



Colorado Springs Utilities  
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# **2020 Budget and Appropriation Ordinances**

Scott Shewey

Acting Chief Planning and Finance Officer

# Proposed 2020 Budget Overview



## Financial Metrics

- Debt Service Coverage – 1.85
- Days Cash on Hand – 160
- Debt Ratio – 51.6%



## Rate Adjustments

- Water – 3.5%
- Wastewater – 2.0%
- Sample Residential Bill – 2.6%



## Expenditures

- O&M increased 2% to 2019
- Capital Spending set at \$180M



# Proposed 2020 Budget

Cost Category (dollars in thousands)	2020 Proposed Budget	2019 Approved Budget	Increase / (Decrease)	% Change
Capitalized Projects	\$179,604	\$181,953	\$ (2,349)	(1.3%)
Fuel Operations & Maintenance	208,413	197,048	11,365	5.8%
Non-Fuel Operations & Maintenance	342,596	335,573	7,023	2.1%
Debt Service	187,389	187,986	(597)	(0.3%)
Transfers - Surplus Funds to City	36,116	33,669	2,447	7.3%
Other	335	307	28	9.0%
<b>TOTAL</b>	<b>\$954,452</b>	<b>\$936,536</b>	<b>\$ 17,916</b>	<b>1.9%</b>

Note: immaterial differences may occur due to rounding



# Proposed 2020 Ordinances

## AN ORDINANCE IDENTIFYING AND ACCEPTING THE ANNUAL SOURCES OF FUNDS FOR COLORADO SPRINGS UTILITIES FOR THE YEAR ENDING DECEMBER 31, 2020

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

**Section 1.** Based upon the annual budget for Colorado Springs Utilities for the year ending December 31, 2020, heretofore presented by the Chief Executive Officer of Colorado Springs Utilities, this City Council hereby accepts the aggregate sources of funds identified by the Chief Executive Officer of Colorado Springs Utilities for the year 2020 as shown:

**Colorado Springs Utilities:**           **\$974,064,686**

**Section 2.** That the City Council hereby finds, determines and declares that the amount of money necessary to fund Colorado Springs Utilities' operation, taking into account the amounts available from other sources to meet the expenses of Colorado Springs Utilities for the ensuing year, is the sum of \$ 974,064,686.

**Section 3.** All ordinances or parts of ordinances in conflict herewith are hereby repealed and all statutes of the State of Colorado or parts thereof in conflict herewith are hereby superseded.

**Section 4.** This ordinance accepting the identified sources of funds shall be in full force and effect on January 1, 2020.

Introduced, read, and passed on first reading and ordered published this 22nd day of October, 2019.

## AN ORDINANCE APPROVING THE ANNUAL BUDGET FOR COLORADO SPRINGS UTILITIES AND APPROPRIATING MONIES FOR THE SEVERAL PURPOSES NAMED IN THE ANNUAL BUDGET FOR COLORADO SPRINGS UTILITIES FOR THE YEAR ENDING DECEMBER 31, 2020

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

**Section 1.** The Chief Executive Officer of Colorado Springs Utilities having prepared and presented to this City Council an annual budget for Colorado Springs Utilities for the year ending December 31, 2020 in the amount of \$954,452,471 which proposed annual budget is in such detail as to the aggregate sum and the items thereof allowed to each department as the Colorado Springs Utilities Board of Directors has deemed advisable.

**Section 2.** Pursuant to Charter, the Council hereby adopts the Budget and upon the basis of the Budget, the sum of money hereinafter specified is hereby appropriated out of the revenues and fund balance of the Colorado Springs Utilities for the year 2020 to meet the expenses of the Colorado Springs Utilities for the year 2020.

**Colorado Springs Utilities:**           **\$ 954,452,471**

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

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

**Section 5.** This ordinance approving the Budget and appropriating monies shall be in full force and effect on January 1, 2020.

Introduced, read, and passed on first reading and ordered published this 22nd day of October, 2019.



