

**AGENDA**  
**Wednesday, Sep. 27, 2023**  
**1:00 p.m.**

Join on your computer or mobile app

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Or call in (audio only)

[+1 719-733-3651](tel:+17197333651), [179304117#](tel:+17197333651)

<b>1:00 p.m.</b>	<b>1. Call to Order</b>	Chair Donelson
<b>1:05 p.m.</b>	<b>2. Invocation and Pledge of Allegiance</b>	
<b>1:10 p.m.</b>	<b>3. Consent Calendar</b> <b>These items will be acted upon as a whole, unless a specific item is called for discussion by a Board Member or a citizen wishing to address the Utilities Board. (Any items called up for separate consideration shall be acted upon following Compliance Reports.)</b>	Chair Donelson
	3a. Approval of Utilities Board Meeting Minutes: Aug. 16, 2023	
	3b. UPAC Regular Member Appointment: David Watson	
	3c. UPAC Alternate Member Appointment: Chris Meyer	
	3d. UPAC Regular Member Reappointment: Larry Barrett	
	3e. UPAC Regular Member Reappointment: Gary Burghart	
<b>1:15 p.m.</b>	<b>4. Recognition</b> 2023 Mile High Gas and Linemen Rodeo	Somer Mese, Chief Operations Officer
<b>1:30 p.m.</b>	<b>5. Customer Comments</b> <ul style="list-style-type: none"> <li>• During the customer comment period, comments are accepted for any topic not on the agenda.</li> </ul>	Chair Donelson

- Comments for specific agenda items will be taken following the presentation of the item and the Board’s discussion.
- Comments will be limited to three minutes per speaker, per item.
- Following the comments from customers that have signed up to speak, an announcement will be made seeking additional comments and the Board will accept all those wishing to comment.

<b>1:45 p.m.</b>	<b>6.</b> Compliance Reports: I-7 Water Supply Management  I-9 Treatment of Customers and Customer Information  ER:1-3 Utilities Board Expected Results – Mid-year Scorecard and CEO Performance Results G-4  E-2 CEO Responsibilities <ul style="list-style-type: none"> <li>• Water Outlook</li> <li>• ECA/GCA monitoring</li> </ul>	Travas Deal, Chief Executive Officer
<b>2:00 p.m.</b>	<b>7.</b> Items Called Off Consent Calendar	
<b>2:05 p.m.</b>	<b>8.</b> Drake Decommissioning Regulatory Asset <u>Informational</u> presentation regarding proposed City Council approval to establish a regulatory asset associated with the decommissioning of the Martin Drake Power Plant.	Natalie Lovell, Accounting Manager
<b>2:15 p.m.</b>	<b>9.</b> City Water Service for the Park Vista Estates Enclave <u>Vote</u> whether to recommend approval of extending water service to property outside City limits if it complies with City Code section 12.4.305 subject to approval of an Agreement to Annex by City Council.	Bryan English, Project Manager III
<b>2:30 p.m.</b>	<b>11.</b> Board Member Updates	Board of Directors
<b>2:45 p.m.</b>	<b>12.</b> Summary of Board Actions	Natalie Watts, Strategic Planning and Governance Manager
<b>2:55 p.m.</b>	<b>13.</b> Executive Session In accordance with City Charter art. III, § 3-60(d) and its incorporated Colorado Open Meetings Law, C.R.S. § 24-6-402(4)(f) and Utilities Board Bylaws Rule 10(c)(6), the Utilities Board, in Open	Renee Congdon, City Attorney’s Office – Utilities Division Chief

Session, is to determine whether it will hold a Closed Executive Session on one issue. The issue to be discussed is the 2023 mid-year performance review of the Chief Executive Officer.

The City Attorney's Office, on behalf of the Chair of the Utilities Board, shall poll the Utilities Board members, and, upon consent of two-thirds of the members present, may conduct a Closed Executive Session. In the event any Utilities Board member is participating electronically or telephonically in the Closed Executive Session, each Utilities Board member participating electronically or telephonically in the Closed Executive Session shall affirmatively state for the record that no other member of the public not authorized to participate in the electronic Closed Executive Session is present or able to hear the matters discussed as part of the Closed Executive Session. If consent to the Closed Executive Session is not given, the item may be discussed in Open Session or withdrawn from consideration.

**4:30  
p.m.**

**14.** Adjournment

Chair Donelson

## MINUTES

### Colorado Springs Utilities Board Meeting Wednesday, August 16, 2023

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

Chair Dave Donelson, Vice Chair Yolanda Avila, Mike O'Malley, Randy Helms, Nancy Henjum, Lynette Crow-Iverson, David Leinweber, Brian Risley and Michelle Talarico

**Staff members present via Microsoft Teams or Blue River Conference Room:** Travas Deal, Renee Adams, Somer Mese, Mike Francolino, Tristan Gearhart, Lisa Barbato, John Hunter, Scott Shirola, Natalie Watts and Erin Duran

**City of Colorado Springs staff members present via Microsoft Teams or Blue River Conference Room:** Alex Ryden, Renee Congdon, Jamie Fabos, Chris Bidlack and Jackie Rowland

**Citizens present via Microsoft Teams or Blue River Conference Room:** Larry Barrett, Gary Burghart, Scott Smith, Kyle Parks, Thad Zylka and Amanda Calamari

#### 1. Call to Order

Chair Donelson called the Utilities Board meeting to order at 1:01 p.m. and Ms. Andie Buhl, Utilities Board Administrator, called the roll.

#### 2. Invocation and Pledge of Allegiance

Pastor Raymond Pettitt from Outside the Gates Worship Center delivered the invocation and Ms. Amanda Calamari led the Pledge of Allegiance.

#### 3. Consent Calendar

##### 3a. Approval of Utilities Board Meeting Minutes: June 21, 2023

Utilities Board Member Crow-Iverson moved approval of the Consent Calendar and Board Member Helms seconded the motion. The Consent Calendar was unanimously approved.

#### 4. Recognition

- Water Conservation Team Awards: 2023 American Planning Association (APA) & 2023 Alliance for Water Efficiency (AWE)

Chair Donelson said this item will be moved and discussed at the September Utilities Board meeting. He said Springs Utilities' City partners that were integral to the project

are unable to attend this month and the organization wants to recognize everyone that was a part of this project.

- **National Preparedness Month**

Ms. Somer Mese, Chief Operations Officer, said National Preparedness Month is an observance each September to raise awareness about the importance of preparing for disasters and emergencies that could happen at any time. She said sponsored by FEMA's National Ready Campaign, the 2023 National Preparedness Month theme is focusing on preparing older adults for disaster, specifically older adults from communities that are disproportionately impacted by the all-hazard events, which continue to threaten the nation.

Ms. Mese said throughout the month of September, Colorado Springs Utilities will promote preparedness through participation in the Ready Campaign's social media campaign. She said in advance of National Preparedness Month, Springs Utilities will hold Emergency Preparedness Week, the fourth week in August each year. The week will focus on employee training, exercises, and other related preparedness efforts. The second Colorado Springs Utilities' Emergency Preparedness week will be take place Aug. 21 through Aug. 25, 2023.

## **5. Customer Comments**

Mr. Kyle Parks provided an update from CISA (Cybersecurity and Infrastructure Security Agency). He said they are looking at critical infrastructure piping.

Mr. Thad Zylka expressed concerns about the Wilson water tank tower near his backyard and the approval process for projects like this.

Chair Donelson said public comment for the Wilson tank has been extended by two weeks by the City Planning department, and comment can be made there.

## **6. Compliance Reports**

- I-2 Financial Condition and Activities (to include contracts over \$500K) G-7 – Q2
- I-4 Risk Management (Semi-annual)
- I-8 Asset Protection (Semi-annual)
- I-14 Enterprise Innovation (Annual)
- E-2 CEO Responsibilities
  - ECA/GCA Monitoring
  - Water Outlook

Ms. Katie Garrett, Engineer III – Water Conveyance, discussed local weather conditions as of Aug. 15, 2023 and said in July at the Colorado Springs Airport, there were 2.86 inches of precipitation, which was 92% of normal. The average temperature was 72.6 degrees, which was 0.1 degrees above normal. She said as of Aug. 15 there

were 1.70 inches of precipitation, which was 102% of normal for the month. The average temperature was 70.1 degrees, which was 0.1 degrees below normal. The 2023 year-to-date precipitation through August 15 was 21.8 inches, or 183% of normal.

Ms. Garrett said the U.S. Drought Monitor shows pockets of moderate to severe drought conditions in the western U.S., with extreme drought concentrated in the Midwest and south-central parts of the country. Ms. Garrett said water demand in July averaged 83.5 million gallons per day, which was 7.2% less than July 2022 – and water demand in August through the 15<sup>th</sup> of the month averaged 80.9 million gallons per day, which was 15% less than this time last year.

Ms. Garrett said total water use was about 2.6 billion gallons in July 2023, and Colorado Springs’ system wide storage as of Aug. 15 is about 237,500 acre-feet, or 91.6% of capacity. This is above the shorter-term (2001-2022) average of 75.6% for this time of year.

Chair Donelson said this will be the last formal water outlook update at a Utilities Board meeting until April 2024.

#### **7. Items Called Off Consent Calendar**

There were none.

#### **8. Appointment of Scott Smith as Regular Member of the Utilities Policy Advisory Committee (UPAC)**

Chair Donelson said UPAC has two non-voting alternate positions in the event that a regular member resigns or is term limited. He said that given that this is the first time many new Utilities Board members have seen a UPAC appointment it was added to the regular portion of the agenda to explain the process. Otherwise, it typically appears on consent.

Chair Donelson said Mr. Scott Smith has been an alternate member of UPAC since December 2022 and, in accordance with the Excellence Policy in Governance Manual, Utilities Board Authority 2, the Utilities Board has the authority to appoint all members of the Utilities Policy Advisory Committee.

Utilities Board Member Henjum moved approval of Mr. Smith’s UPAC appointment and Board Member Leinweber seconded the motion. The appointment of Scott Smith as Regular Member of the Utilities Policy Advisory Committee (UPAC) was unanimously approved.

Board Member Risley expressed support and appreciation for Mr. Smith and Mr. Smith shared appreciation for the opportunity and support.

**9. Appointment of David Watson as an alternate member of the Utilities Policy Advisory Committee (UPAC)**

Chair Donelson said on Aug. 1, 2023, he, Vice Chair Avila, UPAC Chair Larry Barrett and Vice Chair Hilary Dussing conducted UPAC interviews and unanimously agreed to appoint Mr. Watson based on his resume, skills and abilities. Mr. Watson will fill the alternate seat now vacated by Mr. Smith who just became a regular member.

Utilities Board Member Helms moved approval of Mr. Watson’s UPAC appointment and Vice Chair Avila seconded the motion. The appointment of David Watson as an alternate member of the Utilities Policy Advisory Committee (UPAC) was unanimously approved.

**10. 2024 Preliminary Budget and Rate Case**

Board Member and Finance Committee Chair Henjum provided updates from the August Finance Committee meeting and summarized the efforts of staff to create the 2024 preliminary budget and rate case.

Mr. John Hunter, Financial Planning and Risk Manager, highlighted changes of the budget summary from the previous proposed 2024 budget. He gave an overview of the proposed 2024 budget consisting of financial metrics, rate adjustments and proposed expenditures – all of which are responsibly balanced:

- Financial metrics
- Rate adjustments
- Proposed expenditures

Mr. Hunter explained the 2024 funding appropriations and reviewed the proposed 2024 budget summary by line item, including:

- Capital projects (28.8% of proposed appropriation)
- Operations & Maintenance (O&M) – Non-Fuel (26.9% of proposed appropriation)
- Debt Service (14% of appropriation)
- Total Labor and Benefits (including O&M and Capital)
- Regular Base Pay (including O&M and Capital)

Mr. Hunter reviewed the 10-year forecast as well as the 2024 service-level summary and corresponding financial metrics for electric, gas, water, wastewater, streetlighting and inter-service eliminations.

Mr. Scott Shirola, Pricing and Rates Manager, provided an overview of the annual review and approval process for the rate case, and he said the 2024 rate case filing is based on 2024 sources and uses budget ordinances. He explained that the rate case filing includes proposed changes to:

- Electric, natural gas, and certain water rate tables
- Electric and natural gas tariff provisions
- Utilities Rules and Regulations (URR)

Mr. Shirola said the effective date of proposed changes is Jan. 1, 2024 and the 2024 rate case filing will contain the comprehensive proposed changes: reports, resolutions, tariffs, cost of service studies and other supporting materials. He reviewed the natural gas cost of service and rate design summary, and additional natural gas rate changes.

Additionally, he reviewed the Clean Heat Plan Law which requires gas utilities to adopt programs to reduce greenhouse gas emissions.

- 4% carbon emission reduction by 2025 with 2% cost cap
- 2024 cost cap: \$2.7 million
- 22% carbon emission reduction by 2030 with 2.5% cost cap

Mr. Shirola said the Colorado Clean Heat Plan charge proposes a new bill component to transparently recover cost of complying with Clean Heat Plan Requirements. He said revenue will be used to fund energy efficiency programs that help reduce greenhouse gas emissions. Programs include customer rebates for:

- Energy efficient water heaters and furnaces
- Insulation
- Heat pumps

Mr. Shirola highlighted a residential sample total service bill, and other tariff changes for electric and water. He concluded with next steps for the 2024 proposed utilities preliminary budget and rate case.

The Utilities Board gave a head nod for this item to go on consent at the Sep. 12 City Council meeting.

Mr. Gearhart acknowledged staff and City employees for their hard work on the 2024 budget and rate case and expressed appreciation for Utilities Board Member involvement throughout the process.

## **11. Board Member Updates**

Mr. Travas Deal, Chief Executive Officer, announced that this would be the last meeting for Ms. Andie Buhl, Utilities Board Administrator, as she has been promoted. He thanked her for supporting the Utilities Board for the last four years. Board Members also congratulated and thanked her.



Board Member Helms provided the following updates from the August Personnel Committee:

- The committee heard a very informative presentation from the compensation team on 2023-2024 labor and benefits and learned how the 2024 labor budget planning is done and what the strategy is for providing benefits to employees in 2024.
- The committee performed a deep dive into the HRIP (Human Resources Integrated Plan), which is the first step to address short- and long-term workforce planning needs and to identify gaps in current workforce planning programs.
- Finally, the committee discussed the CEO mid-year competencies and Strategic Objective Review Process.

Board Member Henjum thanked Mr. Mike Francolino, Chief Customer & Enterprise Services Officer, for updating the website so materials are more accessible for constituents and Mr. Gabe Caunt, Engineer Supervisor, for helping a constituent understand solar. She also provided the following updates from the August Finance Committee:

- The committee discussed ECA/GCA cost adjustments; the 2024 budget and rate case, the UPAC assignment on the cost recovery; and Drake decommissioning.
- The committee agreed to take a step back on the UPAC assignment and take a deeper look at some of the details but approved a timeline for the UPAC cost recovery assignment moving forward.
- Staff will be leading an industry workshop this fall and a formal UPAC recommendation will be coming to the Utilities Board in early 2024.

Vice Chair Avila thanked Board Member Helms for chairing the August Personnel Committee meeting and provided a staffing update at City Hall.

Board Member Michelle Talarico provided the following updates from the August Program Management Review (PMR) Committee:

- The committee had a robust discussion about fiber, 2C Infrastructure Coordination with the City projects, the natural gas safety program and the Sustainable Energy Portfolio.
- Utilities Board Members toured the proposed route of the Kelker to South Plant transmission line prior to the meeting and heard directly from project managers about the project. She said the next tour is on Nov. 8, 2023.

Board Member Risley provided the following updates from the August Strategic Planning Committee meeting:

- The committee reviewed and discussed the purpose of the Strategic Planning Committee.

- The committee agreed to revise the Water Ordinance as well as Chapter 7 of the City Charter.

Chair Donelson echoed Board Member Talarico's comments about the Kelker to South Plant tour and explained the costs and tenants regarding excess fiber in Colorado Springs.

## **12. Summary of Board Actions**

The appointment of Scott Smith as a regular member of the Utilities Policy Advisory Committee (UPAC) was unanimously approved.

The appointment of David Watson as an alternate member of the Utilities Policy Advisory Committee (UPAC) was unanimously approved.

The Utilities Board gave a head nod for the 2024 preliminary budget and rate case to go on consent at the Sep. 12, 2023, City Council meeting.

## **13. Adjournment**

The meeting adjourned at 2:46 p.m.

# Board Memo Agenda Item

## Staff Report

**Date:** September 27, 2023  
**To:** Utilities Board  
**From:** Travas Deal, Chief Executive Officer  
**Subject:** Appointment of David Watson as Regular Member of Utilities Policy Advisory Committee (UPAC)

### NARRATIVE:

**Desired Action:** Vote whether to appoint David Watson as regular member of the Utilities Policy Advisory Committee (UPAC) under City Code section 12.1.104 and Utilities Board Policy UBA-2.

**Executive Summary:** David Watson was appointed as an alternate member to the Utilities Policy Advisory Committee (UPAC) by the Utilities Board on August 16, 2023. Mr. Watson has been recommended to fill a regular member vacancy by Utilities Board Chair Dave Donelson, Vice Chair Yolanda Avila, UPAC Chair Larry Barrett and UPAC Vice Chair Hilary Dussing. Mr. Watson will be filling the remainder of Mr. Chris Francis' term, which term expires September 30, 2024.

The UPAC is a fact-finding body whose mission is to review, analyze and, when appropriate, provide recommendations to the Utilities Board regarding the various overall strategic operating and financial policies for Colorado Springs Utilities.

All regular members begin with one, three-year term. The member may be reappointed by the Utilities Board for up to two additional three-year terms, plus additional service if appointed to fill less than 50% of an unexpired term. No member may consecutively serve more than three, three-year terms. The Utilities Board may fill any vacancy with either an alternate member or another selected candidate.

**Benefits:** N/A

**Board Policy:** UBA-2: Appoint Utilities Policy Advisory Committee members and Customer Advisory Group members.

**Cost/Budget:** N/A

**Affected Parties:** Utilities Board members, Utilities Policy Advisory Committee members and Colorado Springs Utilities staff who support these two bodies.

**Alternatives:** The Utilities Board may fill the vacancy with another eligible candidate.

<b>Submitter:</b> Bethany Schoemer	<b>Email address:</b> bschoemer@csu.org
<b>Division/ Department:</b> Administrative and Human Resources Division/ Strategic Planning and Governance	<b>Phone number:</b> 719-668-3810
	<b>Date submitted:</b> Aug. 30, 2023

<b>SPG Staff Use Only:</b> Consent Calendar	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	<b>ITEM NO. 3</b>
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**RESOLUTION NO. 23-11**

**A RESOLUTION OF THE COLORADO SPRINGS  
UTILITIES BOARD APPOINTING DAVID WATSON  
AS A REGULAR COMMITTEE MEMBER OF THE  
UTILITIES POLICY ADVISORY COMMITTEE (UPAC)  
EFFECTIVE SEPTEMBER 27, 2023**

- WHEREAS, the Utilities Policy Advisory Committee (UPAC) is composed of citizens appointed by the Utilities Board; and
- WHEREAS, UPAC is a fact-finding body whose mission is to review, analyze and, when appropriate, provide recommendations to the Utilities Board regarding the various overall strategic operating and financial policies for Colorado Springs Utilities; and
- WHEREAS, the Bylaws of UPAC contain rules regarding terms of committee membership eligibility; and
- WHEREAS, David Watson has been an alternate committee member of the UPAC since August 16, 2023; and
- WHEREAS, a regular member vacancy currently exists due to the resignation of Chris Francis; and
- WHEREAS, David Watson is eligible and willing to accept appointment as a regular member to fill the remainder of Chris Francis' unexpired term through September 30, 2024.

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

David Watson is hereby appointed as a regular committee member of the Utilities Policy Advisory Committee effective September 27, 2023 through September 30, 2024.

Dated at Colorado Springs, Colorado this 27<sup>th</sup> day of September 2023.

BY \_\_\_\_\_  
Dave Donelson, Chair of the Utilities Board

ATTEST:

\_\_\_\_\_  
Travas Deal, Secretary

# Board Memo Agenda Item

## Staff Report

**Date:** September 27, 2023  
**To:** Utilities Board  
**From:** Travas Deal, Chief Executive Officer  
**Subject:** Appointment of Chris Meyer as Alternate Member of the Utilities Policy Advisory Committee (UPAC)

### NARRATIVE:

**Desired Action:** Vote whether to appoint Chris Meyer as an alternate member of the Utilities Policy Advisory Committee (UPAC) under City Code section 12.1.104 and Utilities Board Policy UBA-2.

**Executive Summary:** A vacancy for an alternate member for the Utilities Policy Advisory Committee (UPAC) exists. Pursuant to UPAC Bylaws, vacancies will be filled by Utilities Board appointment. Based on a candidate application and interview process, Utilities Board Chair Dave Donelson and Vice Chair Yolanda Avila and UPAC Chair Larry Barrett and Vice Chair Hilary Dussing recommend Chris Meyer to fill the vacant alternate member position.

The UPAC is a fact-finding body whose mission is to review, analyze and, when appropriate, provide recommendations to the Utilities Board regarding the various overall strategic operating and financial policies for Colorado Springs Utilities.

The Utilities Board may appoint alternate UPAC members to gain experience and observe UPAC's seven regular (voting) members' deliberations and actions. The UPAC Bylaws provide that the UPAC, when considering all its members, shall comprise balanced professional, business, and community perspectives. Chris Meyer has been recommended to fill the vacant alternate spot on the UPAC.

**Benefits:** N/A

**Board Policy:** UBA-2: Appoint Utilities Policy Advisory Committee members and Customer Advisory Group members.

**Cost/Budget:** N/A

**Affected Parties:** Utilities Board members, Utilities Policy Advisory Committee members and Colorado Springs Utilities staff who supports these two bodies.

**Alternatives:** The Utilities Board may fill the vacancy with another eligible candidate.

**Submitter:** Bethany Schoemer

**Email address:** bschoemer@csu.org

**Division/** Administrative and Human Resources

**Phone number:** 719-668-3811

**Department:** Division/ Strategic Planning and Governance

**Date submitted:** Aug. 30, 2023

**SPG Staff Use Only:** Consent Calendar  Yes

No

**ITEM NO. 3**

**RESOLUTION NO. 23-12**

**A RESOLUTION OF THE COLORADO SPRINGS  
UTILITIES BOARD APPOINTING CHRIS MEYER  
AS AN ALTERNATE COMMITTEE MEMBER OF THE  
UTILITIES POLICY ADVISORY COMMITTEE (UPAC)  
EFFECTIVE September 27, 2023**

WHEREAS, the Utilities Policy Advisory Committee (UPAC) is composed of citizens appointed by the Utilities Board; and

WHEREAS, UPAC is a fact-finding body whose mission is to review, analyze and, when appropriate, provide recommendations to the Utilities Board regarding the various overall strategic operating and financial policies for Colorado Springs Utilities; and

WHEREAS, a UPAC alternate member vacancy currently exists, and

WHEREAS, Chris Meyer is eligible and willing to accept appointment as an alternate member.

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

Chris Meyer is hereby appointed as an alternate committee member of the Utilities Policy Advisory Committee effective September 27, 2023.

Dated at Colorado Springs, Colorado this 27<sup>th</sup> day of September 2023.

BY \_\_\_\_\_  
Dave Donelson, Chair of the Utilities Board

ATTEST:

\_\_\_\_\_ Travas Deal, Secretary

# Board Memo Agenda Item

## Staff Report

**Date:** September 27, 2023  
**To:** Utilities Board  
**From:** Travas Deal, Chief Executive Officer  
**Subject:** Re-appointment of Larry Barrett as Regular Member of Utilities Policy Advisory Committee (UPAC)

### NARRATIVE:

**Desired Action:** Vote whether to re-appoint Larry Barrett as a regular member of the Utilities Policy Advisory Committee (UPAC) under City Code section 12.1.104 and Utilities Board. Policy UBA-2.

**Executive Summary:** Larry Barrett has served as a member of the Utilities Policy Advisory Committee (UPAC) since Oct. 17, 2018. Mr. Barrett served the unexpired term of a previous member that counts as a full three-year term and has completed one full three-year term. Mr. Barrett is eligible and willing to serve a second three-year term, expiring Sep. 30, 2026.

The UPAC is a fact-finding body whose mission is to review, analyze and, when appropriate, provide recommendations to the Utilities Board regarding the various overall strategic operating and financial policies for Colorado Springs Utilities. All regular members begin with one, three-year term, except that if a member serves greater than 50% of an unexpired term, that service counts as a full term. The member may be reappointed by the Utilities Board for up to two additional three-year terms. No member may consecutively serve more than three, three-year terms. The Utilities Board may fill any vacancy with either an alternate member or another selected candidate.

**Benefits:** N/A

**Board Policy:** UBA-2: Appoint Utilities Policy Advisory Committee members and Customer Advisory Group members.

**Cost/Budget:** N/A

**Affected Parties:** Utilities Board members, Utilities Policy Advisory Committee members and Colorado Springs Utilities who support these two bodies.

**Alternatives:** The Utilities Board may appoint a current alternate member to a regular member position or recruit a new candidate. These options would result in a vacancy until the Utilities Board acts.

<b>Submitter:</b> Bethany Schoemer	<b>Email address:</b> bschoemer@csu.org
<b>Division/</b> Administrative and Human Resources	<b>Phone number:</b> 719-668-3810
<b>Department:</b> Division/Strategic Planning and Governance	<b>Date submitted:</b> Aug. 30, 2023

<b>SPG Staff Use Only:</b> Consent Calendar	<input checked="" type="checkbox"/>	Yes	<input type="checkbox"/>	No	<b>ITEM NO. 3</b>
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**RESOLUTION NO. 23-13**

**A RESOLUTION OF THE COLORADO SPRINGS  
UTILITIES BOARD REAPPOINTING LARRY BARRETT  
AS A REGULAR COMMITTEE MEMBER OF THE UTILITIES  
POLICY ADVISORY COMMITTEE (UPAC)  
EXPIRING SEPTEMBER 30, 2026**

WHEREAS, the Utilities Policy Advisory Committee (UPAC) is composed of citizens appointed by the Utilities Board; and

WHEREAS, UPAC is a fact finding body whose mission is to review, analyze and, when appropriate, provide recommendations to the Utilities Board regarding the various overall strategic operating and financial policies for Colorado Springs Utilities; and

WHEREAS, the Bylaws of UPAC contain rules regarding terms of committee membership eligibility; and

WHEREAS, Larry Barrett has been a regular committee member of the UPAC since October 17, 2018; and

WHEREAS, Larry Barrett is eligible and willing to accept reappointment for a three-year term.

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

Larry Barrett is hereby reappointed as a regular committee member of the Utilities Policy Advisory Committee with his term expiring September 30, 2026.

Dated at Colorado Springs, Colorado this 27<sup>th</sup> day of September 2023.

BY \_\_\_\_\_  
Dave Donelson, Chair of the Utilities Board

ATTEST:

\_\_\_\_\_  
Travas Deal, Secretary



# Board Memo Agenda Item

## Staff Report

**Date:** September 27, 2023  
**To:** Utilities Board  
**From:** Travas Deal, Chief Executive Officer  
**Subject:** Re-appointment of Gary Burghart as Regular Member of Utilities Policy Advisory Committee (UPAC)

### NARRATIVE:

**Desired Action:** Vote whether to re-appoint Gary Burghart as regular member of the Utilities Policy Advisory Committee (UPAC) under City Code section 12.1.104 and Utilities Board Policy UBA-2.

**Executive Summary:** Gary Burghart was appointed as a regular member to the Utilities Policy Advisory Committee (UPAC) by the Utilities Board on September 20, 2017, and began serving on October 1, 2017. Mr. Burghart has completed two full three-year terms. Mr. Burghart is eligible and willing to serve a third three-year term, expiring September 30, 2026.

The UPAC is a fact-finding body whose mission is to review, analyze and, when appropriate, provide recommendations to the Utilities Board regarding the various overall strategic operating and financial policies for Colorado Springs Utilities. All regular members begin with one, three-year term. The member may be reappointed by the Utilities Board for up to two additional three-year terms. No member may consecutively serve more than three, three-year terms. The Utilities Board may fill any vacancy with either an alternate member or another selected candidate.

**Benefits:** N/A

**Board Policy:** UBA-2: Appoint Utilities Policy Advisory Committee members and Customer Advisory Group members.

**Cost/Budget:** N/A

**Affected Parties:** Utilities Board members, Utilities Policy Advisory Committee members and Colorado Springs Utilities staff who support these two bodies.

**Alternatives:** The Utilities Board may appoint a current alternate member to regular member or recruit a new candidate. These options would result in a vacancy until the Utilities Board acts.

<b>Submitter:</b> Bethany Schoemer	<b>Email address:</b> bschoemer@csu.org
<b>Division/ Department:</b> Strategic Planning and Governance	<b>Phone number:</b> 719-668-3810
	<b>Date submitted:</b> Aug. 30, 2023

<b>SPG Staff Use Only:</b> Consent Calendar	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	<b>ITEM NO. 3</b>
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**RESOLUTION NO. 23-14**

**A RESOLUTION OF THE COLORADO SPRINGS  
UTILITIES BOARD REAPPOINTING GARY BURGHART  
AS A REGULAR COMMITTEE MEMBER OF THE UTILITIES  
POLICY ADVISORY COMMITTEE (UPAC)  
EXPIRING SEPTEMBER 30, 2026**

WHEREAS, the Utilities Policy Advisory Committee (UPAC) is composed of citizens appointed by the Utilities Board; and

WHEREAS, UPAC is a fact finding body whose mission is to review, analyze and, when appropriate, provide recommendations to the Utilities Board regarding the various overall strategic operating and financial policies for Colorado Springs Utilities; and

WHEREAS, the Bylaws of UPAC contain rules regarding terms of committee membership eligibility; and

WHEREAS, Gary Burghart has been a regular committee member of the UPAC since October 1, 2017; and

WHEREAS, Gary Burghart is eligible and willing to accept reappointment for a three-year term.

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

Gary Burghart is hereby reappointed as a regular committee member of the Utilities Policy Advisory Committee with his term expiring September 30, 2026.

Dated at Colorado Springs, Colorado this 27<sup>th</sup> day of September 2023.

