

PRELIMINARY OFFICIAL STATEMENT DATED JULY __, 2025

NEW ISSUE
BOOK-ENTRY ONLY

RATINGS: Moody's: "___"
S&P: "___"
See "RATINGS"

In the opinion of Stradling Yocca Carlson & Rauth LLP, Denver, Colorado ("Bond Counsel"), under existing statutes, regulations, rulings and judicial decisions, and assuming the accuracy of certain representations and compliance with certain covenants and requirements described herein, interest (and original issue discount, if any) on the Bonds is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of calculating the federal alternative minimum tax imposed on individuals. In the further opinion of Bond Counsel, interest on the Bonds is excluded from Colorado taxable income and Colorado alternative minimum taxable income under Colorado income tax laws in effect on the date of delivery of the Bonds as described herein. See "TAX STATUS" with respect to tax consequences relating to the Bonds, including with respect to the federal alternative minimum tax imposed on certain large corporations.

CITY OF COLORADO SPRINGS, COLORADO

\$ _____ *
**Utilities System Improvement Revenue Bonds
Series 2025A**

\$ _____ *
**Utilities System Refunding Revenue Bonds
Series 2025B**

Dated: Date of Delivery

Due: November 15, as shown on the inside cover

The City of Colorado Springs, Colorado (the "City") is issuing its Utilities System Improvement Revenue Bonds, Series 2025A (the "Series 2025A Bonds") and its Utilities System Refunding Revenue Bonds, Series 2025B (the "Series 2025B Bonds") and collectively with the Series 2025A Bonds, the "Bonds"). The Bonds are issued as fully registered bonds in denominations of \$5,000, or any integral multiple thereof. The Bonds initially will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"), securities depository for the Bonds. Purchases of the Bonds are to be made in book-entry form only. The Bonds bear interest at the rates set forth on the inside cover page of this Official Statement, payable semiannually on May 15 and November 15 of each year, commencing November 15, 2025. Purchasers will not receive certificates from the City or the Paying Agent representing their interests in the Bonds. So long as the Bonds are held by DTC, payments of principal of and interest on the Bonds will be paid by the Paying Agent to DTC for subsequent disbursement to DTC participants for remittance to the beneficial owners of the Bonds, as more fully described herein.

The maturity schedules for the Bonds appears on the inside cover page of this Official Statement.

Certain maturities for certain series of the Bonds are subject to optional redemption prior to maturity and mandatory sinking fund redemption as set forth in this Official Statement.

The Bonds will not constitute an indebtedness or a debt of the City within the meaning of any constitutional, charter or statutory provision or limitation; the Bonds will not be payable from the proceeds of general property taxes; and the Bonds will not be considered or held to be general obligations of the City, but will be its special obligations, payable and collectible solely out of the net revenues derived from the operation and use of the municipal water system, electric system, gas system, wastewater system, streetlight system and any other systems designated in accordance with the City Charter, collectively comprising the City's utilities system (collectively, the "System"), with the possible future exclusion of any Special Facility (as defined in the Bond Ordinance). The City may not issue utilities revenue bonds which have a lien on such net revenues which is senior to the lien thereon securing the Bonds. The Bonds constitute an irrevocable lien upon the net revenues derived from the System on a parity with any future or existing parity debt.

This cover page contains certain information for quick reference only. Investors must read the entire Official Statement to obtain information essential to the making of an informed investment decision.

The Bonds are offered when, as, and if issued by the City, subject to the delivery of an approving opinion by Stradling Yocca Carlson & Rauth LLP, Denver, Colorado, as Bond Counsel, and other conditions. Stradling Yocca Carlson & Rauth LLP, Denver, Colorado, has also acted as Disclosure Counsel to the City in connection with the preparation of this Official Statement and the sale of the Bonds to the Underwriters. Certain legal matters will be passed upon for the Underwriters by their counsel, Kutak Rock, LLP, Denver, Colorado. Stifel, Nicolaus & Company, Incorporated, Denver, Colorado, has acted as Municipal Advisor to the Utilities. It is expected that the Bonds will be available for delivery on or about August 26, 2025 through the facilities of DTC.

[Underwriters to be inserted by printer]

This Official Statement is dated August __, 2025.

* Preliminary, subject to change.

CITY OF COLORADO SPRINGS, COLORADO

BASE CUSIP[†]: 196632

\$ _____ *

Utilities System Improvement Revenue Bonds, Series 2025A

SERIAL MATURITIES

<i>Maturity</i> <i>(November 15)*</i>	<i>Principal</i> <i>Amount*</i>	<i>Interest</i> <i>Rate</i>	<i>Yield</i>	<i>Price</i>	<i>CUSIP[†]</i> <i>No.</i>
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\$ _____ * _____ % Term Bond Due November 15, 20__*, Yield: _____ %, Price: _____ CUSIP[†] No. _____

\$ _____ * _____ % Term Bond Due November 15, 20__*, Yield: _____ %, Price: _____ CUSIP[†] No. _____

^c Priced to yield to the first optional redemption date of November 15, 20__ at par.
[†] CUSIP® is a registered trademark of the American Bankers Association. CUSIP Global Services (CGS) is managed on behalf of the American Bankers Association by FactSet Research Systems Inc. Copyright(c) 2024 CUSIP Global Services. All rights reserved. CUSIP® data herein is provided by CUSIP Global Services. This data is not intended to create a database and does not serve in any way as a substitute for the CGS database. CUSIP® numbers are provided for convenience of reference only. None of the City, the Utilities, the Underwriters or their agents or counsel assume responsibility for the accuracy of such numbers.

CITY OF COLORADO SPRINGS, COLORADO

BASE CUSIP[†]: 196632

\$_____*

Utilities System Refunding Revenue Bonds, Series 2025B

SERIAL MATURITIES

<i>Maturity</i> <i>(November 15)*</i>	<i>Principal</i> <i>Amount*</i>	<i>Interest</i> <i>Rate</i>	<i>Yield</i>	<i>Price</i>	<i>CUSIP[†]</i> <i>No.</i>
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^{*}Preliminary, subject to change.
^C Priced to yield to the first optional redemption date of November 15, 20[___] at par.
[†] CUSIP® is a registered trademark of the American Bankers Association. CUSIP Global Services (CGS) is managed on behalf of the American Bankers Association by FactSet Research Systems Inc. Copyright(c) 2024 CUSIP Global Services. All rights reserved. CUSIP® data herein is provided by CUSIP Global Services. This data is not intended to create a database and does not serve in any way as a substitute for the CGS database. CUSIP® numbers are provided for convenience of reference only. None of the City, the Utilities, the Underwriters or their agents or counsel assume responsibility for the accuracy of such numbers.

CITY OF COLORADO SPRINGS, COLORADO

Mayor

Blessing A. Mobolade

City Council

Lynette Crow-Iverson, President of the City Council

Brian Risley, President Pro Tem

Dave Donelson

Brandy Williams

Kimberly Gold

Nancy Henjum

Roland Rainey, Jr.

David Leinweber

Tom Bailey

Wynetta Massey, *City Attorney*

COLORADO SPRINGS UTILITIES

Travas Deal, Chief Executive Officer

Tristan Gearhart, Chief Planning and Finance Officer

Lisa Barbato, Chief System Planning and Projects Officer

Somer Mese, Chief Operations Officer

Mike Francolino, Chief Customer and Corporate Services Officer

Renee Adams, Chief Human Resources Officer

Utilities Policy Advisory Committee

Kate Danner, Chair

David Watson

Michael Borden, Vice Chair

Chris Meyer

Larry Barrett

Albert Badeau (Alternate)

Scott Smith

Tom Carter (Alternate)

Gary Burghart

Municipal Advisor

Stifel, Nicolaus & Company, Incorporated

Bond and Disclosure Counsel

Stradling Yocca Carlson & Rauth LLP

Verification Agent

Causey Public Finance, LLC

THE BONDS HAVE NOT BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION UNDER THE SECURITIES ACT OF 1933, AS AMENDED. THIS OFFICIAL STATEMENT DOES NOT CONSTITUTE AN OFFER TO SELL OR A SOLICITATION OF AN OFFER TO BUY ANY OF THE BONDS IN ANY JURISDICTION TO ANY PERSON TO WHOM IT IS UNLAWFUL TO MAKE SUCH OFFER OR SOLICITATION IN SUCH JURISDICTION.

NO DEALER, SALESPERSON OR ANY OTHER PERSON HAS BEEN AUTHORIZED TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATION, OTHER THAN THE INFORMATION AND REPRESENTATIONS CONTAINED IN THIS OFFICIAL STATEMENT, IN CONNECTION WITH THE OFFERING OF THE BONDS, AND, IF GIVEN OR MADE, SUCH INFORMATION OR REPRESENTATIONS MUST NOT BE RELIED UPON. THE CITY AND THE UTILITIES EACH MAINTAIN AN INTERNET WEBSITE AND SOCIAL MEDIA ACCOUNTS; HOWEVER, THE INFORMATION PRESENTED THERE IS NOT PART OF THIS OFFICIAL STATEMENT AND SHOULD NOT BE RELIED UPON IN MAKING AN INVESTMENT DECISION WITH RESPECT TO THE BONDS. THE INFORMATION AND EXPRESSIONS OF OPINION CONTAINED HEREIN ARE SUBJECT TO CHANGE WITHOUT NOTICE AND NEITHER THE DELIVERY OF THIS OFFICIAL STATEMENT NOR ANY SALE MADE HEREUNDER WILL, UNDER ANY CIRCUMSTANCES, CREATE ANY IMPLICATION THAT THERE HAS BEEN NO CHANGE IN THE AFFAIRS OF THE CITY OR THE UTILITIES SINCE THE DATE HEREOF.

THIS OFFICIAL STATEMENT IS NOT TO BE CONSTRUED AS A CONTRACT WITH THE PURCHASERS OF THE BONDS. STATEMENTS CONTAINED IN THIS OFFICIAL STATEMENT WHICH INVOLVE ESTIMATES, FORECASTS OR MATTERS OF OPINION, WHETHER OR NOT EXPRESSLY SO DESCRIBED HEREIN, ARE INTENDED SOLELY AS SUCH AND ARE NOT TO BE CONSTRUED AS REPRESENTATIONS OF FACTS. SEE "INTRODUCTION—FORWARD LOOKING STATEMENTS."

THE UNDERWRITERS HAVE PROVIDED THE FOLLOWING SENTENCE FOR INCLUSION IN THIS OFFICIAL STATEMENT. THE UNDERWRITERS HAVE REVIEWED THE INFORMATION IN THIS OFFICIAL STATEMENT IN ACCORDANCE WITH, AND AS PART OF, THEIR RESPONSIBILITY TO INVESTORS UNDER THE FEDERAL SECURITIES LAWS AS APPLIED TO THE FACTS AND CIRCUMSTANCES OF THIS TRANSACTION, BUT THE UNDERWRITERS DO NOT GUARANTEE THE ACCURACY OR COMPLETENESS OF SUCH INFORMATION.

THE CUSIP NUMBERS ARE INCLUDED IN THIS OFFICIAL STATEMENT FOR THE CONVENIENCE OF THE OWNERS AND POTENTIAL OWNERS OF THE BONDS. THE CUSIP NUMBER FOR ANY MATURITY OF THE BONDS MAY BE CHANGED AFTER THE ISSUANCE OF THE BONDS AS THE RESULT OF VARIOUS SUBSEQUENT ACTIONS, INCLUDING, WITHOUT LIMITATION, A REFUNDING OF ALL OR A PORTION OF SUCH MATURITY OR THE PROCUREMENT OF SECONDARY MARKET PORTFOLIO INSURANCE OR OTHER SIMILAR ENHANCEMENT BY INVESTORS THAT IS APPLICABLE TO ALL OR A PORTION OF CERTAIN MATURITIES OF THE BONDS. NONE OF THE CITY, THE UTILITIES OR THE UNDERWRITERS UNDERTAKE ANY RESPONSIBILITY FOR ANY CHANGES TO OR ERRORS IN THE LIST OF CUSIP NUMBERS INCLUDED IN THIS OFFICIAL STATEMENT.

REFERENCES TO WEBSITE ADDRESSES PRESENTED HEREIN ARE FOR INFORMATIONAL PURPOSES ONLY AND MAY BE IN THE FORM OF A HYPERLINK SOLELY FOR THE READER'S CONVENIENCE. UNLESS SPECIFIED OTHERWISE, SUCH WEBSITES AND THE INFORMATION OR LINKS CONTAINED THEREIN ARE NOT INCORPORATED INTO, AND ARE NOT PART OF, THIS OFFICIAL STATEMENT.

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OFFICIAL STATEMENT

CITY OF COLORADO SPRINGS, COLORADO

\$ _____*
**Utilities System Improvement
Revenue Bonds
Series 2025A**

\$ _____*
**Utilities System Refunding
Revenue Bonds
Series 2025B**

INTRODUCTION

This Introduction is only a brief description of certain matters set out in this Official Statement and is subject in all respects to more complete information contained in this Official Statement. Investors should make a full review of this Official Statement, which includes the cover page and attached Appendices, as well as of the documents summarized and described in this Official Statement, before making a decision to purchase any of the Bonds. **Capitalized terms used but not defined in this Official Statement are defined in Appendix B to this Official Statement.**

The City

The City of Colorado Springs, Colorado (the “City”) is a home rule municipal corporation with a population of approximately 488,000 which is located in the south-central Front Range of Colorado. The economy of the City and the surrounding area is based substantially on employment attributable to service industries, retail businesses, construction industries, military installations, the high technology industry and tourism. For a detailed summary of economic and demographic information for the Colorado Springs area see Appendix F to this Official Statement.

The City owns and operates Colorado Springs Utilities (the “Utilities”), which includes the municipal water system, the electric system, the gas system, the wastewater system, the streetlight system, and any other systems designated in accordance with the home rule charter of the City (collectively, the “System”). For a further description of the Utilities, see “COLORADO SPRINGS UTILITIES” in this Official Statement.

Security for the Bonds

The Bonds (and any parity securities previously or subsequently issued) are utilities system revenue bonds of the City payable solely from the “Net Pledged Revenues” available after the costs of operating and maintaining the System are deducted from the “Gross Pledged Revenues” generated from the operation and use of the System. Upon issuance of the Bonds, \$ _____* in aggregate principal of Parity Bonds (including the Bonds, and excluding the Refunded Bonds (as defined herein)) will be outstanding which have a parity lien on the Net Pledged Revenues. The City does not anticipate issuing any additional utilities system revenue bonds in 2025, other than potential refunding bonds. The City is prohibited from issuing additional bonds with a lien on the Net Pledged Revenues which is superior to the Parity Bonds (including the Bonds). See “DESCRIPTION OF THE BONDS—Security for the Bonds” in this Official Statement.

The Bonds will not constitute an indebtedness or a debt of the City within the meaning of any constitutional, charter or statutory provision or limitation, will not be payable from the proceeds of general property taxes, and will not be considered or held to be general obligations of the City, but will be its special obligations, payable as described in this Official Statement.

* Preliminary, subject to change.

Debt Service Reserve Fund

Under the ordinance authorizing the issuance of the Bonds, the City is required to fund the Reserve Fund in an amount equal to the Reserve Fund Requirement as additional security for the Bonds. The City has applied to _____ (“____”) for the issuance of a Debt Service Reserve Fund Insurance Policy to use in lieu of cash in the Reserve Fund. ____ has issued a commitment to issue the Debt Service Reserve Fund Insurance Policy. See APPENDIX B—“THE BOND ORDINANCE—Reserve Fund.”

The Bonds

The Bonds are authorized to be issued pursuant to the City’s home rule charter and an ordinance passed by the City Council of the City (the “City Council”) on July 22, 2025. Certain maturities for certain series of the Bonds are subject to optional and mandatory sinking fund redemption prior to maturity. See “DESCRIPTION OF THE BONDS.”

Purpose of the Bonds

Proceeds of the Series 2025A Bonds are expected to be used to: (a) finance a portion of the costs of a number of general capital improvements to the System; (b) pay certain costs of issuing the Series 2025A Bonds; and (c) pay a portion of the premium for the Surety Bond.

Proceeds of the Series 2025B Bonds are expected to be used, along with other available revenues, to: (a) refund all or a portion of the City’s outstanding City of Colorado Springs, Colorado, Utilities System Refunding Revenue Bonds, Series 2015A (the “Refunded Bonds”); (b) pay certain costs of issuing the Series 2025B Bonds; and (c) pay a portion of the premium for the Surety Bond. See Appendix G to this Official Statement.

