infrastructure planning with the Municipal Government’s Strategic Plan, Comprehensive Plan and Annexation Policy and other governmental agency plans.

INSTRUCTIONS

Category:	Utilities Board Instructions to the Chief Executive Officer	Date of Adoption: May 16, 2018
Policy Title (Number):	Water Supply Management/Regional Water and Wastewater Service (I-7)	Revision Date: February 21, 2024
Monitoring Type:	Internal	Revision Number: 5
Monitoring Frequency:	Annual	

The Chief Executive Officer shall direct that new and existing water resources and systems are aggressively developed, protected and optimized to maintain and enhance water system sustainability in a manner that responsibly balances costs and risks to reliably meet the needs of current and future customers. Accordingly, the CEO shall:

1. Defend Springs Utilities’ water rights against claims and filings by others if these would in any way injure, hinder or decrease Colorado Springs’ current or future yield or use.
2. Conduct periodic evaluations of Springs Utilities’ existing decreed water rights and take legal and administrative actions necessary to optimize the water system.
3. Provide a reliable water supply to existing and future customers, including requests for regional service contracts and annexations, by planning for, developing and managing water resources and infrastructure in accordance with City Code section 12.4.305 and the following criteria:
 - A. At all times maintain a minimum of one year of customer demand in water system storage.
 - B. Meet or exceed 90 percent (90%) reliability for maintaining a minimum of one year and six months of customer demand in water system storage.
 - C. Conduct an evaluation of the need for water shortage response measures when water system storage is forecast to fall below one year and six months of customer demand on or after April 1 of any year.
4. Utilize Springs Utilities’ dedicated water acquisition account to fund expenditures that enable timely acquisitions and participation in supply projects that increase raw water system yield.
5. Plan for and implement water use efficiency and demand management measures to support and enhance water system reliability.
6. Use Denver Basin groundwater in Springs Utilities’ exclusive water service territory only for emergency supplemental supply, limited non-potable uses, aquifer storage and recovery or

periodic exercising of groundwater infrastructure for operation and maintenance purposes.

7. Not develop or allow development of controlled ground water in the Dawson Aquifer in Springs Utilities' exclusive water service territory.
8. Not reserve Springs Utilities' water supplies, infrastructure or capacity for any person, organization, property or development regardless of whether that entity is inside or outside the city limits or Springs Utilities' exclusive water service territory, except that the Utilities Board may evaluate and approve such a reservation to ensure that Springs Utilities can meet the reasonably anticipated water and wastewater demands of the Pikes Peak Region's military installations on a case by case basis.
9. Only provide water and wastewater-related services including, but not limited to, water leases, storage, conveyance or treatment (collectively referred to as "water-related services"), outside Springs Utilities' exclusive water service territory pursuant to regional service contracts that comply with City Code, the guidelines set forth in the Regional Water and Wastewater Service Management Plan (Plan) and other applicable Utilities Board approved policies or directives. Regional service contracts are also subject to the following requirements:
 - a. All regional service contracts must be approved by the Utilities Board and City Council. Springs Utilities may deny any service request, modify the type of service to be provided, request mitigation to offset water system impacts and risks or impose terms and conditions on the provision of service necessary to offset impacts and risks.
 - b. Regional service contracts shall provide a net benefit to Springs Utilities and the City of Colorado Springs' ratepayers, appropriately balancing costs and risks, and recognizing historic and planned investments.
 - c. For each contract requested, Springs Utilities will perform an evaluation of impacts to water system reliability, level of service and water resources for new water and wastewater regional service per the Plan based on a ten year planning horizon.
 - d. Regional service contracts for water-related services shall include a premium on rates that will benefit the City of Colorado Springs' ratepayers.
 - e. In accordance with the City Charter and City Code, regional service contracts shall not exceed a 25-year term limit.

INSTRUCTIONS

Category:	Utilities Board Instructions to the Chief Executive Officer	Date of Adoption:	May 16, 2018
Policy Title (Number):	Asset Protection (I-8)	Revision Date:	February 21, 2024
Monitoring Type:	Internal; City Auditor	Revision Number:	1
Monitoring Frequency:	Semi-Annual; Annual		

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

1. Protect enterprise assets including, but not limited to, water rights, real property interests, physical assets, cyber assets, intellectual property, records and information from loss or significant damage.
2. Allow real estate transactions that comply with the *City of Colorado Springs Procedure Manual for the Acquisition and Disposition of Real Property Interests, Revised 2021*.
3. Only sell, dispose of or allow use of assets at fair market value, except for *de minimis* contributions to community-oriented organizations.
4. Protect the enterprise's public image and reputation.