BY \_\_\_\_\_  
Dave Donelson, Chair of the Utilities Board

ATTEST:

\_\_\_\_\_  
Travas Deal, Secretary

# Board Memo Agenda Item

## Staff Report

**Date:** Sept. 27, 2023  
**To:** Utilities Board  
**From:** Travas Deal, Chief Executive Officer  
**Subject:** 2023 Mile High Gas and Lineman Rodeo

### NARRATIVE:

**Desired Action:** Information

**Executive Summary:** Every year, Colorado Springs Utilities has the opportunity to send electric linemen and gas construction employees to the Mile High Lineman and Natural Gas Rodeo. Participating in the rodeo is something that the employees look forward to. They utilize the time leading up to the event to strategize and practice as a team, constantly seeking the advice and collaboration of their peers.

#### Mile High Natural Gas Rodeo:

The natural gas team of Austin Fisk (coach and alternate), Brian Merritt and Jacob Mitchell came home as overall champions and finished with the best time in “service line installation” and “hand digging”; first in “pipe cutting”; and completed a relay race in under five minutes with zero penalties – an event that featured excavators, eggs and the construction of a bypass. Additionally, employees Rich Hill and Rafael Rivera, past competitors and champions, were among the judges for this year’s event.

#### Mile High Lineman Rodeo:

Linemen apprentices that were in attendance: Cody Solberg, Kyle Couturier, Jordan Reeger and Mike Hoberg who competed in the electric portion of the event. Hoberg placed 3<sup>rd</sup> in the Hurtman Rescue event. The journeyman teams included: Cameron Charlton, Bo Compton, Dylan McCain, Tyler DiMenza, Brandon Morris, Mason Orist, John Rombeck, Josh Snyder and Cody Strong. The journeyman teams placed 3<sup>rd</sup> in mystery event #2, 2<sup>nd</sup> place in mystery event #1, 1<sup>st</sup> place in pole climb, 1<sup>st</sup> place in mystery event #2 and 1<sup>st</sup> place overall. Alan Katz, Andy Lopez and Brian Wilfong served as judges.

**Benefits:** N/A

**Board Policy:** N/A

**Cost/Budget:** N/A

**Affected Parties:** N/A

**Alternatives:** N/A

**Submitter** Crystal Cooley & Kenneth Murry

**Email address:** ccooley@csu.org/kmurray@csu.org

**Division/  
Department:** Operations Division/Construction and  
Maintenance

**Phone number:** 719-318-8460

**Date submitted:** Aug. 18, 2023

**SPG Staff Use Only:** Consent Calendar

Yes

**X**

No

**ITEM NO. 3**



**Date:** September 27, 2023

**To:** Utilities Board

**From:** Travas Deal, Chief Executive Officer

**Subject:** **Excellence in Governance Monitoring Report  
Water Supply Management (I-7)**

**Desired Action:** Monitoring

**Compliance:** The CEO reports compliance with the instructions.

INSTRUCTIONS			
Category:	<b>Utilities Board Instructions to the Chief Executive Officer</b>	Reporting Timeframe:	<b>August 1, 2022– July 31, 2023</b>
Policy Title (Number):	<b>Water Supply Management (I-7)</b>	Reviewing Committee:	<b>Strategic Planning</b>
Monitoring Type:	<b>Internal</b>		
Monitoring Frequency:	<b>Annual</b>		

**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 and responsibly balance costs and risks to reliably meet the needs of current and future customers. Accordingly, the CEO shall:**

- 1. Defend Colorado 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.*

Colorado Springs Utilities protects Colorado Springs’ existing water resources vigorously against claims and filings by others by filing statements of opposition to water rights claims made in Colorado water courts that have the potential to impede, infringe upon, or decrease the yield from Colorado Springs’ decreed water rights. As of July 31, 2023, Colorado Springs Utilities is involved in 25 statement of opposition cases.

- 2. Conduct periodic evaluations of Colorado Springs Utilities’ existing decreed water rights and take legal and administrative actions necessary to optimize the water system.*

Colorado Springs Utilities' staff engaged in the following activities to protect and optimize existing water resources during the reporting period:

*a. Participation in water court actions related to the protection and development of water rights.*

As of July 31, 2023, Colorado Springs Utilities is a party in 31 water rights cases, consisting of two application cases, four diligence cases, and 25 statement of opposition cases.

During the reporting period, Colorado Springs Utilities filed three applications for findings of reasonable diligence regarding certain conditional water rights owned by Utilities and its partners, and/or to make portions of the conditional water rights absolute while maintaining the remaining conditional portions of those rights during the reporting period. The first (Case No. 22CW3023) involves the exchange of fully consumable temporary use agreement water stored in Pueblo Reservoir and/or located at the confluence of Fountain Creek and the Arkansas River to the Twin Lakes and Homestake Systems. A final decree making a portion of the exchanges absolute and continuing the remaining conditional portions was entered on June 16, 2023.

The second (Case No. 22CW3059) involves the exchange of fully consumable water owned by Colorado Springs Utilities, the City of Aurora, the City of Fountain, the Board of Waterworks of Pueblo, and the Southeastern Colorado Water Conservancy District available at various locations in the Arkansas Valley to storage in Pueblo Reservoir, or diversion at the Colorado Canal, Excelsior Ditch, or the Holbrook Canal. A final decree finding that the Applicants had been diligent in their pursuit of the remaining conditional water rights was entered on March 6, 2023.

The third (Case No. 23CW3087) involves a plan for augmentation by exchange for out-of-priority storage in Homestake Reservoir and the Independence Pass Transmountain Diversion System utilizing water owned by the Homestake Partners made up of Colorado Springs Utilities and the City of Aurora. This case is still pending.

*b. Development of conditional water rights.*

Colorado Springs Utilities' staff is actively pursuing development of its remaining conditional water rights located on the Western Slope of Colorado. The primary means of protecting and developing these water rights is to complete the permitting and construction of the infrastructure needed to divert the water and place it to beneficial use. Two systems in the Colorado River Basin have conditional rights and undeveloped supply:

- i. Continental-Hoosier System - Staff continued to participate in settlement negotiations for the remaining conditional water rights and have conducted

planning studies, engineering, legal analysis, and pre-permitting work regarding the development of these water rights and supply. Settlement negotiations are proceeding in a manner consistent with direction received from the Utilities Board. In addition, staff has continued working on permitting a project to fully utilize the rights available under the Continental-Hoosier System and is currently meeting with the appropriate permitting agencies to develop a full and complete application that complies with federal, state and local requirements.

- ii. Eagle River Joint-Use Water Project - Staff participated in partnership discussions and conducted planning studies, engineering, legal analysis, and pre-permitting work to support the development of these water rights and supply.

c. *Development of additional water supplies.*

- i. Colorado Springs Utilities' staff performed engineering and legal work that facilitate the use of the water rights associated with shares in the Lower Arkansas Water Management Association (LAWMA) it acquired in 2018 and previous years, as well as temporary use waters acquired through separate agreements with the Super Ditch Company and LAWMA. We took delivery of water from the Super Ditch Pilot Project in 2022 and it will provide Colorado Springs Utilities up to 1,000 acre-feet (AF) of water in two of the next eight years. In addition, delivery of LAWMA water occurred in 2022 and the agreement with LAWMA will provide Colorado Springs Utilities approximately 2,000 AF of water in four of the next eight years.
- ii. Colorado Springs Utilities also acquired 2,999 shares in the Fort Lyon Canal Company (FLCC). Colorado Springs Utilities is also under contract to purchase an additional 80 shares in the FLCC in the fall of this year, for a total ownership of 3,280 shares. Colorado Springs Utilities' staff, attorneys and outside experts performed engineering and legal work that will facilitate the use of the water rights associated with these shares.
- iii. Colorado Springs Utilities' staff continue to evaluate and pursue opportunities to acquire additional water supplies and participate in storage projects in the Arkansas, Colorado, and South Platte River Basins.

d. *Development and use of Colorado Springs Utilities' exchange program.*

Colorado Springs Utilities also operated its exchange program, which allows Colorado Springs Utilities to maximize the use of its reusable return flows by exchanging them for a like amount of water stored or diverted upstream of where the return flows accrue to the Arkansas River System (e.g., reusable return flows that accrue to the Arkansas River

at its confluence with Fountain Creek can be exchanged or traded upstream for a like amount of water stored in Pueblo Reservoir). The exchange program currently yields approximately 33,000 AF of water annually (about 1,500 AF of local exchange and about 31,500 AF of Arkansas River exchange) and is anticipated to yield up to 80,000 AF of water annually at full build out.

*e. Participation in regional, state, and national programs, work groups and activities that may affect Colorado Springs' water resources.*

Colorado Springs Utilities' staff attended, monitored, and regularly participated in meetings and activities of regional, statewide, and national interest concerning policies, regulations, and activities that may affect Colorado Springs' water resources. Regional activities include ongoing discussions and coordination with regional water districts and other entities regarding potential service contracts.

Statewide and national activities include negotiations with large water providers and other interested parties regarding water and watershed projects and administration and monitoring of water issues on regional and national levels. Examples include participation by staff on the Arkansas, Colorado and South Platte River Basin Round Tables, the Inter-Basin Compact Committee, the Front Range Water Council, and the Arkansas Basin Regional Resource Planning Group. Other examples include staff's participation in activities related to: (1) Interstate and intrastate negotiations relating to compliance with the Colorado River Compact and related agreements, (2) addressing issues related to Perfluorinated Compounds in regional water supplies, and (3) proposed legislation that could impact Colorado Springs Utilities' water supply development and operations.

*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 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% reliability for maintaining a minimum of 1.5 years 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 1.5 years of customer demand on or after April 1 of any year.*

Colorado Springs Utilities' staff continually monitors stream flow, water demand and water system storage to ensure maximization of available water supply. As of July 31, 2023, Colorado Springs Utilities has more than three years of unrestricted water demand in

storage. Colorado Springs Utilities has maintained more than one year of customer demand in storage in every year during the 30-year period of 1992-2022. In addition, it has achieved 90% reliability for maintaining a minimum of 1.5 years of demand in storage during this period, with storage only dropping below 1.5 years of demand in 3 of the 30 years.

Colorado Springs was under mandatory watering restrictions in five years (2002-2005, and 2013) during this 30-year period to respond to and recover from drought and low storage conditions. Although water system storage is not expected to fall below 1.5 years of demand in storage during the next reporting period, Colorado Springs Utilities continues to evaluate and plan for implementation of drought response measures in 2024 and beyond based on the water outlook conditions that may exist in future years.

*4. Plan for and implement water efficiency and demand management measures to support and enhance water system reliability.*

In compliance with all Colorado Water Conservation Board ("CWCB") guidelines, Colorado Springs Utilities filed an updated Water Efficiency Plan (WEP) with the CWCB in 2022 (approved in 2023). This plan meets all CWCB statutory requirements through the implementation and management of planned programs and measures through June 2030. Water efficiency and demand management programs implemented by Colorado Springs Utilities enhance water system reliability, defer the need date to bring additional water projects online, and are viewed by local, state, and federal agencies and stakeholders as an expectation and prerequisite for municipal water providers to seek additional water supplies.

Since 2001, conservation programs have achieved measurable savings of more than 7,200 AF which includes reaching the annual savings goal in the 2015 Water Use Efficiency Plan of 1,123 AF. To reach the goal of 10,000 – 11,000 AF of water savings defined in the IWRP, we must continue to address inefficient use and reduce demands through comprehensive conservation programming.

Saving water through demand reductions stretches supplies. Colorado Springs Utilities' 2022 WEP is designed to reduce residential and systemwide usage rates by 2.5% between now and 2030; the identified programs could provide an estimated 2,191 acre-feet of water savings by 2030.

The activities outlined in the WEP will address the most significant areas of inefficiency and maximize the value and health of the built landscape by:

- a. Achieving widespread efficiency in residential indoor use, regardless of income, housing type or ownership.
- b. Meeting the increased need for resilient landscapes through programs that promote 12-16 inches of irrigation per season (compared to all-turf requirement of 24 inches).



- c. Supporting updates to the City's Commercial Landscape Code and Policy Manual to introduce limits on high water use turf grass, improve irrigation equipment standards, and incorporate water needs in design requirements.
- d. Implementing water loss control measures to gain savings and optimize water distribution system investments and operations.
- e. Educating customers on personalized water use goals which reflect their efficient use and needs for home, business and landscape.

Pursuant to City Code §§ 12.4.1301-12.4.1316 (Water Shortage), Colorado Springs Utilities has the authority to systematically manage water demand and conserve Colorado Springs' water supply through water waste prohibitions that are always in place (called Water-wise Rules), and mandatory watering restrictions during water shortage.

In addition, Colorado Springs Utilities has signed the Large Western Water Provider Memorandum of Understanding that commits to increased efficiency efforts in light of water resource constraints in the Colorado River System. This additional programming and regulatory changes could more than double Colorado Springs Utilities' WEP savings goal (combined total of 4,838 AF) by 2030.

- 5. *Use Denver Basin groundwater in Colorado 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.*

Colorado Springs Utilities does not allow the use of Denver Basin groundwater in its exclusive water service territory for purposes that violate this instruction, except for instances when specifically directed to do so by the Utilities Board and/or City Council. During the reporting period, Colorado Springs Utilities operated two Denver Basin wells on a limited basis for non-potable irrigation and provided for the use of a limited number of customer owned and operated wells for non-potable water purposes through its groundwater augmentation program.

- 6. *Not develop or allow development of controlled ground water in the Dawson Aquifer in Colorado Springs Utilities' exclusive water service territory.*

Colorado Springs Utilities legally controls a majority of the Dawson Aquifer groundwater within its exclusive water service territory. Colorado Springs Utilities has not developed or allowed development of groundwater that it controls in the Dawson Aquifer within the exclusive water service territory. There are some historical Dawson Aquifer wells on land previously annexed into the exclusive water service territory. Many of these wells are not subject to the control of Colorado Springs Utilities and the owners are legally entitled to continue operating the wells under existing well permits, decreed water rights, or both, to provide limited private water service.

7. *Not reserve Colorado 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 Colorado Springs Utilities' exclusive water service territory, except that the Utilities Board may evaluate and approve such a reservation to ensure that Colorado 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.*

Colorado Springs Utilities has not reserved water supply, water and wastewater infrastructure, or water and wastewater capacity for any person, organization, property or development during this reporting period. Colorado Springs Utilities provides water service on a "first-come, first-serve" basis within City limits pursuant to City Code § 12.4.1001 (Denver Basin Groundwater). Additionally, pursuant to City Code § 7.5.701(D)4 (Rights of the City), Colorado Springs Utilities does not allocate water to any particular parcel of land until such land is developed and water is applied to actual use upon such land. Colorado Springs Utilities only provides water and wastewater service pursuant to City Code §§ 7.5.701, 12.4.301-12.4.304, and 12.5.301-12.5.305.

8. *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 Colorado 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. Colorado 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 Colorado 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, Colorado 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 10-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 and no more than 50% of such premium will be dedicated as surplus revenue, which may be appropriated to the general revenues of the City of Colorado Springs by the City Council in its Annual Budget and Appropriation Ordinance pursuant to the City Charter.*

*e. In accordance with the City Charter and City Code, regional service contracts shall not exceed a 25-year term limit.*

Colorado Springs Utilities has not entered any special contracts for water-related services that are inconsistent with this instruction during the reporting period. During this reporting period, Colorado Springs Utilities entered several water and wastewater special contracts with regional entities that have 25-year terms.

Specifically, Colorado Springs Utilities entered into separate full-service water and wastewater service agreements with Rock Creek Metropolitan District. Under those agreements, Colorado Springs Utilities will use its water supplies and water/wastewater infrastructure to provide water and wastewater treatment service to a development south of the City if the property is not annexed and if the development is approved by El Paso County. Colorado Springs Utilities also entered into a regional standby water service special contract with Security Water District (SWD) under which Colorado Springs Utilities will use its infrastructure to treat and deliver water owned by SWD or in rare circumstances, Colorado Springs Utilities water supplies, to SWD to meet its water demands when there are disruptions to its normal operations.

In addition, Colorado Springs Utilities entered into two separate regional convey, treat, and deliver special contracts with Donala Water and Sanitation District and Triview Metropolitan District. Under those contracts, Colorado Springs Utilities will use its infrastructure to regularly treat and deliver water owned by each of those entities, or in emergency circumstances, Colorado Springs Utilities water supplies, to meet their customers' water demands. All such contracts provide a benefit to Colorado Springs Utilities' ratepayers and citizen owners, contain terms and conditions consistent with this instruction, and received final approval from City Council.

Colorado Springs Utilities also entered into a short-term water service agreement and a separate short-term emergency service agreement with the Fountain Valley Authority (FVA) pursuant to Colorado Springs Utilities Water Management Plan. Under the short-term agreement, Colorado Springs Utilities provided treated water, in exchange for water in storage, to FVA's customers during a planned system outage between Oct. 10, 2022 and April 30, 2023. Under the emergency service agreement, Utilities provided treated water, in exchange for water in storage, to FVA's customers from June 20, 2023 through July 20, 2023 because of an emergency FVA system outage.

Colorado Springs Utilities also entered into a temporary surplus water lease with Schmidt Construction under which it leases surplus water for gravel mining operations until Aug. 31, 2023 pursuant to the Water Management Plan. The agreement can be renewed annually for up to an additional five years if Colorado Springs Utilities determines that surplus water is available. Colorado Springs Utilities entered into two separate but similar temporary surplus water lease agreements with the Arkansas Groundwater and Reservoir Association and the Lower Arkansas Water Management Association. Under these leases, augmentation

water is provided on an as-available basis for well augmentation purposes in the lower Arkansas River Valley. The amount delivered will not exceed 4,000 acre-feet on either contract; both expire on Nov. 14, 2023. Colorado Springs Utilities also entered into a supplemental surplus water lease agreement with the Lower Arkansas Water Management Association under which 3,000 acre-feet was delivered to the Arkansas River from Lake Meredith for augmentation purposes; this agreement expired on July 31, 2023.

Colorado Springs Utilities is continuing to monitor its existing special contracts and is evaluating the potential of providing regional water or wastewater services for a number of existing municipalities, existing special districts, new special districts, and an enclave. The requests for service have included standby water service; convey, treat, and deliver water service; full-service water service; and full-service wastewater service. Any contracts resulting from these discussions will ensure benefit to Colorado Springs Utilities' ratepayers and citizen owners, contain terms and conditions consistent with this instruction, and will require approval from City Council.



**Date:** September 27, 2023

**To:** Utilities Board

**From:** Travas Deal, Chief Executive Officer

**Subject:** **Excellence in Governance Monitoring Report  
Treatment of Customers and Customer Information (I-9)**

**Desired Action:** Monitoring

**Compliance:** The CEO reports compliance with the instructions.

INSTRUCTIONS			
Category:	<b>Utilities Board Instructions to the Chief Executive Officer</b>	Reporting Timeframe:	<b>August 1, 2021 – July 31, 2022</b>
Policy Title (Number):	<b>Treatment of Customers and Customer Information (I-9)</b>	Reviewing Committee:	<b>Strategic Planning</b>
Monitoring Type:	<b>Internal</b>		
Monitoring Frequency:	<b>Annual</b>		

**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.*

Colorado Springs Utilities only collects information needed to perform our business functions. The information we collect is used to manage customers’ accounts and the billing process for energy and water services we provide. We also use it to communicate with customers, respond to their questions, provide customer support, improve our services and product offerings, protect against fraud and comply with legal requirements.

- 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.*

Customer information is safeguarded with a defense in depth strategy to protect the

privacy and security of sensitive information, which includes customer data. Defenses are implemented and configured through software, hardware, policy, contractual agreements, and physical access mechanisms and restricted to Colorado Springs Utilities employees and support staff who have an authorized business purpose.

3. *Comply with Colorado Springs Utilities Tariffs regarding treatment of customers.*

One of Colorado Springs Utilities' values is People; this is demonstrated by treating customers with dignity, respect and fairness. Consistent compliance with our Tariffs, including the Utilities Rules and Regulations, is one way we ensure we are treating our customers fairly.

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 Colorado Springs Utilities or a mediator, or formal appeal to a hearing officer.*

Complaints may arise from any issue involving utility services, and when complaints are received they are resolved in a timely and fair manner. In these situations, customers have the option to escalate the dispute through internal staff or further escalate the dispute through an informal review via Colorado Springs Utilities or the Better Business Bureau. Efforts are continually made to resolve customer issues through staff to minimize escalations.

If the complaint is not resolved through an informal review and a customer feels Colorado Springs Utilities violated their rights or is in violation of our Tariffs, he/she may participate in our Dispute Resolution Process as outlined in the Utilities Rules and Regulations on the Colorado Springs Utilities website.

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.*

The Dispute Resolution Procedure is included in the Utilities Rules and Regulations and is published on Colorado Springs Utilities' website. In addition, staff notifies customers of the Dispute Resolution Procedure when working through escalated issues.

6. *Operate under written and maintained claims procedures that address fair treatment of claimants, legal liability, customer costs and sound business practices.*

The Municipal Government Risk Management Division adheres to its Functional Claim Handling and Processing Procedures Manual and a risk management service-level agreement with Colorado Springs Utilities.

7. *Maintain facilities that provide a reasonable level of security and privacy, both visual and aural.*

Colorado Springs Utilities recognizes the importance of providing facilities to meet the needs of customers. If customers wish to conduct Utilities business in person, they may visit the Utilities Customer Service Center (UCSC) at 111 S. Cascade Avenue. The UCSC is staffed with security personnel and is designed with individual stations to support customer privacy. For remote work, employees are expected to follow established information protection protocols.

8. *Inform customers about services offered.*

Our customers expect to receive from us timely, helpful information about their utility services. We provide them information about utility safety, energy and water efficiency, customer service and payment assistance programs and operations updates (e.g. major projects, construction advisories, service interruptions, emergency response).

We use a mix of media channels preferred by our customers. Channels include print and digital/social media, monthly bill inserts, direct mail, electronic publications, public meetings, community events and personal interaction with staff. We also work with local news outlets on a regular basis to inform our customers about services we offer.



**Date:** September 27, 2023

**To:** Utilities Board

**From:** Travas Deal, Chief Executive Officer

**Subject:** **Excellence in Governance - Utilities Board Expected Results (ER: 1-3) Mid-year 2023**

**Desired Action:** Monitoring

**Compliance:** 3.74 = Meets Expectations

EXPECTATIONS			
Category:	<b>Utilities Board/Chief Executive Officer Partnership Expectations</b>	Reporting Timeframe:	<b>As of June 30, 2023</b>
Policy Title (Number):	<b>Utilities Board Expected Results Balanced Scorecard (ER: 1-3)</b>	Reviewing Committee:	<b>Personnel</b>
Monitoring Type:	<b>Internal</b>		
Monitoring Frequency:	<b>Semi-annually</b>		



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

The overall rating for mid-year 2023 is 3.74 = Meets Expectations

The overall rating is based on the scale below.

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

The mid-year 2023 Board Expected Results rating is derived from evaluation of performance measures in the enterprise scorecard as outlined below.

# 5 FS1a Residential Electric Service - Front Range Comparison

Performance Measure Status: Far Exceeds Expectations

## MEASURE DESCRIPTION

**Strategic Objective Supported:** Financial Accountability

**Reported as:** Average natural gas bill

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

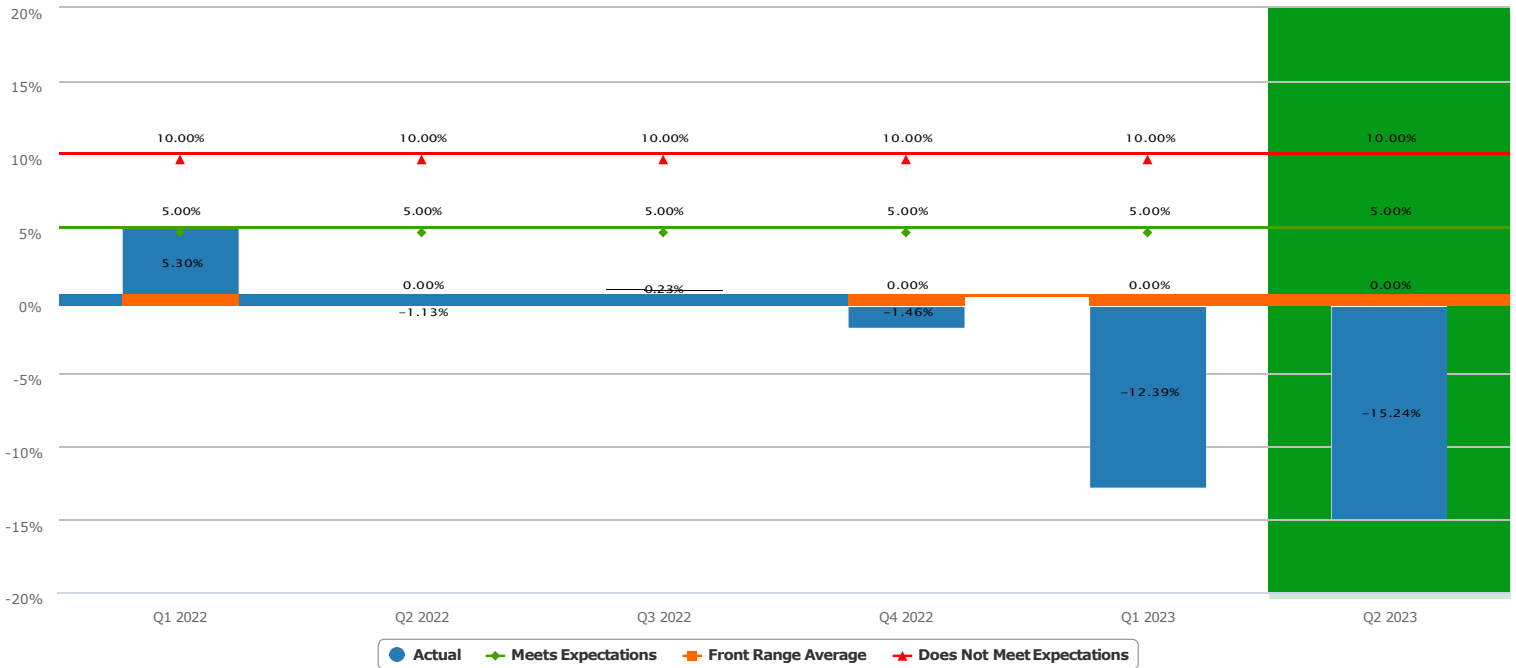
## MEASURE PERFORMANCE

The mid-year 2023 result is 15.24% below Front Range average.

## PERFORMANCE MEASURE CHART(S)

### Residential Electric Service

Front Range Comparison - Lower is Better



## PERFORMANCE ANALYSIS

- January and July electric totals are taken from Colorado Association of Municipal Utilities (CAMU) survey for participating providers.
- The most recent rate computations have been estimated using tariffs rates publicly available on websites as of July 1, 2023 and assumed billing determinations.

# 5 FS1b Residential Natural Gas Service - Front Range Comparison

Performance Measure Status: Far Exceeds Expectations

## MEASURE DESCRIPTION

**Strategic Objective Supported:** Financial Accountability

**Reported as:** Average bill

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

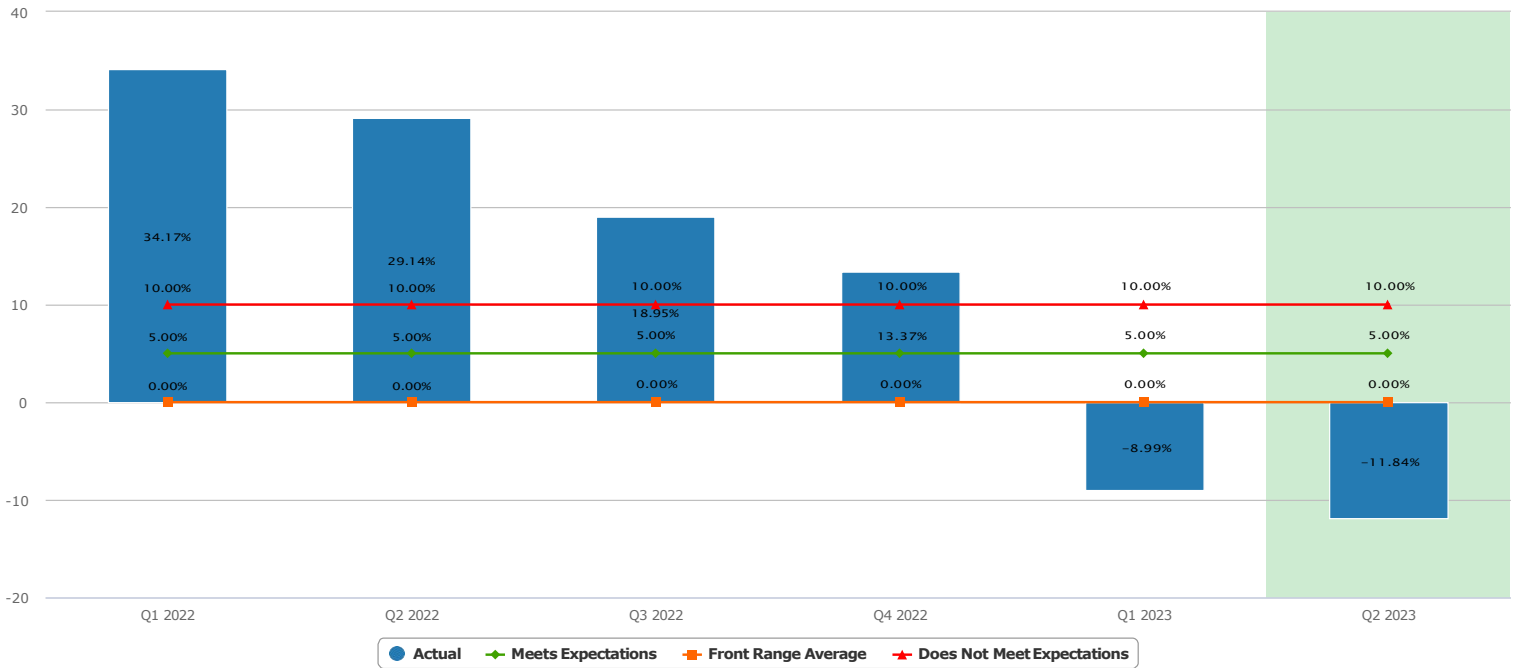
## MEASURE PERFORMANCE

The mid-year 2023 result is 11.84% below Front Range average.