Tax Status of Interest on the Bonds

In the opinion of Stradling Yocca Carlson & Rauth LLP, Denver, Colorado (“Bond Counsel”), under existing statutes, regulations, rulings and judicial decisions, and assuming the accuracy of certain representations and compliance with certain covenants and requirements described herein, interest (and original issue discount, if any) on the Bonds is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of calculating the federal alternative minimum tax imposed on individuals. In the further opinion of Bond Counsel, interest on the Bonds is excluded from Colorado taxable income and Colorado alternative minimum taxable income under Colorado income tax laws in effect on the date of delivery of the Bonds as described herein. See “TAX STATUS” with respect to tax consequences relating to the Bonds, including with respect to the federal alternative minimum tax imposed on certain large corporations.

Continuing Disclosure Undertaking

The City will execute a continuing disclosure certificate with respect to the Bonds (the “Disclosure Certificate”) at the time of the closing of the Bonds. The Disclosure Certificate will be executed for the benefit of the Beneficial Owners of the Bonds. The Disclosure Certificate will provide that so long as the Bonds remain outstanding, the City will annually provide certain financial information and operating data and will provide notice of certain material events to the Municipal Securities Rulemaking Board (“MSRB”) through its Electronic Municipal Market Access System (the “EMMA System”) or any successor method designated by the MSRB, in compliance with the Disclosure Certificate. The form of the Disclosure Certificate is attached to this Official Statement as Appendix C. The City believes that it is currently in compliance in all material respects with the terms of each undertaking previously entered into pursuant to Rule 15c2-12 promulgated under the Securities Exchange Act of 1934 with respect to the Utilities. The Utilities believes that its current

continuing disclosure compliance processes are sufficient to ensure timely compliance with its continuing disclosure obligations in the future.

[To be update as necessary] The following description of an instance of noncompliance by the Utilities (and not the City as a whole) with its continuing disclosure undertakings should not be construed as an acknowledgement that such instance was material. On August 18, 2020, the Utilities defeased all of the outstanding City of Colorado Springs, Colorado, Taxable Utilities System Improvement Revenue Bonds, Series 2010B-2 (Direct Pay Build America Bonds). A notice of defeasance was not linked to the CUSIP of one of the maturities of such bonds.

In order to ensure compliance by the Utilities with its continuing disclosure undertakings in the future, the Chief Planning and Finance Officer approved Disclosure Procedures on June 14, 2024 (the “Disclosure Procedures”). Pursuant to the Disclosure Procedures, the Chief Planning and Finance Officer or his or her delegate is required to take steps to ensure that continuing disclosure filings are prepared and filed in a timely manner.

Forward Looking Statements

This Official Statement contains statements which, to the extent they are not recitations of historical fact, constitute “forward looking statements.” In this respect the words “estimate,” “project,” “anticipate,” “expect,” “intend,” “believe” and similar expressions are intended to identify forward looking statements. The achievement of certain results or other expectations contained in such forward looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by such forward looking statements.

General

This Official Statement contains information current as of its date. Information contained in this Official Statement is subject to change after the date of this Official Statement. All references in this Official Statement to the Bond Ordinance and the various contracts of or relating to the City or the Utilities are qualified in their entirety by reference to such documents, and references to the Bonds are qualified in their entirety by reference to the form of the Bonds included in the Bond Ordinance. During the period of the offering of the Bonds, copies of the form of the Bond Ordinance will be available from the Utilities’ Chief Planning and Finance Officer, 121 South Tejon Street, Suite 500, Colorado Springs, Colorado 80903, (719) 668-7162, and the Utilities’ Municipal Advisor, Stifel, Nicolaus & Company, Incorporated, 1401 Lawrence Street, Suite 900, Denver, Colorado 80202, (303) 296-2300.

Appendix A to this Official Statement contains the audited financial statements of the Utilities for the year ended December 31, 2024 (with comparative totals for the year ended December 31, 2023) (the “2024 Audited Financial Statements”). Inquiries relating to financial information of the Utilities presented in this Official Statement may be directed to the Utilities’ Chief Planning and Finance Officer, 121 South Tejon Street, Suite 500, Colorado Springs, Colorado 80903, (719) 668-7162.

SOURCES AND USES OF BOND PROCEEDS

The expected sources and uses of proceeds of the Bonds and certain other amounts are set forth in the following table.

	<i>Series 2025A Bonds</i>	<i>Series 2025B Bonds</i>	<i>Total</i>
Sources			
Par Amount			
Original Issue Premium			
Other Available Moneys ⁽¹⁾			
Total Sources			
Uses			
Proceeds Used for Refunding ⁽¹⁾			
Project Fund Deposit			
Costs of Issuance ⁽²⁾			
Total Uses			

⁽¹⁾ In addition to Bond proceeds, the City will apply certain other monies contained in the funds and accounts established with respect to the Refunded Bonds including, but not limited to, the debt service reserve funds, and other available moneys on hand to refund the Refunded Bonds. See Appendix G to this Official Statement.

⁽²⁾ Costs of Issuance include legal fees, underwriters' discount, consultant fees, printing costs, rating agency fees, other miscellaneous fees and expenses, and the premium for the Surety Bond.

INVESTMENT CONSIDERATIONS

The purchase of the Bonds involves special risks and the Bonds may not be appropriate investments for all types of investors. Each prospective investor should read this Official Statement in its entirety and give particular attention to the factors described below, which, among other factors discussed herein, could affect the payment of the Bonds and could affect the market price of the Bonds to an extent that cannot be determined at this time. *The following does not purport to be an exhaustive listing of risks and other considerations which may be relevant to investing in the Bonds. In addition, the order in which the following information is presented is not intended to reflect the relative importance of such risks.*

Special, Limited Obligations

The Bonds are special, limited obligations of the City. The Bonds do not constitute a general obligation debt or indebtedness of the City or any other political subdivision of the State, and no owner of any Bond may look to any source of funds other than the Net Pledged Revenues for payment of debt service on the Bonds. The full faith and credit of the City is not pledged for the payment of the amounts due on the Bonds or under the Bond Ordinance. The Bonds are payable solely from the Net Pledged Revenues. Therefore, the punctual payment of the principal of and interest on the Bonds is dependent on the generation of Net Pledged Revenues in an amount sufficient to meet debt service requirements on the Bonds.

No Pledge of Property

The payment of the Bonds is not secured by an encumbrance, mortgage or other pledge of property of the City, except the Net Pledged Revenues for each series of Bonds, and any other moneys pledged for the payment of the Bonds. No property of the City, subject to such exceptions, shall be liable to be forfeited or taken in payment of the Bonds.

Climate Change, Extreme Weather, and Other Events

Changes in long-term weather patterns have impacted the State of Colorado, including the service area of the Utilities and its watersheds. The impacts include increasing temperatures, more extreme weather patterns, longer periods of drought, and increased wildfires. See the captions “—Risks Related to Customer Sales and Usage” and “—Risks Regarding Fluctuations in Water Revenues” for descriptions of how weather and other factors influence customer usage and demand for electricity, water and natural gas and the impact of the weather on the Water System’s revenues, respectively.

It is difficult to predict whether or how changing climate will impact the Utilities, its operations and its finances. The Utilities maintains casualty property insurance policies to insure against damage or destruction of its facilities. See the caption “COLORADO SPRINGS UTILITIES—Insurance.”

Economic events, natural disasters, volatility in fuel and power markets, and other factors can also have significant impacts on the Utilities, including operational challenges and spikes in System expenses. No assurance can be given that such events and resulting spikes in natural gas or electric prices will not happen in future years or that more than one of such events will happen in any given year.

Capital Program

As discussed in “THE ELECTRIC SYSTEM,” “THE GAS SYSTEM,” “THE WATER SYSTEM,” and “THE WASTEWATER SYSTEM,” the Utilities has capital needs forecasted at approximately \$3.9 billion from 2025 through 2029. Of the total forecasted capital needs, electric projects account for 54.9%, water and wastewater projects account for 36.3%, and gas projects account for 8.8%. The Utilities estimates that approximately 26.3% of this amount will be cash-funded and the remaining 73.7% will be funded from the proceeds of the Series 2025A Bonds and future bond issues or other borrowings. However, such percentages are only estimates and are subject to change at any time.

Potential for Increased Costs and Other Factors Relating to Capital Improvement Plan

Construction projects included in the Utilities’ capital improvement program are subject to ordinary construction risks and delays, including but not limited to: inclement weather or natural hazards affecting work and timeliness of completion; tariffs; contractor claims or nonperformance; work stoppages or slowdowns; unanticipated project site conditions encountered during construction; errors or omissions in contract documents requiring change orders; supply chain issues; and/or higher than anticipated construction bids or costs, any of which could affect the costs and availability of, or delivery schedule for, equipment, components, materials, labor or subcontractors, and result in increased capital improvement program costs.

From time to time, the City Council considers annexations of unincorporated areas of the County into the City. If approved, annexed property becomes part of the Utilities’ service area. Depending upon the size and location of annexations, there could be significant financial and operational impacts to the Utilities. The Utilities reviews annexation requests when submitted to determine how each annexation may impact future operations.

[CSU is currently researching potential loss of Federal funding]

Dependence Upon Federal Defense Spending

The military installations of Fort Carson Army Base (“Fort Carson”), Peterson Space Force Base (“Peterson”), the United States Air Force Academy (the “Academy”), and Cheyenne Mountain Space Force Base receive water and electric service and gas supply and transportation from the System, and Peterson also receives wastewater treatment service from the System. These installations, along with Cheyenne Mountain

Space Force Station and Schriever Space Force Base, are also large employers in the City and El Paso County and make a significant contribution to the local economy.

In recent years, many federal deficit reduction plans and military base realignment and closure plans have been proposed for consideration by the U.S. Congress. It is not clear at this time what impact, if any, these proposals would have on the City and/or the Utilities, if enacted into law.

Risks Related to Customer Sales and Usage

The Utilities' sales and revenues are related to customer usage which is influenced by demand for electricity, water, wastewater, and natural gas. Customer usage is affected by a number of factors outside the control of the Utilities, such as weather, energy efficiency, demand side management, distributed generation, and economic and demographic conditions such as population, job and income growth, housing starts and the overall level of economic activity. Technological advances utilizing energy efficiency, end use devices and other improvements or applications of technology could lead to declines in per capita utility consumption. Over the past several years, average customer usage for electricity has remained stable or declined slightly while average customer usage for natural gas and water has declined. While many of the Utilities' costs are variable and will fluctuate with variance in commodity use, fixed cost recovery is embedded in the Utilities' base (and fixed) rate components. The inconsistency between a fixed cost component and a variable revenue structure can cause budgeting and financial instability and uncertainty. The Utilities has historically addressed these variances by periodic base rate adjustments and utilizing its cash reserves as necessary.

Risks Regarding Fluctuations in Water Revenues

The revenues derived from the Utilities' water sales are subject to significant fluctuation primarily due to weather. In addition, customers continue to use less water each year in response to drought conditions, watering restrictions, indoor conservation/efficiency, and increased water rates. Some customer behavior may result in permanent change, such as when lawns are abandoned or replaced with xeriscaping.

The annual fluctuations in water revenues are exacerbated by the fixed nature of the Water System's costs as the fixed cost of providing water does not vary considerably when the amount of water delivered to customers varies. The infrastructure intensive water system is built to meet peak day annual demands which also includes fire flows, reliability and redundancy requirements, and increasingly stringent regulatory requirements. Moreover, the rate structures used to recover the cost of service are designed to encourage water efficiency and conservation and are, therefore, variable in nature because the vast majority of revenue (nearly 80%) comes from highly variable commodity use. The inconsistency between a fixed cost structure and a variable revenue structure causes annual budgeting and financial instability and uncertainty.

It is not possible to predict what impacts, if any, weather will have on the Water System's revenues in the future.

Risks Related to Reliance on Colorado River Water

Approximately 70% of the Utilities' total water supply (including reuse) currently comes from the Colorado River Basin. The Utilities, along with the other major Colorado Front Range water providers including Denver, Aurora, Northern Colorado Water Conservancy District and certain others, serve approximately 80% of Colorado's population and economy. Approximately 72% of the major Front Range water providers' supply comes from the Colorado River Basin. As a result, Front Range water providers, including the Utilities, have a large stake in the future of the Colorado River and how the challenges of increasing water demands, long-term drought, and climate change will be addressed. See "THE WATER SYSTEM—Reliance on Colorado River Water Supply."

The Colorado River Basin is experiencing unprecedented conditions of drought and below average runoff. Combined water storage at Lake Mead and Lake Powell, the two largest reservoirs filled by the Colorado River and operated by the U.S. Bureau of Reclamation (“Reclamation”), are currently at or near their lowest levels since the reservoirs’ initial fill. In 2021, Colorado River inflow into Lake Powell was the second lowest since Lake Powell began filling nearly sixty years ago and inflows in 2022 were well below average as well. In 2023, inflows to Lake Powell were 166% above average, as a result of above average snowpack, boosting reservoir levels. In 2024, inflows to Lake Powell were 83% (7.9 million acre feet) of the 30-year historical average from 1991-2020 (9.5 million acre feet). Current projections as of May 2025 indicate that inflows into Lake Powell in 2025 will be approximately 62% (5.9 million acre feet) of the 30-year historical average from 1991-2020 (9.5 million acre feet).

Continued persistence of drought and resulting low runoff could result in further decline of reservoir levels and eventually affect the ability of the Upper Basin to meet its obligations to the Lower Basin under the 1922 Colorado River Compact. If these conditions were to occur, the Utilities’ deliveries of Colorado River Basin supplies could be curtailed for a period of time. It is not possible at this time to predict the magnitude and duration of any such curtailments on the Utilities’ water supply from the Colorado River Basin. The Utilities is engaged in an active planning effort to ensure that it has appropriate plans in place to provide water to its customers using alternative sources and management techniques.

Risks Regarding Liquidity Facilities

The City currently has \$306,655,000 of outstanding variable rate Parity Bonds which are supported by liquidity facilities (“Support Facilities”). The City has also established a Commercial Paper Program for the Utilities consisting of two series in the maximum combined principal amount of \$150,000,000 (the “Commercial Paper Notes”), of which \$0 is expected to be outstanding upon issuance of the Bonds. The Commercial Paper Notes are required to be supported by Support Facilities, and no Support Facility is currently in place for either series and presently the City has no intention of procuring any Support Facility. The Parity Bonds and the Commercial Paper Notes (when and if drawn upon) which are supported by the Support Facilities are subject to the risk of expiration and non-renewal of the related Support Facilities and the inability of the City to find replacement Support Facilities. In addition, there can be no assurance that the providers of such Support Facilities will be financially able to meet their respective contractual obligations thereunder, whether as a result of bankruptcy, insolvency or other events adversely affecting their creditworthiness. Any non-renewal of a Support Facility, any inability of the provider of a Support Facility to meet its obligations thereunder, or any rating downgrade associated therewith could have an adverse effect on the City. If any of these were to occur, the City could pursue various options in order to remedy the situation, including replacing the Support Facility or converting or refunding the variable rate Parity Bonds or Commercial Paper Notes in question to a fixed interest rate or another interest rate mode, depending upon market conditions. See “COLORADO SPRINGS UTILITIES—Liquidity/Support Facilities.”

Environmental Regulation

The Utilities’ Electric System operations are subject to various local, state and federal environmental laws and regulations. Compliance with such laws and regulations will likely require significant capital outlays. In its long-range forecasts, the Utilities has included expenses for such capital outlays of which it is aware, or which it reasonably anticipates incurring. These expenses are discussed below in the section entitled “THE ELECTRIC SYSTEM.” However, there are a number of federal and state legislative and regulatory efforts underway which seek to limit and/or control emissions of greenhouse gases and other pollutants. The impact and cost of such proposed legislative and regulatory initiatives on the Utilities are under evaluation, but the costs of compliance with such proposed legislation and initiatives are not yet known and therefore cannot be quantified at this time. See “THE ELECTRIC SYSTEM—Environmental Regulation.”

Federal and state laws and regulations also impact the operation of the Utilities’ Water System through the regulation of land use, appropriation of water, and water quality. The constraints imposed by

environmental laws and regulations can potentially limit the current yield or further expansion of existing water projects (particularly transmountain projects) as well as prohibit new project development. The financial impact of these constraints on the Utilities is not yet known and therefore cannot be quantified at this time. See “THE WATER SYSTEM—Environmental Requirements Affecting Water Treatment” and “THE WATER SYSTEM—Environmental Requirements Affecting Water Supply.”

Federal and state laws and regulations also impact various aspects of the operation of the Utilities’ Wastewater System, including wastewater treatment and effluent discharge. The Utilities has formulated a Wastewater System Plan and a Water Resource Recovery Facility Plan to address the impacts of new regulations. The plans identify capital improvements necessary to keep the facilities in compliance with new regulations. However, new regulations and legislation beyond the Utilities’ current estimates could add significant costs to the operation of the Wastewater System. The full extent of such costs is not yet known and therefore cannot be quantified at this time. See “THE WASTEWATER SYSTEM—Environmental Regulation” and “THE WASTEWATER SYSTEM—Capital Improvements to the Wastewater System.”