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# **Proposed Water & Wastewater Services Budget**

Earl Wilkinson

Chief Water Services Officer

# Water Key Programs of Work

- Water Planning and Condition Assessments
- Water Supply, Delivery, and Treatment Investments
- Water Main Rehabilitation and Replacement
- Regulatory Compliance
- Financial Health

# Water Key Capital Projects

– Finished Water/ Water Main Replacement Programs	\$ 17.7 M
– Facility Improvements	14.8 M
– Raw Water System	12.2 M
– Other Support (Meters, Fleet, Lab Equipment)	2.4 M
– Water Resources	2.2 M
– Public/ Developer Projects	2.1 M
– Tank/ Pump Station/ Specialty Valve Programs	1.9 M
– Technology	1.1 M
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<b>Total</b>	<b>\$ 54.4 M</b>

# Wastewater Key Programs of Work

- Wastewater Planning and Condition Assessments
- Wastewater Treatment Plant Investments
- Wastewater Collection System Improvement
- Sanitary Sewer Creek Crossings
- Regulatory Compliance

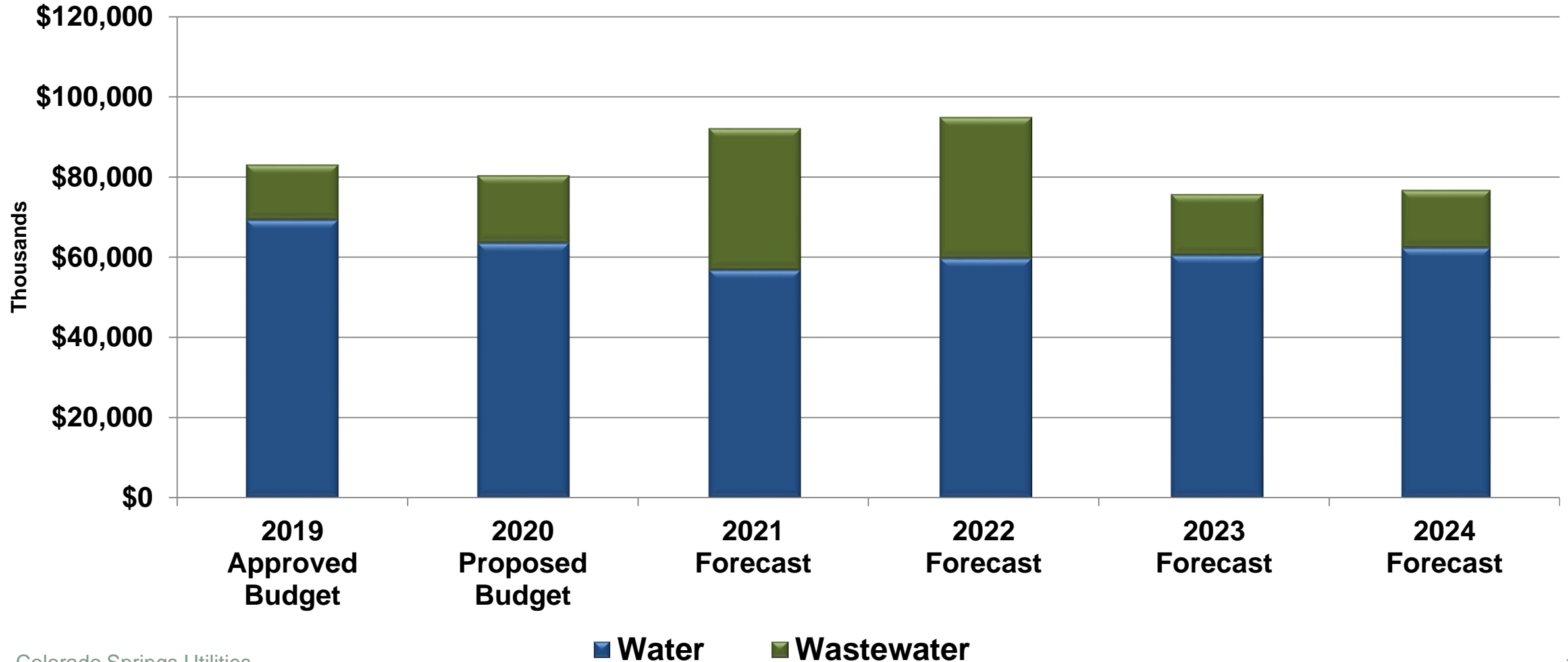


# Wastewater Key Capital Projects

– Wastewater Programs	\$ 6.6 M
– Facility Improvements	5.3 M
– North Monument Creek Interceptor	1.7 M
– Other Support (Fleet, Lab Equipment)	1.4 M
– Public/ Developer Projects	0.9 M
<b>Total</b>	<b>\$ 15.9 M</b>

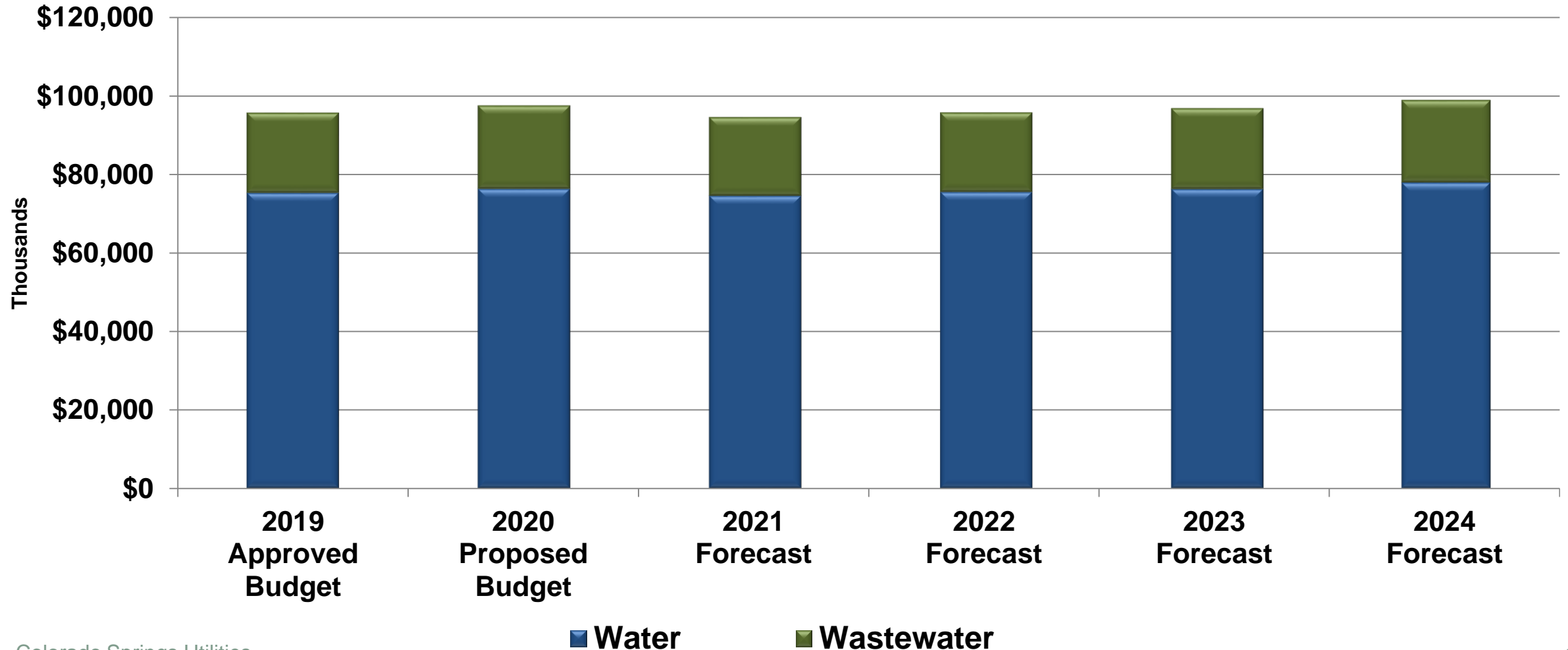
# 5 Year Capital Plan

## Water & Wastewater Capital Expenditures



# 5 Year O&M Plan

## Water & Wastewater Operating Expenses





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# **Proposed Electric & Gas Services Budget**