INSTRUCTIONS

Category:	Utilities Board Instructions to the Chief Executive Officer	Date of Adoption: May 16, 2018
Policy Title (Number):	Treatment of Customers and Customer Information (I-9)	Revision Date:
Monitoring Type:	Internal	Revision Number:
Monitoring Frequency:	Annual	

The Chief Executive Officer shall direct that customer interactions are safe, dignified and provide appropriate confidentiality or privacy for customers or those applying to be customers. Accordingly, the CEO shall:

1. Use application forms that elicit information for which there is clear necessity.
2. Use methods of collecting, reviewing, transmitting or storing customer information that strive to protect against improper cyber or physical access to the material elicited.
3. Comply with Springs Utilities Tariffs regarding treatment of customers.
4. Maintain a procedure for accessible, fair, efficient and unbiased treatment of customer complaints regarding utility service or proposed utility service that provides for resolution at the lowest level through use of staff procedures, informal review through either Springs Utilities or a mediator or formal appeal to a hearing officer.
5. Inform customers of this policy and provide a grievance procedure to customers who believe they have not been accorded a reasonable interpretation of their rights.
6. Operate under written and maintained claims procedures that address fair treatment of claimants, legal liability, customer costs and sound business practices.
7. Maintain facilities that provide a reasonable level of security and privacy, both visual and aural.
8. Inform customers about services offered.

INSTRUCTIONS

Category:	Utilities Board Instructions to the Chief Executive Officer	Date of Adoption:	May 16, 2018
Policy Title (Number):	Treatment of Staff (I-10)	Revision Date:	February 21, 2024
Monitoring Type:	Internal	Revision Number:	1
Monitoring Frequency:	Annual		

The Chief Executive Officer shall direct that working conditions for paid and volunteer staff are fair, dignified and respectful. Accordingly, the CEO shall:

1. Adhere to all discrimination, harassment and retaliation laws, policies and procedures.
2. Operate with a written personnel policy manual that clarifies personnel rules for employees and promulgate the personnel policy manual with an employee notification and comment procedure before any changes are made unless proposed changes are required immediately based on Federal, State or local laws or other exigent circumstances.
3. Provide employees access to all organizational policies and procedures.
4. Operate with a written affirmative action plan, as required by law.
5. Periodically, not to exceed five years, assess the organizational climate issues using statistical sampling and a sound, validated procedure; and develop and implement an action plan.
6. Foster an environment within the workforce that promotes and rewards creativity, efficiency and empowerment.

INSTRUCTIONS

Category:	Utilities Board Instructions to the Chief Executive Officer	Date of Adoption:	May 16, 2018
Policy Title (Number):	Compensation and Benefits (I-11)	Revision Date:	
Monitoring Type:	Internal	Revision Number:	
Monitoring Frequency:	Annual		
Guidelines:	At-Will Senior Management Severance (G-9)		

The Chief Executive Officer shall direct that employee compensation plans address individual accountability, reward for job performance, encourage organizational flexibility and responsiveness and are consistent with the geographic and professional markets for the job duties performed. Accordingly, the CEO shall:

1. Communicate an administrative procedure to employees which allows them to appeal the methodologies followed that result in the annual salary and benefits proposed for the upcoming year.
2. Develop executive compensation plans that are consistent with professional markets and include:
 - A. Data sources from similar local, regional and national, comparably sized utilities that typically fall within the range of one-half to two times Springs Utilities' employee population and annual revenue.
 - B. Multi-service utilities.
 - C. An appropriate balance of public and private organizations.
 - D. A mix of custom market survey data and published survey sources.
3. Provide severance to Officers and General Managers in the event of involuntary separation without cause in accordance with approved Utilities Board guidelines and at the discretion of the Chief Executive Officer in accordance with the At-Will Senior Management Severance Guideline.
4. Provide severance to any other employees only with Utilities Board approval.