Cyber and Data Security

The Utilities, like many other large public and private entities, relies on a large and complex technology environment to conduct its operations. As a recipient and provider of personal, private and sensitive information, the Utilities faces multiple cyber threats including, but not limited to, hacking, phishing, viruses, malware and other attacks on its computers and other sensitive digital networks and systems (collectively, “Systems Technology”). There have been cyber-attack attempts on the Utilities’ Systems Technology in the past, but not any resulting in a material compromise of the system, data loss or breach that the Utilities has identified.

Cybersecurity incidents could result from unintentional events, or from deliberate attacks by unauthorized entities or individuals attempting to gain access to the Utilities’ Systems Technology for the purposes of misappropriating assets or information or causing operational disruption and damage.

No assurances can be given that the Utilities’ security and operational control measures will ensure against any and all cybersecurity threats and attacks. A cybersecurity incident or breach could damage the Utilities’ Systems Technology and cause disruption to the Utilities and/or utility services, operations and finances. The costs of remedying any such damage or protecting against future attacks could be substantial. Further, cybersecurity breaches could expose the Utilities to material litigation and other legal risks, which could cause the Utilities to incur material costs related to such legal claims or proceedings.

The Utilities employs a robust defense-in-depth strategy, incorporating multiple layers of security controls to protect its Systems Technology. This approach includes advanced firewalls, intrusion detection and protection systems, encryption protocols, and regular security audits to identify and mitigate vulnerabilities. Additionally, the Utilities is committed to continuous improvement in its cybersecurity processes and monitoring. This involves regular updates to security policies, ongoing training for employees on best security practices, and the implementation of technologies to enhance threat detection and response capabilities.

The Utilities will continue to assess cyber threats and protect its data and systems, with a conscious effort to prioritize based on the potential impact of issues and the likelihood of those issues manifesting into an incident. The Utilities will continue to educate Utilities’ employees on applying best security practices and cybersecurity incident response handling, which are exercised at least annually. Additionally, the Utilities maintains comprehensive information security and privacy “cyber” liability insurance. See “COLORADO SPRINGS UTILITIES—Insurance” and “COLORADO SPRINGS UTILITIES – Emergency Management and Physical Security.”

Climate Change

Changes in long-term weather patterns have impacted the State of Colorado, including the service area of the Utilities and its watersheds. The impacts include increasing temperatures, more extreme weather patterns, longer periods of drought, and increased wildfires. See the caption “—Risks Related to Spikes in System Expenses Caused by Extreme Weather and Other Events” for a description of how such an event may impact the Utilities’ finances. See the captions “—Risks Related to Customer Sales and Usage” and “—Risks Regarding Fluctuations in Water Revenues” for descriptions of how weather and other factors influence customer usage and demand for electricity, water and natural gas and the impact of the weather on the Water System’s revenues, respectively.

It is difficult to predict whether or how changing climate will impact the Utilities, its operations and its finances. The Utilities maintains casualty property insurance policies to insure against damage or destruction of its facilities. See the caption “COLORADO SPRINGS UTILITIES—Insurance.”

DESCRIPTION OF THE BONDS

Security for the Bonds

The Bonds are not general obligations of the City and are not repayable from tax revenues of the City. Payment of the Bond Requirements (which are defined in the Bond Ordinance to include principal and interest) of the Bonds and other Parity Bonds is secured by a lien on the Net Pledged Revenues. The City is prohibited from issuing utilities system revenue bonds or other obligations which have a lien on the Net Pledged Revenues which is senior to the lien thereon securing the Bonds. The owner of any Bond may not look to any general or other fund of the City for the payment of the Bond Requirements except the special funds pledged for that purpose under the Bond Ordinance. The City in its discretion may exclude from the System any interest in any Special Facility subsequently acquired or constructed by or on behalf of the City and financed in whole or in part by Special Facility Obligations. See APPENDIX B—“THE BOND ORDINANCE—Definitions” and “—Equality of Lien.”

As additional security for the owners of the Bonds, the City has established a reserve fund (the “Reserve Fund”). See APPENDIX B—“THE BOND ORDINANCE—Reserve Fund.” The City plans to fund the Reserve Fund with the Surety Bond.

Upon issuance of the Bonds, \$ _____* in aggregate principal of Parity Bonds (including the Bonds, and excluding the Refunded Bonds) will be outstanding which have a parity lien on the Net Pledged Revenues. The City does not anticipate issuing any additional utilities system revenue bonds in 2025, other than potential refunding bonds. The City is prohibited from issuing additional bonds with a lien on the Net Pledged Revenues which is superior to the Parity Bonds (including the Bonds). See “COLORADO SPRINGS UTILITIES—Outstanding Utilities Revenue Bonds and Other Obligations.” For a description of the requirements for issuance of additional Parity Bonds, see APPENDIX B—“THE BOND ORDINANCE—Additional Securities.”

Bond Details

The Bonds will be issued pursuant to the Bond Ordinance, will be dated as of their date of delivery, and will mature on the dates and in the principal amounts and bear interest at the rates set forth on the inside cover page of this Official Statement. Interest on the Bonds will be calculated based on a 360-day year, consisting of twelve 30-day months. The Bonds will be issued as fully registered bonds without coupons and will initially be registered in the name of “Cede & Co.,” as nominee for The Depository Trust Company, New York, New York (“DTC”) as securities depository for the Bonds. Purchases by beneficial owners of the Bonds

* Preliminary, subject to change.

("Beneficial Owners") will be made in book-entry only form in the denominations of \$5,000 and integral multiples of \$5,000. See APPENDIX E—"DTC BOOK-ENTRY ONLY SYSTEM." Interest on the Bonds will be payable semiannually on May 15 and November 15 of each year, commencing on November 15, 2025.

Principal will be payable to the registered Owner of each Bond, as shown on the registration records kept by the Paying Agent, upon maturity and upon presentation of the Bond at the principal office of the Paying Agent, or at such other office as the Paying Agent directs in writing to Owners of the Bonds. Payment of interest will be made by the Paying Agent by check mailed on each interest payment date to the registered Owner (initially Cede & Co.) of each Bond as of the May 1 or November 1 next preceding each interest payment date (or by other payment means as mutually agreed). If interest is not so paid, it will instead be payable to the person who is the registered Owner as of a "Special Record Date" for the payment of defaulted interest. The Paying Agent will fix the Special Record Date whenever funds become available for payment of the defaulted interest, with notice of the Special Record Date to be mailed to each registered Owner of Bonds at least ten days prior to the Special Record Date. Payments to Beneficial Owners are to be made as described in See APPENDIX E—"DTC BOOK-ENTRY ONLY SYSTEM."

The Bonds will bear interest from the most recent date to which interest has been paid, or if no interest has been paid, from the date of the Bonds. If any Bond is not paid in accordance with the Bond Ordinance, it will continue to accrue interest at the applicable rate until paid in full.

Optional Redemption

The Series 2025A Bonds maturing on or after November 15, 20__ are redeemable at the option of the City on or after November 15, 20__, in whole or in part, on any day, from any Maturity-Rate selected by the City and by lot within a Maturity-Rate, at a redemption price equal to 100% of the principal amount of such Series 2025A Bonds redeemed, plus accrued interest to the redemption date.

The Series 2025B Bonds maturing on or after November 15, 20__ are redeemable at the option of the City on or after November 15, 20__, in whole or in part, on any day, from any Maturity-Rate selected by the City and by lot within a Maturity-Rate, at a redemption price equal to 100% of the principal amount of such Series 2025B Bonds redeemed, plus accrued interest to the redemption date.

Mandatory Sinking Fund Redemption

The Series 2025A Bonds maturing November 15, 20__ will be subject to mandatory sinking fund redemption at a redemption price equal to the principal amount of such Series 2025A Bonds redeemed, plus accrued interest to the redemption date on the schedule set forth below:

Series 2025A Bonds maturing November 15, 20__:

<i>Redemption Date</i> <i>(November 15)</i>	<i>Principal Amount</i>
--	-------------------------

*

* Final maturity

The Series 2025A Bonds maturing November 15, 20__ will be subject to mandatory sinking fund redemption at a redemption price equal to the principal amount of such Series 2025A Bonds redeemed, plus accrued interest to the redemption date on the schedule set forth below:

Series 2025A Bonds maturing November 15, 20__:

Redemption Date
(November 15)

Principal Amount

*

* Final maturity

At least 40 days prior to a redemption date, the Paying Agent is to select by lot for redemption, from the Bonds of the appropriate series and Maturity-Rate, \$5,000 units of those Bonds equal to the total principal amount of Bonds of the appropriate series and Maturity-Rate redeemable on the redemption date, and the Paying Agent is to call those Bonds (or portions of those Bonds) for redemption on the next November 15th.

At the option of the City to be exercised by delivery of a written certificate to the Paying Agent at least 45 days before any mandatory redemption date, the City may (i) deliver to the Paying Agent for cancellation Bonds of the appropriate series and Maturity-Rate (or \$5,000 portions of those Bonds) in an aggregate principal amount desired by the City or (ii) specify a principal amount of Bonds of the appropriate series and Maturity-Rate (or \$5,000 portions) which previously have been redeemed (otherwise than pursuant to the operation of the respective sinking fund) and cancelled by the Paying Agent and not previously applied as a credit against any mandatory redemption obligation. Any Bond of the appropriate series and Maturity-Rate (or portion) so delivered or previously redeemed is to be credited by the Paying Agent at 100% of its principal amount against the amount of Bonds of the appropriate series and Maturity-Rate the City is to redeem on the next succeeding mandatory redemption date and any excess over such amount will be credited against future sinking fund obligations for Bonds of the appropriate series and Maturity-Rate in chronological order, or any other order specified by the City.

Notice of Prior Redemption

Notice of any optional or mandatory redemption is to be given by the Paying Agent on behalf of the City. The Paying Agent is to give notice of the call and identify the Bonds to be redeemed by first-class postage prepaid mail not less than 20 nor more than 30 days prior to the redemption date, to the registered address of the registered Owner of each Bond to be redeemed.

Such notice will specify the Bonds to be so redeemed (if less than all of the Bonds of a series are to be redeemed), the redemption price to be paid and the date fixed for redemption; and such notice will further state that, upon satisfaction of any condition to such redemption, on the redemption date there will become and will be due and payable upon each Bond or portion thereof (\$5,000 or any integral multiple thereof) so to be redeemed at the Paying Agent (designated by name) the redemption price, and that from and after such date interest on the Bonds (or portions thereof) called for redemption will cease to accrue. If a notice of redemption will be unconditional, or if the conditions of a conditional notice of redemption will have been satisfied, then, upon notice having been given in the manner hereinabove provided, the Bond or Bonds so called for redemption will become due and payable on the redemption date so designated and upon presentation thereof at the Paying Agent, the City will pay the Bond or Bonds so called for redemption. No further interest will accrue on the principal of any such Bond (or portion thereof) called for redemption from and after the redemption date, provided sufficient funds are on deposit with the Paying Agent on the redemption date.

Selection of Bonds for Redemption

In the event that less than all of the Outstanding Bonds of a series shall be optionally redeemed, the Bonds of such series shall be redeemed from any Series and Maturity-Rate specified by the City. If less than all of the Bonds of a single series and Maturity-Rate are to be redeemed, they shall be selected by lot within a such Maturity-Rate in such manner as the Paying Agent may determine.

COLORADO SPRINGS UTILITIES

Nature of the Utilities

Colorado Springs Utilities, created by the home rule charter of the City (the “Charter”), consists of a water system (the “Water System”), an electric system (the “Electric System”), a gas system (the “Gas System”), a wastewater system (the “Wastewater System”), a streetlight system (the “Streetlight System”), and other systems designated in accordance with the Charter (collectively, the “System”). The Utilities is wholly owned by the City and constitutes an enterprise under certain Colorado Constitution and Charter provisions described below under “—Tax and Spending Limits.” The Utilities operates primarily through a functional structure with areas responsible for operations, planning, finance, customer service, and additional support services with the goal of delivering electric, gas, water, wastewater and streetlight services effectively and efficiently.

The service areas of the System include the City, Manitou Springs, portions of the City of Fountain, and some of the suburban residential areas surrounding the City. The military installations of Fort Carson, Peterson, the Academy, and Cheyenne Mountain Space Force Base receive water and electric service and gas supply and transportation from the System, and Peterson and Cheyenne Mountain Space Force Base also receive wastewater treatment service from the System.

The City is the sole customer of the Streetlight System.

The following table summarizes information concerning operating revenues, operating income (loss) and gross book value of plant for the electric, gas, water, wastewater, and streetlight operations of the Utilities for the fiscal year ended December 31, 2024.

2024 Summary of Business Segments

	<i>Operating Revenues</i>		<i>Operating Expenses</i>		<i>Operating Income (Loss)</i>	<i>Utilities Plant Gross Book Value⁽¹⁾</i>	
	<i>(\$000)</i>	<i>% of Total</i>	<i>(\$000)</i>	<i>% of Total</i>	<i>(\$000)</i>	<i>(\$000)</i>	<i>% of Total</i>
Electric	\$ 551,625	53.5%	\$ 444,659	50.9%	\$ 106,966	\$ 3,177,448	38.9%
Gas ⁽²⁾	162,824	15.8	163,666	18.8	(842)	624,075	7.7
Water ⁽³⁾	235,198	22.8	190,863	21.8	44,335	3,154,773	38.6
Wastewater	76,100	7.4	70,943	8.1	5,157	1,139,234	14.0
Streetlight	4,773	0.5	3,548	0.4	1,225	61,499	0.8
Total	\$1,030,520	100.0%	\$ 873,679	100.0%	\$ 156,841	\$ 8,157,029	100.0%
Less: Interdepartmental Sales	(17,840)		(17,840)		-		
Net Total	\$1,012,680		\$ 855,839		\$156,841		

(1) Total Net Utilities Plant (excluding water component units) is \$4,844,524,423. This amount represents \$7,742,174,779 in Gross Utilities Plant plus \$414,856,457 in Construction Work in Progress shown above, less Accumulated Depreciation and Amortization of \$3,312,506,813. See Note 6 in the 2024 Audited Financial Statements attached hereto as Appendix A.

(2) The gas information excludes amounts attributable to the Public Authority for Colorado Energy (PACE) described in Note 19 in the 2024 Audited Financial Statements. For a description of PACE see page 65 in the 2024 Audited Financial Statements attached hereto as Appendix A.

(3) The water information excludes amounts attributable to the water component units described in Note 19 in the 2024 Audited Financial Statements. For descriptions of the component units see Note 19 in the 2024 Audited Financial Statements attached hereto as Appendix A.

Surplus Payments

The Charter provides that the funds of the Utilities are to be kept separate from all other funds of the City and that the net earnings of the Utilities are to be appropriated for the necessary requirements of the Utilities. The Charter also provides that any surplus remaining after meeting the necessary requirements of the Utilities may be appropriated to the general revenues of the City by the City Council in its annual budget and appropriation ordinance. Pursuant to this authority, the City Council has appropriated annually to the City's general fund certain amounts, denoted as surplus payments. These payments are calculated at a fixed rate per kWh of electricity and a fixed rate per Mcf at 14.65 pounds per square inch absolute of natural gas applied to all inside City sales volumes, without exclusion for interdepartmental sales. Total surplus payments made by the Utilities to the City amounted to \$37,278,636 in 2022, \$35,298,019 in 2023, and \$35,885,873 in 2024.

In May 2018, the City Council passed a resolution instructing the Utilities to implement a water surplus rate sufficient to pay 25% of the City's annual water budget for irrigating City-owned parks in 2019, and 50% from 2020 through 2025. Amounts generated by this surplus rate are required to be transferred to the City's general fund on a monthly basis. The Utilities transferred approximately \$2.5 million to the City's general fund in 2024.

City Governance

The City is governed by a mayor-council form of governance. Under this form of governance, the Mayor appoints all department directors except for the City Auditor, the City Council Administrator, and the Utilities Executive Director (the "Chief Executive Officer"), who are appointed by the City Council. The Mayor serves as an ex-officio and non-voting member of the Board of Directors of the Utilities (the "Utilities Board"), participates in such meetings and attends Executive Sessions of the Utilities Board.

The City Council has all rate making authority for the Utilities, and the Mayor does not have any veto authority over rate decisions.