## PERFORMANCE MEASURE CHART(S)

### Residential Natural Gas Service

Front Range Comparison - Lower is Better



## PERFORMANCE ANALYSIS

- The most recent rate computations have been estimated using tariff rates publicly available on websites as of July 1, 2023 and assumed billing determinations.

# 4 FS1c Residential Water Service - Front Range Comparison

Performance Measure Status: Exceeds Expectations

## MEASURE DESCRIPTION

**Strategic Objective Supported:** Financial Accountability

**Reported as:** Average bill

**Target Range:** 20.1 – 30.0% higher than Colorado Front Range average

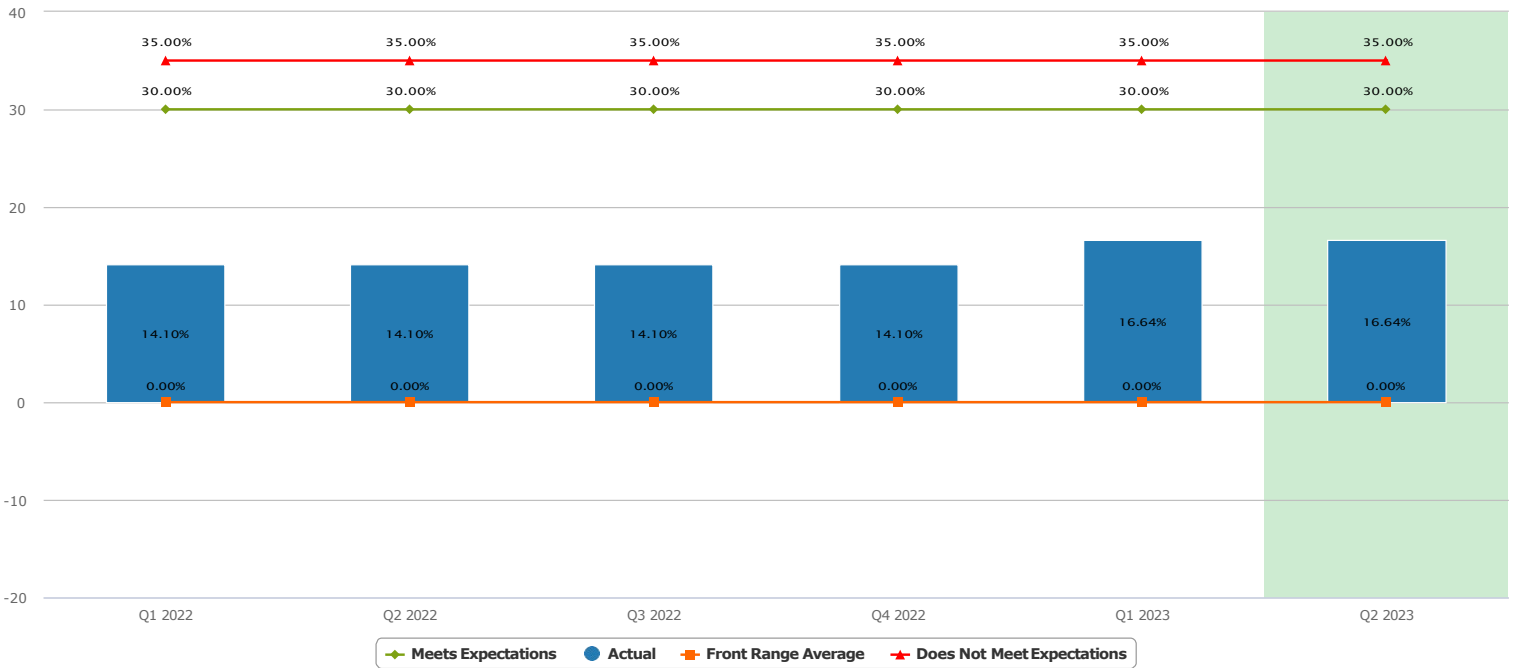
## MEASURE PERFORMANCE

The mid-year 2023 result is 16.64% above Front Range average.

## PERFORMANCE MEASURE CHART(S)

### Residential Water Service

Front Range Comparison - Lower is Better



## PERFORMANCE ANALYSIS

- Rate computations have been estimated using tariff rates publicly available on websites as of July 1, 2023 and assumed billing determinations.

# 5 FS1d Residential Wastewater Service - Front Range Comparison

Performance Measure Status: Far Exceeds Expectations

## MEASURE DESCRIPTION

**Strategic Objective Supported:** Financial Accountability

**Reported as:** Average bill

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

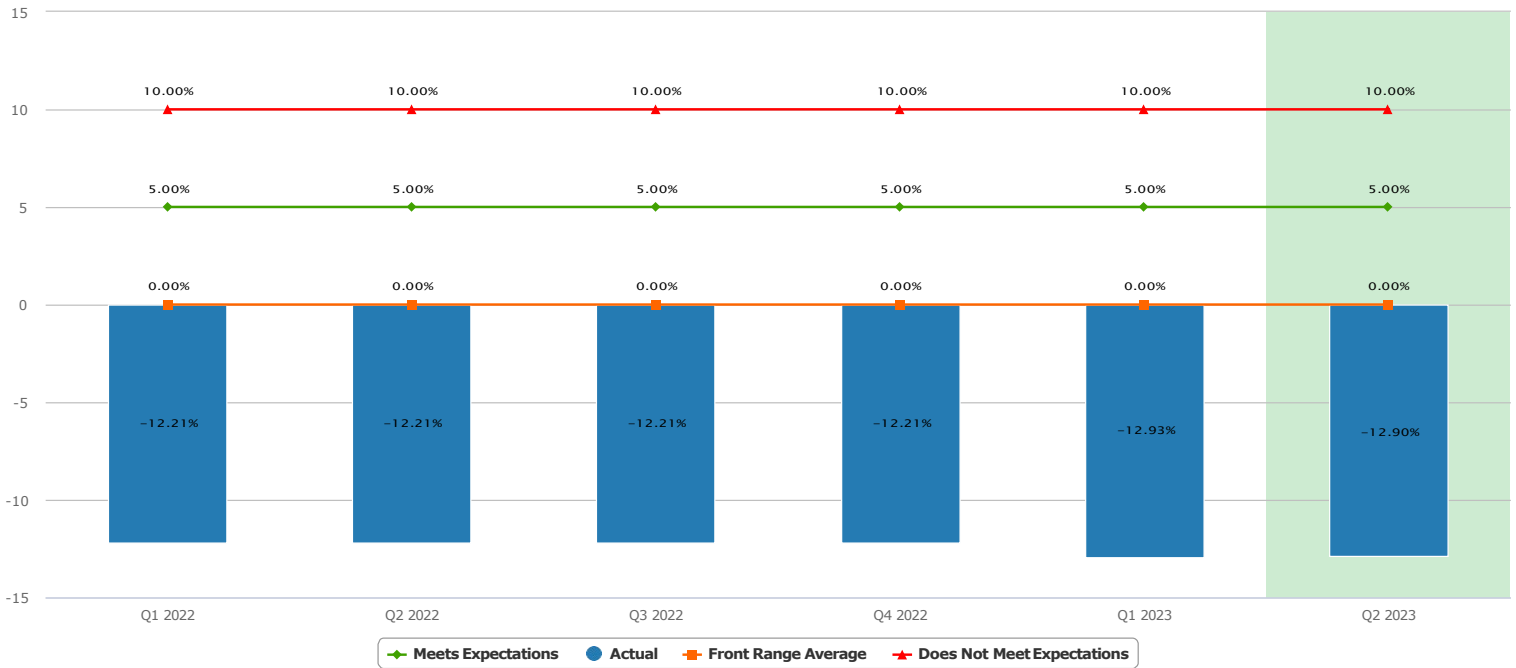
## MEASURE PERFORMANCE

The mid-year 2023 result is 12.90% below Front Range average.

## PERFORMANCE MEASURE CHART(S)

### Residential Wastewater Service

Front Range Comparison - Lower is Better



## PERFORMANCE ANALYSIS

- Rate computations have been estimated using tariff rates publicly available on websites as of July 1, 2023 and assumed billing determinations.

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

Performance Measure Status: Far Exceeds Expectations

## MEASURE DESCRIPTION

**Strategic Objective Supported:** Financial Accountability

**Reported as:** Average combined bill

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

## MEASURE PERFORMANCE

The mid-year 2023 result is 10.28% below Front Range average.

## PERFORMANCE MEASURE CHART(S)

Small Commercial 4 Service Bill  
Front Range Comparison - Lower is Better



## PERFORMANCE ANALYSIS

- January and July electric totals are taken from Colorado Association of Municipal Utilities (CAMU) survey for participating providers.
- The most recent rate computations have been estimated using tariff rates publicly available on websites as of July 1, 2023 and assumed billing determinations.

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

Performance Measure Status: Exceeds Expectations

## MEASURE DESCRIPTION

**Strategic Objective Supported:** Financial Accountability

**Reported as:** Average combined bill

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

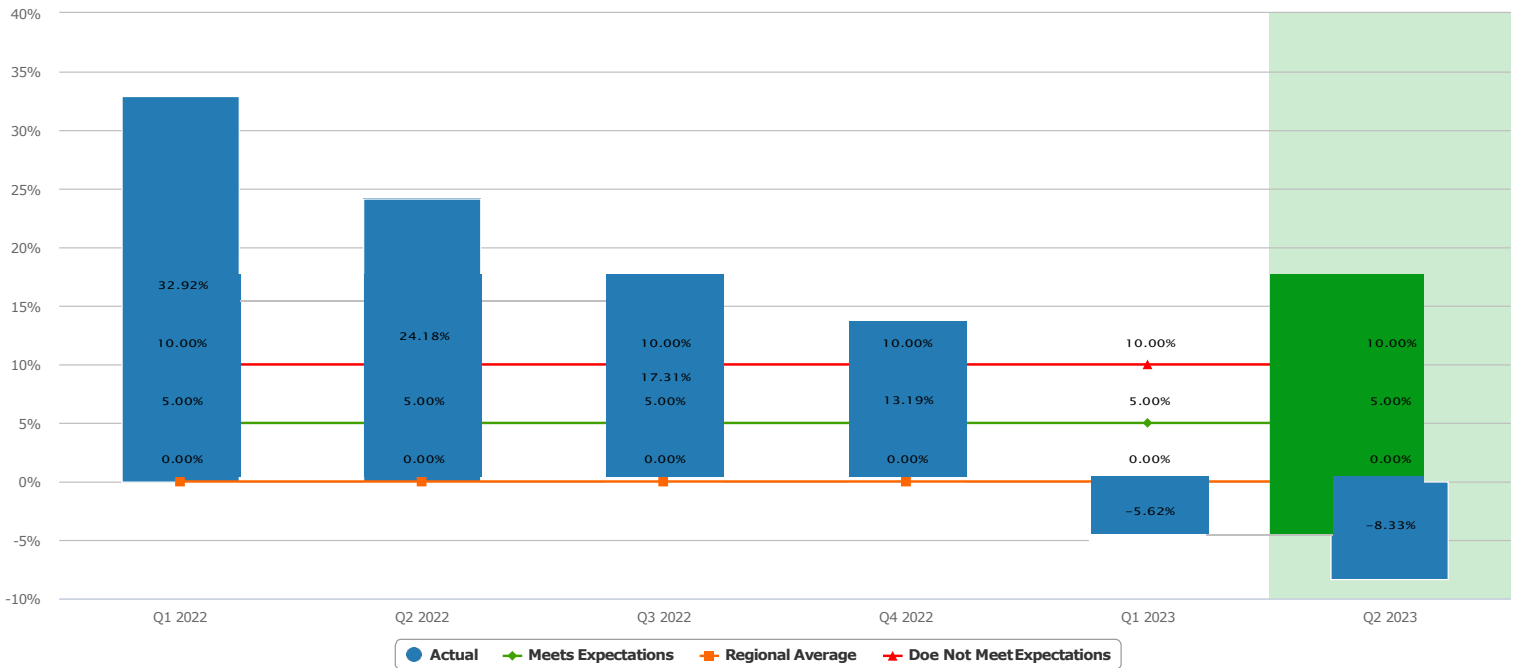
## MEASURE PERFORMANCE

The mid-year 2023 result is 8.33% below Front Range average.

## PERFORMANCE MEASURE CHART(S)

### Large Commercial/Industrial 4 Service Bill

Front Range Comparison - Lower is Better



## PERFORMANCE ANALYSIS

- January and July electric totals are taken from Colorado Association of Municipal Utilities (CAMU) survey for participating providers.
- The most recent rate computations have been estimated using tariff rates publicly available on websites as of July 1, 2023 and assumed billing determinations.

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

Performance Measure Status: Far Exceeds Expectations

## MEASURE DESCRIPTION

**Strategic Objective Supported:** Financial Accountability

**Reported as:** Average electric bill

**Target Range:** 10.0 to 15.0% lower than Colorado Front Range average

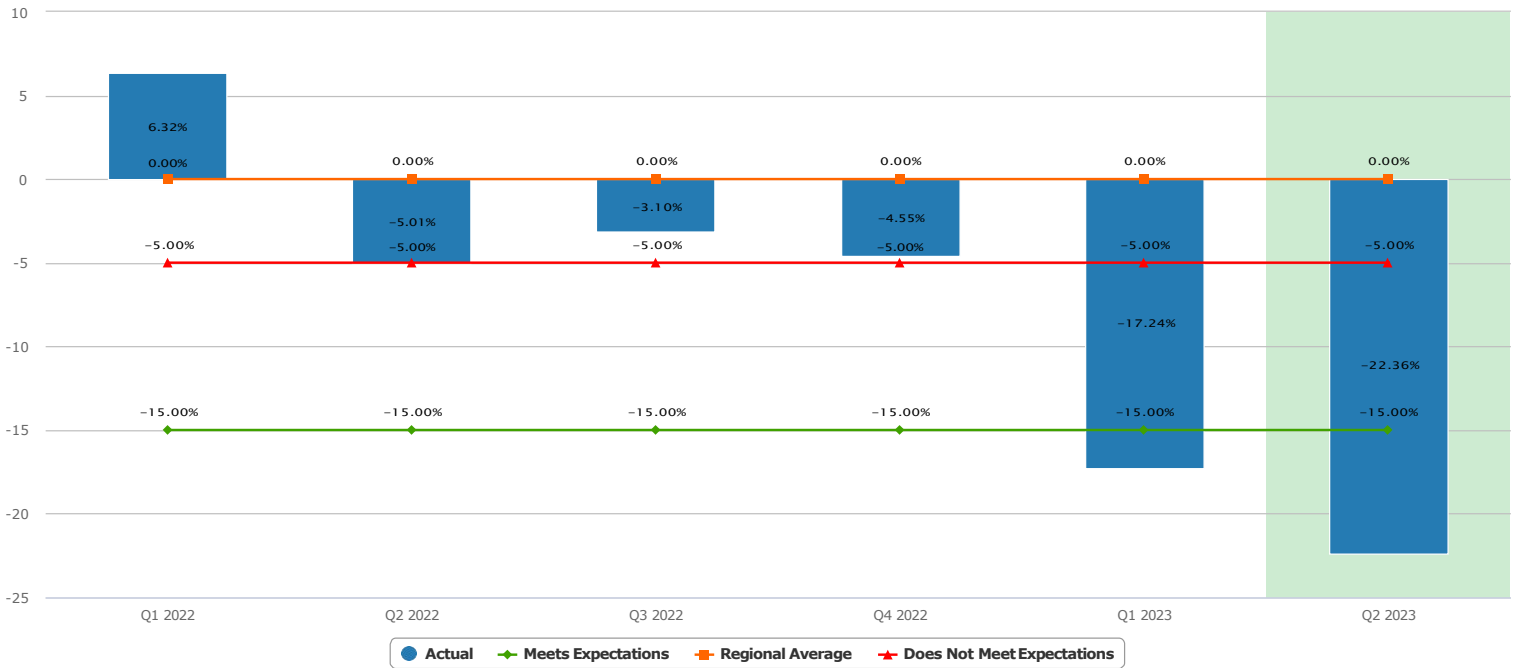
## MEASURE PERFORMANCE

The mid year 2023 result is 22.36% below the Front Range average.

## PERFORMANCE MEASURE CHART(S)

### Industrial Electric-Intensive Customer Bill

Front Range Comparison - Lower is Better



## PERFORMANCE ANALYSIS

- January and July electric totals are taken from Colorado Association of Municipal Utilities (CAMU) survey for participating providers.
- The most recent rate computations have been estimated using tariff rates publicly available on websites as of July 1, 2023 and assumed billing determinations.



# FS1h Industrial Electric-Intensive Customer Bill- Nationwide Comparison

Performance Measure Status: No Status Defined

## MEASURE DESCRIPTION

**Strategic Objective Supported:** Financial Accountability

**Reported as:** Average electric bill

**Target Range:** 10.0 to 19.9% lower than national average

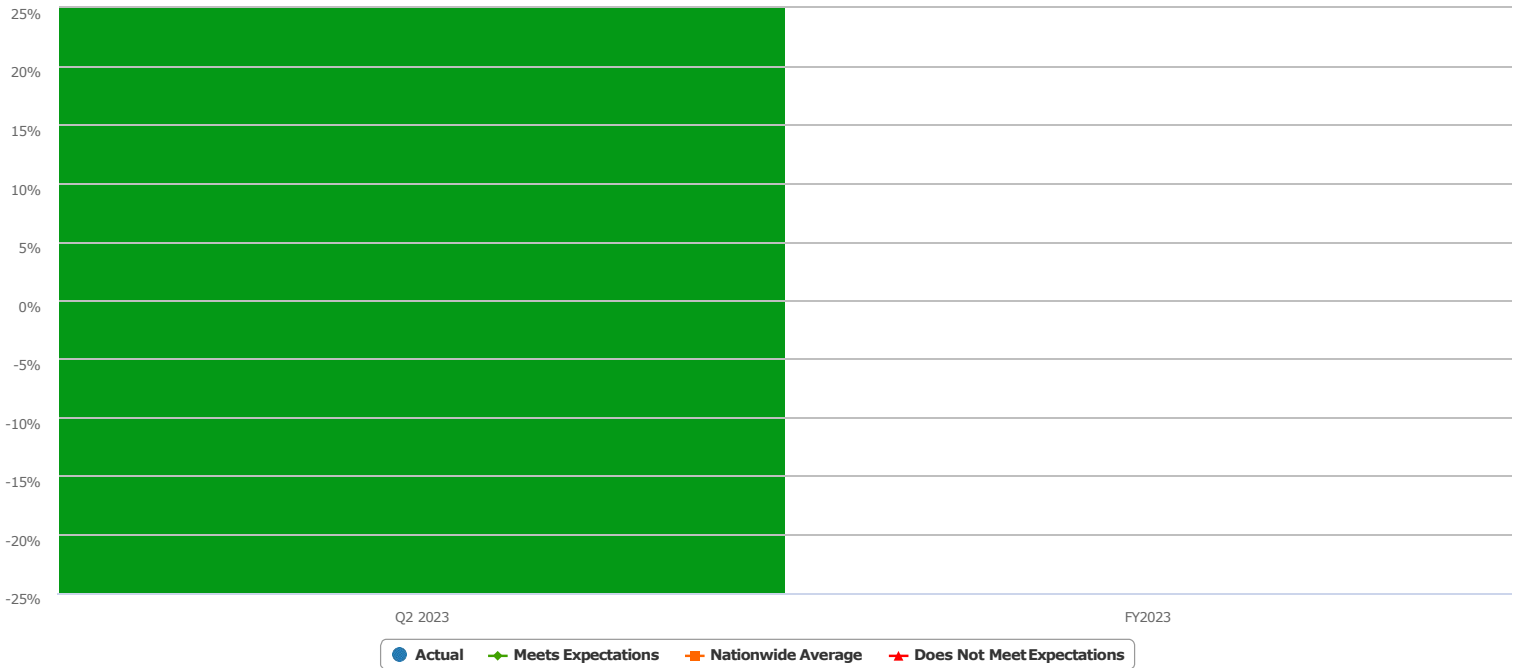
## MEASURE PERFORMANCE

This measure is reported annually. The 2023 Result will be available after Q3.

## PERFORMANCE MEASURE CHART(S)

### Industrial Electric-Intensive CustomerBill

Nationwide Comparison - Lower is Better



## PERFORMANCE ANALYSIS

No Data

### 3 FS1i Days Cash on Hand - Current Year

Performance Measure Status: Meets Expectations

#### MEASURE DESCRIPTION

**Strategic Objective Supported:** Financial Accountability

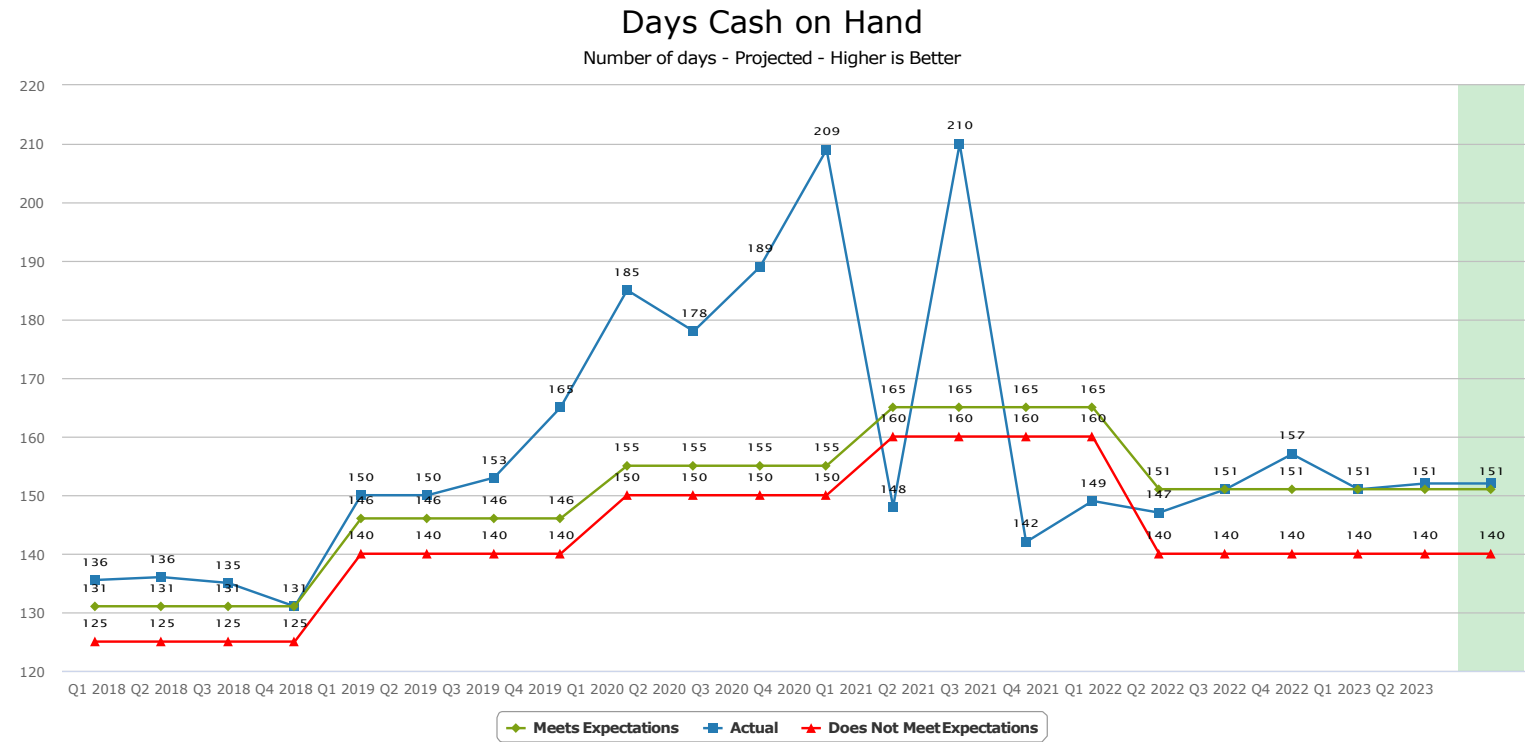
**Reported as:** year-end projection of actual result plus forecast

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

#### MEASURE PERFORMANCE

At mid-year, the Forecasted year-end 2023 result is 152 days.

#### PERFORMANCE MEASURE CHART(S)



#### PERFORMANCE ANALYSIS

- ◆ Forecasted Days Cash on Hand is 152, which meets expectation.

### 3 FS1j Days Cash on Hand - 3 Year Average

Performance Measure Status: Meets Expectations

#### MEASURE DESCRIPTION

**Strategic Objective Supported:** Financial Accountability

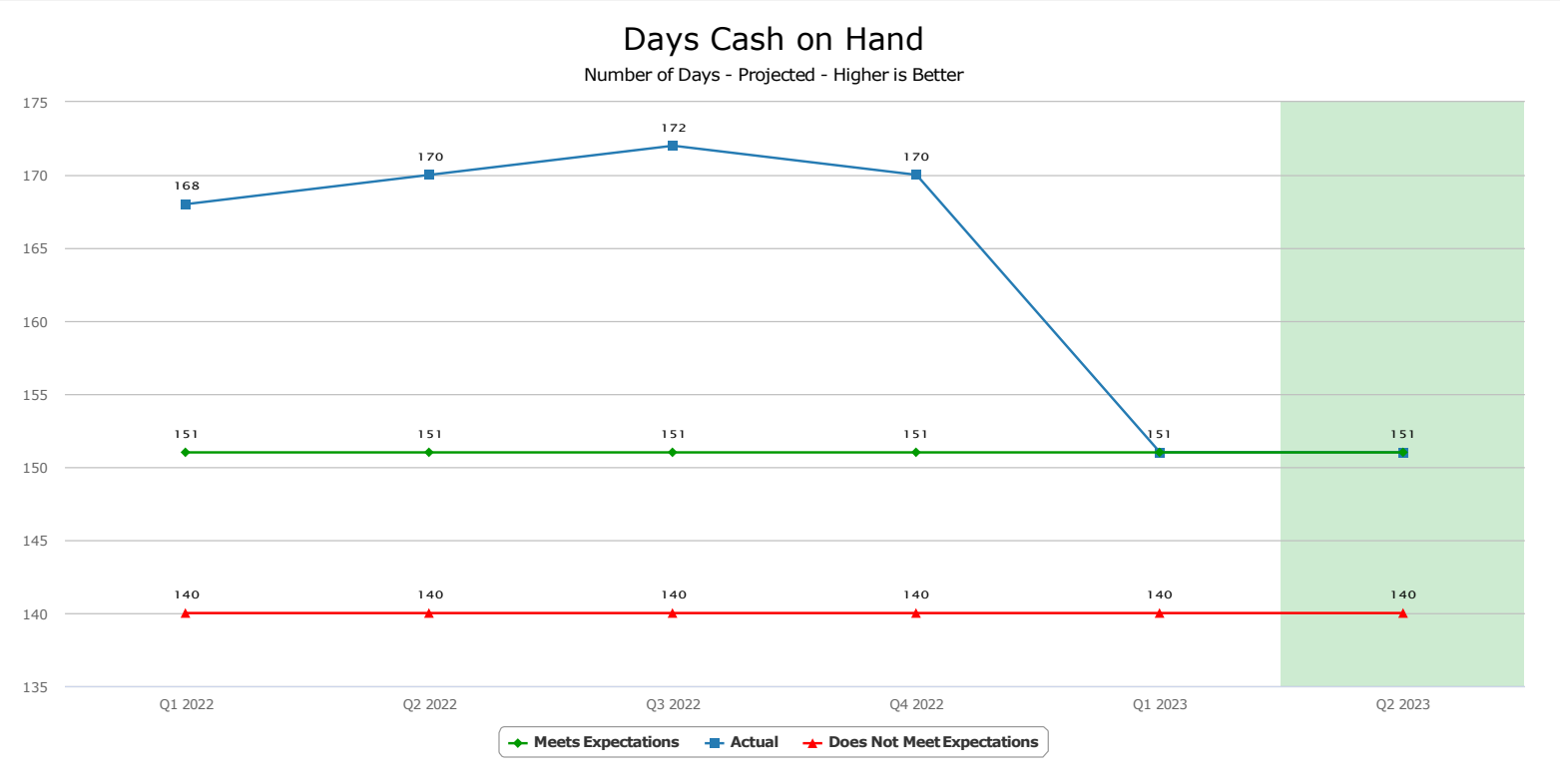
**Reported as:** Current year projection and the previous two years of history

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

#### MEASURE PERFORMANCE

At mid-year, the Forecasted year-end result is 151 days.

#### PERFORMANCE MEASURE CHART(S)



#### PERFORMANCE ANALYSIS

- Days Cash on Hand (DCH) 3 year average is a meets expectation. DCH was 149 in 2021 and 151 in 2022.