INSTRUCTIONS

Category:	Utilities Board Instructions to the Chief Executive Officer	Date of Adoption:	May 16, 2018
Policy Title (Number):	Environmental Stewardship (I-12)	Revision Date:	
Monitoring Type:	Internal	Revision Number:	
Monitoring Frequency:	Annual		

The Chief Executive Officer shall direct that Springs Utilities is a leader in environmental stewardship. Accordingly, the CEO shall:

1. Provide customers with educational materials and solutions to promote energy and water conservation and renewable energy technologies.
2. Promote efficient energy and water consumption in new buildings and landscapes.
3. Ensure emissions from operations meet or surpass air quality regulations.
4. Ensure local ground and surface water discharges from operations meet or surpass surface water and groundwater quality standards.
5. Maintain or enhance the visual appeal of utility operations where cost effective.
6. Ensure the community receives a portion of its electric needs from renewable sources.
7. Strive to preserve and protect wildlife, wildlife habitat and wetlands during construction and operation of facilities and infrastructure.
8. Strive to preserve and protect cultural and historic sites during construction and operation of facilities and infrastructure.
9. Engage the community in Utilities Board decisions on Springs Utilities' operations that affect the environment.
10. Strive to minimize or reuse waste generated by Springs Utilities to reduce impact on the environment.

INSTRUCTIONS

Category:	Utilities Board Instructions to the Chief Executive Officer	Date of Adoption:	May 16, 2018
Policy Title (Number):	Community Investment (I-13)	Revision Date:	February 21, 2024
Monitoring Type:	Internal	Revision Number:	1
Monitoring Frequency:	Annual		
Guidelines:	Affordable Housing (G-10) Community Support (G-11)		

The Chief Executive Officer shall direct that Springs Utilities is responsive to community needs and values by maintaining and communicating a strong community presence that significantly contributes to the citizens' quality of life. Accordingly, the CEO shall:

1. Maintain community involvement that is in alignment with Springs Utilities' strategic objectives and that provides a benefit to the citizens and customers.
2. Encourage and support employee volunteerism within the communities served by Springs Utilities.
3. Communicate to customers and provide student and adult education programs on the safe and efficient use of utility services.
4. Allow philanthropic support of community-oriented organizations only in the service territories or localities impacted by Springs Utilities' operations.
5. Only allow funding of community-oriented organizations that complete an application describing how the funds will be used in alignment with Springs Utilities' strategic objectives.
6. Allow funding of community-oriented organizations with Political Action Committees (PACs) only if they demonstrate independent PAC revenue and decision-making.
7. Consider partnerships with other funding entities to leverage resources and maximize impact.
8. Inform the community of the enterprise's corporate citizenship and employee volunteerism.
9. Develop programs intended to support affordable housing within the City.
10. Advance services and programs that achieve customer interests, community goals and enterprise objectives.

GUIDELINES

Guideline:	Utilities Board Evaluation (G-1)	Date of Adoption:	January 18, 2017
Applicable Policy Title (Number):	Utilities Board Evaluation (C-2)	Revision Date:	February 21, 2024
		Revision Number:	1

Utilities Board Evaluation

1. Utilities Board Members evaluate the work of the Utilities Board and provide feedback to the Utilities Board Chair in an informal setting.
2. The feedback should include accomplishments, plans for improvement and comments on what to start, what to stop, what should continue and lessons learned.

GUIDELINES

Guideline:	Committee Purpose, Structure and Operation (G-2)	Date of Adoption:	January 18, 2017
Applicable Policy Title (Number):	Operational Resources (P-5)	Revision Date:	February 21, 2024
		Revision Number:	1

Committee Purpose, Structure and Operation

Purpose:

1. The Strategic Planning Committee reviews performance and compliance with Utilities Board policies and guidelines and recommends the Strategic Plan and vision and Board Expected Results, developed jointly with the Chief Executive Officer, to the Utilities Board.
2. The Finance Committee reviews performance and compliance with Utilities Board policies and guidelines and recommends the Annual Operating and Financial Plan and the Five-Year Service Business Plans, developed jointly with the Chief Executive Officer, to the Utilities Board.
3. The Personnel Committee reviews performance and compliance with Utilities Board policies and guidelines and recommends the Chief Executive Officer’s performance plan, developed jointly with the Chief Executive Officer, and the Chief Executive Officer’s compensation to the Utilities Board.
4. The Program Management Review Committee reviews performance and compliance with Utilities Board policies and guidelines and reviews Utilities Board monitored and Committee selected programs/projects.
5. The Utilities Policy Advisory Committee (UPAC) is a Utilities Board directed advisory committee that reviews, analyzes and provides recommendations to the Utilities Board on specific issues or policies.