Management and Operation of the Utilities

The Chief Executive Officer has authority over the management, finances and operation of the Utilities. The City Council, through its role as the Utilities Board, governs the management and operations of

the Utilities through established written policies. The members of the Utilities Board, their occupations, and the dates their current terms expire are as follows:

<i>Member</i>	<i>Occupation</i>	<i>Expiration of Current Term</i>
Dave Donelson (Chair)	U.S. Air Force, Retired	April 2029
Brandy Williams (Vice Chair)	Municipal Services Manager	April 2029
Kimberly Gold	Community Engagement Manager	April 2029
Roland Rainey, Jr.	Senior Director Business Development and Government Relations	April 2029
Lynette Crow-Iverson	Consultant	April 2027
Tom Bailey	U.S. Air Force Retired	April 2029
Nancy Henjum	Consultant	April 2029
David Leinweber	Specialty Outdoor Retailer and Outfitter	April 2027
Brian Risley	Architect	April 2027

The Utilities Policy Advisory Committee (“UPAC”) is comprised of seven members and two alternates appointed by the Utilities Board. The Utilities Board directs UPAC to study specific issues or policies and provide recommendations to the Utilities Board. The present members of UPAC and the dates their current terms expire are as follows:

Member	Expiration of Current Term
Kate Danner (Chair)	September 2027
Michael Borden (Vice Chair)	September 2027
Gary Burghart	September 2026
Larry Barrett	September 2026
Scott Smith	September 2026
David Watson	September 2027
Chris Meyer	September 2025
Albert Badeau (Alternate)	N/A
Tom Carter (Alternate)	N/A

Key Management Staff

Travas Deal is the Chief Executive Officer of the Utilities and Tristan Gearhart is the Chief Planning and Finance Officer of the Utilities. Brief biographies for Mr. Deal and Mr. Gearhart follow:

Travas Deal, Chief Executive Officer. Travas Deal was named CEO of Colorado Springs Utilities on February 27, 2023. Prior to this appointment, Mr. Deal served as the Utilities’ acting CEO. He was named Chief Operations Officer in April 2020 and was responsible for the safe and reliable operations of the utility’s four services – electric, natural gas, water and wastewater. Prior to joining the Utilities in 2017 as a Field Services Manager, he worked at Duke Energy in the transportation industry and served as a U.S. Marine for a decade. Mr. Deal has a Bachelor of Science degree in Organizational Management from Oakland City University.

Tristan Gearhart, Chief Planning and Finance Officer. Tristan Gearhart was appointed Chief Planning and Finance Officer on September 7, 2021. Mr. Gearhart has been with the Utilities for 16 years. In that time, he has held positions of Lead Analyst, Principal Operations Analyst, Accounting Manager, Financial Planning and Risk Manager, Fuel and Purchase Power Manager, and Acting General Manager of Financial Services. Prior to joining the Utilities, Mr. Gearhart worked as a financial analyst for Honeywell Technology

Solutions, Inc. and as an accountant for DLMG Accountants and Advisors. Mr. Gearhart holds a Bachelor of Science degree in Accounting from the University of Colorado, and is a Colorado licensed Certified Public Accountant.

Employees

As of December 31, 2024, the Utilities employed 2,049 active employees. The Utilities is a non-union organization. The Utilities management believes that relations with its employees are satisfactory.

Retirement Plans

The Utilities is a member of and contributes to the Local Government Division Trust Fund (“LGDTF”) of the Public Employees’ Retirement Association of Colorado (“PERA”), a multi-employer defined benefit plan. During 2022, 2023 and 2024 the Utilities contributed \$25,458,560, \$28,015,639 and \$31,213,103 respectively, to the PERA plan, which was equal to the Utilities’ annual required contribution for each of those years. The Utilities has budgeted to contribute \$31,869,333 in 2025 to the PERA plan. The rates for employer and employee contributions to PERA are established under State statutes and the Utilities believes its contribution in 2024 complied with such statutes. The Utilities’ contribution rate may fluctuate in accordance with the funded (or unfunded) status of the plan. The employee contribution rate was 8.5% for the period of January 1, 2021 to June 30, 2022. Effective July 1, 2022 the employee contribution rate is 9.0% and the statutory employer contribution rate is 11.0% of covered salary for plan members. The total contribution rate for the Utilities is 14.7% of covered salary which includes 1.02% apportioned to the Health Care Trust Fund, discussed below under “Postemployment Health Care Plan”.

[To be updated when information is available] The Utilities is required to report its proportionate share of the total PERA net pension liability (“NPL”) in its financial statements. The Utilities’ proportionate share of the NPL as of December 31, 2024 was \$167.9 million, based on the PERA NPL measurement date of December 31, 2023. PERA reports the NPL annually, measured by an actuarial valuation, in PERA’s Annual Comprehensive Financial Report (“ACFR”). PERA reports employer allocation percentages annually in the LGDTF Schedule of Employer Allocations. The NPL represents the present value of projected benefit payments to be provided through the pension plan, less the amount of the plan’s fiduciary net position, and will be funded through both employee and employer contributions. These amounts are based on the actuarial and other assumptions described in the ACFR, including an assumed investment rate of return of 7.25% per year. The LGDTF plan fiduciary net position as a percentage of the total pension liability was _____% as of December 31, 2024, as disclosed by PERA as Required Supplementary Information (“RSI”) in the ACFR.

[To be updated when information is available] PERA discloses the difference between the amount of contributions recognized by the pension plan and the actuarially determined contribution (“ADC”), as a benchmark to gauge the adequacy of the State’s statutory required contribution rate, as RSI in the ACFR. An ADC deficiency arises when actual contributions are less than the ADC. The ADC is calculated using the investment rate of return and discount rate assumptions according to the PERA Board’s funding policy. In 2024, the LGDTF had an ADC excess of \$_____ million and a cumulative excess of \$_____ million between 2015 and 2024. The Utilities’ actual annual contributions are limited to the rates established by the State Legislature described above.

The Utilities is currently required to contribute an amortization equalization disbursement of 2.2% of the employer’s total payroll and a supplemental amortization equalization disbursement of 1.5% of the employer’s total payroll, which is included in the total contribution rate of 14.7% of covered salary. The additional funding requirements are included in the Utilities total contribution amounts denoted above. The amortization equalization disbursement and the supplemental amortization equalization disbursement will remain at that level until adjusted in accordance with Colorado law. Effective January 1, 2011, decreases by 0.5% for each disbursement are mandated when the LGDTF’s year-end funded status reaches 103.0%, and

increases by 0.5% for each disbursement are mandated when the LGDTF funded status reaches 90.0% and subsequently falls below 90.0%.

The supplemental amortization equalization disbursement is to be financed from monies intended for employee salary increases, to the extent permitted by law.

For additional information about PERA and the LGDTF, see Note 13 to the 2024 Audited Financial Statements and Required Supplementary Information included in Appendix A to this Official Statement. Copies of the ACFR can be obtained from PERA at www.copera.org or by writing to PERA at 1301 Pennsylvania Street, Denver, Colorado 80203. Investors are advised to review the ACFR to obtain information about the funding status of the LGDTF and the assumptions used to calculate such funding status.

In 2018, Senate Bill 18-200 was adopted by the Colorado Legislature and signed into law by the Governor. The stated goal of this bill was to restore PERA to full funding within 30 years. Among other things, this bill increased the employee contribution rates, increased the employer contribution rates (though not for the LGDTF), changed eligibility requirements, capped the annual increase for both current employees and retirees, and directed an annual allocation from the State budget of \$225 million starting July 1, 2018 to be used to pay down PERA's unfunded liability.

On May 20, 2019, House Bill 19-1217 was signed into law by the Governor. This bill repeals the contribution increases for members in the LGDTF as mandated under Senate Bill 18-200. The LGDTF was scheduled to reach full funding in 15 years.

Postemployment Health Care Plan

The Utilities contributes to the Health Care Trust Fund ("HCTF"), a cost-sharing, multiple-employer postemployment health care plan administered by PERA. The HCTF provides a health care premium subsidy to PERA participating benefit recipients and their eligible beneficiaries. The Utilities is required to contribute at a rate of 1.02% of covered salary for all PERA members. This amount is included in the total contribution rate of 14.7% of covered salary discussed above under "Retirement Plans." No employee contributions are required. The Utilities' contributions to the HCTF for the years ended December 31, 2022, 2023 and 2024 were \$1,928,559, \$2,079,764 and \$2,313,762 respectively, equal to the required contributions for each year.

[To be updated when information is available] In 2018, the Utilities adopted Government Accounting Standards Board ("GASB") Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions ("GASB 75"). See the Required Supplementary Information in the 2024 Audited Financial Statements attached as Appendix A to this Official Statement. GASB 75 significantly changes accounting and financial reporting for Postemployment Benefits Other Than Pensions ("OPEB") by separating OPEB accounting methodologies from OPEB funding methodologies. Among other requirements, the Utilities is required to report its proportionate share of the total PERA net OPEB liability ("NOL") in its financial statements. The Utilities' proportionate share of the NOL as of December 31, 2024 was \$12.9 million, based on the PERA NOL measurement date of December 31, 2023. PERA reports the NOL annually, measured by an actuarial valuation, in the ACFR. PERA reports employer allocation percentages annually in the HCTF Schedule of Employer Allocations. The NOL represents the present value of projected benefit payments to be provided through the OPEB plan, less the amount of the plan's fiduciary net position, and will be funded through both employee and employer contributions. These amounts are based on the actuarial and other assumptions described in the ACFR, including an assumed investment rate of return of 7.25% per year. The plan fiduciary net position as a percentage of the total OPEB liability was _____% as of December 31, 2024, as disclosed by PERA as RSI in the ACFR.

[To be updated when information is available] In 2017, PERA adopted GASB Statement No. 74, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans ("GASB 74"). The guidance under GASB 74 established a shift from a funding-based approach to an accounting-based approach with the

intent of promoting consistency and increased transparency of the OPEB liability. The annual required contribution (“ARC”) was replaced with the plan-specific ADC benchmark to gauge the adequacy of the State’s statutory contribution rates. GASB 74 requires the disclosure of the amount of contributions recognized by the OPEB plan, the ADC amount, and the difference between these two amounts as RSI. An ADC deficiency arises when actual contributions are less than the ADC. The ADC is calculated using the investment rate of return and discount rate assumptions according the PERA Board’s funding policy. In 2024, the HCTF had an ADC excess of \$_____ million and a cumulative excess of \$_____ million between 2015 and 2024. The Utilities’ actual annual contributions are limited to the rates established by the State Legislature described above.

For additional information about the HCTF see Note 15 to the 2024 Audited Financial Statements and Required Supplementary Information included in Appendix A to this Official Statement. A copy of PERA’s report can be obtained from PERA at www.copera.org or by writing to PERA at 1301 Pennsylvania Street, Denver, Colorado 80203. Investors are advised to review PERA’s report to obtain information about the funding status of the HCTF and the assumptions used to calculate such funding status.

In accordance with the City Code, the Utilities also offers a health care plan for retirees (“Single Employer Plan”). Employees eligible to retire prior to January 1, 1979 receive this health care plan without costs to the employee (full coverage) and those eligible to retire after January 1, 1979 and hired prior to August 1, 1988 receive a limited contribution (partial coverage) from the Utilities not to exceed \$91.40 per month. The Single Employer Plan also provides a subsidy of life insurance premiums of \$0.13/\$1,000 for life insurance amounts up to \$9,000/year per member, depending on employee type, to those who have retired prior to January 1, 2013. Employees retiring after January 1, 2013 are no longer eligible to receive the life insurance benefits. During 2024, the Utilities made \$1,029,098 in contributions to the plan.

In 2018, GASB 75 was adopted for the Single Employer Plan. See the Required Supplementary Information in the 2024 Audited Financial Statements attached as Appendix A to this Official Statement. As of December 31, 2024 the Utilities’ total OPEB liability for the Single Employer Plan was \$13.2 million. There are no assets accumulated in a qualified OPEB trust for the Single Employer Plan. For more information, see Note 15 to the 2024 Audited Financial Statements included in Appendix A to this Official Statement.

Summary of Operations

The following summary of operations was derived from the audited financial statements of the Utilities for fiscal years ended December 31, 2020 to 2024 (not taking into account water component units such as joint water authorities). For water component unit information, see Notes 1 and 19 to the 2024 Audited Financial Statements included in Appendix A to this Official Statement.

Information presented for the six-month periods ended June 30, 2024 and June 30, 2025 was derived from the Utilities’ internally prepared financial statements. Such financial statements are unaudited, but, in the opinion of management of the Utilities, reflect all adjustments (none of which was other than a normal recurring adjustment (accrual) necessary for a fair presentation of the results of operations for such interim periods). The results of operations for an interim period should not be considered indicative of the results for a full fiscal year.

The Utilities uses the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when the related liabilities are incurred. All assets and liabilities for these funds are included on the balance sheet with this measurement focus. Net position is segregated into net investment in capital assets, restricted, and unrestricted.

SUMMARY OF OPERATIONS

	Year ended December 31					Six Months ended June 30	
	2020	2021	2022 (restated) ⁽⁷⁾	2023 (restated) ⁽⁸⁾	2024	2024	2025
Operating Revenues ⁽¹⁾	\$ 884,352,022	\$ 1,065,753,637	\$ 1,234,497,176	\$ 1,005,708,024	\$ 1,012,679,947	\$ 487,433,069	
Operating and Other Expenses:							
Operating Expenses: ⁽¹⁾							
Production and Treatment	\$ 121,259,315	\$ 166,665,018	\$ 204,341,645 ⁽²⁾	\$ 155,618,835 ⁽⁹⁾	\$ 124,054,991	\$ 61,512,811	
Purchased Power, Gas and Water for Resale	118,743,474	328,661,577 ⁽³⁾	286,021,186	217,770,473	192,170,765	94,687,043	
Transmission and Distribution	45,724,916	48,710,008	51,555,205	53,091,450	55,567,050	27,457,103	
Maintenance	61,587,557	73,089,089	64,528,833	69,318,741	94,215,455	42,143,886	
Administration and General	104,466,289	108,244,282	56,591,058 ⁽⁴⁾	135,599,137	131,187,570	85,225,992	
Customer Service and Information	12,861,042	11,870,698	12,605,167	8,785,834	9,117,607	2,964,015	
Customer Accounting and Collection	22,625,033	24,203,249	27,970,913	30,675,095	46,709,189	16,091,442	
Products and Services	53	--	--	--	--	--	
Franchise Taxes	309,891	346,440	390,644	356,506	400,756	203,718	
Depreciation and Amortization	161,258,001	163,747,902	168,234,808	181,916,595	202,415,688	93,419,324	
Total Operating Expenses	\$ 648,835,571	\$ 925,538,263	\$ 872,239,459	\$ 853,132,666	\$ 855,839,071	\$ 423,705,334	
Operating Income	\$ 235,516,451	\$ 140,215,374 ⁽³⁾	\$ 362,257,717	\$ 152,575,358	\$ 156,840,876	\$ 63,727,735	
Non-Operating Revenues (Expenses)							
Derivatives Instruments Gain/Loss	\$ (13,615,418)	\$ 18,733,978	\$ 38,779,384	\$ 2,009,341	\$ 7,977,873	\$ 6,601,964	
Investment Income	5,917,121	1,253,655	7,135,364	29,455,180	29,832,852	11,097,012	
Other Revenues ⁽⁵⁾	12,012,474	8,958,101	8,991,207	11,532,192	15,068,311	9,897,448	
Other Expenses	(28,268,900)	(7,682,992)	(5,286,853)	(12,261,032)	(2,901,902)	(1,865,425)	
Interest Expense	(96,999,149)	(84,448,428)	(90,307,381)	(91,099,245)	(98,534,330)	(46,249,649)	
Total Non-Operating Revenues (Expense)	\$ (120,953,872)	\$ (63,185,686)	\$ (40,688,279)	\$ (60,363,564)	\$ (48,557,196)	\$ (20,518,650)	
Income (Loss) before Contributions, Transfers, and Extraordinary Items	\$ 114,562,579	\$ 77,029,688	\$ 321,569,438	\$ 92,211,794	\$ 108,283,680	\$ 43,209,085	
Contributions in Aid of Construction	73,222,380	68,073,168	69,411,116	52,930,987	58,231,730	32,910,950	
Transfers Out – Surplus Payments to the City	(35,153,778)	(37,250,499)	(37,278,636)	(35,298,019)	(35,885,873)	(17,707,719)	
Transfers – Other	(330,769)	(170,896)	(112,048)	(613)	--	--	
Special Item – Asset Impairment ⁽⁶⁾	(228,095,915)	--	(3,750,180)	(1,330,497)	--	--	
Change in Net Position	\$ (75,795,503)	\$ 107,681,461	\$ 349,839,690	\$ 108,513,652	\$ 130,629,537	\$ 58,412,316	
Total Net Position, January 1	\$2,034,960,693	\$ 1,959,165,190	\$ 2,066,846,651	\$ 2,416,686,341	\$ 2,519,478,832	\$2,519,478,832	\$2,650,108,369
Cumulative effect of a change in accounting principle	--	--	--	(5,721,161)	--	--	--
Total Net Position, December 31	\$1,959,165,190	\$ 2,066,846,651	\$ 2,416,686,341	\$ 2,519,478,832	\$ 2,650,108,369	\$2,584,004,592	\$x,xxx,xxx,xxx