# 2 FS1k Adjusted Debt Service Coverage - Current Year

Performance Measure Status: Partially Meets Expectations

## MEASURE DESCRIPTION

**Strategic Objective Supported:** Financial Accountability

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

**Target Range:** 1.80 – 1.90

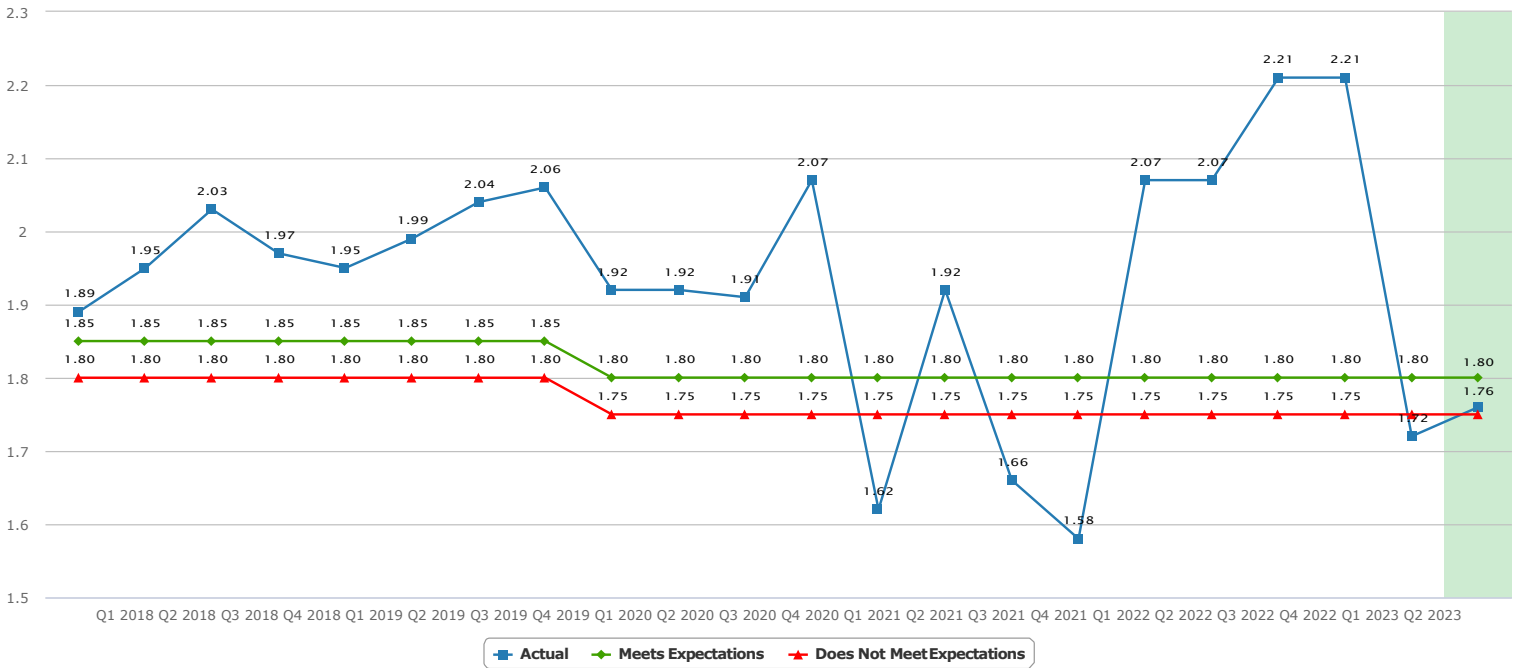
## MEASURE PERFORMANCE

At mid-year, the forecasted year-end 2023 result is 1.76.

## PERFORMANCE MEASURE CHART(S)

### Adjusted Debt Service Coverage

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



## PERFORMANCE ANALYSIS

- The primary driver for this performance measure not meeting expectations was due to ECA/GCA over collection in 2022, which is being refunded in 2023.

# 3 FS11 Adjusted Debt Service Coverage - 3 Year Average

Performance Measure Status: Meets Expectations

## MEASURE DESCRIPTION

**Strategic Objective Supported:** Financial Accountability

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

**Target Range:** 1.80 – 1.90

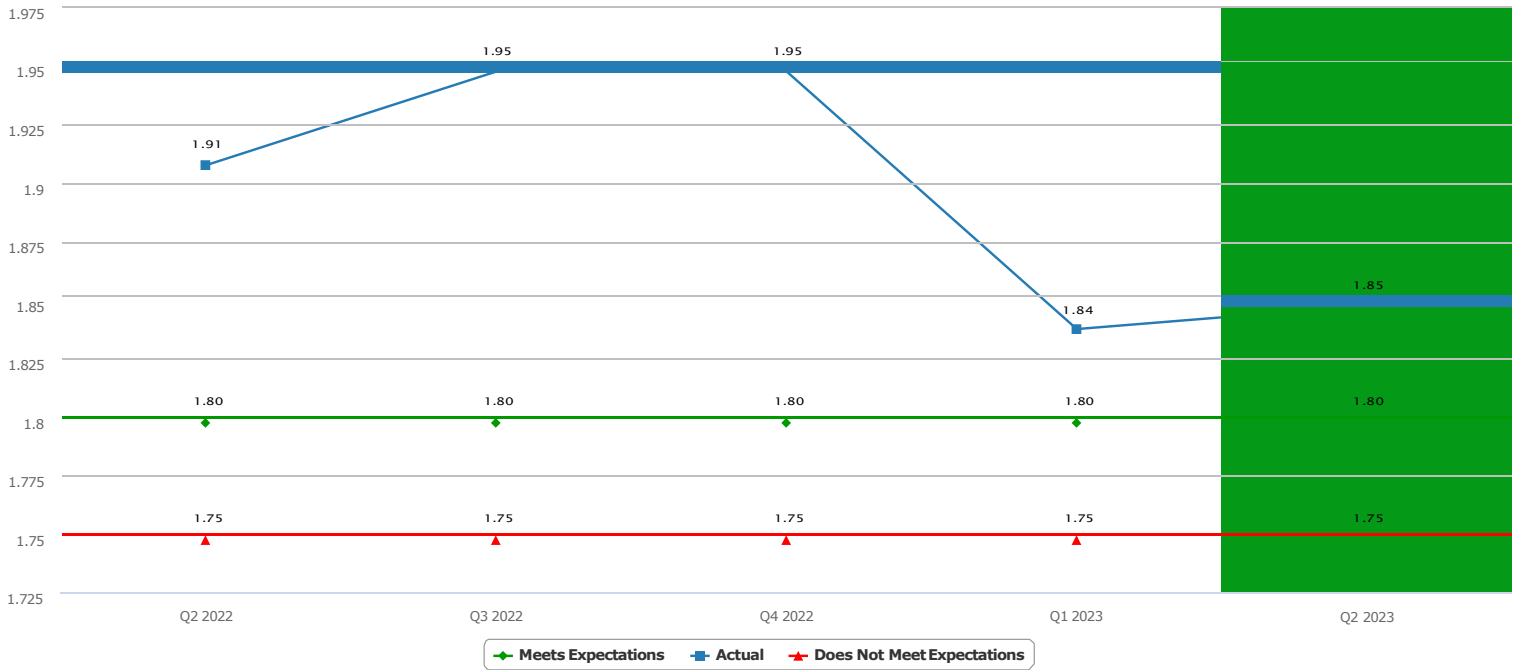
## MEASURE PERFORMANCE

At mid-year, the forecasted year-end 2023 3 year average Adjusted Debt Service coverage is 1.85.

## PERFORMANCE MEASURE CHART(S)

### Adjusted Debt Service Coverage - 3 Year Average

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



## PERFORMANCE ANALYSIS

- Forecasted year-end 3 year average meets expectation.

# 4 FS1m Debt Ratio - Current Year

Performance Measure Status: Exceeds Expectations

## MEASURE DESCRIPTION

**Strategic Objective Supported:** Financial Accountability

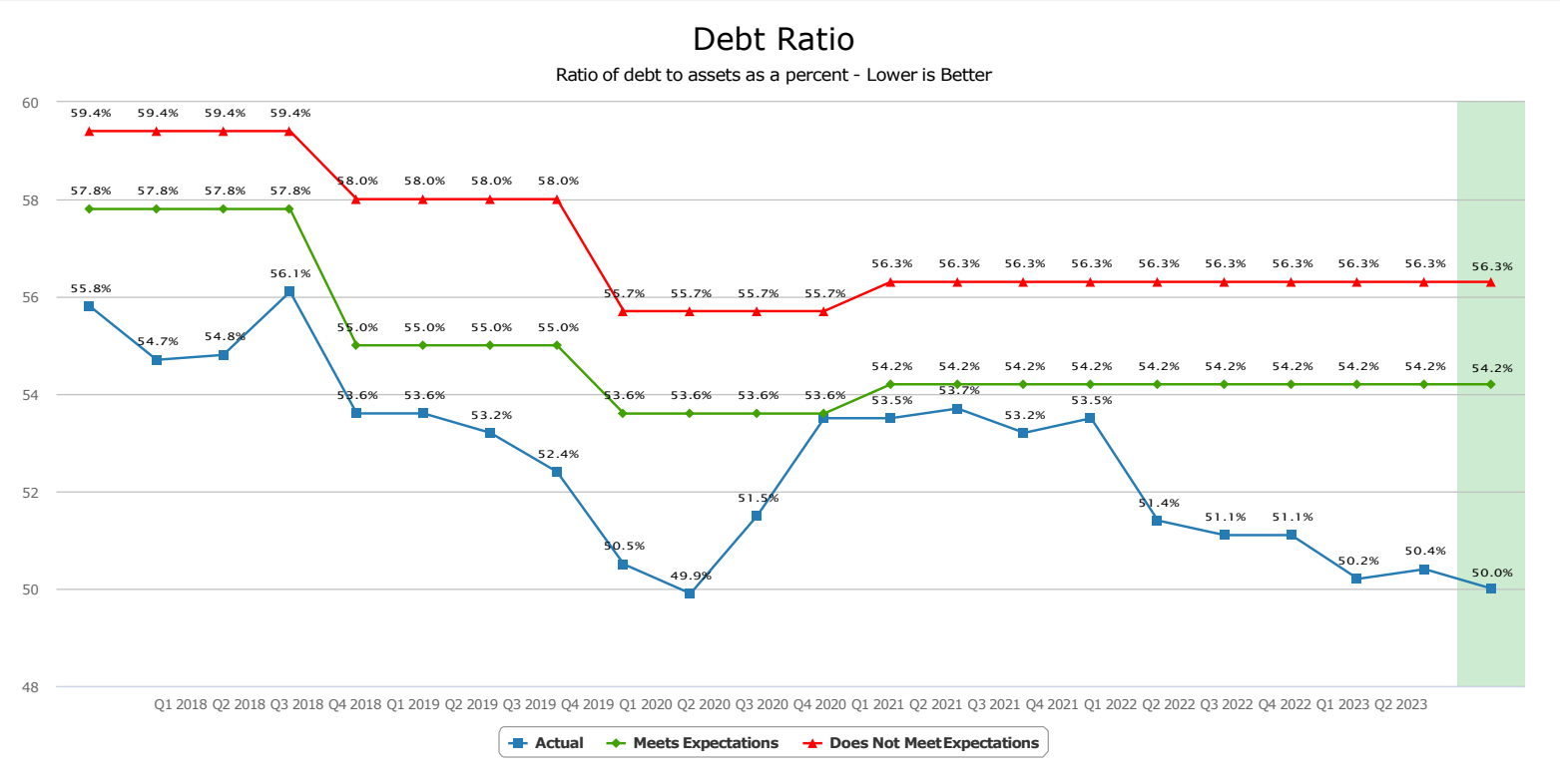
**Reported as:** year-to-date actual result

**Target Range:** 54.2 – 50.2%

## MEASURE PERFORMANCE

At mid-year, the forecasted year-end 2023 result is 50.4%.

## PERFORMANCE MEASURE CHART(S)



## PERFORMANCE ANALYSIS

- Debt ratio is a meets expectations and is slightly better than the Annual Operating and Financial Plan (AOF) 2023 forecast.

### 3 FS1n Debt Ratio - 3 Year Average

Performance Measure Status: Meets Expectations

#### MEASURE DESCRIPTION

**Strategic Objective Supported:** Financial Accountability

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

**Target Range:** 54.2 – 50.2%

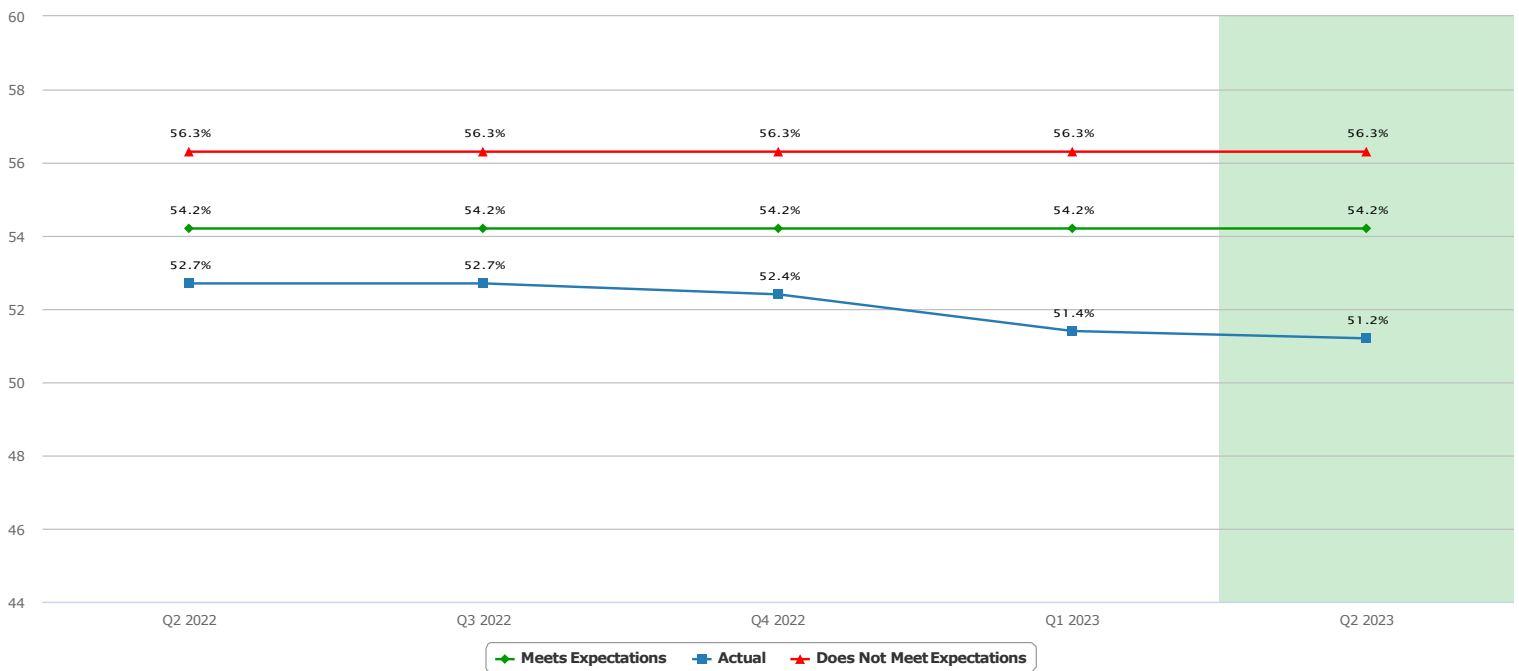
#### MEASURE PERFORMANCE

At mid-year, the Forecasted year-end 2023 measure 3 year average result is 51.2%.

#### PERFORMANCE MEASURE CHART(S)

### Debt Ratio - 3 Year Average

Lower is Better



#### PERFORMANCE ANALYSIS

- The three year average for Debt Ratio meets expectations.

## MEASURE DESCRIPTION

**Strategic Objective Supported:** Financial Accountability

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

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

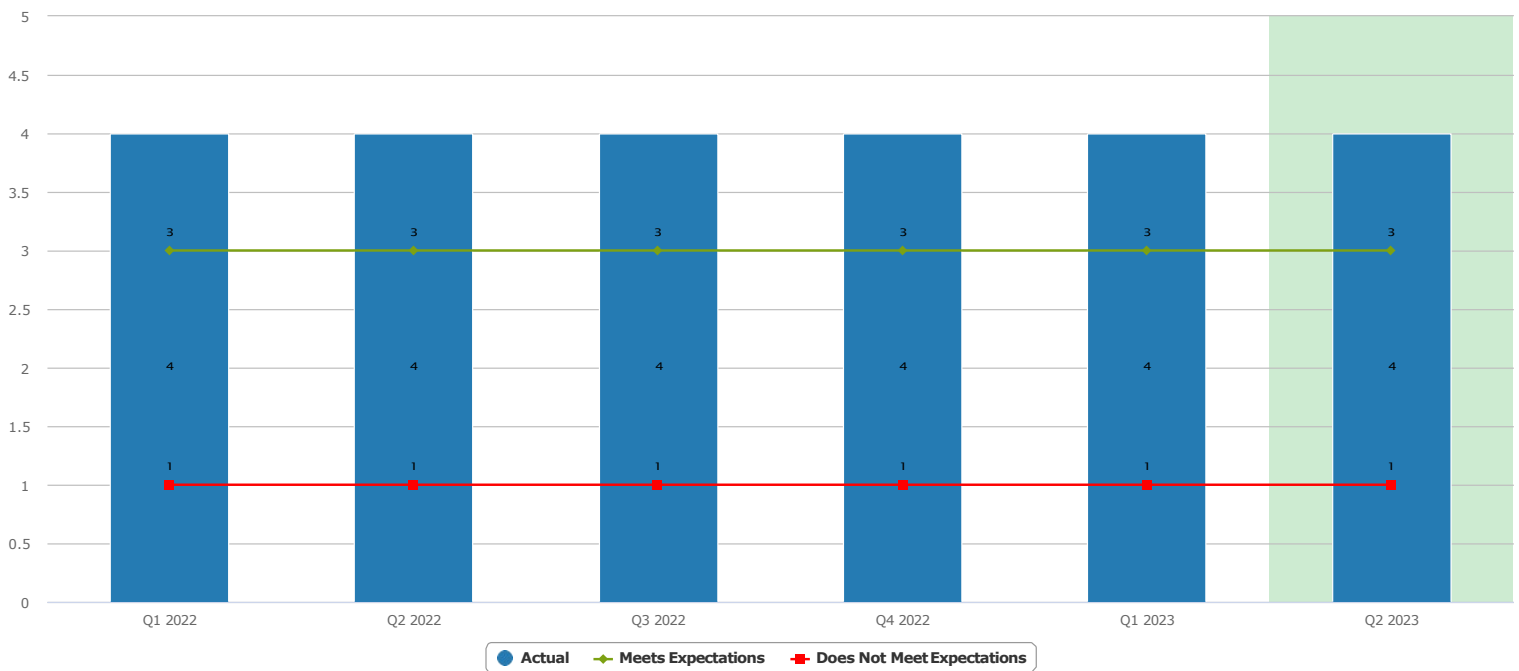
## MEASURE PERFORMANCE

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

## PERFORMANCE MEASURE CHART(S)

## Bond Rating

Rating on 1-5 scale - Higher is Better



## PERFORMANCE ANALYSIS

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



# 5 C1a Electric System Average Interruption Duration Index (SAIDI)

Performance Measure Status: Far Exceeds Expectations

## MEASURE DESCRIPTION

**Strategic Objective Supported:** Deliver Quality Utilities

**Reported as:** 12 month rolling average

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

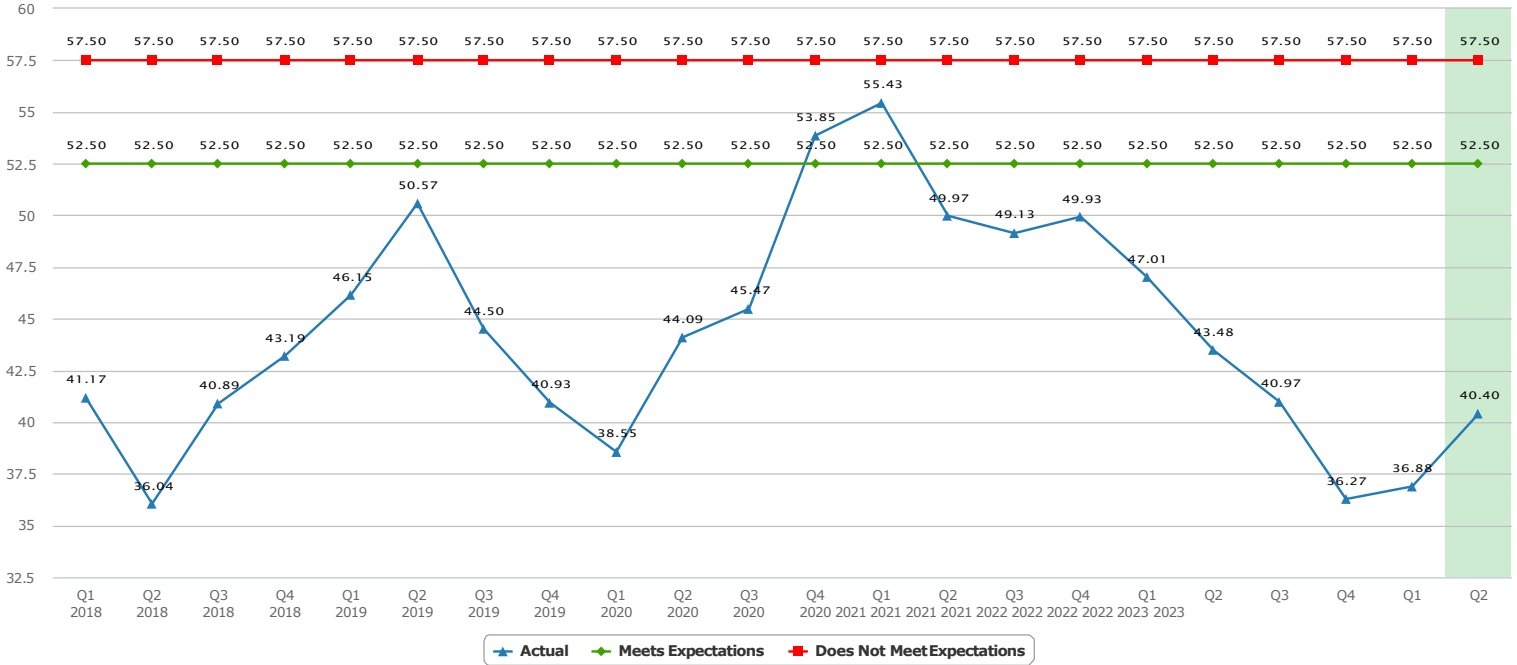
## MEASURE PERFORMANCE

The mid-year 2023 result is 40.40 minutes.

## PERFORMANCE MEASURE CHART(S)

### Electric System Average Interruption Duration Index (SAIDI)

In Minutes per Customer - Lower is Better



## PERFORMANCE ANALYSIS

- There were 338 sustained outages in the second quarter of 2023.
- There were 1,123 sustained outages from July 2022 through June 2023.
- There were no Major Event Days (MED) during this period.
- According to the 2022 Institute of Electrical and Electronics Engineers (IEEE) Reliability Benchmark Survey (2021 data), Colorado Springs Utilities ranked fifth out of 74 survey participants for Electric SAIDI performance.

# 4 C1b Failures per 100 Miles of Natural Gas Pipe

Performance Measure Status: Exceeds Expectations

## MEASURE DESCRIPTION

**Strategic Objective Supported:** Deliver Quality Utilities

**Reported as:** 12 month rolling average

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

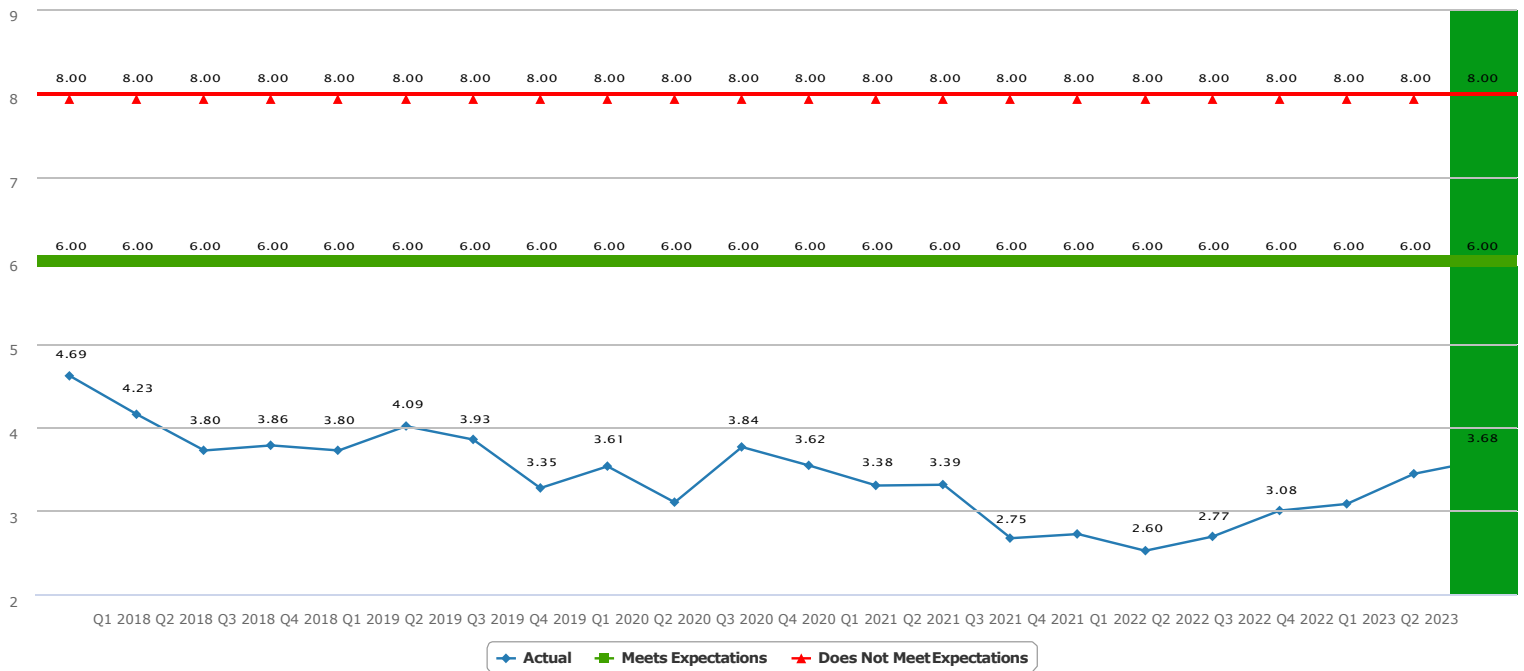
## MEASURE PERFORMANCE

The mid-year 2023 result is 3.68 failures per 100 miles of pipe.

## PERFORMANCE MEASURE CHART(S)

### Failures per 100 Miles of Natural Gas Pipe

Number of Failures - Lower is Better



## PERFORMANCE ANALYSIS

- There were 51 failures on the 5,681 miles of gas pipe that make up the gas infrastructure in Q2 2023.
- There were 209 failures from July 2022 through June 2023.

# 3 C1c Failures per 100 Miles of Water Pipe

Performance Measure Status: Meets Expectations

MEASURE DESCRIPTION

**Strategic Objective Supported:** Deliver Quality Utilities

**Reported as:** 12 month rolling average

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

MEASURE PERFORMANCE

The mid-year 2023 result is 11.25 failures per 100 miles of pipe.

PERFORMANCE MEASURE CHART(S)

### Failures per 100 Miles of Water Pipe

Number of Failures - Lower is Better

Quarter	Actual	Meets Expectations	Does Not Meet Expectations
Q1 2018	9.94	15.81	17.29
Q2 2018	10.60	15.81	17.29
Q3 2018	10.57	15.81	17.29
Q4 2018	11.57	15.81	17.29
Q1 2019	11.92	15.81	17.29
Q2 2019	10.63	15.81	17.29
Q3 2019	11.07	15.81	17.29
Q4 2019	11.76	15.81	17.29
Q1 2020	12.00	12.00	14.00
Q2 2020	13.02	12.00	14.00
Q3 2020	12.00	12.00	14.00
Q4 2020	12.51	12.00	14.00
Q1 2021	12.77	12.00	14.00
Q2 2021	12.00	12.00	14.00
Q3 2021	12.00	12.00	14.00
Q4 2021	12.80	12.00	14.00
Q1 2022	10.59	12.00	14.00
Q2 2022	11.54	12.00	14.00
Q3 2022	11.44	12.00	14.00
Q4 2022	11.00	12.00	14.00
Q1 2023	12.47	12.00	14.00
Q2 2023	11.33	12.00	14.00
Q2 2023	11.25	12.00	14.00

PERFORMANCE ANALYSIS

- There were a total of 41 failures on 2,253 miles of pipe in Q2 2023. 23 of the failures were main breaks, 14 were main leaks, and 4 were valve leaks.
- A detailed analysis by System Planning and Projects Division shows that, at current funding levels for the capital program that addresses water main replacement, cathodic protection, and lining of water mains, a minimal increase in water main failures is expected over the next 5 years.
- The capital program prioritizes addressing high risk water mains, minimizing leaks under new pavement, and aligning with the City’s paving initiative.

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### 3 C1d Failures per 100 Miles of Wastewater Pipe

Performance Measure Status: Meets Expectations

#### MEASURE DESCRIPTION

**Strategic Objective Supported:** Deliver Quality Utilities

**Reported as:** 12 month rolling average

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

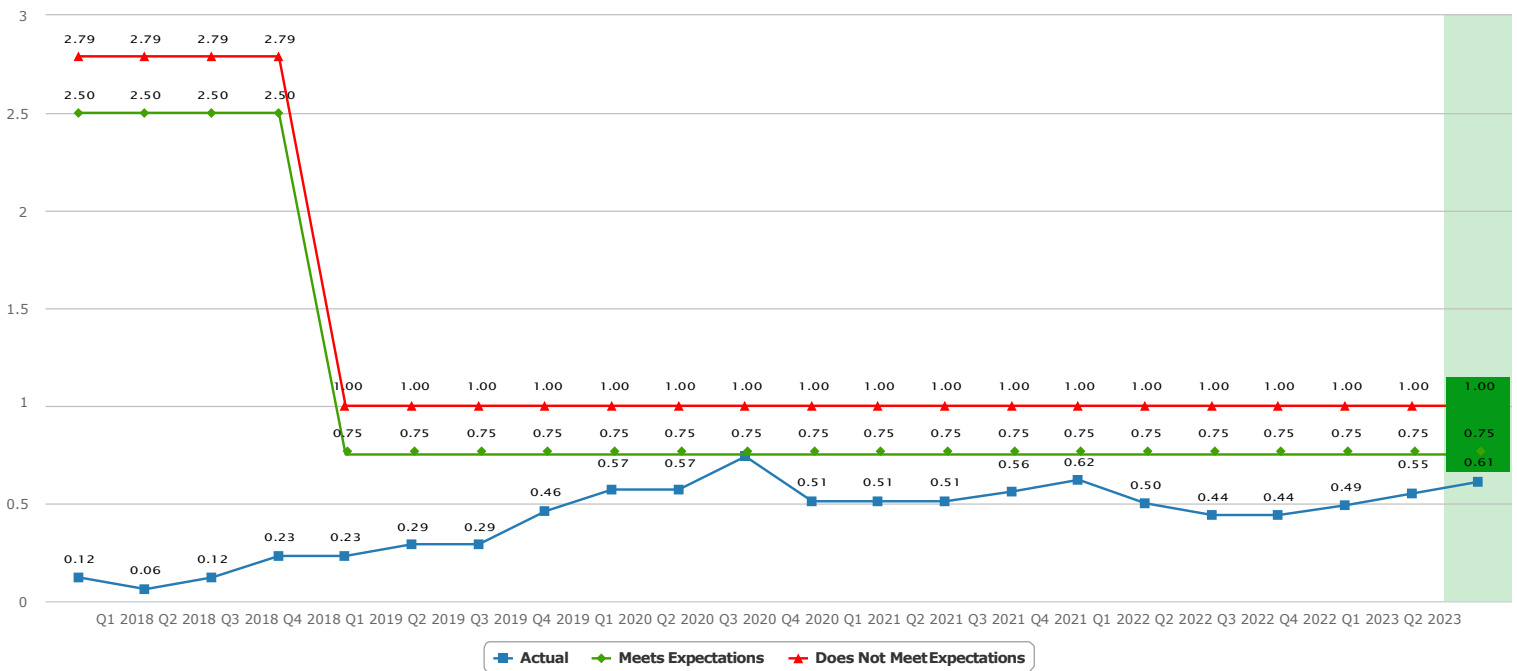
#### MEASURE PERFORMANCE

The mid-year 2023 result is 0.61 failures per 100 miles of pipe.