Structure and Operating Guidelines:

1. Utilities Board Committee Members are appointed from among members of the Utilities Board by the Utilities Board Chair, have a minimum of three Board Members and serve two-year terms concurrent with the municipal election cycle. Committee Members may be removed by the Utilities Board Chair.
2. The Committee Chair is appointed from among members of the Committee by the Utilities Board Chair and serves a two-year term concurrent with the municipal election

cycle. In the absence of the Committee Chair during any Committee meeting, the Committee may designate a Chair.

3. Board Subcommittee Members are appointed from among members of the Utilities Board, may include citizens and customers appointed by the Utilities Board, have a minimum of two Board Members and serve two-year terms concurrent with the municipal election cycle. Subcommittee Board Members may be removed by the Utilities Board Chair. Citizen and customer Subcommittee Members may be removed by the Utilities Board.
4. The Subcommittee Chair is selected by the Board Members on the Subcommittee and serves a two-year term concurrent with the municipal election cycle. In the absence of the Subcommittee Chair during any Subcommittee meeting, the Subcommittee may designate a Chair.
5. The Chief Executive Officer provides Springs Utilities staff support for Committees and Subcommittees. The Chief Executive Officer or designee is responsible for preparing draft agendas for review and approval by the Committee Chair or Subcommittee Chair and for keeping minutes of all Committee and Subcommittee meetings. Copies of the Committee and Subcommittee minutes shall be provided to the Utilities Board and to relevant committees.
6. Board Committees and Subcommittees will meet as often as may be deemed necessary or appropriate. Public notice of all Committee and Subcommittee meetings shall meet governing legal requirements. All Board Committees and Subcommittees, Utilities Policy Advisory Committee and customer advisory group meetings are open to the public.
7. At the discretion of the Chair, or the majority of Committee or Subcommittee Members present, public comment will be taken at meetings. Individual comments are limited to three minutes each unless time is extended by the Committee Chair or majority of the Committee or Subcommittee Members present. Notwithstanding the foregoing, Board Members not appointed to a Committee or Subcommittee but present at such Committee or Subcommittee meetings may participate at such meetings even if public comment is not allowed. Additionally, Springs Utilities staff, City staff, including staff of the City Auditor's Office, members of the Utilities Policy Advisory Committee (UPAC) and invited guests may participate in such Committee and Subcommittee meetings.
8. The Utilities Board establishes and maintains written bylaws fully describing the operation of the Utilities Policy Advisory Committee.
9. Citizen and customer Board Subcommittee Members:
 - A. Are subject to provisions of the City of Colorado Springs Code of Ethics.
 - B. Serve without compensation for their services but may be reimbursed for actual expenses in accordance with Springs Utilities policies and procedures.

- C. Are expected to attend Subcommittee meetings regularly in order for the Subcommittee to function effectively. Upon recommendation by the Subcommittee, the Utilities Board may remove any members of the Subcommittee who fail to attend three or more regular meetings in any year.
- D. Shall notify the Chief Executive Officer and the Utilities Board if they choose to seek employment with Springs Utilities. The Subcommittee Member applying for employment shall be excused from attending Subcommittee meetings and participating in recommendations while the employment application is pending. If the Subcommittee Member is not selected for employment with Springs Utilities, that member shall be reinstated to full Subcommittee participation. If the Subcommittee Member accepts employment with Springs Utilities, that member shall promptly resign or be removed by the Utilities Board from the Subcommittee.
- E. Committee Members are not precluded from offering or providing products and services to Springs Utilities under Springs Utilities' applicable procurement procedures or from offering or supplying products or services to contractors providing products or services to Springs Utilities. Subcommittee members should not offer or contract to supply products or services to Springs Utilities or Springs Utilities' contractors that conflict with the Subcommittee Member's work on the Subcommittee. Subcommittee Members shall not use their position on a Subcommittee to influence Springs Utilities or Springs Utilities' contractor's procurement decisions. In the event any Subcommittee Member desires to provide products or services to Springs Utilities or a contractor for Springs Utilities, that Subcommittee Member shall notify the Chief Executive Officer of the proposed offering. The Chief Executive Officer shall consult with the Chair of the Utilities Board concerning the proposed offering. Provided that the Chief Executive Officer, after consultation with the Chair of the Utilities Board, determines that the proposed products or services offering does not conflict with the Subcommittee Member's work on the Subcommittee or the City's Code of Ethics, the Subcommittee Member may proceed with offering the products or services and may contract to provide such products or services to Springs Utilities if selected under Springs Utilities' applicable procurement procedures or to a contractor for Springs Utilities. If the Chief Executive Officer, after consultation with the Chair of the Utilities Board, determines that the proposed products of services offering does conflict with the Subcommittee Member's work on the Subcommittee or the City's Code of Ethics, the Subcommittee Member may choose to resign from the Subcommittee and to continue to pursue the offering of the Subcommittee Member may choose to refrain from pursuing the offering, in which case the Subcommittee Member may continue participation on the Subcommittee. This restriction shall apply to Subcommittee Members and any company or organization employing the Subcommittee Member.