(Footnotes on next page)

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- (1) Operating Revenues and Operating Expenses are shown net of interdepartmental sales transactions.
- (2) Increase in Production and Treatment Costs in 2021-2022 is primarily attributable to the increase in Electric Fuel Costs.
- (3) Increase in Purchased Power, Gas and Water for Resale and resulting decrease in Operating Income due primarily to a weather event in February 2021. See "INVESTMENT CONSIDERATIONS - Risks Related to Spikes in System Expenses Caused by Extreme Weather and Other Events."
- (4) Decrease in Administration and General expense from 2021-2022 is primarily attributable to decrease in employee Pension and Benefit expenses in 2022. In accordance with GASB 68, a credit of \$78,835,763 was recognized in 2022.
- (5) Includes interest/dividend income, Mark to Market on Derivatives, and Build America Bond ("BABs") subsidy accruals. Accounting accruals for BABs subsidies: 2020 - \$6,720,778; 2021 - \$4,527,388; 2022 - \$4,439,216; 2023 - \$4,380,326; 2024 - \$3,961,558
- (6) In 2020, as a result of the Utilities Board's decision to decommission Drake, Nixon 1 and Birdsall, Utilities determined the assets related to the decommissioning power plants were impaired as of December 31, 2020 and recorded a loss as a Special item on the Statements of Revenues, Expenses and Changes in Net Position. In November 2020, Utilities took over Cascade Metropolitan District No. 1's water system. Utilities recorded the Cascade Water System assets at net book value as a Special Item on the Statements of Revenues, Expenses and Changes in Net Position in accordance with GASB Statement No. 69, Government Combinations and Disposals of Government Operations. In 2022, Drake Units 6 and 7 were decommissioned and Utilities determined the assets were impaired and recorded the \$3.8 million loss as a Special Item on the Statements of Revenue, Expenses and Changes in Net position. Drake was permanently shut down on September 1, 2022. In 2023, the Utilities Board approved an update to the Integrated Resource Plan, which calls for the retirement of Birdsall no later than 2027. As a result of the change in Birdsall decommission dates, a loss of \$1.3 million was recorded in 2023 as a Special Item on the Statements of Revenue, Expenses and Change in Net Position.
- (7) 2022 financial statements restated due to implementation of GASB 96 (Subscription-Based Information Technology Arrangements).
- (8) 2023 financial statements restated due to implementation of GASB 101 (Compensated Absences). See note 21 of the 2024 Audited Financial Statements attached hereto as Appendix A.
- (9) Decrease in Production and Treatment Costs in 2023 is primarily due to decreases in Electric Fuel Costs.

Pursuant to GASB 34, the 2024 Audited Financial Statements attached as Appendix A to this Official Statement include a management discussion and analysis for the fiscal year ended December 31, 2024.

[TO BE INSERTED]

Financial Statements

The Utilities' Statements of Net Position for the periods ended December 31, 2020 through December 31, 2024, Statements of Revenues, Expenses and Changes in Net Position and Statements of Cash Flows for the years ended December 31, 2020 through December 31, 2024 have been audited by Baker Tilly US, LLP, the Utilities' independent certified public accountants. The 2024 Audited Financial Statements and the report of the independent certified public accountants as of and for the years ended December 31, 2023 and 2024 are included as Appendix A to this Official Statement.

Outstanding Utilities Revenue Bonds and Other Obligations

Parity Bonds. Upon issuance of the Bonds, \$_____ in aggregate principal of Parity Bonds (including the Bonds and excluding the Refunded Bonds) will be outstanding which have a parity lien on the Net Pledged Revenues. The City is prohibited from issuing additional bonds with a lien on the Net Pledged Revenues which is superior to the Parity Bonds (including the Bonds).

Variable Rate Debt. The City currently has \$306,655,000 of outstanding variable rate Parity Bonds, or 12.66% of its total outstanding debt, which is hedged. The Utilities has no outstanding debt in a variable rate structure which was not hedged.

Revolving Loan Agreement. [To be updated to reflect extension] The City has entered into a \$75.0 million Revolving Loan Agreement with U.S. Bank National Association, that currently expires on September 8, 2025 (the "Revolving Loan Agreement") and expects to renew the facility upon expiration. The City may receive advances up to the maximum amount of the Revolving Loan Agreement in order to fund the Utilities'

operating needs and normal expenditures including, without limitation, regularly scheduled capital expenses. The City's repayment obligations under the Revolving Loan Agreement are limited to the Net Pledged Revenues on a subordinate basis to the Parity Bonds and certain related obligations. No amount is currently outstanding under the Revolving Loan Agreement.

Standby Letter of Credit. The City has entered into a \$115.0 million Standby Letter of Credit and Reimbursement Agreement with Sumitomo Mitsui Banking Corporation, that will expire on December 18, 2029 (the "Standby Letter of Credit"). The City entered into a Project Shipper Precedent Agreement with Rockies Express Pipeline, LLC related to the construction of a new natural gas pipeline, and the Standby Letter of Credit was issued for the benefit of Rockies Express Pipeline, LLC to secure the Utilities payment obligations under the Precedent Agreement. The City's repayment obligations under the Standby Letter of Credit are limited to the Net Pledged Revenues on a subordinate basis to the Parity Bonds and certain related obligations. No amount is currently outstanding under the Standby Letter of Credit.

Potential Additional Credit Facilities. From time to time, the Utilities may be asked to deliver letters of credit, other credit facilities, or other forms of financial support for the construction of private or public infrastructure which benefits the users of the System and/or the operational needs of the Utilities. No such credit facilities have been delivered by the Utilities to date. The size, duration, and other details relating to any credit facilities which may be delivered by the Utilities in the future are not known at this time.

Liquidity/Support Facilities

The City has the following outstanding Parity Bonds which are supported by Support Facilities. These Support Facilities are listed in the table below. **[to be updated to reflect extension and replacement]**

Support Facilities

<i>Name of Support Facility Provider</i>	<i>Series of Bonds</i>	<i>Total Outstanding Amount of Associated Bonds</i>	<i>Ratings of Provider⁽¹⁾</i>	<i>Stated Expiration Date(s) of Support Facility(ies)</i>
Bank of America, N.A.	2005A	\$ 59,270,000	P-1/A-1/F1+	09/13/2029
Barclays Bank PLC	2006B, 2010C	86,590,000 ⁽²⁾	P-1/A-1/F1	09/11/2026; 09/12/2025
Sumitomo Mitsui Banking Corporation	2009C	53,025,000	P-1/A-1/F1	09/15/2027
TD Bank, N.A.	2007A	45,210,000	P-1/A-1+/F1+	08/30/2028
U.S. Bank National Association	2008A, 2012A	69,865,000 ⁽³⁾	P-1 /A-1/F1	09/__/20__; 09/10/2027

⁽¹⁾ Short-term ratings by Moody's Investors Service Inc. ("Moody's"), S&P Global Ratings, a division of Standard and Poor's Financial Services LLC ("S&P"), and Fitch Ratings, respectively.

⁽²⁾ \$_____ associated with the 2006B Bonds and \$_____ associated with the 2010C Bonds.

⁽³⁾ \$_____ associated with the 2008A Bonds and \$_____ associated with the 2012A Bonds.

For a description of some of the risks in connection with these Support Facilities, see "INVESTMENT CONSIDERATIONS—Risks Regarding Liquidity Facilities."

The obligation of the City to make payments under any of the Support Facilities for the Parity Bonds discussed above is secured by a lien on the Net Pledged Revenues which is on parity with the lien thereon of the Parity Bonds (including the Bonds).

Interest Rate Swap Agreements

Summary of Current Interest Rate Swap Agreements. The table below displays the various interest rate swap agreements that the City currently has outstanding on behalf of the Utilities.

Interest Rate Swap Agreements

<i>Name of Swap</i>	<i>Counterparty</i>	<i>Counterparty Rating</i>	<i>Notional Amount</i>	<i>Fixed Rate Payable by the City</i>	<i>Variable Rate Payable to the City</i>	<i>Associated Bond Issue</i>	<i>Effective Date</i>	<i>Termination Date</i>	<i>Mark-to-Market Value as of 12/31/2024⁽²⁾</i>	<i>Mark-to-Market Value as of 06/30/2025⁽²⁾</i>
2005 SIFMA Swap	Bank of America, N.A.	Aa2/A+/AA	\$44,775,000	4.7099%	SIFMA	2005A	09/15/05	11/1/35	\$(3,545,493)	
2005 SIFMA Swap	J. Aron & Co.	A2/BBB+/A ⁽¹⁾	14,925,000	4.7099	SIFMA	2005A	09/15/05	11/1/35	(1,181,831)	
2006 New Money SOFR Swap	Morgan Stanley Capital Group Inc.	A1/A-/A+ ⁽¹⁾	29,100,000	4.1185	68% of SOFR ⁽³⁾	2006B	09/14/06	11/1/36	(2,257,216)	
2006 New Money SOFR Swap	JP Morgan Chase Bank	Aa2/A+/AA	19,400,000	4.1185	68% of SOFR ⁽³⁾	2006B	09/14/06	11/1/36	(1,504,811)	
2007 New Money SOFR Swap	J. Aron & Co.	A2/BBB+/A ⁽¹⁾	27,126,000	3.1980	68% of SOFR ⁽³⁾	2007A	09/13/07	11/1/37	(665,299)	
2007 New Money SOFR Swap	Morgan Stanley Capital Group Inc.	A1/A-/A+ ⁽¹⁾	18,084,000	3.1980	68% of SOFR ⁽³⁾	2007A	09/13/07	11/1/37	(443,533)	
2008 SIFMA Swap	Bank of America, N.A.	Aa2/A+/AA	31,555,000	4.2686	SIFMA	2008A	09/12/08	11/1/38	(1,970,194)	
2009 SOFR Swap	Wells Fargo Bank, N.A.	Aa2/A+/AA-	53,025,000	5.4750	68% of SOFR ⁽³⁾	2009C	10/01/09	11/1/28	(4,802,846)	
2010 SOFR Swap	Morgan Stanley Capital Group Inc.	A1/A-/A+ ⁽¹⁾	33,785,000	3.8807	68% of SOFR ⁽³⁾	2010C	10/26/10	11/1/40	(2,665,976)	
2012 SOFR Swap	Morgan Stanley Capital Group Inc	A1/A-/A+ ⁽¹⁾	35,310,000	4.0242	68% of SOFR ⁽³⁾	2012A	03/15/12	11/1/41	(3,319,325)	

⁽¹⁾ Ratings at 06/30/2025 of the respective parent companies by Moody's, S&P and Fitch, respectively.

⁽²⁾ Source: Stifel Interest Rate Products, LLC, a third party valuation service provider. The mark-to-market values shown on this table generally represent the difference between the present value of the fixed rate payments to be made by the City and the present value of the variable rate payments to be made by the applicable swap counterparty, as of the date noted, excluding accrued interest. When the present value of the payments to be made by the City exceeds the present value of the payments to be made by the applicable counterparty, the applicable swap agreement has a negative Mark-to-market value to the City. When the present value of the payments to be made by the applicable counterparty exceeds the present value of the payment to be made by the City, the applicable swap agreement has a positive Mark-to-market value to the City. If at the time of termination the applicable swap agreement has a negative Mark-to-market value to the City, the City would be liable to the counterparty for a payment equal to such value. None of the counterparties has the right to terminate the applicable swap agreement unless the City is in default in its obligations under the swap agreement. The Mark-to-market values are shown for informational purposes only and, unless the applicable swap agreement is terminated, do not impact the financial condition of the Utilities.

⁽³⁾ Variable rate payable to City was originally 68% of LIBOR. In December 2021, the Utilities adhered to the ISDA IBOR Fallback Protocol. Effective June 30, 2023, the variable rate payable to the City is 68% of Fallback SOFR provided in the ISDA IBOR Fallback Protocol.

Risks Associated with Collateral Posting. The swap agreements discussed above have provisions relating to collateral posting by each party. Collateral postings are required to protect either party from risk of default on the financial derivatives used in the hedging transaction. As the mark-to-market value of the financial derivative changes according to market conditions, the party incurring a “negative” mark-to-market position on the financial instrument will be required to post collateral as the negative value reaches predefined thresholds. Specifically, the Utilities may be obligated to post collateral with the applicable counterparty if the market value of an agreement decreases according to market conditions. Conversely, as the market value of an agreement increases, the mark-to-market value favors the Utilities and the Utilities may require the counterparty to post collateral. If an agreement is terminated prior to its stated expiration date due to default, any collateral posted by a party would be retained by the other party. As of December 31, 2024 and June 30, 2025, the Utilities had not posted any collateral with the various counterparties to the interest rate swap agreements discussed above.

From time to time, the Utilities enters into natural gas hedge agreements using physically delivered forward transactions. For a discussion of the Utilities’ gas hedge program, see “—Gas Price Hedge Program” below.

Priority of Interest Rate Swap Payment Obligations. The obligation of the City to make payments under any of the interest rate swap agreements discussed above, other than termination payments, is secured by a lien on the Net Pledged Revenues which is on parity with the lien thereon of the Parity Bonds (including the Bonds). The obligation of the City to make any termination payments under any of the interest rate swap agreements discussed above is payable from surplus revenues remaining after payment on Parity Bonds (including the Bonds) and subordinate lien bonds.

Debt Service Reserve Surety Providers. The Bonds and a portion of the outstanding Parity Bonds are secured by reserve funds that have been funded with debt service reserve surety policies provided by BAM, Assured Guaranty Municipal Corp. (“AGMC”) (as successor to Financial Security Assurance Inc.), and National Public Finance Guarantee Corporation (“NPFGC”) (as successor to MBIA Insurance Corporation) in lieu of cash deposits. Each series of Parity Bonds is secured by its own reserve fund. The total face amount of the reserve fund surety policies provided by BAM is \$_____ ([To be confirmed] including the policy to be provided with respect to the Bonds), the total face amount of the reserve fund surety policies provided by AGMC is \$_____, and the total face amount of reserve fund surety policies provided by NPFGC is \$_____. In the event that there are insufficient Net Pledged Revenues available to pay the debt service on the Parity Bonds which are secured by such surety policies, it may become necessary for the City to draw upon its surety policies in order to make a portion of such debt service payments. In the event that BAM, AGMC or NPFGC fails to honor such a draw, the Bonds could be negatively impacted; however, the full extent of such impact cannot be measured at this time. The City has no obligation to replace any of the providers of the debt service reserve surety policies or deposit additional cash, securities, or debt service reserve surety policies into reserve funds if the respective ratings of the providers are lowered. While the reserve funds containing the City’s debt service reserve surety policies do not secure the Bonds, the Parity Bonds that are secured by such reserve funds have a parity lien upon the Net Pledged Revenues and a default under any of the Parity Bond ordinances for failure to pay debt service on such Parity Bonds would be a default under the Bond Ordinance.

Other Fixed Cost Obligations

In addition to the Parity Bonds, the City has other fixed cost obligations relating to the Utilities. These include, but are not limited to, payments to the authorities in which the City and/or the Utilities is a member, payments pursuant to power purchase agreements with other power producers to purchase capacity and associated energy to supplement existing generation resources, and payments to General Electric Vernova International, LLC pursuant to a maintenance contract for the Utilities’ Front Range Power Plant. These payments are primarily treated as operation and maintenance expenses of the System and are therefore payable prior to debt service on the Parity Bonds.

The following table shows payments made pursuant to these obligations for the fiscal years ending December 31, 2021 through 2024, and estimated payments for the fiscal years ending December 31, 2025 and 2026:

Fixed Cost Obligations

	<i>Annual Amount</i>					
	<i>2021</i>	<i>2022</i>	<i>2023</i>	<i>2024</i>	<i>2025</i> <i>(Estimated)</i>	<i>2026</i> <i>(Estimated)</i>
Member Authorities	\$ 144,266	\$ 2,677,275	\$ 139,763	\$ 81,841	\$ -	\$ -
Electric Power Purchase Agreements	18,353,145	18,222,457	18,609,650	26,824,467	39,895,797	44,634,793
Contractual Service Agreements	4,995,491	5,086,486	25,133,959 ⁽¹⁾	7,104,427	9,849,269	7,255,188

⁽¹⁾ Includes a one-time true up payment of \$16,944,728 in 2023. Annual costs pursuant to this contract will fluctuate because the required maintenance pursuant to the contract is based upon total run hours on the turbines.

The Utilities expects its payments pursuant to electric power purchase agreements to increase significantly by 2030 as the Utilities executes additional power purchase agreements for renewable energy. See “THE ELECTRIC SYSTEM – System Capability.” The Utilities expects to fund these agreements through electric cost adjustment charges. See “THE ELECTRIC SYSTEM – Electric Rates.”