Eric Tharp

Chief Energy Services Officer



# Electric Key Programs of Work

- System Growth
- Replace Aging Infrastructure
- Operation Technologies
- Regulatory Compliance
- Safety

# Electric Key Capital Projects

– System Reliability	\$ 17.7 M
– Obligation to Serve & Customer-Driven	15.9 M
– System & Operational Improvements	7.1 M
– Compliance & Regulatory	4.0 M
– Technology	3.5 M
– Safety	3.0 M
– Other (Fleet)	2.6 M

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**Total**

**\$ 53.8 M**

# Gas Key Programs of Work

- System Growth
- Safety
- Regulatory Compliance
- Operation Technologies

# Gas Key Capital Projects

– Obligation to Serve & Customer-Driven	\$ 6.8 M
– Compliance & Regulatory	3.0 M
– Safety	1.7 M
– Technology	1.5 M
– Other (Fleet)	0.6 M
– System Reliability	0.2 M

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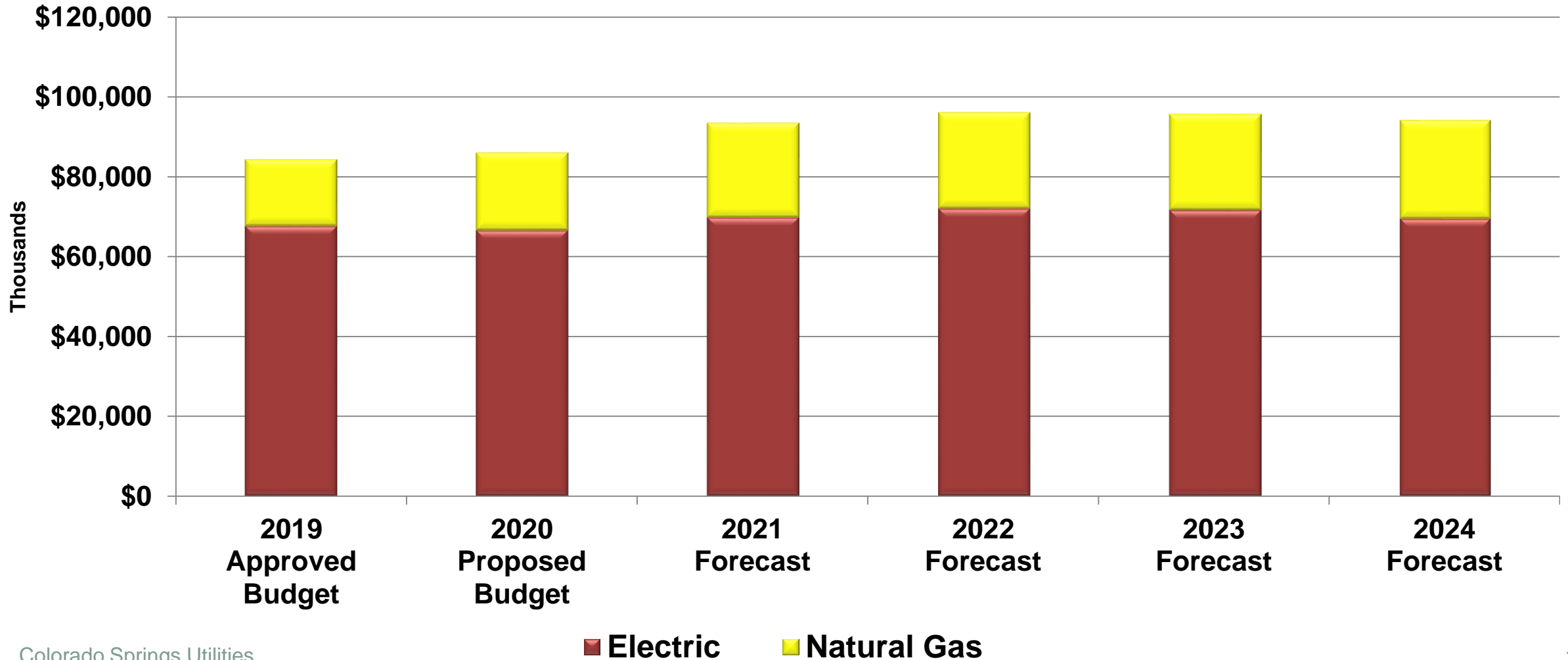
**Total**