GUIDELINES

Guideline:	Compliance Report Frequency and Method (G-3)	Date of Adoption:	December 19, 2016
Applicable Policy Title (Number):	Organizational Oversight (E-2.3)	Revision Date:	February 21, 2024
		Revision Number:	1

Compliance Report Frequency and Method

<u>Policy</u>	Compliance Report	<u>Method</u>	<u>Frequency</u>
I - 1	Pricing of Services	Internal	Annual
I - 2	Financial Condition and Activities	Internal City Auditor	Quarterly Annual
I - 3	Financial Planning and Budgeting	Internal	Annual
I - 4	Risk Management	Internal City Auditor External	Semi-Annual Annual Years ending in 0 or 5
I - 5	Economic Development	Internal	Annual
I - 6	Infrastructure	Internal	Annual
I - 7	Water Supply Management	Internal	Annual
I - 8	Asset Protection	Internal City Auditor	Semi-Annual Annual
I - 9	Treatment of Customers and Customer Information	Internal	Annual
I - 10	Treatment of Staff	Internal	Annual
I - 11	Compensation and Benefits	Internal	Annual
I - 12	Environmental Stewardship	Internal	Annual
I - 13	Community Investment	Internal	Annual

GUIDELINES

Guideline:	Evaluation of the Chief Executive Officer's Performance (G-4)	Date of Adoption: May 16, 2018
Applicable Policy Title (Number):	Evaluating Chief Executive Officer Performance (E-1.2)	Revision Date: February 21, 2024
		Revision Number: 1

Evaluating the Chief Executive Officer's performance:

1. Annually, the Chief Executive Officer and Personnel Committee, with input from other Utilities Board Committees, partner to review and to recommend performance indicators, targets, leadership competencies and weightings to the Utilities Board in the fourth quarter of the current year for adoption by the Utilities Board for the following year.
2. Performance indicators and targets are in alignment with the Strategic Plan and the Annual Operating and Financial Plan.
3. The Utilities Board establishes weightings annually for each indicator and competency for both the performance indicator and leadership competency sections of the performance plan.
4. The Utilities Board provides mid-year (September) and annual (March) feedback to the Chief Executive Officer in executive personnel sessions to facilitate discussion of: achievement of organizational results; Utilities Board/Chief Executive Officer partnership expectations; the Chief Executive Officer's follow-through with Utilities Board policy instructions; and Chief Executive Officer Leadership competencies using an approved feedback form.
5. Chief Executive Officer performance indicator results and a performance evaluation feedback form are provided to Utilities Board Members at least three weeks prior to the executive personnel sessions with Utilities Board Members returning completed forms to the Chief Human Resources Officer
6. The Utilities Board reviews the Board Expected Results in open session at the March Utilities Board meeting annually.
7. After the annual Chief Executive Officer evaluation in March, the Utilities Board may approve any compensation and benefits adjustments for the Chief Executive Officer.

GUIDELINES			
Guideline:	Rate Design (G-5)	Date of Adoption:	September 19, 2014
Applicable Policy Title (Number):	Pricing of Services (I-1)	Revision Date:	February 21, 2024
		Revision Number:	3

Rate Design

1. Rates should be designed applying the principles of economic efficiency and revenue stability.
 - A. Economic efficiency supports efficient use of resources, promotes innovative response to changing demand and supply patterns and leads to optimal consumer and utility decision-making in new technologies and resources, such as those that recognize time varying costs and benefits of demand response (i.e., rate design that recover costs that vary with time or demand and/or encourage efficient use of resources).

A proposed rate may be designed based on the ability of a customer class to influence system efficiency and maintain high load factor usage that result in deferring capital costs for added capacity.