Debt Service Coverage

The ordinances governing the Parity Bonds include a rate covenant requiring that rates charged to users of the System’s services be sufficient so that the ratio of Net Pledged Revenues to debt service on the Parity Bonds for the current fiscal year will be at least 1.30 (the “Rate Coverage Ratio”). Historically, the City has maintained debt service coverage greater than the required Rate Coverage Ratio of 1.30.

A separate debt service coverage covenant in the Bond Ordinance, applicable to the Utilities’ issuance of additional bonds in certain situations, requires the ratio of Net Pledged Revenues to Average Annual Principal and Interest Requirements to be at least 1.30 (the “Additional Bonds Coverage Ratio”).

The table below shows debt service coverage as calculated by the Utilities with respect to the years indicated (without taking into account component units) using the Average Annual Principal and Interest Requirements as of each year (as required for the Additional Bonds Coverage Ratio) and using the fiscal year debt service for each year (as required for the Rate Coverage Ratio):

Debt Service Coverage

	<i>Fiscal Year Ended December 31</i>				
	<i>2020</i>	<i>2021</i>	<i>2022 (restated)⁽⁶⁾</i>	<i>2023 (restated)⁽⁷⁾</i>	<i>2024</i>
Operating Revenues	\$ 884,352,022	\$1,065,753,637	\$1,234,497,176	\$1,005,708,024	\$1,012,679,947
Operating Expense	(648,835,571)	(925,538,263)	(872,239,459)	(853,132,667)	(855,839,071)
Noncash pension and OPEB expense ⁽¹⁾	(18,260,776)	(21,371,550)	(78,835,764)	(15,872,926)	(35,392,181)
Depreciation and Amortization	<u>\$ 161,258,001</u>	<u>\$ 163,747,903</u>	<u>\$ 168,234,808</u>	<u>\$ 181,916,595</u>	<u>\$ 202,415,688</u>
Operating Revenues Available For Debt Service	\$ 378,513,676	\$ 282,591,727	\$ 451,656,761	\$ 318,619,026	\$ 323,864,383
Interest Earnings (excl. interest on bonds) ⁽²⁾	10,229,700	6,266,364	9,165,346	16,019,425	15,589,174
Development Fees ⁽³⁾	<u>52,988,002</u>	<u>47,174,065</u>	<u>36,456,201</u>	<u>32,609,140</u>	<u>32,717,186</u>
Net Pledged Revenues	<u>\$ 441,731,378</u>	<u>\$ 336,032,156</u>	<u>\$ 497,278,308</u>	<u>\$ 367,247,591</u>	<u>\$ 372,170,743</u>
Average Annual Principal and Interest Requirements	\$ 106,354,147	\$ 110,797,025	\$ 114,315,299	\$ 119,688,483	\$ 131,905,592
Additional Bonds Coverage Ratio	4.15	3.03	4.35	3.07	2.82
Fiscal Year Debt Service ⁽⁴⁾	\$ 187,700,199	\$ 188,728,984	\$ 205,751,921	\$ 214,473,488	\$ 211,389,294
Rate Coverage Ratio	2.35	1.78 ⁽⁵⁾	2.42 ⁽⁵⁾	1.71 ⁽⁸⁾	1.76

⁽¹⁾ Adjustment for noncash pension and other postemployment benefits.

⁽²⁾ Interest Earnings include Build America Bond cash payment subsidies received: \$2020 - \$6,983,335; 2021 - \$5,268,125; 2022 - \$4,451,306; 2023 - \$4,387,889; 2024 - \$4,353,549.

⁽³⁾ Development Fees are cash contributions for general and specific utilities capital projects. These fees are utilized to compensate existing customers for the costs of developing the System and to help pay for the growth of the System caused by new customers.

⁽⁴⁾ Fiscal Year Debt Service and Rate Coverage Ratio were adjusted in 2020 due to correction of the Fiscal Year Debt Service.

⁽⁵⁾ Decrease in Debt Service Coverage is due primarily to an increase in operating expenses caused by a severe winter storm in February 2021. The recovery of these expenses through electric cost adjustment and gas cost adjustment rates caused an increase operating revenue and Debt Service Coverage in 2022.

⁽⁶⁾ 2022 financial statements restated due to implementation of GASB Statement No. 96 (Subscription-Based Information Technology Arrangements).

⁽⁷⁾ 2023 financial statements restated due to implementation of GASB Statement No. 101 (Compensated Absences).

⁽⁸⁾ Decrease in Debt Service Coverage is due primarily to a decrease in operating revenue caused by routine changes to gas cost adjustment rates and weather-related decreases in water consumption.

Coverage ratios are a function of not only the Utilities' long-term capital structure but also the specific costs and revenues in each year. This can be significantly impacted by economic conditions, annual weather variations, volatility in fuel and power markets, and other factors.

Debt Service Schedule

The following table sets forth the debt service schedule for the Bonds and the outstanding Parity Bonds (excluding the Refunded Bonds).

<i>Year</i>	<i>Debt Service on Outstanding Parity Bonds⁽¹⁾⁽²⁾</i>	<u>Series 2025A Bonds</u>		<u>Series 2025B Bonds</u>		<i>Total Debt Service Requirements</i>
		<i>Principal</i>	<i>Interest</i>	<i>Principal</i>	<i>Interest</i>	
2024						
2025						
2026						
2027						
2028						
2029						
2030						
2031						
2032						
2033						
2034						
2035						
2036						
2037						
2038						
2039						
2040						
2041						
2042						
2043						
2044						
2045						
2046						
2047						
2048						
2049						
2050						
2051						
2052						
2053						
2054						
Total ⁽³⁾						

(1) Exclusive of costs associated with Support Facilities.

(2) Includes principal, interest and mandatory sinking fund payments with respect to the Parity Bonds, excluding the Bonds and the Refunded Bonds. Interest does not reflect subsidy expected to be received on outstanding Build America Bonds. This assumes an interest rate of 4.7099% for the 2005A Bonds, an interest rate of 4.1185% for the 2006B Bonds, an interest rate of 3.198% for the 2007A Bonds, an interest rate of 5.475% for \$54,025,000 of the 2009C Bonds, an interest rate of 3.8807% for the 2010C Bonds, and an interest rate of 4.0242% for the 2012A Bonds, based upon swap agreements related to these bonds. See “—Interest Rate Swap Agreements” above.

(3) Totals may not equal sum of parts due to rounding.

Enterprise Risk Management Plan

The Utilities, as directed by the Utilities Board Instructions to the Chief Executive Officer, operates under and maintains a written Enterprise Risk Management Plan. This Enterprise Risk Management Plan, along with the subsequent Risk Management Plans, maintain The Utilities' enterprise risk management initiatives to identify, assess, and prudently manage a variety of risks, including strategic, financial, operational, legal, and hazard.

Risk Management Committee. As required by the Utilities Board Instructions to the Chief Executive Officer, the Utilities has formed a Risk Management Committee which reports to the Chief Executive Officer. The committee, along with the Chief Executive Officer, is responsible for the overall direction, structure, conduct, control, and reporting of the Utilities' risk management activities. The committee's voting members consist of direct reports to the Chief Executive Officer, or a subset thereof.

Financial Risk Management Plan. The Utilities has adopted a Financial Risk Management Plan as part of the broader Enterprise Risk Management Plan. The stated goals of the Financial Risk Management Plan are to maintain the quality of the Utilities' credit ratings, pursue positive financial results by reducing the cost of borrowing, optimize the Utilities' risk profile by managing interest rate exposure consistent with prudent and approved debt practices, achieve and maintain flexibility by utilizing a variety of financial tools, and maintain conformance with legal requirements. The Financial Risk Management Plan identifies a variety of risks facing the Utilities and accompanying controls, with the primary features discussed below.

Credit Risk. Pursuant to the Utilities' Financial Risk Management Plan, all counterparties in swap or other financial products agreements with the Utilities must have a long-term credit rating in the "A-" category issued by at least one major credit rating agency at the time of execution of such swap or financial products agreement, though there is no requirement that such a rating be maintained throughout the life of the financial products agreement. In the alternative, a counterparty must provide a guarantee, swap surety, or other form of credit enhancement such that its enhanced creditworthiness is in at least the "A-" category at the time of execution of such swap or financial products agreement.

Capital Improvements

The 2025 Annual Budget approved by Council on November 12, 2024 included total capital expenditures of approximately \$628.7 million. This is approximately \$195.7 million more than the budgeted amount for 2024. Electric projects account for 51.4% of the total major capital projects budget. Combined water and wastewater projects account for 35.2% of the total. Gas projects account for 6.8% of the total.

Some of the major projects included as a part of the Utilities' capital improvement program are described under "THE ELECTRIC SYSTEM—Capital Improvements to the Electric System," "THE WATER SYSTEM—Capital Improvements to the Water System," and "THE WASTEWATER SYSTEM—Capital Improvements to the Wastewater System." Capital expenditures are currently forecasted to total approximately \$3.9 billion between 2025 and 2029. The Utilities' forecasts of its long-range capital expenditures and the timing of construction of a number of the proposed major capital projects are dependent on future economic conditions, population growth within the Utilities' service areas and other factors beyond its control, such as environmental regulations.

The Utilities anticipates needing an additional 1,700 MW of additional electric generation by 2030. See "THE ELECTRIC SYSTEM - System Capability." The Utilities currently expects that a significant amount of this additional generation will be acquired through power purchase agreements, though some may come from Utilities-owned generation facilities. These power purchase agreements are not included in the capital needs discussed in the preceding paragraph.

Tax and Spending Limits

In 1991, the City's voters approved an amendment to the Charter (the "Charter Amendment"), and in 1992, the State's voters approved an amendment to the Colorado Constitution (the "Constitutional Amendment" and together with the Charter Amendment, the "Amendments"). The Amendments are similar and attempt to restrict the City's spending by (a) limiting the amount by which fiscal year spending may change from year to year in accordance with a formula based upon inflation and City growth, (b) limiting annual changes in City property taxes in accordance with a formula based upon inflation and City growth and (c) requiring voter approval in advance for new taxes, tax rate increases, certain property tax mill levies and the creation of most direct or indirect City obligations. While several provisions of the Amendments have been interpreted by the courts, many provisions remain unclear and may require judicial interpretation in the future.

Both Amendments, however, exclude "enterprises," which are defined as government-owned-business authorized to issue revenue bonds and receiving under 10% of annual revenue in grants from all state and local governments combined. Management of the Utilities believes that the Utilities currently constitutes an "enterprise" under the Amendments due to the level of revenues it currently receives from governmental grants. Management of the Utilities also considers it extremely unlikely that in the future the Utilities would receive a sufficient percentage of its revenues from government grants to cause the Utilities to lose its status as an "enterprise" for purposes of the Amendments.

If the Utilities ever ceases to be an enterprise within the meaning of either of the Amendments, the Utilities' spending and revenues would become integrated with the City's overall spending and revenues for purposes of compliance with the applicable Amendment. In such a situation, the applicability of the spending and revenue limitations upon the Utilities could restrict the Utilities' ability to spend the Utilities' revenues in excess of such limitations absent voter approval. The effect of any future inclusion of the Utilities as part of the City's compliance with the limitations of the Amendments would depend on the City's overall spending and revenues at that time. Furthermore, the provisions of the Amendments requiring voter approval for City obligations would apply to future bond issues of the Utilities, including certain refunding bonds, and the Constitutional Amendment's 3% reserve requirement would become applicable to the City, which would then include the Utilities as part of the City. If the Utilities ever ceases to have enterprise status within the meaning of either of the Amendments, the City could still impose increased fees, rates and charges for the Utilities without voter approval, the rate covenant and the lien on Net Pledged Revenues provided for in the Bond Ordinance will continue to secure the payment of debt service on the Bonds, and if the City is required to reduce spending in order to comply with its overall spending limit, the City would first be required to reduce spending for purposes for which it does not have an obligation under law or by contract prior to reducing spending required to comply with its covenants related to outstanding indebtedness (including the debt of the Utilities).

The City and the Utilities have not conducted a detailed analysis, however, of the overall impact on the City and the Utilities if the Utilities ever ceases to qualify as an "enterprise." Accordingly, no representation can be made as to the overall impact of the Amendments on the future activities of the Utilities.

Insurance

The Utilities' Financial Planning and Risk group is responsible for developing the process to identify, prioritize, and report risks so appropriate mitigation plans are developed and implemented to protect and enhance the business performance of the Utilities. The program requires specific risk mitigation policies, plans and procedures be maintained to identify significant risks, document risk mitigation plans, and ongoing monitoring and communication.

As part of this broader enterprise risk process, the Utilities manages an ongoing insurance risk management program, insuring against both hazard and liability exposures where appropriate. Working with

insurance providers and the Utilities' operations, loss tolerances are identified and insured through the provider or are self-insured.

The Utilities has insurance policies covering damages due to most types of major losses. Property insurance for physical damage is purchased commercially for the Utilities' facilities and for most of the infrastructure (excepting transmission and distribution lines, underground piping, and dams). The Utilities also purchases comprehensive information security and privacy "cyber" liability insurance.

The Utilities is covered under the Colorado Governmental Immunity Act for certain liability claims. The Colorado Governmental Immunity Act provides the maximum amount that may be recovered through tort claims under Colorado law of \$424,000 for any injury to one person in any single occurrence and \$1,195,000 for any injury to two or more persons in any single occurrence. To cover auto and general liability exposures not covered by the Colorado Governmental Immunity Act, the Utilities purchases excess liability coverage, with a retention level of \$1,000,000 per occurrence.

Workers' compensation claims are self-insured and managed by City in-house staff. An excess workers' compensation liability insurance policy is purchased for statutory benefits in excess of \$750,000 per occurrence. The Utilities also contributes, along with the City, to a joint Workers' Compensation Self-Insurance Fund. The Utilities' outstanding workers' compensation claims are reserved at \$318,000 as of December 31, 2024, under the City's self-insurance fund. The City believes that any liability arising out of unforeseen losses will not materially impact Utilities' financial position. This balance is not reflected on Utilities' Statements of Net Position.

Emergency Preparedness and Physical Security

The Utilities is committed to ensuring reliability of service through the protection of its workforce, the public, and critical infrastructure. This commitment, documented within the Utilities' Governance Policy, is the charter for the two primary groups responsible for emergency planning and coordination and physical security within the organization: Emergency Preparedness and Physical Security Operations.

Federal directives and regulatory mandates the Utilities adhere to include the North American Electric Reliability Corporation ("NERC") Critical Infrastructure Protection Standards, Department of Homeland Security Chemical Facility Anti-Terrorism Standards, Department of Homeland Security National Infrastructure Protection Program, and Fair and Accurate Credit Transactions Act. These directives and mandates require the development, implementation, and ongoing administration of security programs and plans to protect critical infrastructure, cyber assets and customer information. In addition, the Utilities Governance Policy requires programs, policies and processes be in place to protect corporate assets including, but not limited to, physical assets, intangible assets, intellectual property, confidential customer information and records.

Actions taken based on regulatory mandates, threat and vulnerability assessments, and the Utilities Governance Policy focus on both physical security defenses using an industry-standard philosophy of deter, detect, delay, and defend and layered defense-in-breadth strategies to cyber defenses. Such approaches include technology measures such as utilizing surveillance, access control, and intrusion detection / prevention systems, deployment of well-trained security personnel and cybersecurity professionals, and active partnerships with local / federal agencies and information-sharing centers. Determinations of the overall security approach and how to best utilize available security measures is made by conducting vulnerability assessments for each specific location within the Utilities portfolio.

The Emergency Preparedness program provides oversight, training, and direction on the practices and principles of emergency operations and continuity of operations planning for business processes and systems. These programs target an enhanced enterprise-wide state of readiness which embodies crisis management preparedness for the four utility services as well as support departments. Initiatives associated with this model

include the development and maintenance of an Enterprise Emergency Operations Plan with functional and/or risk specific subordinate Continuity and Emergency Response Plans; the creation of a formal Enterprise Command Center structure which operates under Federal and State Emergency Management Standards to include an Incident Command System based approach and Incident Command System training for identified Utilities' personnel. Utilities' personnel are exercised during tabletop and functional exercises. Dam emergency planning has been enhanced to include outreach and orientations to emergency managers and public safety personnel in communities where the Utilities' dams pose a risk.

Investment Plan

Pursuant to a Council resolution, the Chief Executive Officer has implemented the "Colorado Springs Utilities Investment Plan (the "Investment Plan"). The most recent revision to the Investment Plan is dated December 31, 2023. The principal objectives of the Investment Plan are: (a) the preservation of capital and protection of investment principal; (b) maintenance of sufficient liquidity to meet anticipated cash flows; (c) diversification to avoid unreasonable market risk; (d) attainment of a market rate of return; (e) conformance with all City, state and federal regulations; and (f) conformance with all applicable bond ordinance provisions for the outstanding utilities revenue bonds. Consistent with the Utilities' Financial Risk Management Plan, at the time of selection, only financial institutions and banks with a minimum credit rating (long-term) in the "A-" category by at least one of the three major credit rating agencies (Moody's, S&P and Fitch) shall be eligible to provide safekeeping and custodial services to the Utilities. In the absence of this minimum rating requirement, financial institutions and banks may also provide a guarantee, swap surety or other form of enhancement to get to the "A-" category at the time of execution. All banks must be members of the FDIC.