**\$ 13.8 M**



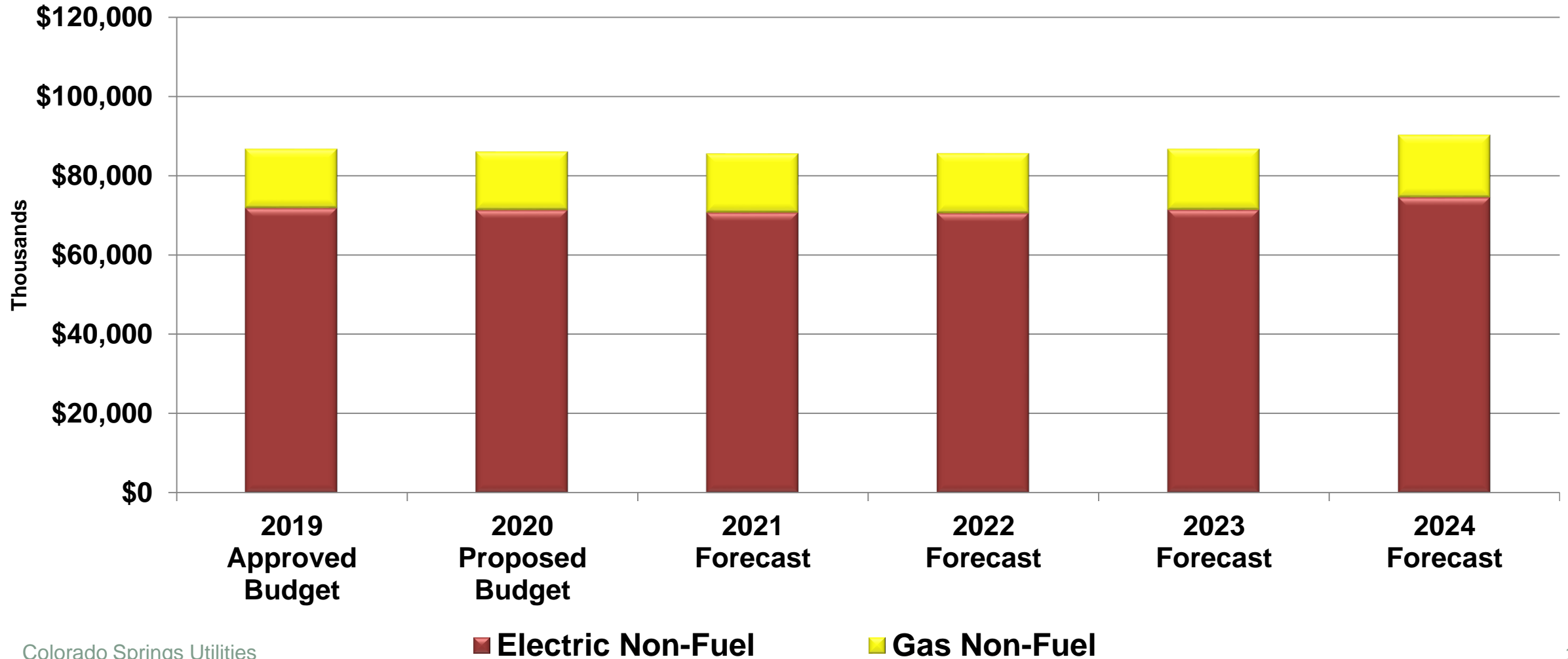
# 5 Year Capital Plan

## Electric & Gas Capital Expenditures



# 5 Year O&M Plan

## Electric & Gas Operating Expenses





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# Proposed Common Services Budget