 - B. Rates support revenue stability through sufficient and predictable recovery of the approved revenue requirement.
2. The remaining supporting pricing principles of equitable for all customers, customer satisfaction and customer bill stability will be considered holistically in rate design.
 - A. A rate is considered equitable for all customers if it is within plus or minus five percent (5%) of the customer class costs established by a Cost of Service study which is done in accordance with pricing standards.
 - B. Economic development is an appropriate consideration in the design of rates for certain rate classes because it supports attracting and/or retaining customers in the Colorado Springs area.
3. Prior to rate design, a Cost of Service study should be used, where appropriate, to establish costs assigned to each customer class and may vary substantially from study to study.
 - A. Deviation from a Cost of Service study should be described in the rate filing.

GUIDELINES

Guideline:	Electric and Gas Cost Adjustments (G-6)	Date of Adoption:	January 20, 2016
Applicable Policy Title (Number):	Pricing of Services (I-1)	Revision Date:	February 21, 2024
		Revision Number:	3

Electric and Gas Cost Adjustments

1. Springs Utilities produces and purchases electricity and recovers fuel related costs through the Electric Cost Adjustment (ECA). Springs Utilities purchases natural gas and recovers fuel related costs through the Gas Cost Adjustment (GCA).
2. In accordance with City Code 12.1.108(D)(2)(b), Springs Utilities Electric and Natural Gas Rate Schedules allow cost adjustment rates to be changed as often as monthly to pass-through cost in a timely manner in order to:
 - A. Respond to fluctuations in fuel markets.
 - B. Provide a price signal to customers based on the true cost of electricity and natural gas.
 - C. Accurately reflect customer energy consumption and associated costs.
3. Rate adjustments are filed with City Council on a quarterly basis (effective January, April, July and October) to pass-through forecasted fuel related costs.
 - A. When collected balances are within plus \$10,000,000 or minus \$5,000,000, quarterly refunding/recovery of balances will be based on the proportionate share of forecast sales and target a zero-dollar collected balance at the end of a 24-month period.
 - B. When collected balances exceed plus \$10,000,000 or minus \$5,000,000, quarterly refunding/recovery of balances will be based on the proportionate share of forecast sales and target a zero-dollar collected balance at the end of a 12-month period.
4. Based on relevant or unexpected circumstances, Springs Utilities may propose rate adjustments using alternative balance refunding/recovery periods.

GUIDELINES

Guideline:	Local Vendor (G-7)	Date of Adoption: May 16, 2018
Applicable Policy Title (Number):	Financial Condition and Activities (I-2)	Revision Date:
		Revision Number:

Local Vendor

1. The Utilities Board strives to achieve a local spending goal of thirty percent (30%) of total non-fuel expenditures, using the definition and formula below to calculate the local spending percentage.
 - A. Total spend is defined as all expenditures made through Procurement and Contract Services and through P-card purchases.
 - B. Local companies are defined as having a business presence within El Paso County; with information collected on a semi-annual basis.
 - C. The local spending percentage formula is total expenditures with local companies divided by total spend.
 - D. The local spending percentage is reported in the Financial Condition and Activity compliance report.

GUIDELINES

Guideline:	Water Reserve (G-8)	Date of Adoption:	May 16, 2018
Applicable Policy Title (Number):	Financial Planning and Budgeting (I-3)	Revision Date:	February 21, 2024
		Revision Number:	2

Water Reserve

1. A water reserve account is established and maintained to mitigate water revenue volatility.
2. The water reserve account is used to supplement current year water revenues only.
3. One hundred percent (100%) of actual revenue greater than budget will be allocated annually to the water reserve account.
4. The water reserve account will only be used when the reserve account balance is greater than \$5 million and water revenues are \$10 million below budget in the current fiscal year.
5. Up to fifty percent (50%) of the water reserve account, as of January 1 of the current fiscal year, may be used to supplement current year budgeted expenditures.
6. Funds in excess of \$10 million in the water reserve account may be transferred to the water acquisition account.