#### PERFORMANCE MEASURE CHART(S)

### Failures per 100 Miles of Wastewater Pipe

Number of Failures - Lower is Better



#### PERFORMANCE ANALYSIS

- The second quarter 2023 12-month rolling average result of 0.61 is based on a total of 11 failure events between July 2022 and June 2023. In the second quarter of 2023 there were two failure events, one from a root blockage of unknown origin in a 6" line causing an estimated reportable release of 356 gallons and one from an electrical outage at the Middle Tributary Lift Station causing a non-reportable release of approximately 14,600 gallons of wastewater.
- There have been three failure events through Q1 and Q2 2023, two of which resulted in a reportable Sanitary Sewer Overflow (SSO), i.e., the discharge reached a water of the State. Each of the three failure events were caused by different circumstances with the Q1 event being the collapse of a manhole and the Q2 events documented under the "Measure Performance" above. Through this same reporting period in 2022 (Q1 and Q2) there was one failure event and a total of nine for that year.

# 3 C1e Sustainable Energy Project Cost Performance Index (CPI)

Performance Measure Status: Meets Expectations

## MEASURE DESCRIPTION

**Strategic Objective Supported:** Deliver Quality Utilities

**Reported as:** Cumulative Year-to-Date

**Target Range:** 0.95 – 1.05 (composite score)

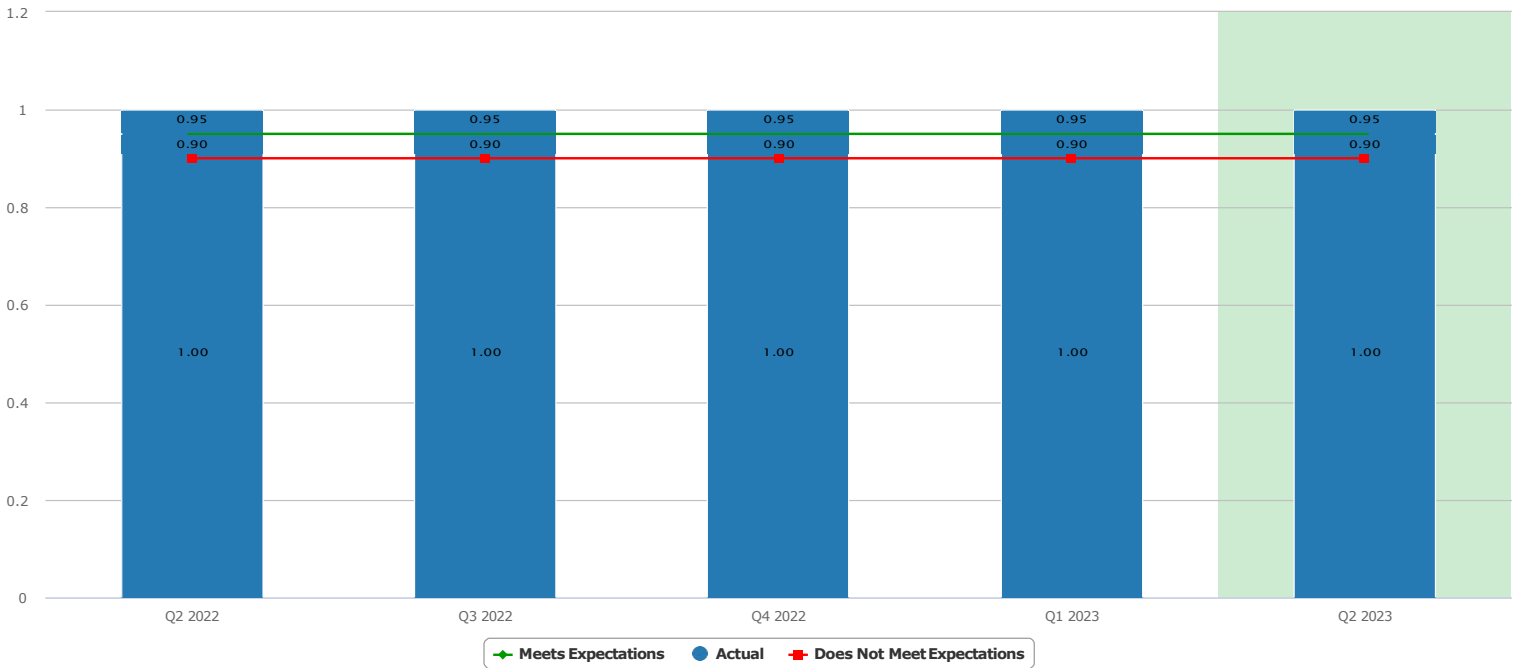
## MEASURE PERFORMANCE

The mid-year 2023 Result is 1.00.

## PERFORMANCE MEASURE CHART(S)

### Sustainable Energy Project Cost Performance Index (CPI)

Composite Score - Higher is Better



Performance Analysis on next page

## PERFORMANCE ANALYSIS

- Cost Performance Index (CPI) is the Earned Value (EV) divided by the Actual Cost (AC).  $CPI = EV / AC$
- Earned Value (EV) is the cost we ascribe to a body of work, activity, task, or deliverable. This establishes the “Rules of Credit” used for tracking the value received.
- Actual Cost (AC) is the actual or “real” cost incurred to accomplish a body of work, activity, task, or deliverable.
- When using a Lump Sum or Guaranteed Maximum Price (GMP) pricing structure, like what is being used on these Sustainable Energy Program (SEP) construction projects,  $EV = AC$ .

Project Name	Earned Value	Actual Value	CPI	Scorecard	Rating
Briargate Substation New	\$877,787	\$877,787	1		3
Briargate New Transmission Line	\$694,365	\$694,365	1		3
Cottonwood – Fuller Uprate	\$199,148	\$199,148	1		3

**2** C1f Infrastructure Coordination with City  
 Performance Measure Status: Partially Meets Expectations

MEASURE DESCRIPTION

**Strategic Objective Supported:** Deliver Quality Utilities

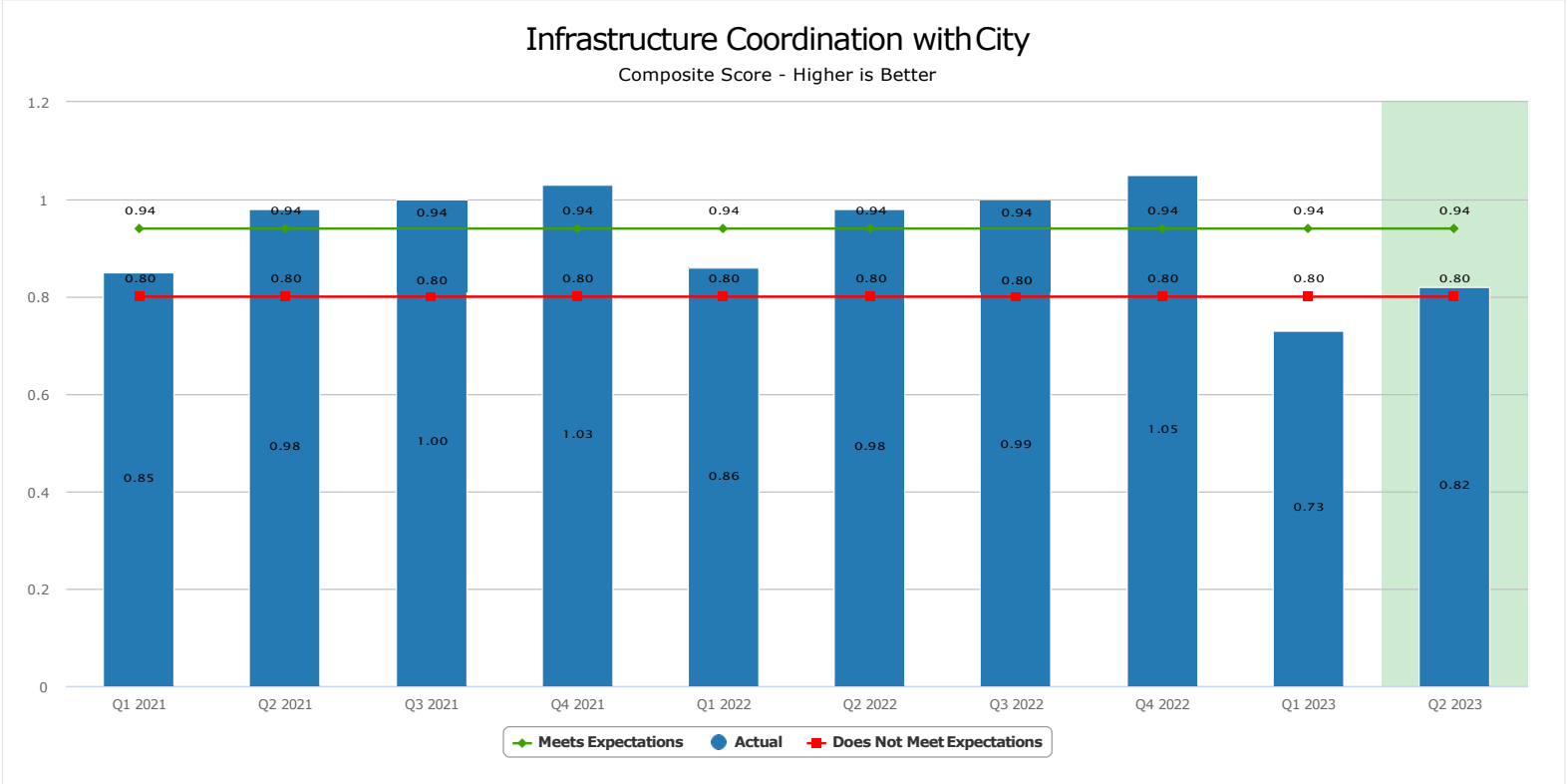
**Reported as:** Cumulative Year-to-Date

**Target Range:** 0.94 – 1.06 (composite score)

MEASURE PERFORMANCE

The mid-year 2023 result is 0.82.

PERFORMANCE MEASURE CHART(S)



Performance Analysis on next page

## PERFORMANCE ANALYSIS

- The forecasted cumulative spend through Q2 2023 was \$9.0 million with an actual cumulative spend of \$5.23 million.
- Through Q2 2023, the Finished Water Linear Asset Program (FWLAP) had 42 projects planned and 29 completed; the Sanitary Sewer Creek Crossing (SSCC) Program had one project planned for completion which was completed; the Public Improvements Program (PIP) had one project planned for completion in Q2 in partnership with the City with one project completed.
- During Q2 2023, no previously paved 2C city streets, under the five-year moratorium, were cut for planned Springs Utilities projects.
- The first half of the year typically produces a lower level of spend and increases in the third and fourth quarters of the year. This is due to the majority of the work ramping up in the first half of the year and finishing out with completions during the second half of the year.
- The measure performance for the second quarter of 2023 was partially meets expectations. This is due to project completions and additional forecasted project spend to occur within the third and fourth quarters of 2023.



### 3 C1g Fiber Network Expansion Program

Performance Measure Status: Meets Expectations

#### MEASURE DESCRIPTION

**Strategic Objective Supported:** Deliver Quality Utilities

**Reported as:** cumulative year-to-date

**Target Range:** 0.95 – 1.05 (Composite Score)

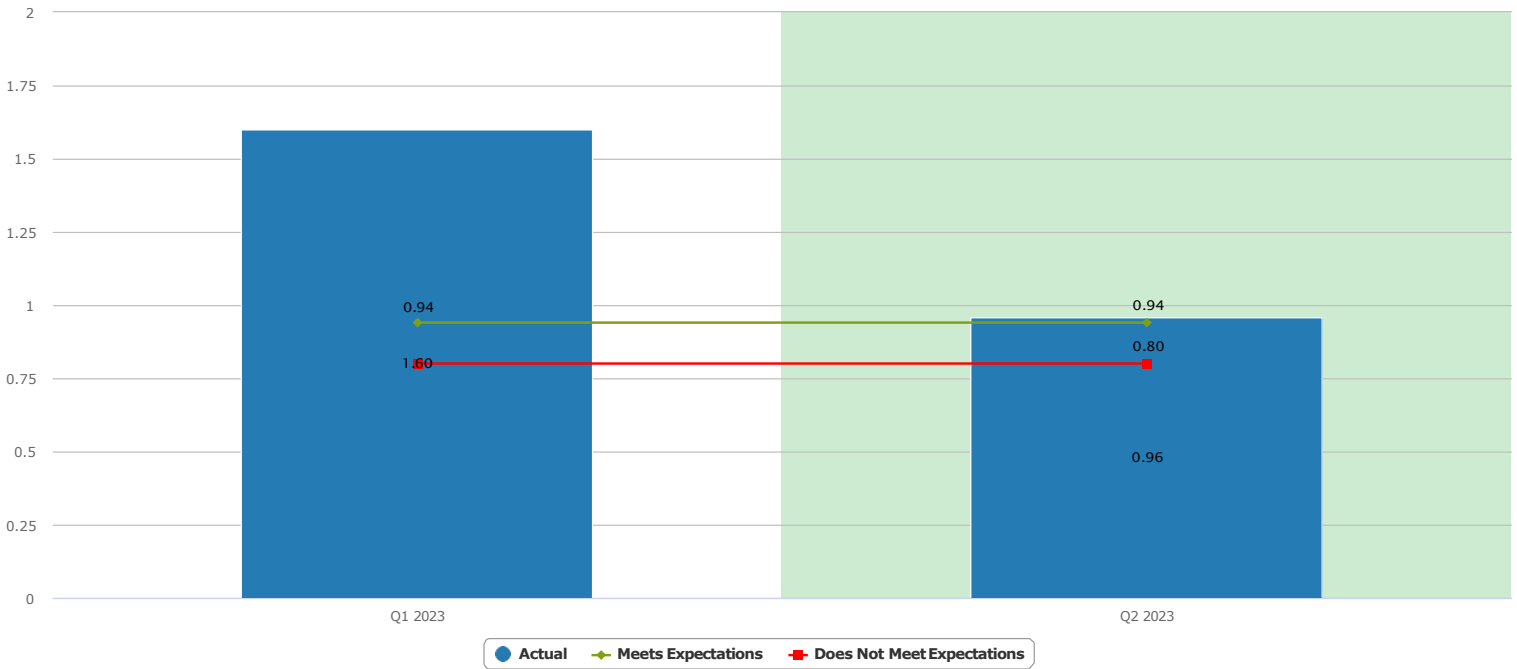
#### MEASURE PERFORMANCE

The mid-year result is 0.96.

#### PERFORMANCE MEASURE CHART(S)

### Fiber Network Expansion Program

Composite Score - Higher is Better



#### PERFORMANCE ANALYSIS

- The measure is an average of Cost Performance Index (CPI) and Schedule Performance Index (SPI).
- The mid-year cumulative CPI was 1.42
- The mid-year cumulative SPI was 0.50

Total Score:  $(1.42 + 0.50) / 2 = 0.96 = \text{Meets Expectations}$

# 3 C1h Gas Distribution Integrity Management Program Construction and Operations Implementation

Performance Measure Status: Meets Expectations

## MEASURE DESCRIPTION

**Strategic Objective Supported:** Deliver Quality Utilities

**Reported as:** cumulative year-to-date

**Target Range:** 3.0 – 3.9 (composite score)

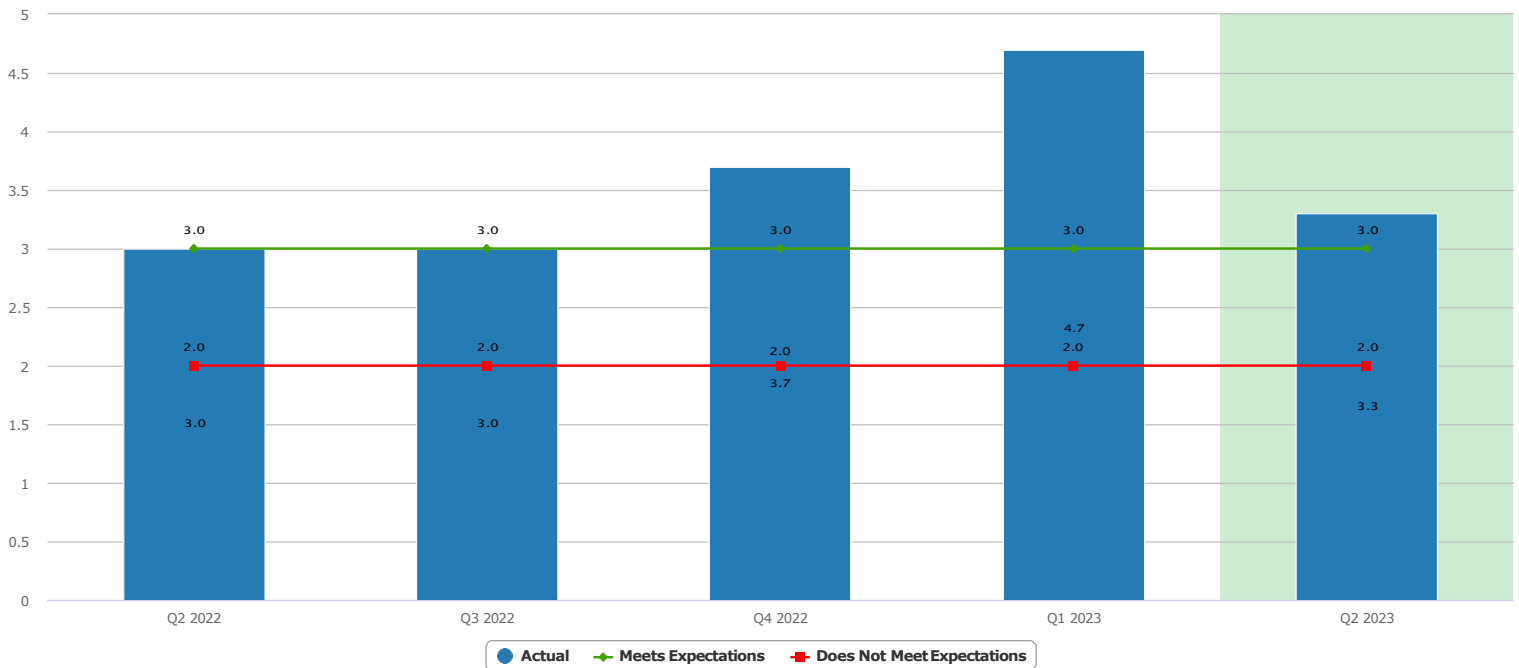
## MEASURE PERFORMANCE

The mid-year 2023 result is 3.3.

## PERFORMANCE MEASURE CHART(S)

### Distribution Integrity Management Program and Compliance Projects Implementation

Composite Score - Higher is Better



## PERFORMANCE ANALYSIS

- This measure is weighted 70% schedule and 30% budget.
- Schedule is based on progress against DIMP-2023-01 Additional Performance Measure Targets Document.
- (DIMP) construction metrics defined within the 2022 DIMP program plan.
- Schedule variance for year-Q2:  $0.86 = 3.0$  Meets Expectations.
- Cumulative Budget variance through 2nd Quarter  $\$4,359,603 / \$4,797,332 = 0.91 = 4.0$  Exceeds Expectations.

**Total Score:  $(3.0 \times .7) + (4.0 \times .3) = 3.3 = \text{Meets Expectations}$**

# 1 C2a Customer Satisfaction - Residential

Performance Measure Status: Does Not Meet Expectations

## MEASURE DESCRIPTION

**Strategic Objective Supported:** Focus on the Customer

**Reported as:** Numerical rating to two decimals

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

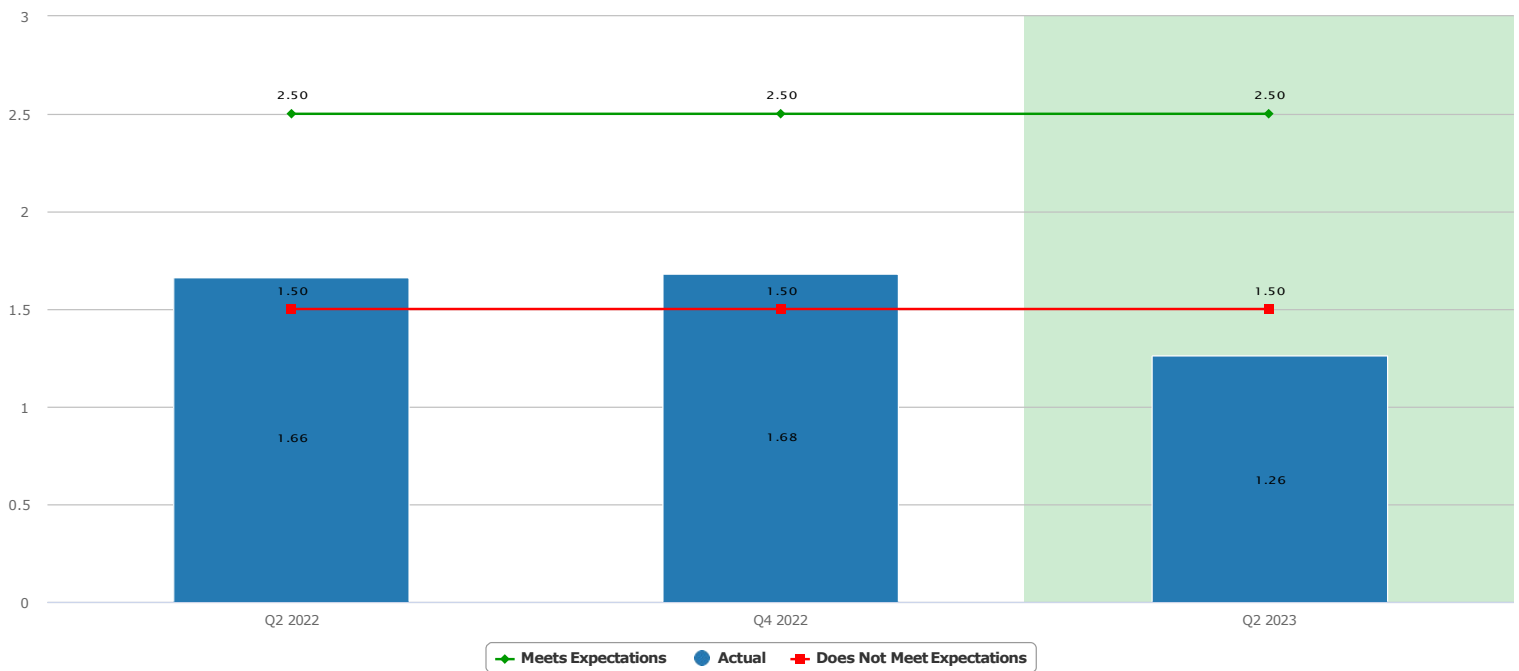
## MEASURE PERFORMANCE

The mid-year 2023 result is 1.26.

## PERFORMANCE MEASURE CHART(S)

### Customer Satisfaction - Residential

Composite Score - Higher is Better



Performance Analysis on next page

## PERFORMANCE ANALYSIS

- The J.D. Power and Associates Residential Customer Satisfaction result for mid-year 2023 declined in rank to 112th in overall customer satisfaction among the 149 qualifying, participating utilities nationally. This is an industry rank of 75% compared to 67% for the same period in 2022 resulting in an index score of 1.0 on five-point scale and 20% of the overall index.
- The J.D. Power and Associates Overall Customer Satisfaction Index score decreased 26 points, from 731 (on a 1,000-point scale) to 705 for an index score of 1.0 on a five-point scale and 20% of the overall index.
- The Escalent Cogent Study Customer Effort Index results for mid-year 2023 declined 11 points from 708 (on a 1,000-point scale) to 697 for an index score of 1.0 on a five-point scale and 40% of the overall index.
- The in-house survey index is 8.59 (on a 1 to 10 scale) for transactional surveys captured January through June on transactions completed in Service Center phone interactions and Field Service appointments for an index score of 2.3 on a five-point scale and 20% of the overall index.

**Total Score:  $(1.0 \times .2) + (1.0 \times .2) + (1.0 \times .4) (2.3 \times .2) = 1.26 = \text{Does Not Meet Expectations}$**

### **Situation Analysis:**

#### **Customer Trends:**

- Reliability metrics show increased confidence with an increase of customers experiencing perfect power and time of power restoration accuracy.
- Residential customers are continuing to experience financial hardship with inflation and cost of living expenses. Recent ECA and GCA rate decreases are showing some recovery in fairness of rate perception. Budgeting pressure continues for customers and assistance is needed with managing usage and payments.
- Satisfaction levels with the Lobby interactions increase with the opening of the Customer Lobby.

### **Action Plans:**

- We have formed a Customer Steering Committee with a goal: to enhance program engagement encompassing enrollment, offerings, and overall ease of doing business. Although in the early stage, the team is committed to identifying and implementing effective solutions to achieve this goal. This will be focused on both Residential and Commercial customers.
- Digital interactions continue a downward trend. The May implementation of CTM provides opportunities for improvement.
  - Now that we have successfully launched our new "My Account" platform, we are excited to begin promoting it to attract a wide range of customers through fast and reliable channels. Our "My Account" offers an array of user-friendly features, personalized services, and enhanced convenience, making it an indispensable tool for our customers.
  - We have formed a cross-functional team with a clear objective: reducing call volume by analyzing customer inquiries. By understanding the reasons behind customer calls, we aim to identify opportunities to guide them towards more efficient channels, like "My Account" or IVR. Furthermore, the team is working diligently to improve call handle time and first call resolution, prioritizing our customers' time and delivering swift and effective solutions to strengthen our relationships with them.
- Communication efforts will support transparency, trust, and community relationships.

# 1 C2b Customer Satisfaction - Business

Performance Measure Status: Does Not Meet Expectations

## MEASURE DESCRIPTION

**Strategic Objective Supported:** Focus on the Customer

**Reported as:** Numerical rating to two decimals

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

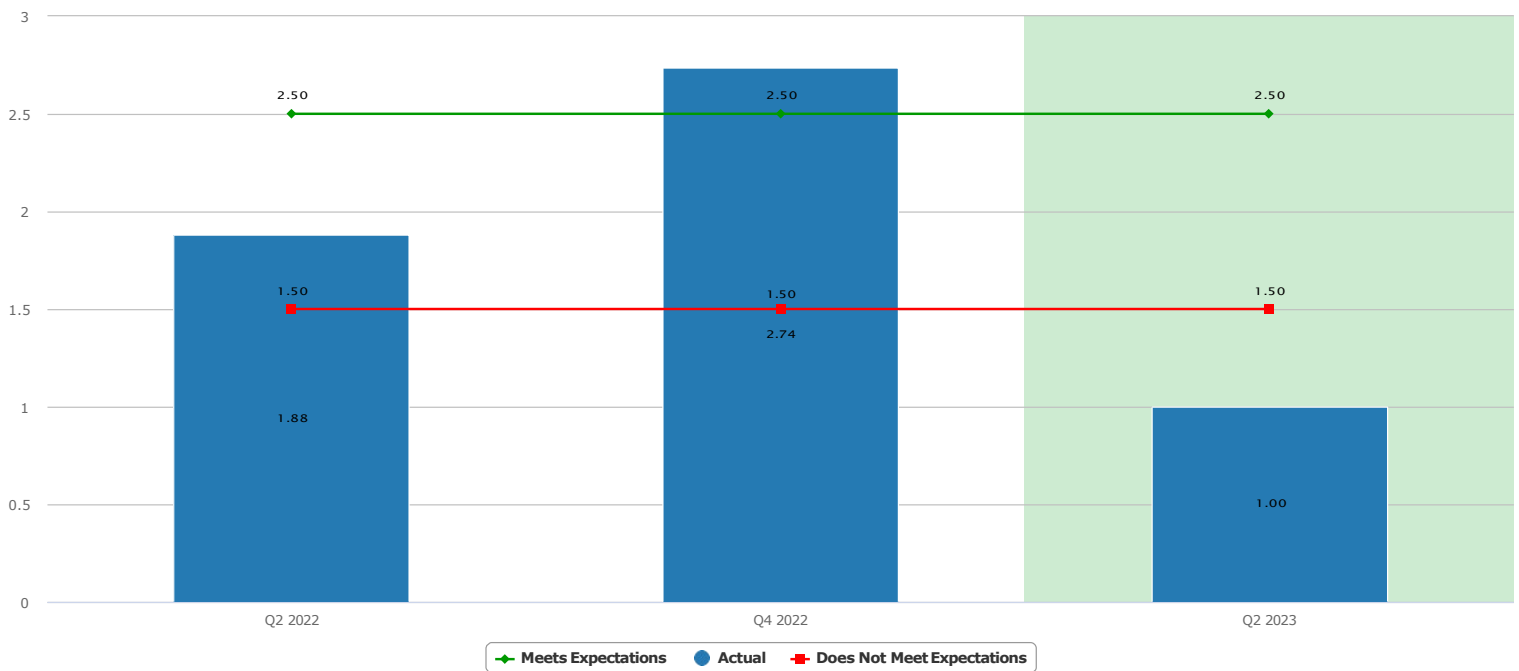
## MEASURE PERFORMANCE

The mid-year 2023 result is 1.00.