Gas Price Hedge Program

Beginning in 2021, the Utilities instituted a natural gas hedging program to mitigate natural gas price risk. The natural gas hedge program seeks to provide protection in the winter months for expected Gas Service load demand, and natural gas burn for power generation year-round. The hedge program is currently limited to fixed price forward physical transactions and physically delivered transactions with embedded price caps. Utilities personnel are working to implement the necessary deal capture systems, negotiate the appropriate contracts, and develop the required processes and controls necessary to use financial derivatives to mitigate natural gas price risk. The use of financial derivatives within the Utilities' hedge program is expected to be implemented at some point in the future.

The Utilities' Energy Risk Management Plan requires that the Utilities' counterparties to both physical and financial energy transactions have adequate credit support depending on their credit ratings issued by S&P, Moody's and/or Fitch, or as determined by the Utilities' Risk Management Committee.

THE ELECTRIC SYSTEM

The Electric System provides retail service to metropolitan Colorado Springs, Manitou Springs, Green Mountain Falls, and portions of the City of Fountain, and delivers power under a General Services Administration Areawide Contract to the Academy, Peterson Space Force Base, Cheyenne Mountain Space Force Station, and Fort Carson. More than 90% of the population of the County is directly or indirectly served by the Electric System.

The Utilities has the electric franchise to serve Manitou Springs through July 2044. As part of its agreement with Manitou Springs, the Utilities must pay Manitou Springs a franchise fee equal to 10% of the gross revenues from the electric service provided to customers within the municipal limits of Manitou Springs.

The Utilities also has the electric franchise to serve portions of the City of Fountain through December 2033. As part of its agreements with the City of Fountain, the Utilities will not pay a franchise fee for electric service within the current service area of City of Fountain.

The Utilities has the electric franchise to serve the Town of Green Mountain Falls through January 2042. As part of its agreement with Green Mountain Falls, the Utilities must pay Green Mountain Falls a franchise fee equal to 4% of the gross revenues from the electric service provided to customers within the corporate limits of the Town of Green Mountain Falls.

Electric Rates

The following table sets forth rates as they relate to residential and commercial services provided by the Electric System. In addition to base electric rates, the Utilities charges customers an electric cost adjustment designed to recover fuel and purchased power-related costs. The electric cost adjustment may be changed as frequently as monthly to pass actual costs to customers on a timely basis. The Utilities also charges customers an electric capacity charge designed to recover costs associated with the transportation and storage of natural gas and fixed capacity payments.

Electric Rates As of April 1, 2025

Residential Service, Standard Option	
Access and Facilities Charge, per day	\$0.6421
Access and Facilities Charge, per kWh	\$0.0876
Electric Cost Adjustment ⁽¹⁾ , per kWh	\$0.0301
Electric Capacity Charge, per kWh	\$0.0050
Residential Service, Time-of-Day Option	
Access and Facilities Charge, per day	\$0.6421
Access and Facilities Charge:	
Winter (October – May) On-Peak, per kWh	\$0.1364
Winter (October – May) Off-Peak, per kWh	\$0.0682
Summer (June – September) On-Peak, per kWh	\$0.2728
Summer (June – September) Off-Peak, per kWh	\$0.0682
Electric Cost Adjustment ⁽¹⁾ , per kWh	
On-Peak, per kWh	\$0.0528
Off-Peak, per kWh	\$0.0264
Electric Capacity Charge, per kWh	\$0.0050
Commercial Service – General, Standard Option	
Access and Facilities Charge, per day	\$1.0500
Access and Facilities Charge, per kWh	\$0.0748
Electric Cost Adjustment ⁽¹⁾ , per kWh	\$0.0301
Electric Capacity Charge, per kWh	\$0.0042
Commercial Service – General, Time-of-Day Option	
Access and Facilities Charge, per day	\$1.0500
Access and Facilities Charge:	
On-Peak, per kWh	\$0.1384
Off-Peak, per kWh	\$0.0554
Electric Cost Adjustment ⁽¹⁾ , per kWh	
On-Peak, per kWh	\$0.0498
Off-Peak, per kWh	\$0.0246
Electric Capacity Charge, per kWh	\$0.0042

⁽¹⁾ The Utilities' electric rates include an electric cost adjustment effective January 1, 2025 and can change monthly.

On November 12, 2024, the City Council approved a five-year rate case. Effective January 1, 2025 through January 1, 2029, electric base rates will increase 6.5% on January 1st of each year.

The City Council is authorized to determine rates charged for electric services within the Electric System's total service area (both inside and outside City limits). However, if the rates to be charged for the same customer classifications are different for customers within and outside the City limits, then a state statute requires that rates to be charged outside the City limits be reviewed and approved by the Colorado Public Utilities Commission (the "PUC") before becoming effective. The statute also provides that the PUC has jurisdiction to resolve any conflict relating to the rates established by the City Council upon the filing of a complaint by 5% of the affected customers outside the City limits. Under the statute, the City Council is ordinarily required to give at least 30 days' notice prior to holding a public hearing to consider proposed base rate changes. The statute allows rate changes absent the public notice and hearing for good cause. By virtue of the ordinances establishing the rate making process for the Utilities, a 30-day public notice is not provided for changes to the electric cost adjustment. Published notice is provided within 10 days after Council approval for the electric cost adjustment.

Electric System Sales and Revenues

In 2024, the Electric System had sales of 4,449,366 megawatt hours ("MWh"), excluding interdepartmental, wheeled power (which refers to the transfer of electrical power through transmission and distribution lines from one utility's service area to another's) and miscellaneous sales. Of this amount, 36.4% came from Residential sales and 55.8% came from Commercial/Industrial sales. The Electric System had revenue of \$512.2 million (excluding interdepartmental, wheeled power, and miscellaneous revenue) with 45.5% attributable to Residential revenue and 48.2% attributable to Commercial/Industrial revenue.

The ten largest customers of the Electric System during 2024, ranked by sales volume in megawatt hours, represented 748,684 MWh, or 16.8% of sales (excluding interdepartmental and miscellaneous sales), and \$48.1 million or 9.4% of revenues during that period (excluding interdepartmental revenues, wheeling and miscellaneous revenues previously classified as non-regulated revenues).

Four of the Electric System's military customers, Peterson, the Academy, Cheyenne Mountain Space Force Station and Fort Carson, purchase a portion of their power from the Western Area Power Administration ("WAPA"). The Utilities imposes wheeling rates for WAPA power delivered over the Electric System's facilities to these customers, and such wheeling rates and backup power charges are designed to recover the Electric System's costs of service.

The number of active residential meters served by the Electric System were 209,561, 211,722, and 215,893 at the end of 2022, 2023, and 2024, respectively. The average annual use per residential customer was 7.6 MWh in 2022, 7.2 MWh in 2023, and 7.5 MWh in 2024.

The following tables set forth Electric System sales and revenues by customer class for the past five years:

Electric Sales (MWh)
Fiscal Year Ended December 31

Customer Class	2020	2021	2022	2023	2024
Residential	1,593,520	1,603,002	1,582,217	1,531,512	1,618,662
Commercial	719,930	758,810	751,633	735,971	764,066
Industrial	1,849,834	1,928,455	1,933,434	1,760,028	1,719,566
Contract Service – Military.....	334,247	339,912	336,019	342,018	346,537
Transmission (OATT).....	9,684	10,248	7,683	517 ⁽¹⁾	535
Interdepartmental.....	<u>118,290</u>	<u>124,867</u>	<u>113,758</u>	<u>124,816</u>	<u>108,709</u>
Subtotal	4,625,505	4,765,294	4,724,744	4,494,862	4,558,075
Miscellaneous Sales.....	<u>797,469</u>	<u>560,427</u>	<u>597,804</u>	<u>331,475</u>	<u>434,231</u>
Total Electric Sales	5,422,974	5,325,721	5,322,548	4,826,337	4,992,306
Less Interdepartmental.....	<u>(118,290)</u>	<u>(124,867)</u>	<u>(113,758)</u>	<u>(124,816)</u>	<u>(108,709)</u>
Net Electric Sales.....	<u>5,304,684</u>	<u>5,200,854</u>	<u>5,208,790</u>	<u>4,701,521</u>	<u>4,883,597</u>
Transmission (Wheeled Power)	<u>32,706</u>	<u>32,800</u>	<u>32,779</u>	<u>32,802</u>	<u>31,890</u>
Net Peak Demand (MW)	<u>943</u>	<u>989</u>	<u>959</u>	<u>969</u>	<u>1,011</u>
Total Number of Active Electric Meters as of Year End	<u>241,133</u>	<u>245,642</u>	<u>249,466</u>	<u>253,193</u>	<u>259,471</u>

⁽¹⁾ On August 1, 2022, Utilities changed Balancing Authorities from Public Service Company of Colorado to Western Area Colorado Missouri and began participating in the Southwest Power Pool (“SPP”) Western Energy Imbalance Service (“WEIS”) market. The decrease in Transmission (OATT) Electric Sales (MWh) from 2022 - 2023 is related to the classification of imbalance charges that are now processed in the WEIS market.

Electric Revenues
Fiscal Year Ended December 31

Customer Class	2020	2021⁽²⁾	2022⁽³⁾	2023	2024
Residential	\$197,141,530	\$217,020,062	\$237,852,696	\$211,329,463	\$233,134,718
Commercial	71,404,697	83,741,891	94,850,206	83,982,230	89,317,473
Industrial	131,841,197	159,725,879	188,625,656	155,103,926	157,365,014
Contract Service – Military.....	18,007,483	22,125,489	26,976,181	21,758,195	22,636,965
Street Lighting	4,075,000	4,075,000	4,075,000	4,401,000	4,753,080
Transmission (OATT).....	7,496,491	7,309,575	6,134,324	3,673,021	5,086,725
Interdepartmental.....	<u>9,093,121</u>	<u>9,718,262</u>	<u>11,052,440</u>	<u>10,692,027</u>	<u>9,963,720⁽⁴⁾</u>
Subtotal	\$439,059,519	\$503,716,158	\$569,566,503	\$490,939,862	\$522,257,695
Miscellaneous Revenue	<u>27,144,199</u>	<u>36,125,617</u>	<u>59,025,141</u>	<u>28,414,448</u>	<u>36,577,781</u>
Total Electric Revenue....	\$466,203,718	\$539,841,775	\$628,591,644	\$519,354,310	\$555,835,476
Less: Interdepartmental.....	<u>(9,093,121)</u>	<u>(9,718,262)</u>	<u>(11,052,440)</u>	<u>(10,692,027)</u>	<u>(10,269,627)⁽⁴⁾</u>
Net Electric Revenue ⁽¹⁾ ...	<u>\$457,110,597</u>	<u>\$530,123,513</u>	<u>\$617,539,204</u>	<u>\$508,662,283</u>	<u>\$545,565,849</u>
Wheeled Power.....	<u>\$ 536,274</u>	<u>\$ 515,838</u>	<u>\$ 507,111</u>	<u>\$ 519,052</u>	<u>\$ 563,058</u>

⁽¹⁾ Figures may not equal totals when added due to the rounding.

⁽²⁾ Increase in Electric revenue from 2020-2021 primarily due to an increase in the Utilities’ Electric Cost Adjustment in April 2021 to recoup costs of February 2021 severe weather storm.

⁽³⁾ Increase in Electric revenue from 2021-2022 primarily due to an increase in fuel prices passed on to customers through the Utilities’ Electric Cost Adjustments.

⁽⁴⁾ In 2024, a portion of interdepartmental sales were not eliminated due to an accounting error.

System Capability

The Utilities reviews its Electric Integrated Resource Plan (the “EIRP”) annually and formally produces an update to its plan every five years. New resources, including renewable energy and thermal generating technologies, are evaluated as well as demand side management strategies. On June 21, 2023, the Utilities Board adopted Resolution No. 23-08 approving an update to the EIRP. This included updates to load forecasts, resource adequacy targets, and resource portfolio strategies.

The Electric System peak (net of auxiliary power used to operate the generating units) of 1,011 megawatts (“MW”) was established in July 2024. As a result of population growth, increased demand, and the

planned retirement of all units at Birdsall and Unit #1 (coal) at Nixon, the Utilities anticipates incorporating additional electric generation resources into its portfolio by 2030. The Utilities currently expects that 400 MW of new utility-owned natural gas generation will be operating by May of 2028. The Utilities is currently negotiating power purchase agreements to additionally incorporate 100 MW of new battery energy storage by 2030.

The Utilities anticipates that its next formal revision to its EIRP will be completed by July of 2026. The Utilities currently expects that additional generation needs will be identified and that a significant amount of this additional generation will be acquired through power purchase agreements, including power purchase agreements for renewable energy, though some may come from Utilities-owned generation facilities. The exact amounts of generation to be acquired through power purchase agreements and self-owned generation has not been determined at this time.

The following table sets forth information on the sources and amount of the net capability of the Electric System. Of the purchases noted in the table below, 525 MW is considered intermittent capacity available through solar, hydro, wind, and battery energy storage resources.

Net Capability of Electric System

<i>Unit</i>	<i>Fuel</i>	<i>Year Unit Completed</i>	<i>2024-2025 Net Winter Capability (MW)</i>	<i>2025 Net Summer Capability (MW)</i>
Owned Assets:				
Birdsall #1 ⁽¹⁾	Gas or Oil	1953	16	16
Birdsall #2 ⁽¹⁾	Gas or Oil	1954	16	16
Birdsall #3 ⁽¹⁾	Gas or Oil	1957	23	23
Nixon #1 ⁽¹⁾	Coal	1980	208	208
Nixon #2 & 3 (Combustion Turbines)	Gas	1999	64	60
Front Range Power Plant	Gas	2003	480	460
South Plant Aeroderivative Generators ("SPAG") #s 1-6 ⁽²⁾	Gas or Oil	2023	150	150
Cascade, Tesla, Manitou, and Ruxton	Hydro		<u>35</u>	<u>35</u>
Total Resources			992	968
Purchases:				
U.S. Department of Energy, Western Area Power Administrative Purchase:				
Salt Lake City Integrated Projects			60	15
Loveland Area Projects			57	61
United States Air Force Academy Solar			5	5
Solar Gardens			4	4
Clear Springs Ranch Solar Array			10	10
Grazing Yak Solar Array			35	35
Palmer Solar Array			60	60
Pike Solar			175	175
Spring Canyon II and III Wind Energy			60	60
Jackson Fuller Battery Energy Storage System ⁽²⁾			<u>-</u>	<u>100</u>
Total Purchases			<u>466</u>	<u>525</u>
Grand Total			<u><u>1,458</u></u>	<u><u>1,493</u></u>

⁽¹⁾ See "—Coal and Gas-Fired Generation Retirement" below.

⁽²⁾ Jackson Fuller Battery Energy Storage System commercial operation date was April 29, 2025.

The table below details the Utilities' potential summer resources classified by energy source. The Utilities' actual energy output from these resources can, and frequently does, significantly differ from the percentages shown below.

Potential Summer 2025 Resources

	<i>Owned Resources (MW)</i>	<i>Pct.</i>	<i>Purchases (MW)</i>	<i>Pct.</i>	<i>Total (MW)</i>	<i>Pct.</i>
Coal	208	21%	0	0%	208	14%
Natural Gas and Oil	725	75	0	0	725	49
Hydro Generation	35	4	76	14	111	7
Other Renewable Resources	-	-	349	67	349	23
Energy Storage	-	-	100	19	100	7
Total	<u>968</u>	<u>100%</u>	<u>525</u>	<u>100%</u>	<u>1,493</u>	<u>100%</u>

In 1989, the Utilities entered into contracts with WAPA for post September 30, 1989 energy and capacity. These contracts were later extended to September 30, 2024. The Loveland Area Projects contract is now extended from 2054. The two WAPA contracts are for purchases from WAPA's Salt Lake City Integrated Area Projects ("SLCA/IP") and from its Loveland Area Projects ("LAP"), providing for 15.1 MW in the summer season and 60.3 MW in the winter season, and 60.7 MW in the summer season and 57.1 MW in the winter season, respectively.

Currently, the energy available under the SLCA/IP contract is controlled by the Record of Decision on the Glen Canyon Environmental Impact Statement (the "EIS"), which was implemented on April 1, 1997. Because of the EIS and the resulting Glen Canyon operating criteria, generation at SLCA/IP facilities has been reduced. As a result, WAPA determines monthly Available Hydro Power based on prevailing water release conditions. To the extent that Available Hydro Power does not meet WAPA's firm obligations, WAPA has arranged to purchase Western Replacement Power for its customers up to an amount not to exceed their firm allocations. The cost of Western Replacement Power is on a pass-through-cost basis. The Utilities takes advantage of Western Replacement Power as needed.