GUIDELINES

Guideline:	At-Will Senior Management Severance (G-9)	Date of Adoption:	May 16, 2018
Applicable Policy Title (Number):	Compensation and Benefits (I-11)	Revision Date:	February 21, 2024
		Revision Number:	1

At-Will Senior Management Severance

1. At the discretion of the Chief Executive Officer, senior managers may be offered severance, in accordance with this guideline, upon the termination of such individual's at will employment with Springs Utilities.
2. Employees on probation or having less than one year of service are not eligible for severance.
3. Severance may include base pay compensation and/or Medical Premium Benefit Continuation. For purposes of this guideline, Medical Premium Benefit Continuation means a lump sum amount that equals Springs Utilities' then-current monthly percentage share of the health plan premiums using the Consolidated Omnibus Budget Reconciliation Act of 1985 ("COBRA") premium for the group health plan option in which the employee participates at the time of separation or, if the employee does not participate in a group health plan in which Springs Utilities is a participating employer at the time of separation, a lump sum amount that equals Springs Utilities' then-current monthly percentage share of health plan premiums based on the COBRA premium for the group health plan option in which the majority of the Springs Utilities' employees participate. Eligibility is determined by anniversary date.
4. Severance amounts are:
 - A. One to five years of continuous service - may be offered up to 11 weeks base pay and/or three months Medical Premium Benefit Continuation.
 - B. Five to ten years of continuous service - may be offered up to 13 weeks base pay and/or three months Medical Premium Benefit Continuation.
 - C. Ten to 15 years of continuous service - may be offered 17 weeks base pay and/or four months Medical Premium Benefit Continuation.
 - D. 15-20 years of continuous service - may be offered up to 22 weeks base pay and/or five months Medical Premium Benefit Continuation.
 - E. 20 or more years of continuous service - may be offered up to 26 weeks base pay and/or six months Medical Premium Benefit Continuation.

GUIDELINES

Guideline:	Affordable Housing (G-10)	Date of Adoption:	May 16, 2018
Applicable Policy Title (Number):	Community Investment (I-13)	Revision Date:	February 21, 2024
		Revision Number:	2

Affordable Housing

1. Springs Utilities will promote affordable housing through multiple methods, such as coordination with the City, providing funding, rebates and credits, recommending changes to the tariff and implementing procedures that incentivize affordable housing. All affordable projects receiving funding, credits, rebates or deferrals from Springs Utilities must meet specified energy and water conservation criteria.
2. Springs Utilities will develop and promote energy and water savings audit and installation programs for low-income households. Allocate a minimum of ten percent (10%) of the total Energy Demand Side Management budget to support the Home Efficiency Assistance Program (HEAP).

GUIDELINES

Guideline:	Community Support (G-11)	Date of Adoption:	May 16, 2018
Applicable Policy Title (Number):	Community Investment (I-13)	Revision Date:	February 21, 2024
		Revision Number:	5

Community Support

1. Springs Utilities will allow the expenditure of no more than 0.1 percent (0.1%) of budgeted operating revenues on direct monetary support of community-oriented economic development and charitable organizations. The 0.1 percent (0.1%) limitation set forth in this guideline shall not include the matching dollars provided by Springs Utilities to the Project COPE utilities bill assistance program. Operating revenues are revenues from charges to customers for sales and services for Electric, Streetlight, Gas, Water, Wastewater and products and services. All other revenue sources not meeting this definition are reported as nonoperating revenues.
2. Springs Utilities will allocate 100 percent (100%) of Community Focus Fund grant dollars to nonprofit organizations in support of programs addressing issues that have been identified as important to our customers:
 - Affordable Housing
 - Community
 - Education
 - Environment
 - Safety and Health
 - Seniors
 - Youth
3. Springs Utilities will fully match customer donations to the Project COPE (Citizens Option to Provide Energy) utilities bill assistance program up to \$500,000 annually.

GUIDELINES

Guideline:	Water Acquisition Account (G-12)	Date of Adoption:	July 20, 2022
Applicable Policy Title (Number):	Financial Planning and Budgeting (I-3)	Revision Date:	February 21, 2024
		Revision Number:	1

Water Acquisition Account

1. A water acquisition account is established and maintained to fund expenditures that enable timely acquisitions and participation in supply projects that increase raw water system yield.
2. The water acquisition account will be used to partially or completely fund acquisitions and projects that fulfill long range water supply and resiliency goals and levels of service.
3. The water acquisition account will be funded by the Water Resource Fee and potential transfers from the water reserve account. The water acquisition account may also be supported by other sources of water revenue and/or sources of debt in accordance with the Annual Operating and Financial Plan or as directed by Utilities Board.
4. An account balance of at least \$40 million will be targeted through a combination of cash and access to other sources of liquidity.
5. Springs Utilities will periodically evaluate, in light of approved enterprise financial metrics: (a) whether the sources of funding of the water acquisition account are sufficient to maintain the water acquisition account balance target and (b) whether the water acquisition account balance target is sufficient to fulfill long range water supply and resiliency goals and levels of service.