## PERFORMANCE MEASURE CHART(S)

### Customer Satisfaction - Business

Composite Score - Higher is Better



Performance Analysis on next page

## PERFORMANCE ANALYSIS

- The Escalent Cogent Business Customer Satisfaction result for the mid-year of 2023 declined in rank to 75th in overall customer satisfaction among the 81 qualifying, participating utilities nationally. This is an industry rank of 93% compared to 66% for the same period in 2022 resulting in an index score of 1.0 on five-point scale and 20% of the overall index.
- The Escalent Cogent Engaged Customer Relationship Index score decreased 30 points, from 762 (on a 1,000-point scale) to 732 for an index score of 1.0 on a five-point scale and 20% of the overall index.
- The Escalent Cogent Study Customer Effort Index result for mid-year 2023 decreased thirty-two points from 782 (on a 1,000-point scale) to 750 for an index score of 1.0 on a five-point scale and 40% of the overall index.
- The in-house survey index is 6.6 (on a 1 to 10 scale) for transactional surveys captured January through May on transactions completed in Service Center phone interactions for an index score of 1.0 on a five-point scale and 20% of the overall index.

**Total Score:  $(1.0 \times .2) + (1.0 \times .2) + (1.0 \times .4) + (1.0 \times .2) = 1.00 = \text{Does Not Meet Expectations}$**

### **Situation Analysis:**

#### **Customer Trends:**

- Business customer trust with reliability is returning from late 2021 and spring 2022 weather events. Customers are experiencing fewer interruptions and restoration information is more accurate.
- Customers are aware of rate changes and are more understanding of the motivation and need to support energy transformation and reliability.

### **Action Plans:**

- Digital service such as MyAccount/CSU.org and IVR are continuing to decline in performance. Small business customer strategies need improvement to meet customers' needs.
  - We have formed a cross-functional team in our Customer Service Department to address challenges with how our business customers interact with us. The team will focus on finding solutions to improve our Interactive Voice Response (IVR) system, increase customer utilization of the new "My Account" platform, and provide a more streamlined service for small businesses. Through collaboration and open communication, we aim to enhance the overall customer experience and strengthen our relationships with all business customers.
- Communication efforts will support transparency, trust, and community relationship.

# 4 C3a Environmental Index

Performance Measure Status: Exceeds Expectations

## MEASURE DESCRIPTION

**Strategic Objective Supported:** Support Our Community

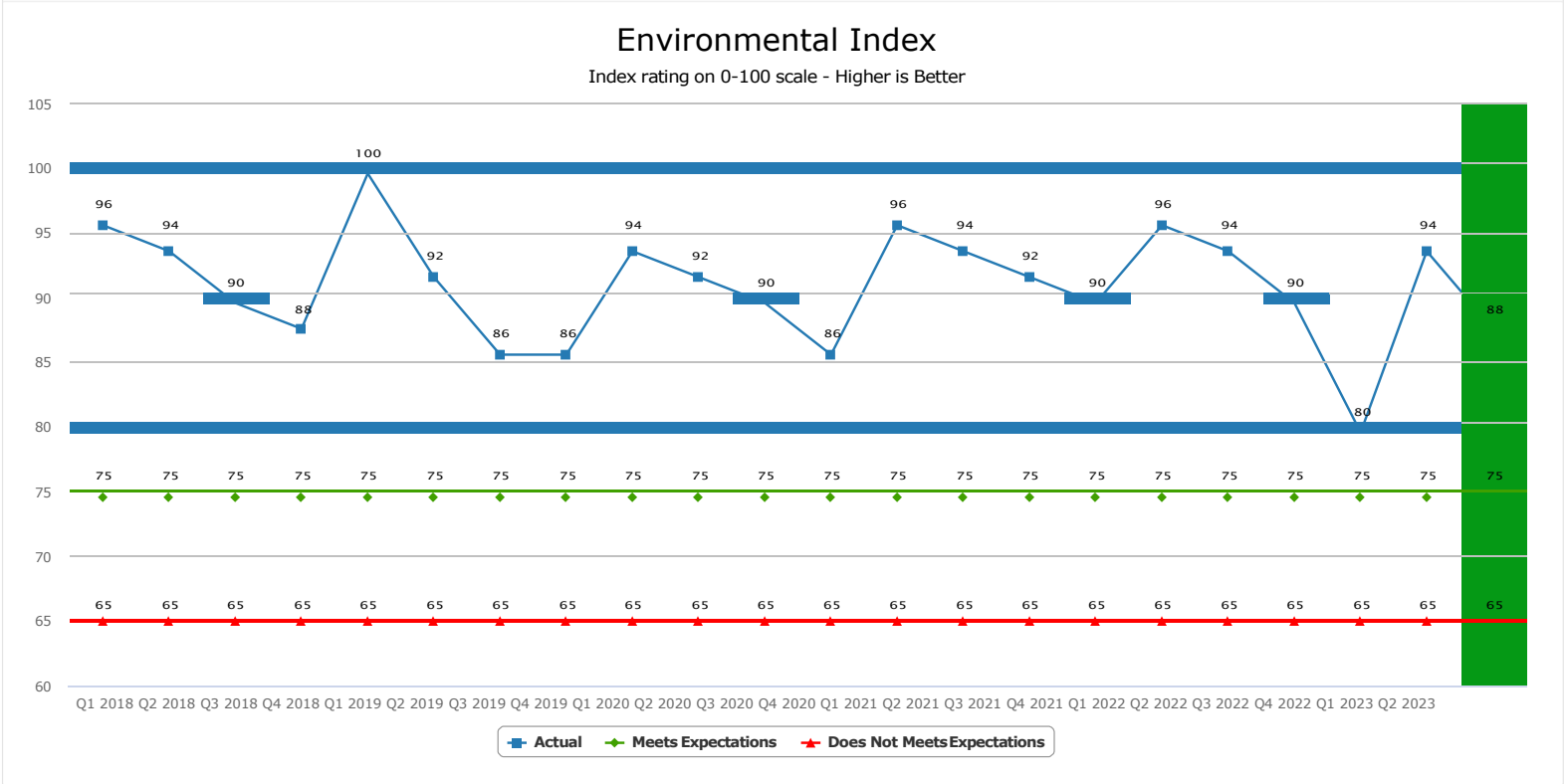
**Reported as:** year-to-date score

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

## MEASURE PERFORMANCE

The mid-year 2023 result is 88 on a scale of 0-100.

## PERFORMANCE MEASURE CHART(S)



Performance Analysis on next page

The first quarter 2023 result was amended to be 94 from the original reporting of 98. There were two additional deductions in the *Minor Violation* category in the first quarter not originally noted in the Q1 result. These were an exceedance of the maximum 7-day total suspended solids (TSS) parameter in the JD Phillips Water Resource Recovery Facility (JDPWRRF) effluent discharge permit in March and an exceedance of the maximum 30-day TSS parameter in the same permit.

The second quarter 2023 is 88 and reflects three deductions in the *Minor Violation* category, two of which were related to ongoing TSS issues at the JDPWRRF. There were additional exceedances of the maximum 7-day and 30-day TSS parameter in the plant's discharge permit in April. The third deduction in the minor violation category was the result of a short-duration power loss at the Las Vegas Street Water Resource Recovery Facility (LVWRRF) causing the Ultraviolet (UV) disinfection system to be off-line for approximately three minutes.

There have been a total of five regulatory agency inspections in Q1 and Q2, with 4 of these occurring in Q2. Three of these inspections were the Colorado Department of Health and Environment's (CDPHE's) annual Title V air permit compliance inspections of the Birdsall, Drake, Nixon and Front Range Power Plants; two of the inspections were at the Fountain Valley Authority Water Treatment Plant.

There were three deductions to the Index in the Q2 in the *Minor Violation* category and a total of 6 through Q2; of these, five were related to TSS issues at the JDPWRRF in February-April which the plant has taken a number of steps to resolve and has been in communication with the CDPHE. The plant did receive a "Compliance Advisory" from the CDPHE for the February exceedances.

There was one air emissions exceedance in the 4th quarter related to the Nixon Unit 2 start-up noted above.

There have been two reportable sanitary sewer overflows (SSOs) through Q2.

There have been no deductions in the "Major Violation" category.

There have been no air emissions exceedances through Q2.



# 5 F1a Safety: Occupational Injuries and Illnesses Rate

Performance Measure Status: Far Exceeds Expectations

## MEASURE DESCRIPTION

**Strategic Objective Supported:** Enable Employee Empowerment

**Reported as:** Percentage above or below benchmark

**Target Range:** +/-10% of Benchmark

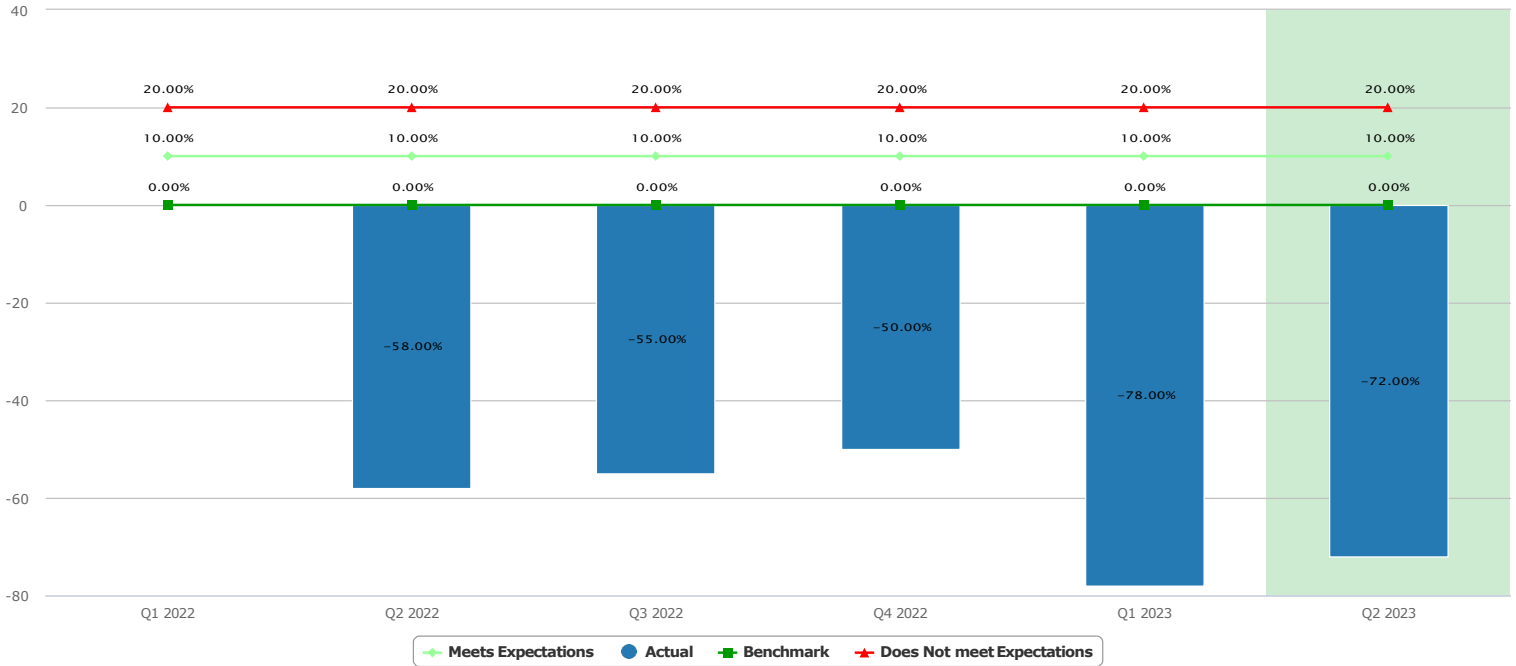
## MEASURE PERFORMANCE

The mid-year 2023 result is 72% below benchmark.

## PERFORMANCE MEASURE CHART(S)

### Safety: Occupational Injuries and Illnesses Rate

Lower is better



Performance Analysis on next page

## PERFORMANCE ANALYSIS

- This measure is based on the number of injuries or illnesses with days away from work beyond the date of injury or onset of illness.
- The measure is benchmarked to the North American Industry Classification System (NAICS) Code 22 for utility incidents. The NAICS is the standard used by the Bureau of Labor Statistics to classify data on Occupational Injuries and Illnesses by industries.
- The score for this measure is based on Springs Utilities 6-month Lost Time Incident Rate compared to the previous years' NAICS rate.
  - Far Exceeds Expectations = > 20% Below Benchmark
  - Exceeds Expectations = 10.01–20% Below Benchmark
  - Meets Expectations = +/-10% of Benchmark
  - Partially Meets Expectations= 10.01 - 20% above Benchmark
  - Does Not Meet Expectations= > 20% above Benchmark
- There were five Lost Time incidents and 32 Lost Days through Q2 2023.

# 4 F1b Workforce Index

Performance Measure Status: Exceeds Expectations

## MEASURE DESCRIPTION

**Strategic Objective Supported:** Enable Employee Empowerment

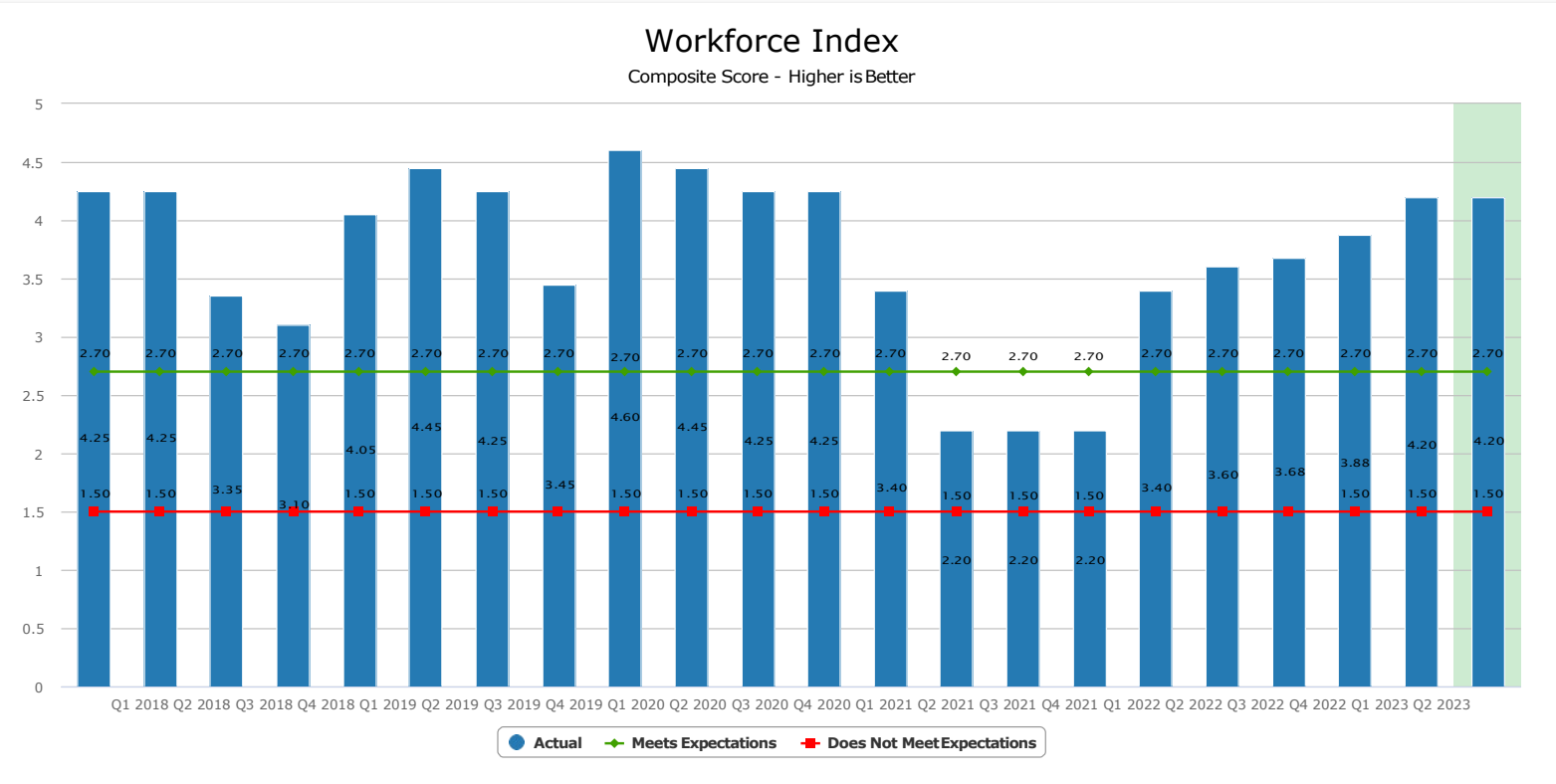
**Reported as:** Year-to-date

**Target range:** 2.70 – 3.49 (composite score)

## MEASURE PERFORMANCE

The mid-year 2023 result is 4.20.

## PERFORMANCE MEASURE CHART(S)



## PERFORMANCE ANALYSIS

The overall Workforce Index is comprised of three components:

1. Quality of Hire for New Hires 20%
2. Total Turnover 40%
3. Compliance with Mandatory and Required Training 40%
  - Quality of hire for new hires received a score of 3, which meets expectations.
  - Total turnover received a score of 5, which far exceeds expectations.
  - Compliance with mandatory and required training received a score of 4, which exceeds expectations.

**Total Score: (3 x .2) + (5 x .4) + (4 x .4) = 4.20 = Exceeds Expectations**



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# **2023 Mid-year Enterprise Balanced Scorecard**

Natalie Watts, Manager – Strategic Planning and Governance

September 27, 2023

# 2023 Mid-year Enterprise Balanced Scorecard



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



Updated and reviewed throughout the year, the balanced scorecard helps identify gaps, trends and opportunities for course corrections.

# 2023 Mid-year Enterprise Balanced Scorecard Summary

- The Year-end overall score is 3.74 on a 1-5 scale.
- This translates to a rating of “meets expectations.”

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

- 27 of 28 Measures were reported
  - 7 Far Exceeds Expectations
  - 7 Exceeds Expectations
  - 9 Meets Expectations
  - 2 Partially Meets Expectations
  - 2 Does Not Meet Expectations
  - 1 Not reported because it reported annually after Q3

# 2023 Mid-year Enterprise Balanced Summary



# Measures with results of “Far Exceeds Expectations”

- Residential Electric Service - Front Range Comparison
- Residential Natural Gas Service - Front Range Comparison
- Residential Wastewater Service Bill - Front Range Comparison
- Small Commercial 4 Service Bill - Front Range Comparison
- Industrial Electric-intensive Cust Bill - Front Range Comparison
- Electric SAIDI - Interruptions in minutes per year
- Safety: Occupational Injuries and Illnesses Rate





# Measures with results of “Exceeds Expectations”

- Residential Water Service - Front Range Comparison
- Large Comm/Industrial 4-Service Bill - Front Range Comparison
- Debt Ratio - Current Year
- Bond Rating
- Natural Gas - Failures per 100 miles of pipe
- Environmental Index
- Workforce Index





# Measures with results of “Meets Expectations”

- Days Cash on Hand - Current Year
- Days Cash on Hand - 3 Year Average
- Adjusted Debt Service Coverage - 3 Year Average
- Debt Ratio – 3 Year Average
- Water - Failures per 100 miles of mainline
- Wastewater - Failures per 100 miles of mainline
- Sustainable Energy Project Cost Performance Index (CPI)
- Fiber Network Expansion Program
- Gas Distribution Integrity Management Program





# Measures with results of “Partially Meets Expectations”

- Adjusted Debt Service Coverage - Current Year
- Infrastructure Coordination with City



# Customer Satisfaction Improvement Action Plan

Through collaboration and open communication, we aim to enhance the overall customer experience and strengthen our relationships with all business customers. We will accomplish this by:

- Forming Customer Steering Committee with goal to enhance program engagement encompassing enrollment, offerings, and overall ease of doing business.
- Increasing communication efforts to support transparency, trust, and community relationships.
- Increasing customer utilization of the new “My Account” platform and providing a more streamlined service for small businesses.





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Mid-year 2023 Colorado Springs Utilities Balanced Scorecard

Utilities Board Strategic Focus Weight	Strategic Objective	Performance Measure	Responsible Officer	Weight	1 Does Not Meet Expectations	2 Partially Meets Expectations	3 Meets Expectations	4 Exceeds Expectations	5 Far Exceeds Expectations	Result	Trend	Rating	Weighted Rating
Rates	Financial Accountability	1. Residential Electric Service - Front Range Comparison	Tristan Gearhart	4.5	>10.0% higher than average	5.1 – 10.0% higher than average	+/- 5.0% of average	5.1 – 10.0% lower than average	>10.0% lower than average	-15.24%	▲	5	0.23
		2. Residential Natural Gas Service - Front Range Comparison	Tristan Gearhart	4.5	>10.0% higher than average	5.1 – 10.0% higher than average	+/- 5.0% of average	5.1 – 10.0% lower than average	>10.0% lower than average	-11.84%	▲	5	0.23
		3. Residential Water Service - Front Range Comparison	Tristan Gearhart	4.5	>35.0% higher than average	30.1 – 35.0% higher than average	20.1 – 30.0% higher than average	15.0 – 20.0% higher than average	<15.0% higher than average	16.64%	—	4	0.18
		4. Residential Wastewater Service - Front Range Comparison	Tristan Gearhart	4.5	>10.0% higher than average	5.1 – 10.0% higher than average	+/- 5.0% of average	5.1 – 10.0% lower than average	>10.0% lower than average	-12.90%	▼	5	0.23
		5. Small Commercial 4 Service Bill - Front Range Comparison	Tristan Gearhart	4.5	>10.0% higher than average	5.1 – 10.0% higher than average	+/- 5.0% of average	5.1 – 10.0% lower than average	>10.0% lower than average	-10.28%	▲	5	0.23
		6. Large Commercial/Industrial 4 Service Bill - Front Range Comparison	Tristan Gearhart	4.5	>10.0% higher than average	5.1 – 10.0% higher than average	+/- 5.0% of average	5.1 – 10.0% lower than average	>10.0% lower than average	-8.33%	▲	4	0.18
		7. Industrial Electric-Intensive Customer Bill - Front Range Comparison	Tristan Gearhart	2.0	<5.0% lower than average	5.0 - 9.9% lower than average	10.0 – 15.0% lower than average	15.1 – 20.0% lower than average	>20.0% lower than average	-22.36%	▲	5	0.10
		8. Industrial Electric - Nationwide Comparison	Tristan Gearhart	1.0	>10.0% higher than average	5.1 – 10.0% higher than average	+/- 5.0% of average	5.1 – 10.0% lower than average	>10.0% lower than average	Available after Q3	N/A	N/A	N/A
		9. Days Cash on Hand - Current Year	Tristan Gearhart	1.0	<140 days	140 - 150 days	151 - 160 days	161 - 180 days	>180 days	152.00	—	3	0.03
		10. Days Cash on Hand - 3 Year Average	Tristan Gearhart	1.0	<140 days	140 - 150 days	151 - 160 days	161 - 180 days	>180 days	151.00	—	3	0.03
		11. Adjusted Debt Service Coverage - Current Year	Tristan Gearhart	1.0	< 1.75 times	1.75 - 1.79 times	1.80 - 1.90 times	1.91-1.95 times	> 1.95 times	1.76	▲	2	0.02
		12. Adjusted Debt Service Coverage - 3 Year Average	Tristan Gearhart	1.0	< 1.75 times	1.75 - 1.79 times	1.80 - 1.90 times	1.91-1.95 times	> 1.95 times	1.85	▲	3	0.03
		13. Debt Ratio - Current Year	Tristan Gearhart	1.0	>56.3%	56.3 - 54.3%	54.2 - 50.2%	50.1 - 48.1%	<48.1%	50.00%	▲	4	0.04
		14. Debt Ratio - 3 Year Average	Tristan Gearhart	1.0	>56.3%	56.3 - 54.3%	54.2 - 50.2%	50.1 - 48.1%	<48.1%	51.20%	▲	3	0.03
		15. Bond Rating	Tristan Gearhart	4.0	Any 2 of the 3 ratings from the agencies less than AA (S&P)/Aa2 (Moody's)/AA (Fitch)	Any 1 of the 3 ratings from the agencies less than AA (S&P)/Aa2 (Moody's)/AA (Fitch)	Standard & Poors AA Moody's Investors Service: Aa2 Fitch Ratings : AA	Any 1 of the 3 ratings from the agencies greater than AA (S&P)/Aa2 (Moody's)/AA (Fitch)	Any 2 of the 3 ratings from the agencies greater than AA (S&P)/Aa2 (Moody's)/AA (Fitch)	Standard & Poor's (AA+), Moody's (Aa2), and Fitch Ratings (AA)	—	4	0.16
Reliability	Deliver Quality Utilities	16. Electric System Average Interruption Duration Index (SAIDI)	Somer Mese	5.0	> 57.50 minutes	57.50 – 52.51 minutes	52.50 – 47.51 minutes	47.50 – 42.50 minutes	< 42.50 minutes	40.40	▼	5	0.25
		17. Failures per 100 Miles of Natural Gas Pipe	Somer Mese	5.0	> 8.00 failures	8.00 - 6.01 failures	6.00 - 4.00 failures	3.99 - 2.00 failures	< 2.00 failures	3.68	▼	4	0.20
		18. Failures per 100 Miles of Water Pipe	Somer Mese	5.0	> 14.00 failures	14.00 – 12.01 failures	12.00 – 10.00 failures	9.99 – 8.00 failures	< 8.00 failures	11.25	▲	3	0.15
		19. Failures per 100 Miles of Wastewater Pipe	Lisa Barbato	5.0	> 1.00 failures	1.00 - 0.76 failures	0.75 - 0.51 failures	0.50 - 0.25 failures	< 0.25 failures	0.61	▼	3	0.15
		20. Sustainable Energy Project Cost Performance Index (CPI)	Lisa Barbato	5.0	<0.90	0.90 - 0.94	0.95 - 1.05	1.06 - 1.10	>1.10	1.00	—	3	0.15
		20. Infrastructure Coordination with City	Lisa Barbato	5.0	<0.80	0.80 - 0.93	0.94 - 1.06	1.07 - 1.20	>1.20	0.82	▲	2	0.10
		21. Fiber Network Expansion Program	Somer Mese	5.0	<0.90	0.90 - 0.94	0.95 - 1.05	1.06 - 1.10	>1.10	0.96	▼	3	0.15
		22. Gas Distribution Integrity Management Program Construction and Operations Implementation	Somer Mese	5.0	<2.0	2.0-2.9	3.0-3.9	4.0-4.9	>4.9	3.30	▼	3	0.15
Relationships	Focus on the Customer	23. Customer Satisfaction - Residential	Mike Francolino	3.0	< 1.50	1.50 - 2.49	2.50 - 3.49	3.50 - 4.49	> 4.49	1.26	▼	1	0.03
		24. Customer Satisfaction - Business	Mike Francolino	3.0	< 1.50	1.50 - 2.49	2.50 - 3.49	3.50 - 4.49	> 4.49	1.00	▼	1	0.03
	Support Our Community	25. Environmental Index	Lisa Barbato	3.0	< 65.00	65.00 – 74.99	75.00 – 85.99	86.00 – 94.99	> 94.99	88.00	▼	4	0.12
		Enable Employee Empowerment	26. Safety: Occupational Injuries and Illnesses Rate	Renee Adams	8.0	> 20% Above Benchmark	10.01 - 20% Above Benchmark	+/-10% of Benchmark	10.01 - 20% Below Benchmark	> 20% Below Benchmark	-72%	▼	5
	27. Workforce Index		Renee Adams	3.0	< 1.50	1.50 - 2.69	2.70 - 3.49	3.50 - 4.60	> 4.60	4.20	—	4	0.12
										Performance Measure Total: 99% Reporting		3.74	

As of 6/30/2023

Trend Key
▲ Favorable
▼ Unfavorable
— No Change



**Date:** September 27, 2023  
**To:** Utilities Board  
**From:** Travas Deal, Chief Executive Officer  
**Subject:** **Excellence in Governance Monitoring Report**  
**Utilities Board/Chief Executive Officer Partnership Expectations (E-2)**

**Desired Action:** Monitoring

EXPECTATIONS	
Category:	<b>Utilities Board/Chief Executive Officer Partnership Expectations</b>
Policy Number:	<b>E: 2 (Chief Executive Officer Responsibilities)</b>

**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.**

Electric Cost Adjustment (ECA)

On February 28, 2023, City Council approved the ECA rate of \$0.0284 per kWh effective March 1, 2023. As of August 31, 2023, the ECA under collection balance was \$3.6 million. The under collection balance changed by \$0.5 million from the \$4.1 million under collection balance reported last month. Springs Utilities will continue to provide regular updates to the Utilities Board as appropriate.

Gas Cost Adjustment (GCA)

On June 27, 2023, City Council approved the GCA rate of \$0.2308 per Ccf effective July 1, 2023. As of August 31, 2023, the GCA over collection balance was \$22.9 million. The over collection balance changed by \$0.4 million from the \$23.3 million over collection balance reported last month. Colorado Springs Utilities will continue to provide regular updates to the Utilities Board as appropriate.