Melissa Kellione

Chief Customer and Corporate Services Officer

# Common Key Programs of Work

- IT Lifecycle Management (Network, Applications, Servers)
- Advanced Metering Infrastructure
- Control Network Refresh (Fiber Optic & Microwave Links)
- Regulatory Compliance
- Regional Trunk Radio System (PPRCN)

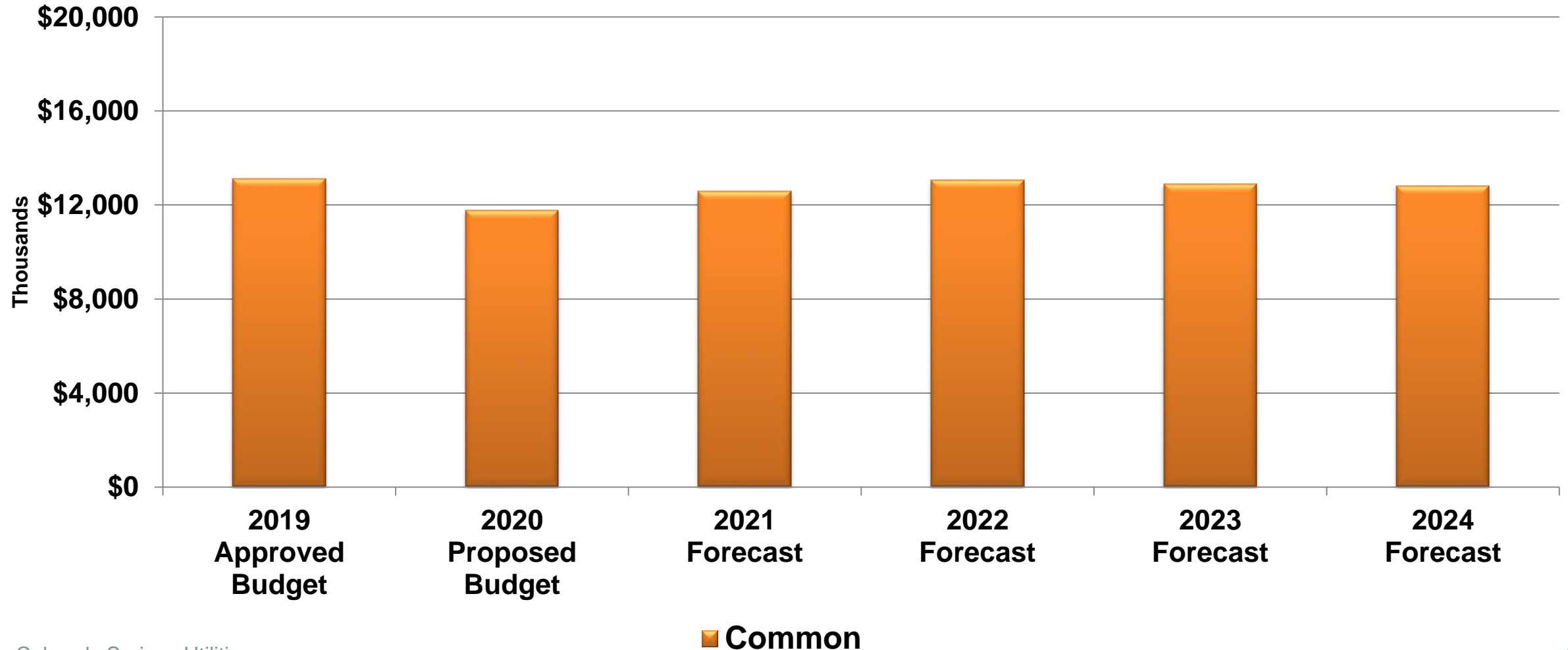


# Common Key Capital Projects

– Network Replacement	\$ 3.9 M
– IT Application Lifecycle	3.5 M
– IT Infrastructure Lifecycle	2.2 M
– Other (Fleet)	1.0 M
– PPRCN	0.5 M
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<b>Total</b>	<b>\$ 11.1 M</b>