GUIDELINES

Guideline:	Determinations to Construct Water and/or Wastewater Extensions (G-13)	Date of Adoption: June 18, 2024
Applicable Policy Title (Number):	Financial Planning and Budgeting (I-3)	Revision Date:
		Revision Number:

Determination to Construct Water and/or Wastewater Extensions

1. As provided in Utilities Rules and Regulations, Springs Utilities may design and construct water distribution and/or wastewater collection systems when, in Springs Utilities sole discretion, it is in the best interest to protect water and/or wastewater service to existing customers, to allow for the continued development within the service area(s), and/or to provide benefit to the entire service area(s). Springs Utilities will recover the costs of such facilities, with interest, through a Recovery Agreement Charge and/or an Advance Recovery Agreement Charge.

2. Springs Utilities informs Utilities Board of determinations to construct water distribution and/or wastewater collection system. Information provided to Utilities Board will be dependent on the specific characteristics of the applicable project, which may be subject to other rules, requirements, and policies. When applicable, information provided by Utilities will include the following:
 - a. System and operational considerations
 - Design capacity
 - Complexity of design and construction
 - Land and easement acquisition
 - b. Financial estimates
 - Cost and schedule
 - Recovery Agreement Charge and/or Advance Recovery Agreement Charge
 - Water and wastewater rate impacts
 - c. Environmental considerations
 - Regulatory and permitting requirements
 - Identified impacts to waterways
 - d. Community support considerations
 - Regional significance
 - Impact to growth and economic development

RESULTS

Category:	Utilities Board/Chief Executive Officer Partnership Expectations	Date of Adoption:	December 18, 2017
Policy Title (Number):	Utilities Board Expected Results (ER: 1-3)	Revision Date:	November 16, 2022
		Revision Number:	1

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

2023 Board Expected Results

1. Rates:

- A. Residential Electric Service - Front Range Comparison will be in the target range of +/- 5.0% of average
- B. Residential Natural Gas Service – Front Range Comparison will be in the target range of +/-5.0% of average
- C. Residential Water Service – Front Range Comparison will be in the target range of 10.1 – 20.0% higher than average
- D. Residential Wastewater Service – Front Range Comparison will be in the target range of +/-5.0% of average
- E. Small Commercial 4-Service Bill – Front Range Comparison will be in the target range of +/- 5.0% of average
- F. Industrial Electric-intensive Customer Bill – Front Range Comparison will be in the target range of +/- 5.0% of average
- G. Industrial Electric – Nationwide Comparison will be in the target range of +/-5.0% of average
- H. Days Cash on Hand – Current Year will be in the target range of 151–160 days
- I. Days Cash on Hand – 3 Year Average will be in the target range of 151–160 days
- J. Adjusted Debt Service Coverage Current Year will be in the target range of 1.80 – 1.90 times
- K. Adjusted Debt Service Coverage 3 Year Average will be in the target range of 1.80 – 1.90 times
- L. Debt Ratio – Current Year will be in the target range of 54.2 – 50.2%
- M. Debt Ratio – 3 Year Average will be in the target range of 54.2 – 50.2%
- N. Bond Rating will be in the target range of Standard & Poors AA, Moody's Investors Service: Aa2, Fitch Ratings: AA

2. Reliability:

- A. Electric – SAIDI – Interruptions in minutes per year will be in the target range of 52.50 – 47.51 minutes
- B. Natural Gas – Failures per 100 miles of pipe will be in the target range of 6.00 – 4.00 failures
- C. Water – Failures per 100 miles of mainline will be in the target range of 12.00 – 10.00 failures

D. Wastewater – Failures per 100 miles of mainline will be in the target range of 0.75 – 0.51 failures

3. Relationships:

A. Customer Satisfaction – Residential will be in the target range of 2.50 – 3.49

B. Customer Satisfaction – Business will be in the target range of 2.50 – 3.49

C. Environmental Index will be in the target range of 75.00 – 85.99

D. Safety: Occupational Injuries and Illnesses Rate will be in the target range of +/- 10% of Benchmark

E. Workforce Index – Workforce Index will be in the target range of 2.70 – 3.49

Appendix

APPENDIX

Document Title:	City Charter Related to Colorado Springs Utilities Governance (Charter, Article 6)
	City Code Related to Colorado Springs Utilities Governance (Chapter 12)
	City Code of Ethics
	Utilities Board Bylaws
	Utilities Policy Advisory Committee Bylaws