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# Water Outlook

Katie Garrett

Water Resources Engineer, Water Conveyance

September 27, 2023



# Local Weather Conditions as of August 31, 2023

## Precipitation (Inches of Moisture)

- August 2023 – 2.33 in. (79% of normal)
- 2023 YTD Total – 22.44 in. (171% of normal)

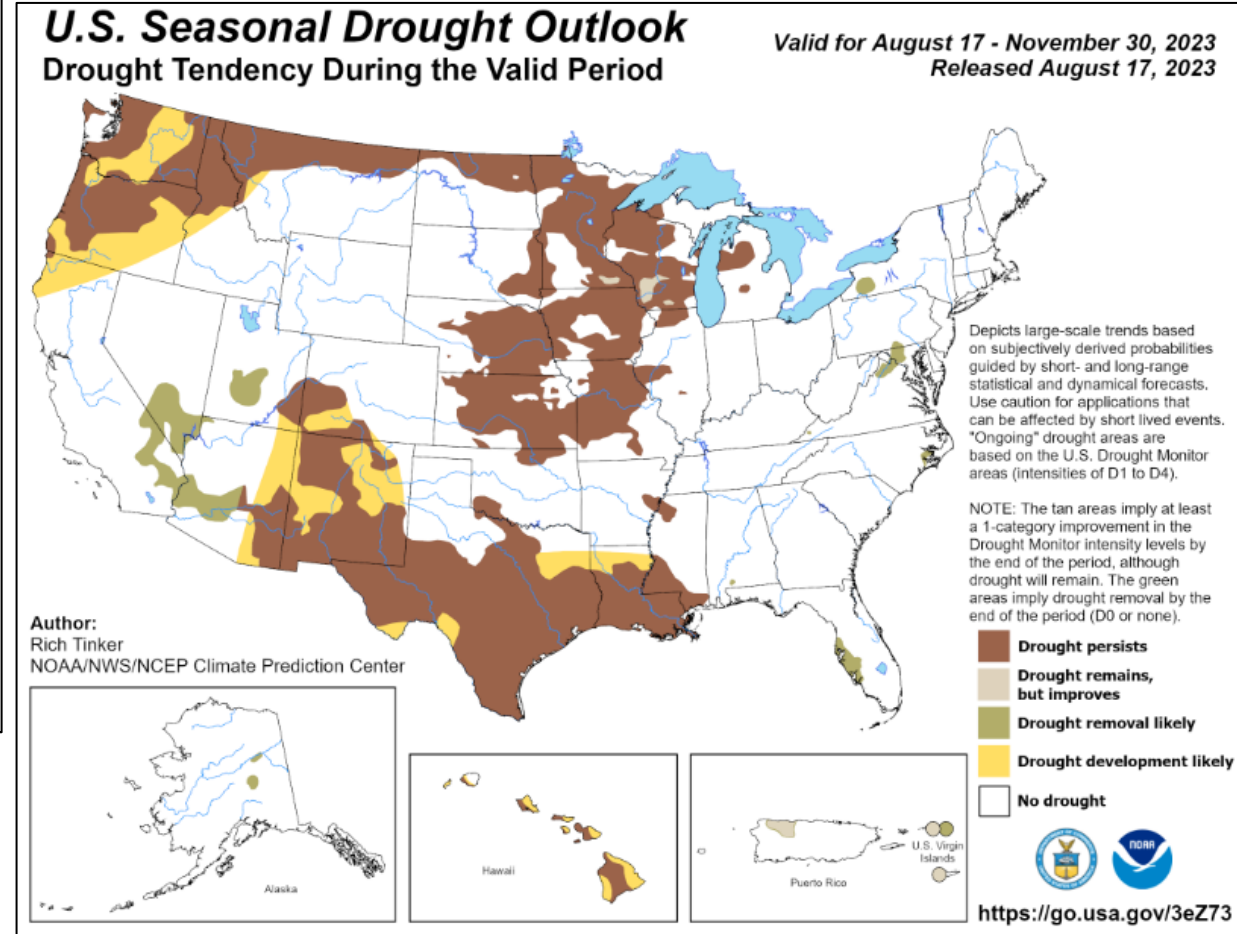
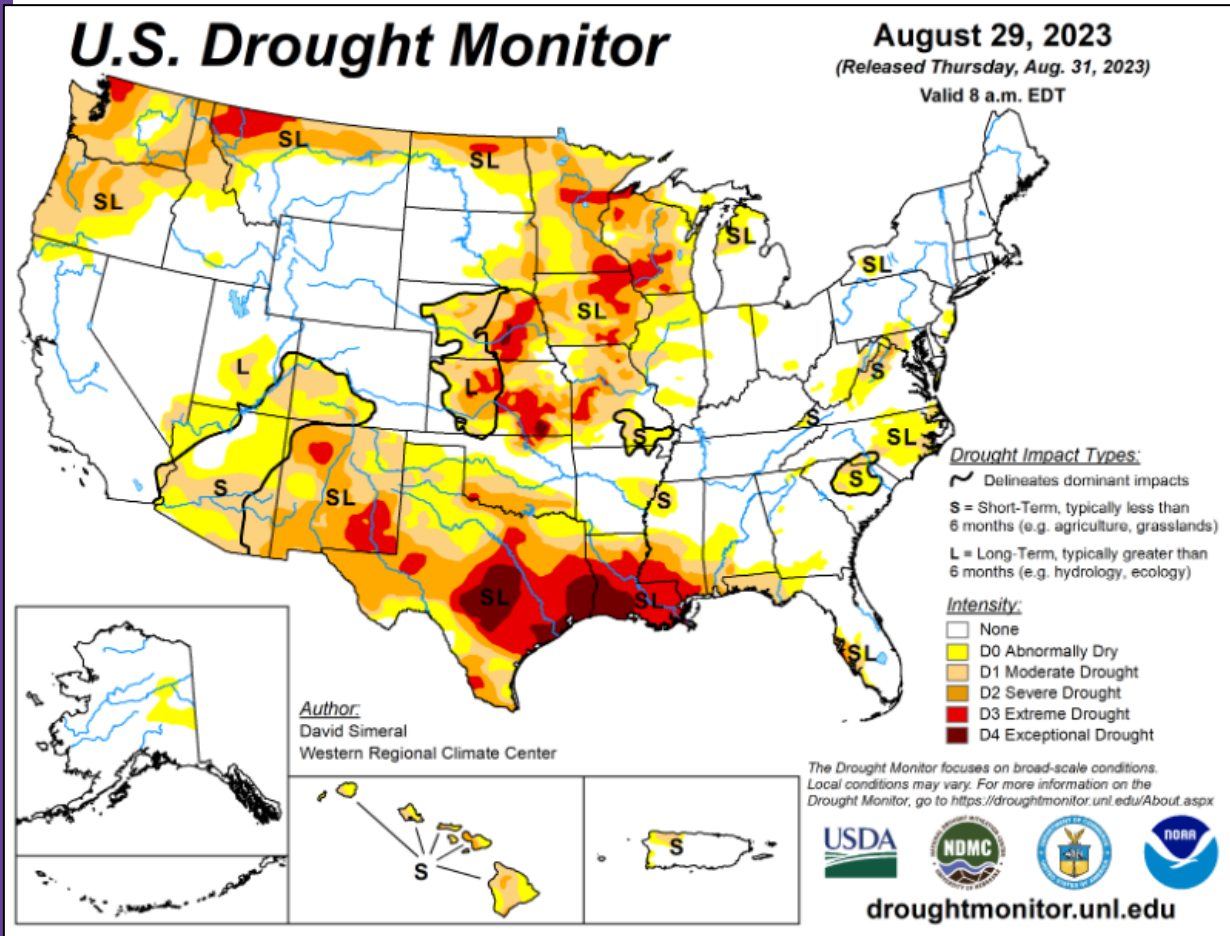
## Average Temperature (Degrees F)

- August 2023 – 71.5 Deg. (1.3 degrees above normal)
- 2023 YTD Average – 52.2 Deg. (0.4 deg. below normal)





# DROUGHT MONITOR



# DROUGHT MONITOR

# COLORADO

Map released: Thurs. August 31, 2023

Data valid: August 29, 2023 at 8 a.m. EDT

## Intensity

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

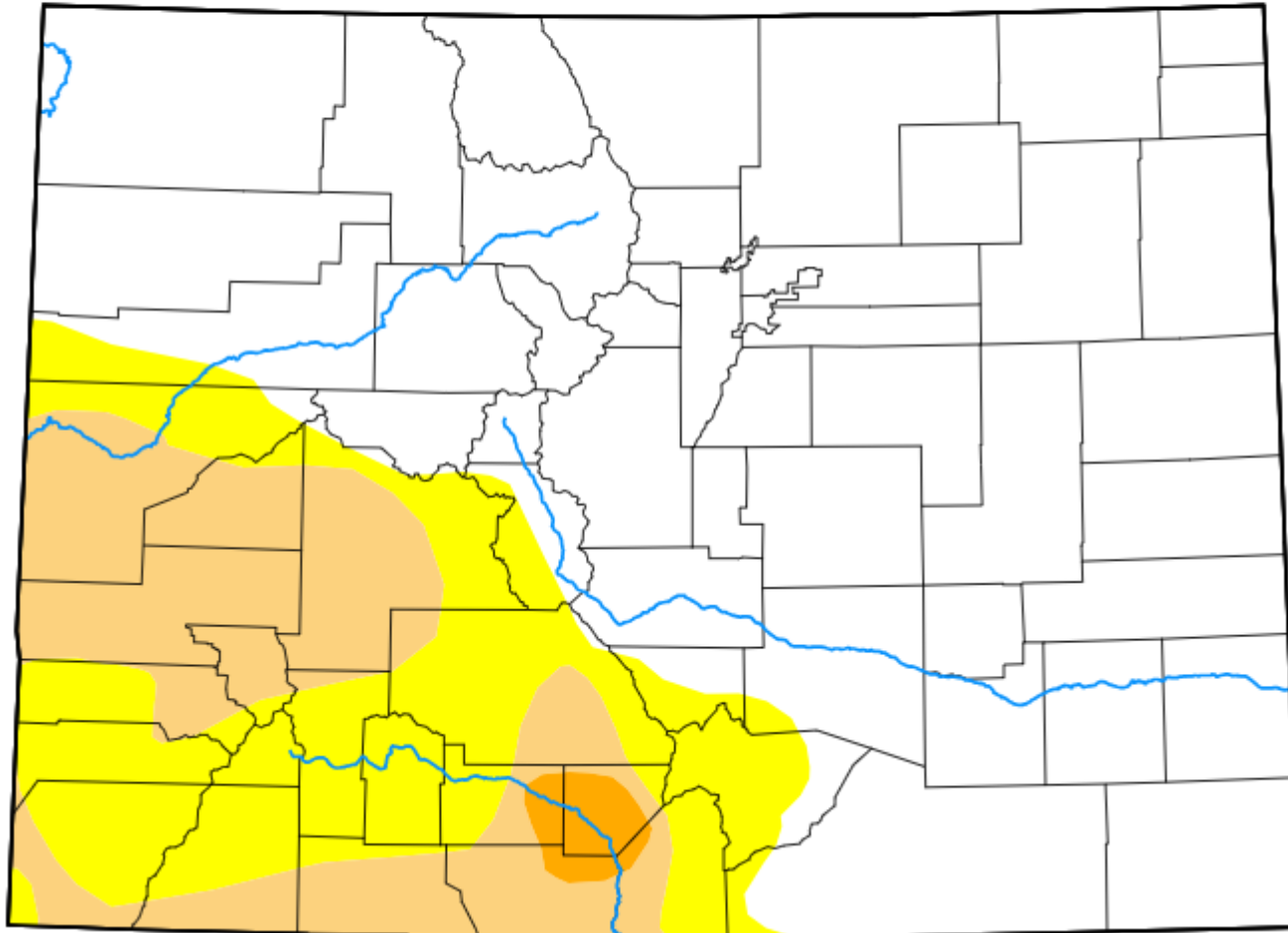
## Authors

United States and Puerto Rico Author(s):

[David Simeral](#), Western Regional Climate Center

Pacific Islands and Virgin Islands Author(s):

[Rocky Bilotta](#), NOAA/NCEI





# 2023 Demands

## August

- Averaged 75.2 MGD
- 17.0% less than July 2022

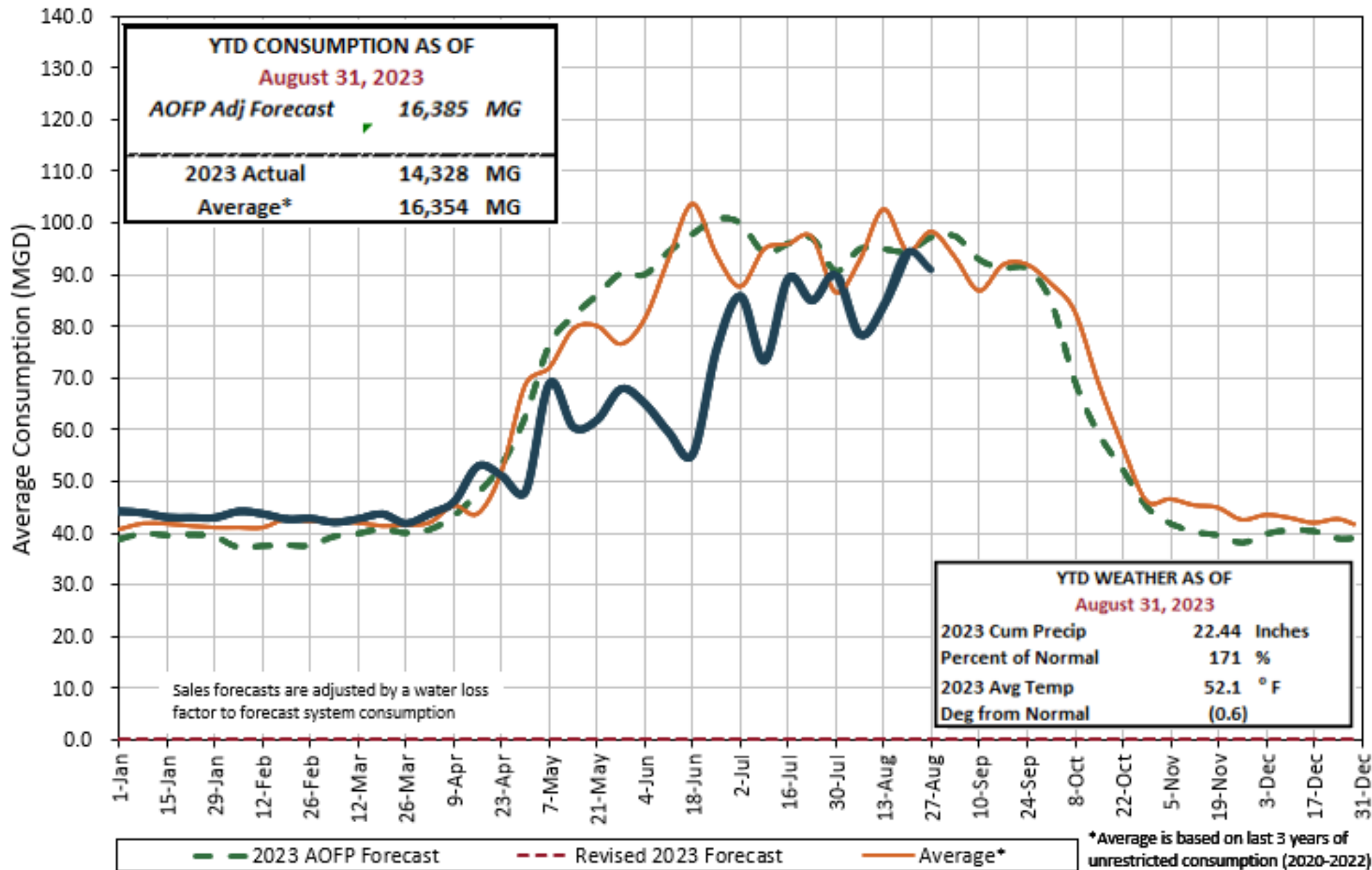
## 2023 Year to Date

- Averaging 58.8 MGD, 14.3 BG total
  - 11.7% less than 2022
  - 1.9 Billion Gallons less than 2022

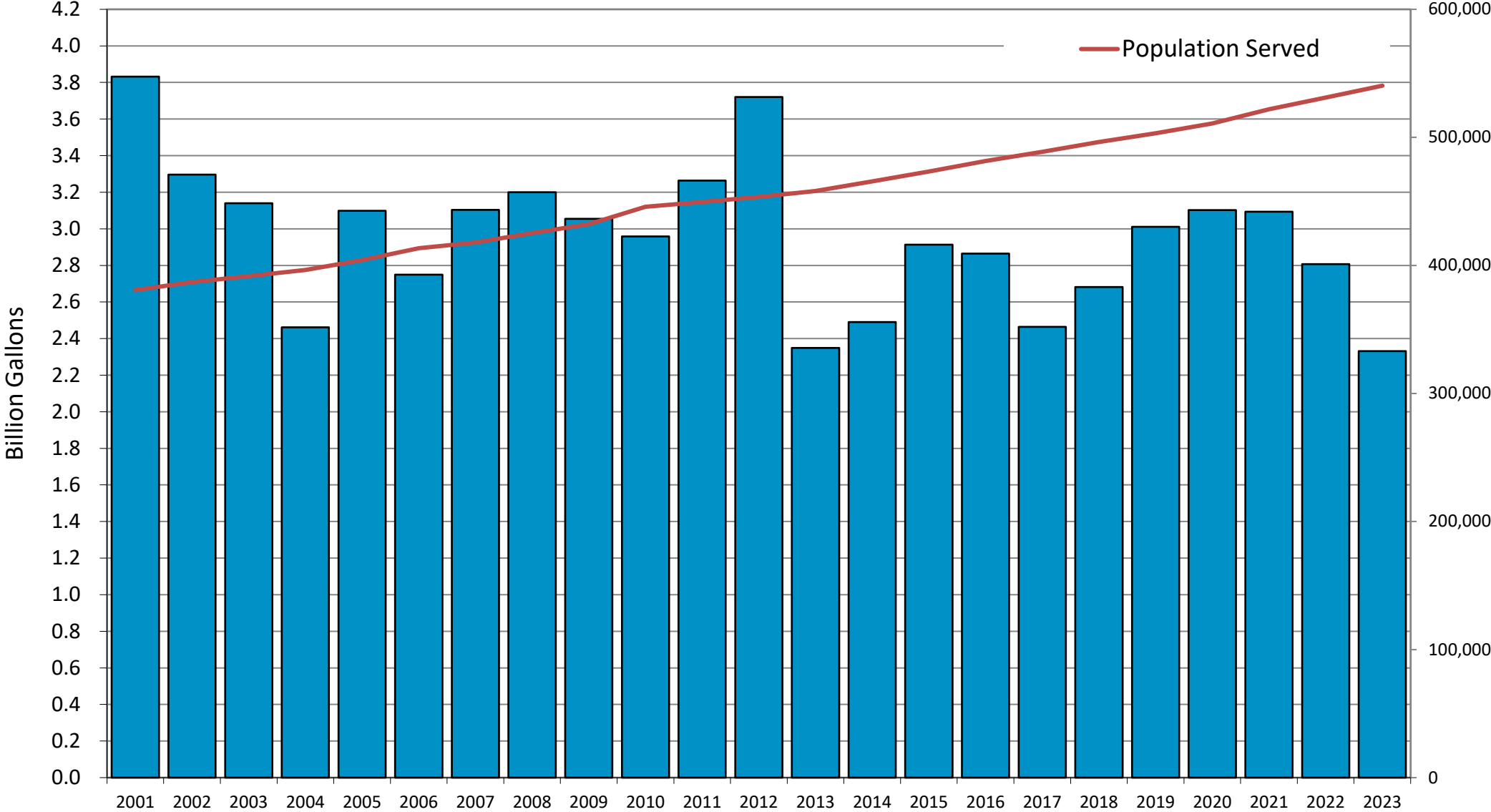




## 2023 Actual Consumption (Weekly Data)



# Monthly Water Use for August





# Reservoir Levels

August 31, 2023

- Pikes Peak 71 %
  - 91-20 Avg. 72 %
- Rampart 95 %
  - 91-20 Avg. 76 %
- Local Total 86 %
  - 91-20 Avg. 75 %
- System Total 90 %
  - 91-20 Avg. 80 %



### Colorado Springs' System Wide Storage:

August 31, 2023 234,500 af

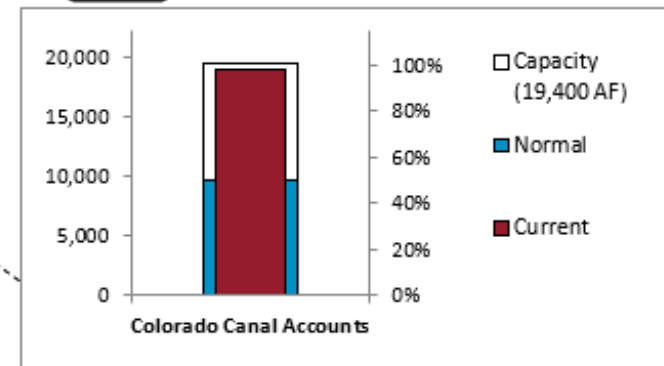
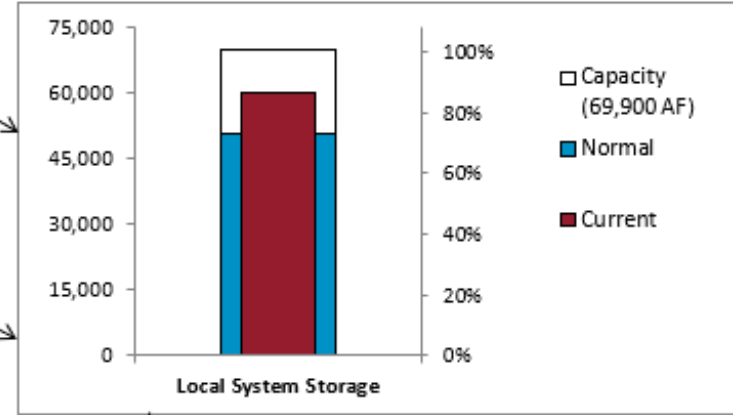
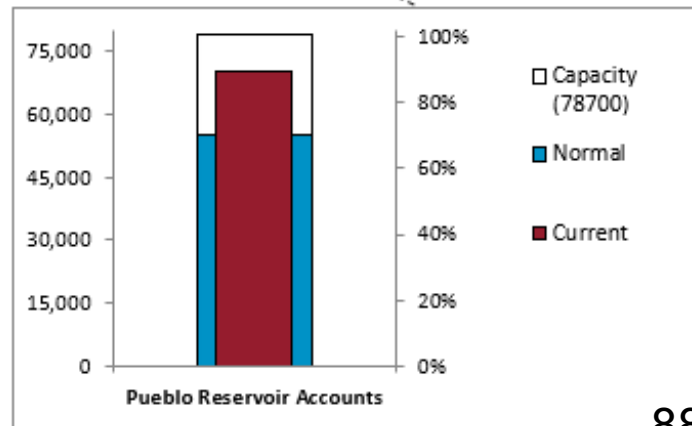
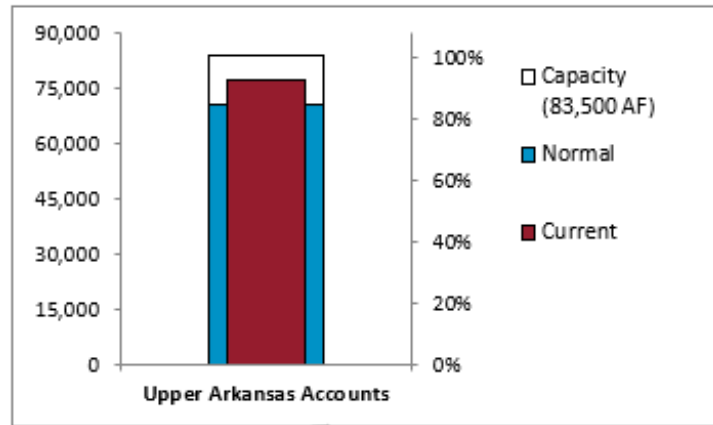
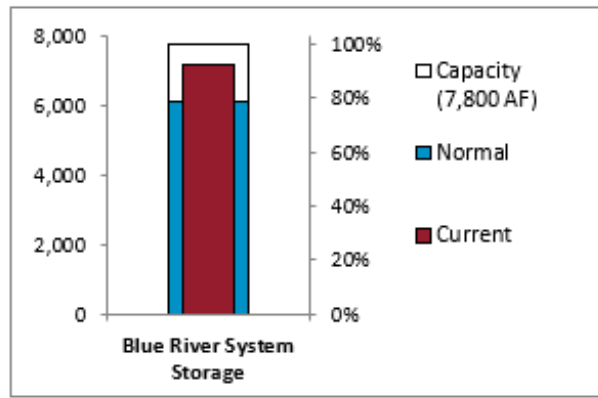
90.4 %

2001-2022 avg 192,200 af

74.1 %

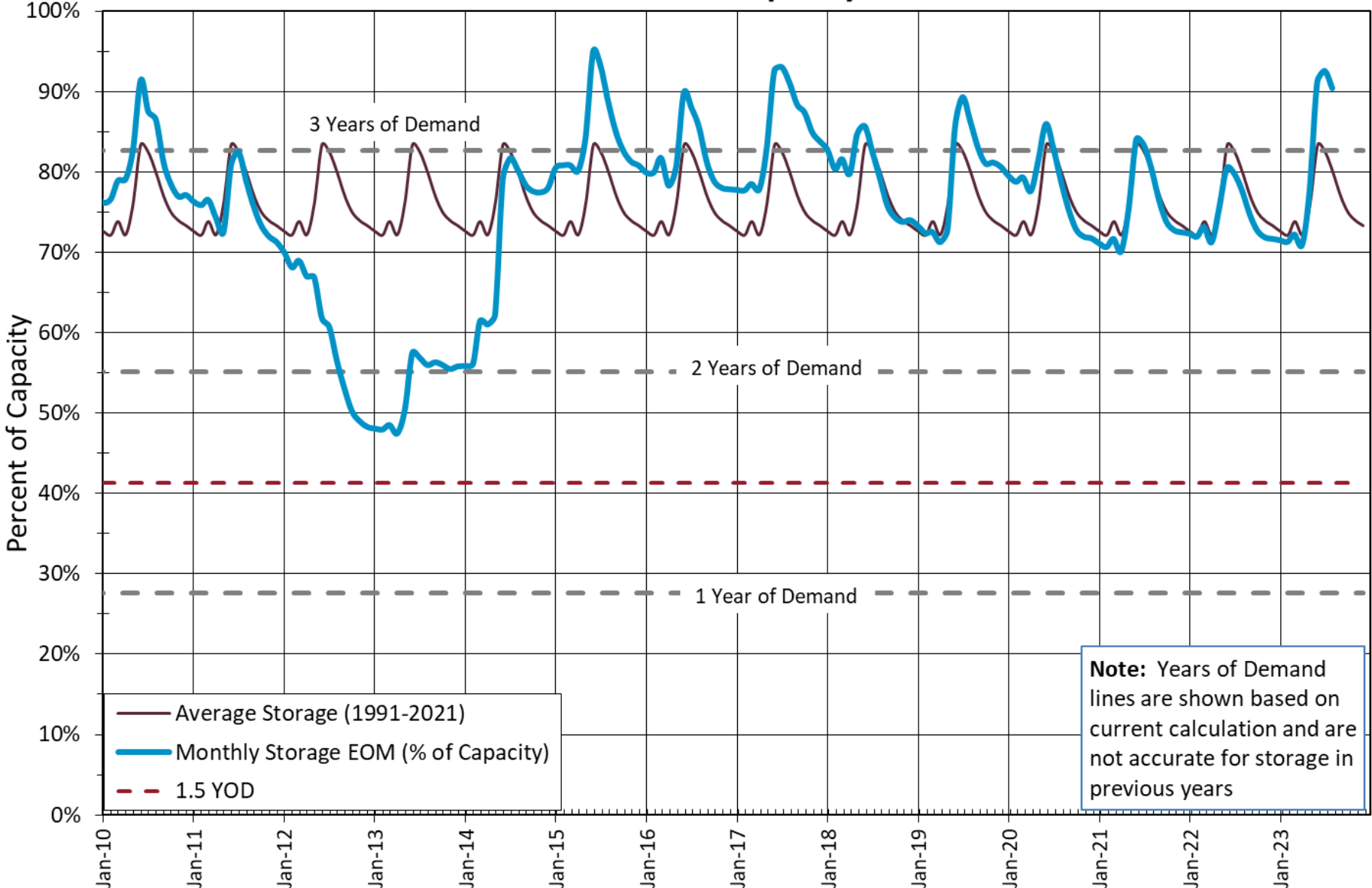
Average YTD Demand

58.7 MGD





# Monthly Storage Percent of Capacity



# Water Outlook

- Situation Outlook Summary
  - System-wide storage is at 90.4% of capacity, about 10% above our long-term average
  - About 3.3 years of demand in storage, based on the past 3 years of demand
  - Have 291 days of demand in local storage
- Three-month outlook predicts
  - Mild chances for above-average temperatures across all of Colorado
  - Equal chances for below-average and above-average precipitation across the entire state of Colorado
  - We continue to monitor snowpack, demand and storage to maximize available water supply

# Operational Notes

## Storage Conditions

- South Catamount Reservoir capacity remains restricted for planned dam maintenance this fall
- Crystal Reservoir is currently being backfilled from North Catamount Reservoir
- August 31 – October 31: outage on Homestake Pipeline for scheduled maintenance