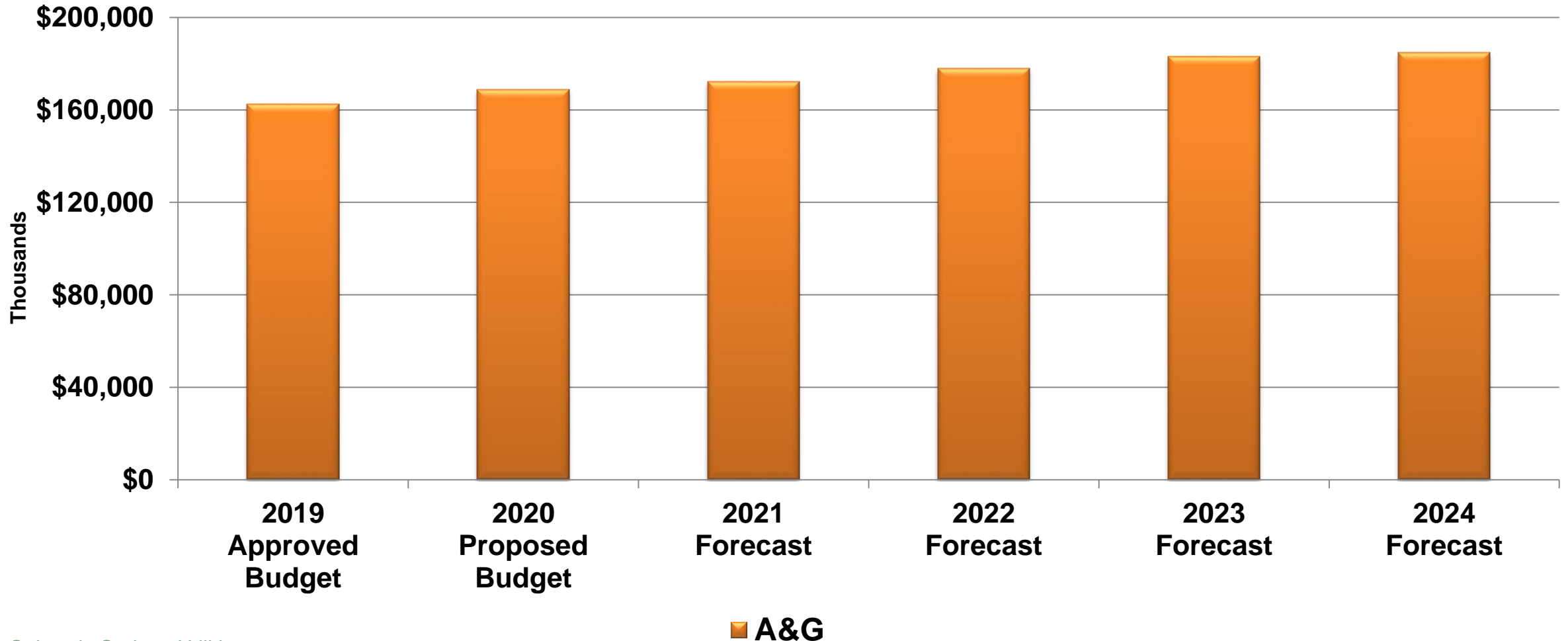
# 5 Year Capital Plan

## Common Capital Expenditures



# 5 Year O&M Plan

## Administrative & General Operating Expenses



# Base Pay Delivery 2020

## Merit Adjustments/Payment (3.0%)

Performance based

Best practice

Ensures market alignment

Transparent & defensible process

## Operational (.5%)

Market pricing

Apprentice

End of probation/6-month promotional increases

Workforce changes & reclassifications

# Labor Budget Summary and Recommendations

	2019 Approved Budget	2020 Proposed Budget
Regular Base Pay*	\$163,801,257	\$165,615,271
Employee Benefits	\$51,041,851	\$53,692,886

\*Includes only Regular Labor

Total proposed Labor and Benefits budget increase is 2.1%



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