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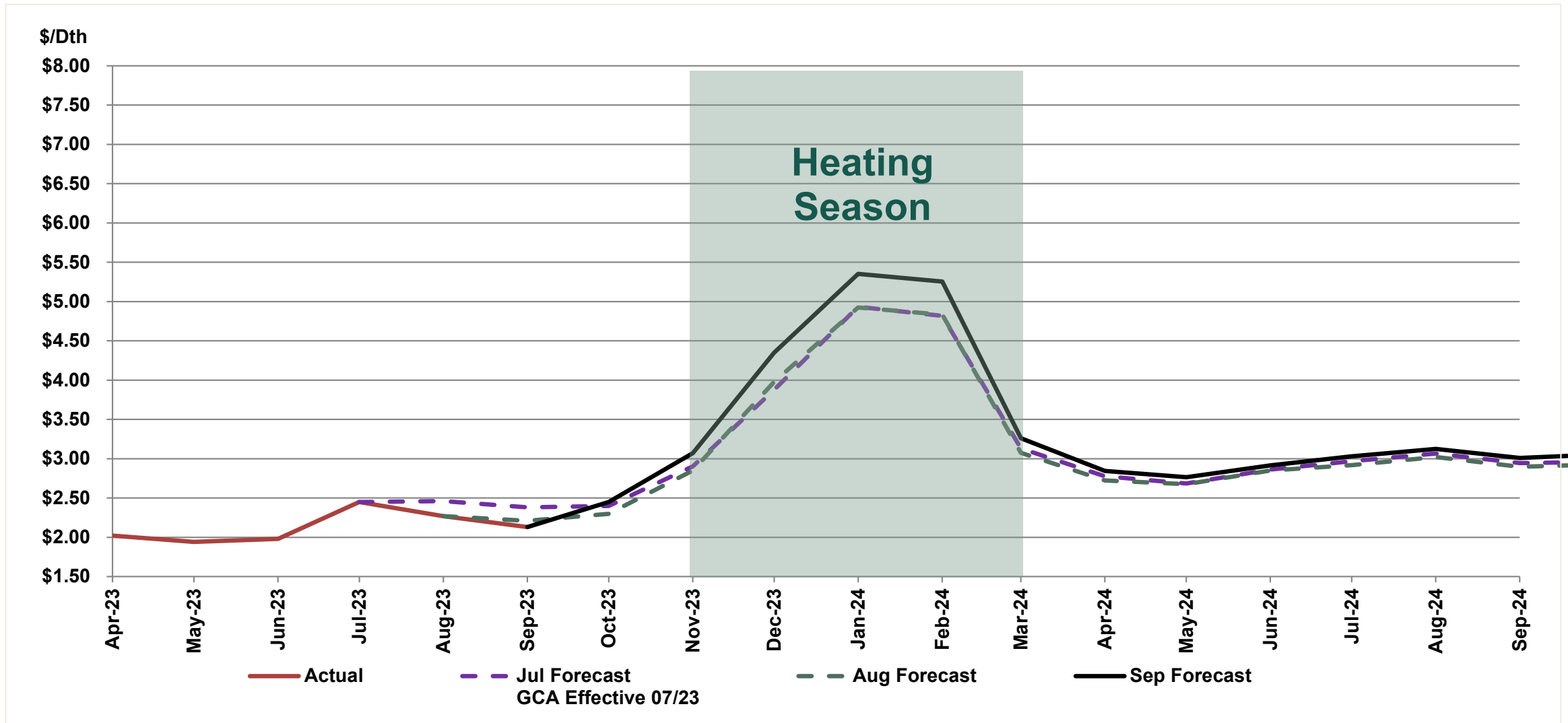
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# **Electric Cost Adjustment Gas Cost Adjustment**

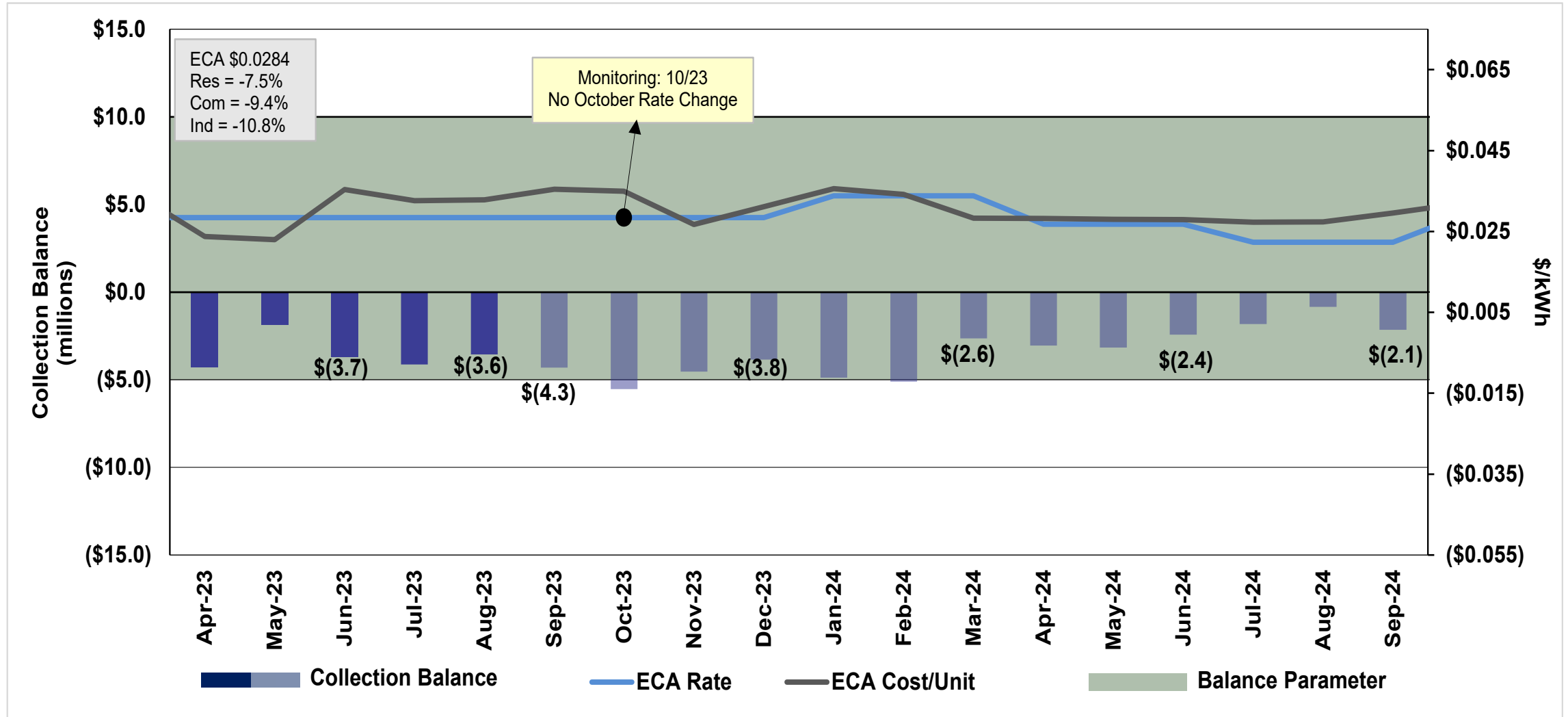
Scott Shirola, Pricing and Rates Manager

September 27, 2023

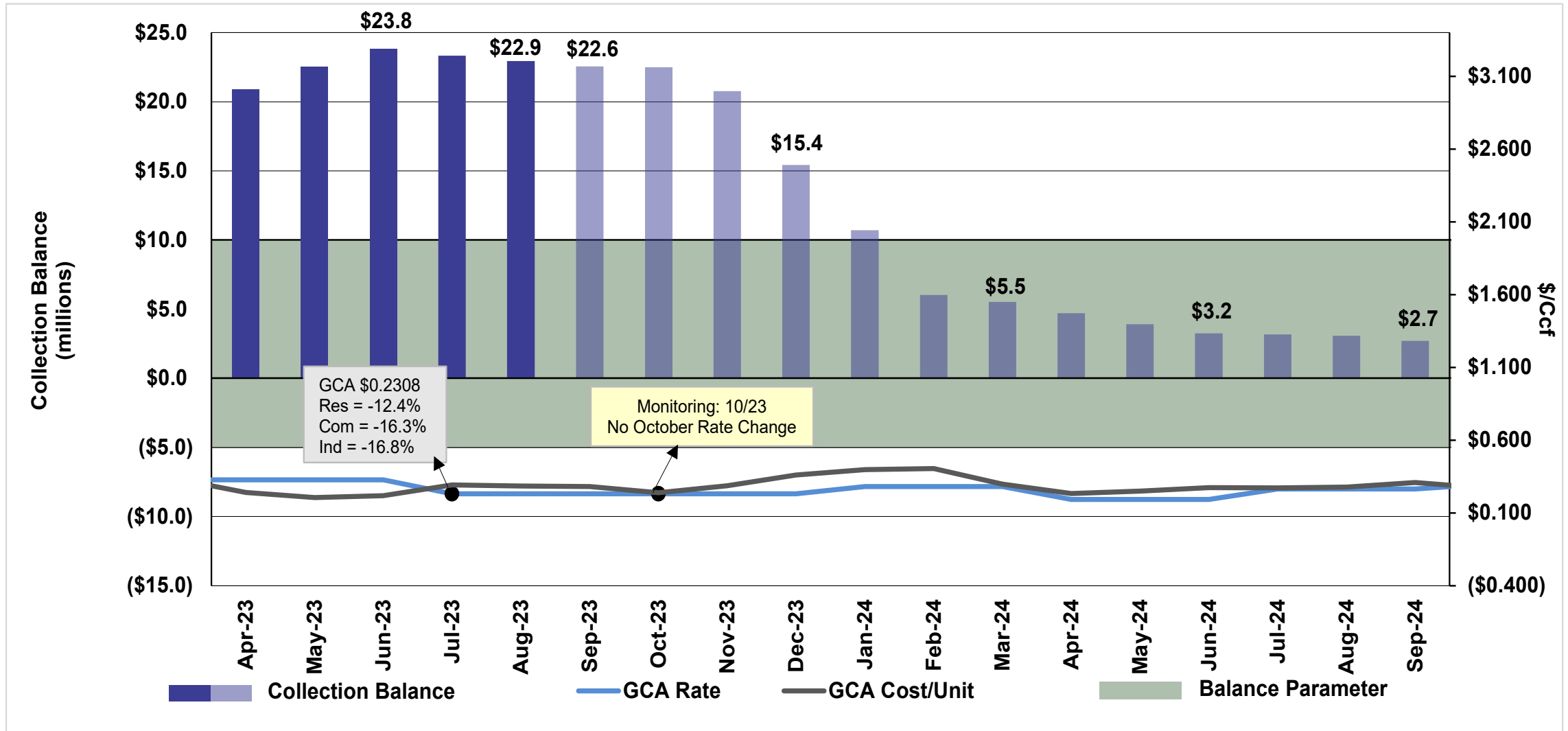
# Natural Gas Prices as of September 1, 2023



# ECA Projections September 2023



# GCA Projections September 2023







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# Board Memo Agenda Item

## Staff Report

**Date:** September 27, 2023  
**To:** Utilities Board  
**From:** Travas Deal, Chief Executive Officer  
**Subject:** Martin Drake Power Plant Decommissioning Regulatory Asset Creation Resolution

### NARRATIVE:

**Desired Action:** Informational presentation

**Executive Summary:** Colorado Springs Utilities seeks approval from City Council to establish a regulatory asset to record the decommissioning and obsolete inventory expenses associated with the Martin Drake Power Plant.

These costs will be expensed over a 10-year period as they are incurred to help smooth the rate impact. With City Council approval, the proposed total regulatory asset, currently estimated at \$17,900,000, would be established starting with 2023 and adjusted through 2024 as final expenses are trued up with the completion of the decommissioning project. Incurred actual costs each year will be amortized (expensed) over the 10-year rolling period for total of 11 years.

**Benefits:** If approved, this action will help smooth the rate impact of incurring the costs of Drake decommissioning by amortizing those costs over a 10-year period.

**Board Policy:** Supports the I-3 (Financial Planning and Budgeting). If approved, this will ensure that costs are shared between current and future customers.

**Cost/Budget:** With City Council approval, the proposed total regulatory asset, currently estimated at \$17,900,000, would be established starting with 2023 and adjusted through 2024 as final expenses are trued up with the completion of the decommissioning project.

**Affected Parties:** N/A

**Alternatives:** Without the establishment of a regulatory asset, the annual expenses would be recorded against income in the year they occur and potentially drive short-term rate increases.

**Submitter:** Natalie Lovell

**Email address:** nlovell@csu.org

**Division/ Department:** Planning & Finance Division/  
Accounting

**Phone number:** 719-668-4438

**Date submitted:** Aug. 7, 2023

**SPG Staff Use Only:** Consent Calendar

Yes

No

**ITEM NO. 8**





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# **Drake Decommissioning Regulatory Asset Resolution**

Natalie Lovell, Accounting Manager

September 27, 2023

# Purpose & Executive Summary

- Presentation of Finance Committee:
  - Informational purposes only
  - Preparation for seeking a resolution from City Council in October

- Executive Summary

Colorado Springs Utilities seeks approval from City Council to establish a regulatory asset to record the decommissioning and obsolete inventory expenses associated with Martin Drake Power Plant. These costs will be expensed over a 10-year period as they are incurred to help smooth the rate impact. With City Council approval, the proposed total regulatory asset, currently estimated at \$17,900,000, would be established starting with 2023 and adjusted through 2024 as final expenses are trued up with the completion of the decommissioning project. Incurred actual costs each year will be amortized (expensed) over the 10-year rolling period for total of 11 years.

# Background- Government Accounting

## Government Accounting Standards Board (GASB) Statement 62 & FAS 71 / Accounting Standards Codification (ASC) 980

- Regulatory Asset is allowed by standards, if:
  - Rates are established by governing board empowered by statute to establish rates
  - Regulated rates are designed to recover the costs of the Utility providing the regulated services
  - It is reasonable to assume that rates can be charged and collected from customers
- Financial Implications:
  - Defers expended costs to the balance sheet as a regulatory asset
  - Amortized expenses are recorded on the income statement over a set period of time

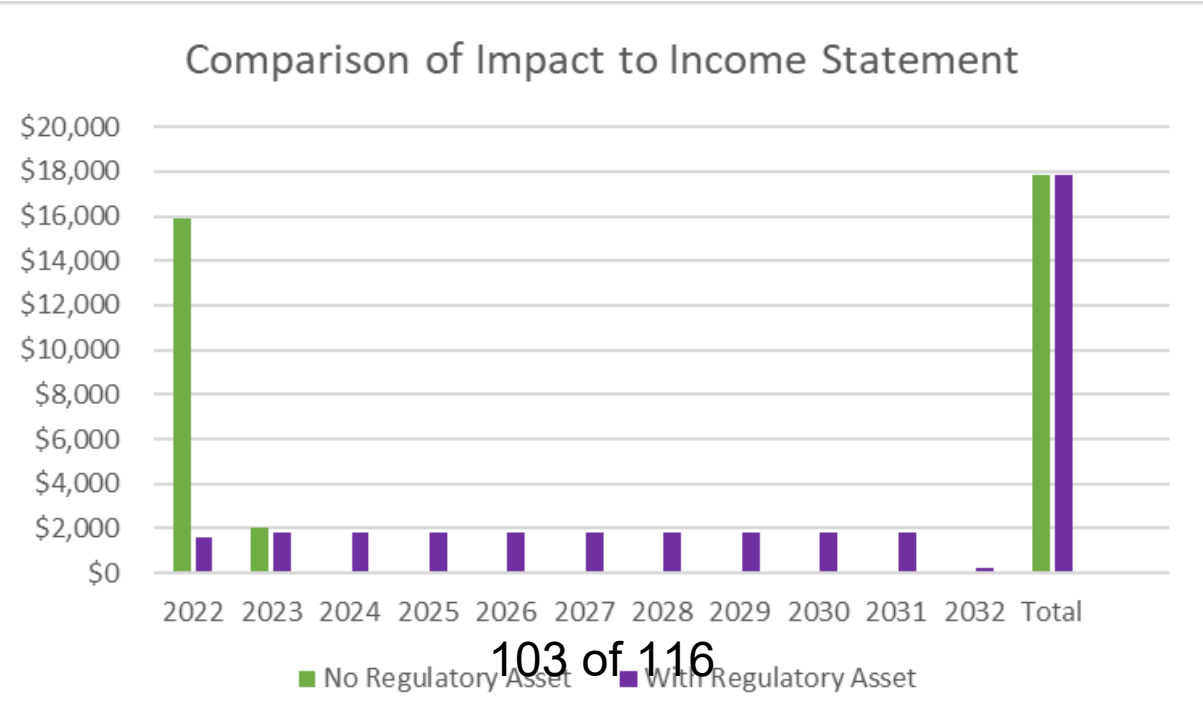
# Benefits and Prior Council Action

- Benefits
  - Rate stabilization, smoothing rate impact
  - Operating benchmarks comparable to their investor-owned peer utilities
  - Match their accounting to utility industry standards.
- Previous Council Action
  - 2009, Resolution 312-09, Southern Delivery System
  - 2013, Resolution 26-13, Debt Issuance Cost

## Sample Regulatory Asset Amortization Schedule

	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	Total
<b>Cash Outflow &amp; Regulatory Asset Recorded (Balance Sheet)</b>												
Obsolete Inventory	\$3,381											\$3,381
23 Decommissioning Contractor Expense	\$12,500											\$12,500
24 Decommissioning Contractor Expense		\$2,000										\$2,000
<b>Total Cash Outflow and Regulatory Asset</b>	<b>\$15,881</b>	<b>\$2,000</b>										<b>\$17,881</b>
<b>Amortization Recorded in Planning (Income Statement)</b>												
Obsolete Inventory	\$338	\$338	\$338	\$338	\$338	\$338	\$338	\$338	\$338	\$338		\$3,381
22 Decommissioning Contractor Expense	\$1,250	\$1,250	\$1,250	\$1,250	\$1,250	\$1,250	\$1,250	\$1,250	\$1,250	\$1,250		\$12,500
23 Decommissioning Contractor Expense		\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$2,000
<b>Total Amortization and Expenses against Income</b>	<b>\$1,588</b>	<b>\$1,788</b>	<b>\$1,788</b>	<b>\$1,788</b>	<b>\$1,788</b>	<b>\$1,788</b>	<b>\$1,788</b>	<b>\$1,788</b>	<b>\$1,788</b>	<b>\$1,788</b>	<b>\$200</b>	<b>\$17,881</b>

\*in thousands



# Next Steps- Procedural Requirements

- August 14, 2023- Finance Committee
  - Overview and general discussion
- September 20, 2023- Utilities Board
  - Discussion Agenda Item
- October 10, 2023- City Council
  - Consent agenda, proposed
  - Resolution passed





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# Board Memo Agenda Item

## Staff Report

**Date:** September 27, 2023  
**To:** Utilities Board  
**From:** Travas Deal, Chief Executive Officer  
**Subject:** Outside City Request for Water/Wastewater Service – 5180 Topaz Drive

### NARRATIVE:

**Desired Action:** Vote whether to recommend approval of extending water service to property outside City limits.

**Executive Summary:** Colorado Springs Utilities received an application for water service in Park Vista Estates enclave from the owners of 5180 Topaz Drive (single-family residence). The property is contiguous; however, City Planning supports Agreement to Annex.

City Code 7.5.701.E. permits service without annexation subject to execution of an Agreement to Annex and City Council approval. If approved by City Council, the Agreement to Annex would allow provision of Springs Utilities water/wastewater service to property located outside City limits.

The property meets de minimis impact to City's water supply and enclave exceptions. It currently has access to water infrastructure without the need for extension. There has been no previous Utilities Board action for this property.

**Benefits:** Approval of extension of water service would generate utility water revenue for Springs Utilities and allow homeowners to connect to Springs Utilities water service considering their underperforming well.

**Board Policy:** Extending water service into any area not within either the existing City limits or the water service boundary is subject to the recommendation of approval by the Utilities Board and approval by City Council (City Code 12.4.305.A.).

**Cost/Budget:** Costs are null or de minimis.

**Affected Parties:** Colorado Springs Utilities, City of Colorado Springs, property owners and rate payers.

**Alternatives:** Recommend approval or denial of extension of water service boundary to a property located outside City limits.

<b>Submitter:</b> Bryan English	<b>Email address:</b> <a href="mailto:benGLISH@csu.org">benGLISH@csu.org</a>
<b>Division/ Department:</b> System Planning and Projects, Customer Utilities Connections	<b>Phone number:</b> 719-668-8119
	<b>Date submitted:</b> Aug. 28, 2023

<b>SPG Staff Use Only:</b> Consent Calendar	<input type="checkbox"/>	Yes	<input checked="" type="checkbox"/>	No	<b>ITEM NO. 9</b>
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# **Outside City Water & Wastewater Service & Agreement to Annex**

September 27, 2023

Bryan English, PMP, Development Projects Manager

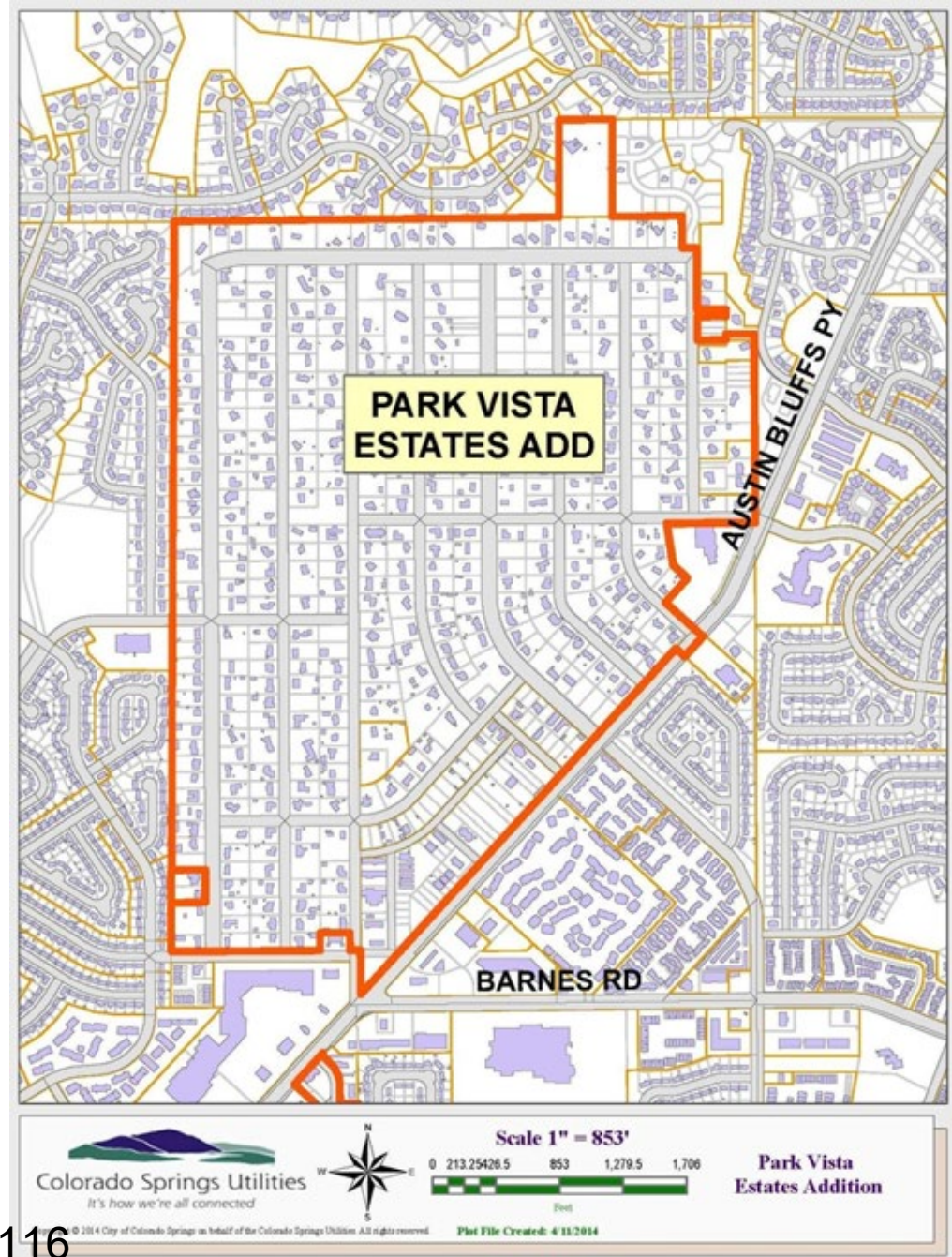
Customer Utilities Connections

107 of 116



# Service Request

- Owners of 5180 Topaz Drive have requested Springs Utilities water service for single-family residential use
- Property located in Park Vista Estates, which is a 372-acre, 558 lot enclave, located north of Austin Bluffs Pkwy and Barnes Road
- Property currently served by well
- Springs Utilities provides natural gas and electric service to property and enclave



# Provision of Water/Wastewater Service

- Property is contiguous with City limits
  - Eligible for annexation under Colorado Revised Statutes
- City Code 7.5.701.J: Service Without Annexation
  - Springs Utilities may provide water and wastewater services upon approval of City Council through an Agreement to Annex
  - City Planning supports Agreement to Annex in lieu of annexation

# City Code 12.4.305

- Requires Utilities Board to recommend and City Council approval to provide water service outside City limits
  - Approval must be based on substantiated and written record demonstrating one of the following:

# Criteria for Extension per Ordinance

B. 1. 128% of existing water usage\* plus projected demand for proposed water extension(s), and 25% of the perimeter of the area is contiguous

**- OR -**

2. A unique and extraordinary event or circumstance necessitates an extension of water services to serve critical interests of the City; or

**- OR -**

3. The area is an enclave, or

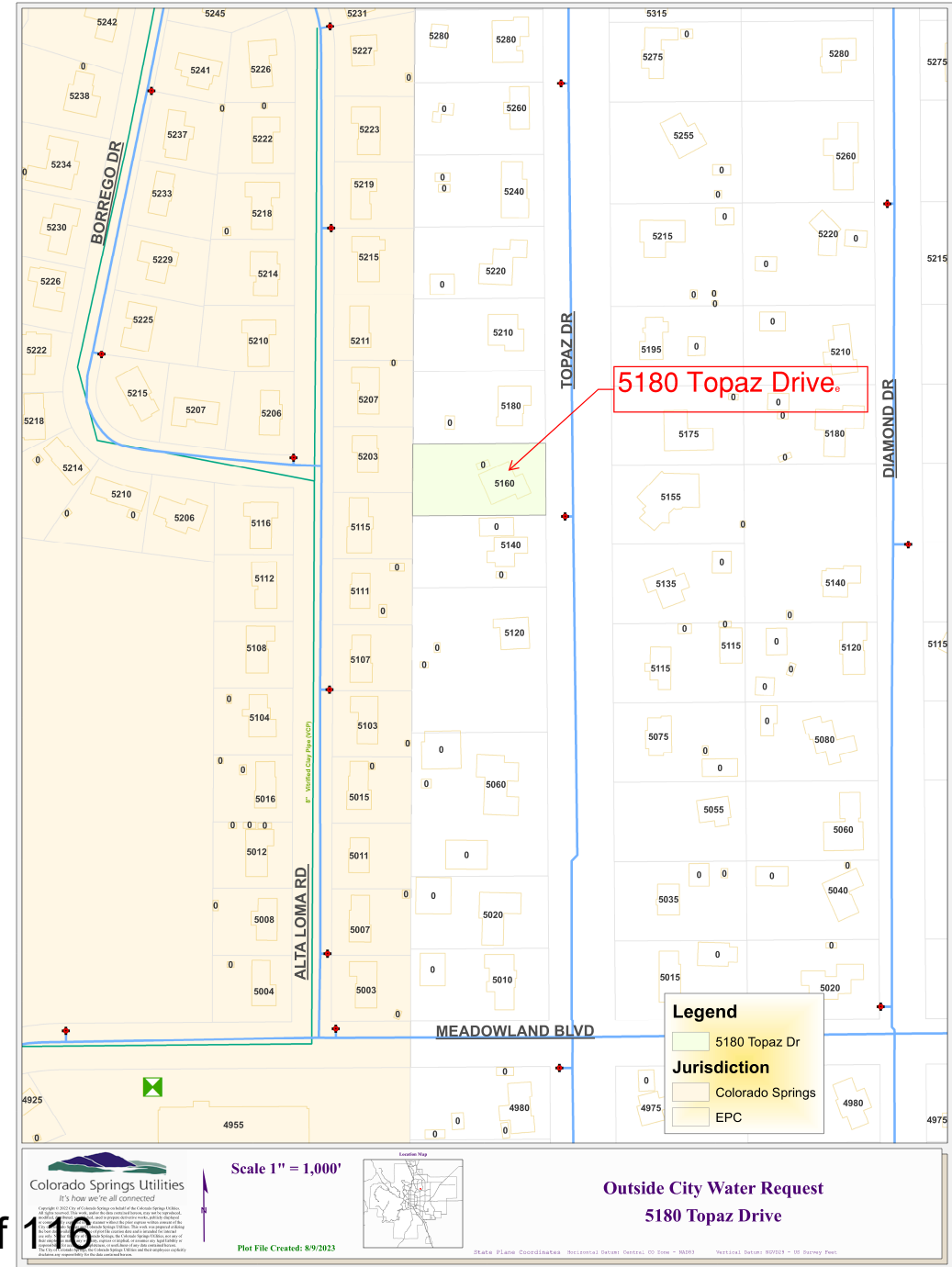
The area is owned or leased by the City, or

The extension will have a de minimis impact on the overall City's available water supply.

*\*Calculated using a five-year rolling average of unrestricted weather normalized usage data*

# Springs Utilities Considerations 7.6.210.

- Existing water main located in Topaz Drive
- Sufficient capacity exists at time of application
- Agreement to Annex includes provisions for future wastewater service
- No existing wastewater mains
- Service available on a first-come first-serve basis subject to available capacity
- Avoids future revision or new Agreement to Annex





# Agreement to Annex

- Standard form Agreement to Annex
  - ✓ Southeastern Colorado Water Conservancy District inclusion in process
  - ✓ Deed all groundwater rights to City of Colorado Springs
  - ✓ Typical Springs Utilities' extension policies apply
  - ✓ No utility capacity issues anticipated
  - ✓ Per tariff, owner will pay outside-City water/wastewater Development Charges and utility rates that are 50% higher than inside-City rates
  - ✓ Executed by Owner/Applicant

# Application of Water Extension Ordinance

- Per City Code 12.4.305.B.3.
  - The area is an enclave (as defined by State law), or the area is owned or leased by the City, or extension of water service to the area will have a de minimis impact on the overall City's water supply.
- Proposed water service meets two (2) exceptions
  1. De minimis impact to City's water supply
    - 0.3 acre-feet/year (AFY)
    - De minimis: Projected water demand < 39 AFY
    - 0.3 AFY < 39 AFY
  2. Property located in an enclave (as defined by State law)

# Utilities Board Action

- Per City Code 12.4.305.A., extending water into any area not within either the existing City limits or the water service boundary is subject to the recommendation of approval by the Utilities Board and approval by City Council



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