Additionally, WAPA has implemented an interim rate order for the energy available under the SLCA/IP. Beginning January 1, 2024, extending through December 31, 2028, WAPA Rate Order 206 is in effect. This was initiated in response to a large increase in WAPA purchased power costs due to ongoing drought conditions and a small increase to Operation, Maintenance, and Replacement expenses. WAPA evaluates the quarterly projected availability of energy generated from the SLCA/IP facilities and allocates Utilities pro rata share as the Deliverable Sales Amount. Similar to Western Replacement Power, if Utilities elects to receive energy above the DSA, up to the contractual AHP amount, WAPA will purchase this energy and pass through the market cost of energy. The difference between the DSA and AHP is termed "Western Replacement Firming" energy.

The LAP contract also provides the option for 3.9 kilowatt-hours per kilowatt of its contract capacity for summer season and 4.4 kilowatt-hours per kilowatt of its contract capacity for the winter season, to be provided from WAPA's Mount Elbert pumped storage facility. Any energy taken from this account must be returned to the Mount Elbert plant at the rate of 1.4 megawatt hours returned for each megawatt hour received to meet the pumping requirements.

In October of 2023, the Utilities signed an energy storage agreement with Jackson Fuller Energy Storage, LLC for the sole use of a 100 MW 4-hour duration lithium-ion battery energy storage system to be constructed in east El Paso County and connected to the Utilities transmission system. The commercial operation date of this facility was April 29, 2025.

In January of 2024, the Utilities awarded PROENERGY Services, LLC a contract to construct and install 400 MW of natural-gas fired generators at its 160-acre Horizon Utility Campus, located near Drennan

Road and Foreign Trade Zone Boulevard. Construction is scheduled to begin in the second quarter of 2026 and the commercial operation date is expected in May of 2028.

Fuel Supply

Currently, the Utilities maintains approximately 700 million cubic feet of storage at the Tallgrass Interstate Gas Transmission facility. Storage services are renegotiated periodically with various providers, but the level of capacity is consistent. The primary use of the storage service is to provide firm deliveries and balancing of gas supplies to the Utilities' Front Range Power Plant and nearby Nixon gas turbines. The Utilities also maintains firm natural gas pipeline transportation from various Rocky Mountain supply areas sufficient to meet fuel requirements. This includes about 95,000 MMBTU per day to the Front Range Power Plant and 9,000 MMBTU per day of winter-only capacity to two gas fired turbines located near the Nixon coal plant. During the summer months, the Gas System has the ability to release up to 18,000 MMBTU per day of its surplus gas pipeline capacity to the Electric System for use by the gas-fired turbines at Nixon.

The Utilities' coal supplies and transportation services are procured through a portfolio of contracts which are managed to ensure a dependable and economic fuel supply. All of the Utilities' coal supply is from the southern Powder River Basin in Wyoming. Approximately 55% of anticipated future coal demand is purchased under a term contract. Spot market contracts with terms varying between one month and one year supply the remaining 45% of anticipated future coal demand. This contractual flexibility allows the Utilities to respond quickly to changes in plant operations and market conditions.

Coal and Gas-Fired Generation Retirement

On June 26, 2020, the Utilities Board approved a future generation portfolio subsequently updated and approved on June 21, 2023, that calls for the retirement of Units 6 and 7 at the Martin Drake power plant no later than December 31, 2022, the Ray Nixon power plant no later than December 31, 2029, and the Birdsall gas fired plant no later than December 31, 2027. On September 1, 2022, all power generation inside the Martin Drake coal-fired power plant was permanently shut down. The Utilities issued a request for proposal for a battery energy storage system ("BESS") in October 2022, and an all-source resource solicitation in October 2023. As a result of these resource solicitations and the Utilities' Sustainable Energy Plan, the Utilities expects to spend \$1.1 billion on new combustion turbine and transmission projects from 2025 to 2029, and \$500 million over the term of two energy storage lease agreements. The first stand-alone BESS for the Utilities declared commercial operations in April 2025 through a lease with Jackson Fuller Energy Storage, LLC. The second BESS lease agreement with Drennan Energy Storage, LLC is expected to begin commercial operations in the first quarter of 2028. The Utilities is updating its EIRP to align with anticipated membership to the Southwest Power Pool Regional Transmission Organization in April 2026. See "THE ELECTRIC SYSTEM – Transmission and Distribution Facilities and Interconnections." An incremental resource solicitation may be released dependent on the outcome and recommendations of the forthcoming EIRP. The Utilities is currently assessing options to extend the retirement date of Ray Nixon power plant to 2035.

Colorado Renewable Energy Standard

In November 2004, Colorado voters approved an initiative that created a renewable portfolio standard for retail electric utilities in Colorado that serve over 40,000 customers, such as the Utilities (each a "qualifying utility"). The language of that initiative was modified by the Colorado General Assembly and codified in C.R.S. Section 40-2-124. The statute was subsequently amended by the Colorado General Assembly in 2007, 2008, 2010, and 2013 and was renamed the Colorado Renewable Energy Standard. The Colorado Renewable Energy Standard requires qualifying utilities to acquire a defined percentage of their electricity from "eligible energy resources," which include solar, wind, geothermal, qualifying biomass, coal mine methane, synthetic gas produced by pyrolysis of municipal solid waste, existing hydroelectric generation with a nameplate rating of 30 megawatts or less, and new hydroelectric generation with a nameplate rating of 10 megawatts or less.

The statute requires the PUC to establish a maximum retail rate impact for compliance with the Colorado Renewable Energy Standard requirements of 2% of the total electric bill annually for each customer of a cooperative electric association and investor-owned utility that is a qualifying utility. The Utilities filed its self-certification statement with the PUC on September 7, 2006 which set its maximum retail rate impact at 1%. If a qualifying utility reaches the rate cap but is otherwise unable to meet the Colorado Renewable Energy Standard requirements, then it is exempt from administrative penalties for such noncompliance.

The final version of Colorado Renewable Energy Standard does not apply to the Utilities, but the Utilities has chosen to meet the Colorado Renewable Energy Standard requirements for renewable energy resources, which are 3% of Colorado retail sales for the years 2011 through 2014, 6% for the years 2015 through 2019, and 10% for the year 2020 and thereafter.

Based on load projections, the Utilities expects to have sufficient eligible energy resources to comply with the Colorado Renewable Energy Standard requirements for the next two decades. Renewable resources include WAPA hydroelectricity units under 30MW, Grazing Yak Solar Array (35MW), the Palmer Solar Array (60MW), the Pike Solar Array (175MW), as well as additional available and planned renewable resources.

On January 1, 2020, the Utilities began a voluntary Green Power program whereby customers can designate up to 100% of their monthly electric use to be generated by renewable energy. This program allows customers the option to support renewable energy technologies through their rates. The program is currently fully subscribed. Due to new State emissions reporting regulations, beginning in 2030, the Utilities will no longer have excess renewable energy credits necessary to offer this voluntary customer program.

Transmission and Distribution Facilities and Interconnections

The Electric System's transmission system is interconnected with WAPA and Public Service Company of Colorado/Xcel Energy ("PSCo") south of the City, and with Tri-State Generation and Transmission Association and PSCo in the northeast and north part of the City.

The Utilities receives Balancing Authority services from WAPA's Western Area Colorado Missouri ("WACM") Balancing Authority and Reliability Coordinator services from the Southwest Power Pool ("SPP"). In August of 2022, the Utilities moved into the WACM Balancing Authority as part of integration into the SPP Western Energy Imbalance Service ("WEIS"), exiting the PSCo Balancing Authority simultaneously. SPP WEIS replaced Utilities' participation in the PSCo Balancing Authority's Joint Dispatch Agreement with a more robust and transparent real-time energy imbalance service operated by SPP. The Utilities also participates in the Western Power Pool's Northwest Power Pool ("NWPP") Reserve Sharing Group ("RSG") as a sub-entity of WACM, a member organization of NWPP. Members of the NWPP RSG share contingency reserves and participants are entitled to use not only their own "internal" reserve resources, but to call on other participants for assistance if internal reserve does not fully cover a contingency or disturbance. Participation in the NWPP RSG satisfies the Utilities obligation to hold contingency reserves as defined in NERC and WECC reliability standards.

In September 2023, the Utilities signed a commitment agreement to join the SPP Regional Transmission Organization ("RTO") by April 2026 along with several other energy providers and organizations. By joining the RTO, the Utilities will have access to regional transmission and generation resources, which will improve system reliability, transmission planning, and provide open access to the wholesale electricity market.

The Utilities has developed a portfolio of Electric System infrastructure improvements as part of its Sustainable Energy Plan ("SEP") that includes new and upgraded substations and new and upgraded transmission lines that will improve reliability of the electric system, allow renewable resources to interconnect to Utilities' grid and meet the growing electrical needs of the community. Substation and Transmission system

projects have been either upgraded or added in the past two years. Similar projects are planned in the next few years.

Environmental Regulation

In operating the Electric System, the Utilities is subject to various State and Federal environmental requirements, which affect operating and capital costs of the System. Ongoing promulgation of new regulations under the Clean Air Act Amendments of 1990 and the Colorado Air Quality Control Act will have the effect of imposing more stringent air emission requirements for the Electric System's generating facilities.

The Federal Clean Air Act requires that States develop "State Implementation Plans" (each a "SIP") that address how each State will control air pollution, including visibility impacts to Class I Federal areas. The Environmental Protection Agency's ("EPA's") Regional Haze Rule requires that States evaluate control of sources that may contribute to visibility impairment in Class I Federal areas in 10-year planning periods to make continued Reasonable Progress. In Colorado, the second 10-year planning period for the years 2018-2028 in Colorado was concluded in December 2021. Colorado submitted its SIP to the EPA thereafter, and it is still pending EPA action.

In May 2019, the Colorado legislature passed HB19-1261, which established a statewide goal to reduce greenhouse gas emissions below 2005 levels by meeting the following milestones: 26% by 2025; 50% by 2030; and 90% by 2050. While the bill carries no mandates, it directs the Air Quality Control Commission ("AQCC") to adopt and implement rules to achieve the statewide reduction goals. It is not yet clear how or to what extent such reduction goals may be apportioned to various sectors in Colorado throughout this period. As it relates to electric utilities, the State is implementing this through the voluntary submittal of Clean Energy Plans that demonstrate an 80% reduction in greenhouse gas emissions in 2030 relative to 2005 levels based on retail sales in Colorado. By doing so, this provides regulatory certainty that no additional reductions can be sought from that utility through 2030. Consistent with statutory requirements, the Utilities submitted its Clean Energy Plan to the Colorado Department of Public Health and Environment ("CDPHE") for verification in 2021, the CDPHE verified the emissions reductions associated with the Clean Energy Plan, and Utilities, filed it with the PUC in 2022.

In June 2021, SB21-264 was signed into Colorado law to reduce greenhouse gas emissions associated with natural gas distribution systems. As it relates to the Utilities, this includes a requirement to file a Clean Heat Plan with the CDPHE that achieves greenhouse gas emissions reductions as caused by retail sales from its Gas System below 2015 levels by: 4% by 2025 and 22% by 2030. In achieving the 2025 target, the Utilities may use up to 1% recovered methane, and may propose a cost cap of 2% of total annual revenue from full-service gas customers. In achieving the 2030 target, the Utilities may use up to 5% recovered methane, and may propose a cost cap of 2.5% of total annual revenue from full-service gas customers. The Utilities submitted its Clean Heat Plan to the CDPHE for verification in July 2023, with the plan incorporating the 2025 and 2030 cost caps.

In May 2024, the EPA released finalized standards which regulate greenhouse gas emissions from new combustion turbines and existing steam generating units. These rules do not apply to existing combustion turbines, and existing coal-fired units that cease operation by January 1, 2032, are not subject to the rule. As a result, none of the Utilities existing electric generating units will be affected by these standards. For new combustion turbines, the EPA has adopted capacity factor thresholds that determine requirements. In effect, these likely limit new combustion turbines to either a 20% or 40% capacity factor, and such will be incorporated in the Utilities planning efforts. It is also worth noting that these rules are expected to face significant legal challenges as well as announcements from the new EPA administration that these rules are targeted to be rolled back.

The Utilities will continue to evaluate potential impacts of carbon legislation or regulation at the state and federal level as part of its ongoing evaluation of its existing generation, future resource needs, and any operational constraints that may be imposed.

Additional regulations, such as the October 1, 2015 EPA release of the final revised National Ambient Air Quality Standard for ozone, which lowered the standard from 75 parts per billion to 70 parts per billion, may necessitate the installation of additional pollution controls beyond those described above. The Pikes Peak Region (which encompasses the area in which the Utilities operates its power plants) currently remains in attainment with the new standard. While it is uncertain the extent to which any future nonattainment with this standard and Colorado's ongoing Regional Progress evaluation for future planning periods under the Regional Haze Rule will affect Utilities' power plants or operations, additional future pollution controls for gas-fired units (i.e., post-combustion controls such as Selective Catalytic Reduction) could potentially cost the Utilities an additional \$50 million beyond 2028.

In December 2011, the EPA's Mercury and Air Toxics Standards rule was finalized, with Nixon Unit 1 being the Utilities' remaining affected source. The Utilities implemented a compliance program to meet this standard that is a combination of a scrubber, activated carbon injection, and existing baghouse. In May 2024, the EPA issued a final rule that revised certain provisions of the Mercury and Air Toxics Standards rule. While this would require some additional monitoring on Nixon Unit 1 starting in 2027, no changes to controls or significant costs are expected. This 2024 rule revision has been identified by the new EPA administration as being subject to further reconsideration.

In September 2015, the EPA finalized the Effluent Limit Guidelines rule for the Steam Electric Power Generating industry, with additional rulemakings in 2020 and 2024. The Utilities is in compliance with this rule and anticipates no additional costs.

In December 2014, the EPA issued a final rule regarding Coal Combustion Residuals ("CCR"), which are also referred to as "coal combustion byproducts" or "coal ash." The rule establishes requirements for the impoundment and disposal of CCRs under subtitle D of the Resource Conservation and Recovery Act as a non-hazardous waste. The Utilities currently landfill disposes of its CCRs in a "dry" form at its Clear Spring Ranch facility, and these disposal activities also fall under the CDPHE's solid waste regulations and a County solid waste disposal authorization known as a Certificate of Designation ("CD"). In May 2024, the EPA published a final rule establishing regulatory requirements for legacy CCR surface impoundments and CCR management units ("CCRMUs"). The rule, effective November 2024, requires facility-wide investigations to locate CCRMUs that contain one-ton or more of CCR and subjects legacy units with greater than 1000 tons of CCR to the same requirements as the units regulated under the 2015 EPA CCR rule. The rule also could require actions including closure or reclosure of areas where CCR was historically placed. The Utilities expects capital improvements are probable to maintain regulatory compliance, but costs cannot be quantified at this time.

The Utilities anticipates that closure of the CCR landfill at its Clear Spring Ranch facility will occur following retirement of Nixon Unit 1. Additionally, upon retirement of Nixon Unit 1, the Utilities also anticipates that seven solid waste impoundments related to the Nixon power plant will be closed in accordance with Colorado's Solid Waste Regulations. The closure costs for the CCR landfill and seven solid waste impoundments combined are estimated at approximately \$25 million beyond 2029. However, further alternatives, design, and cost studies may be necessary.

Except as described in the preceding paragraphs of this section, the Utilities believes that the air and water pollution control facilities at electric generating units are sufficient so that those facilities will remain in compliance with present air and water pollution laws and regulations.

Certain Factors Affecting the Electric Utility Industry

The electric utility industry in general has been, or in the future may be, affected by a number of factors which could impact the financial condition and competitiveness of an electric utility and the level of utilization of generating and transmission facilities. In addition to those discussed elsewhere in this Official Statement, such factors include, among others, (a) effects of compliance with rapidly changing environmental, safety, licensing, regulatory and legislative requirements; (b) changes resulting from conservation and demand side management programs, more cost-effective renewable resources, distributed generation, energy storage and smart-grid opportunities on the timing and use of electric energy; (c) changes resulting from national and state energy policy; (d) the proposed repeal of certain federal statutes that could affect the competitiveness of many utilities; (e) increased competition from independent power producers and marketers, brokers and federal power marketing agencies; (f) “self-generation” and aggregation by certain industrial and commercial customers and other distributed generation sources; (g) issues relating to the ability to issue tax-exempt obligations to finance and refinance projects; (h) effects of inflation, trade tariffs and supply chain on the development, operation and maintenance timelines and costs of an electric utility and its facilities; (i) changes from projected future load requirements; (j) increases in costs and uncertain availability of capital; (k) shifts in the availability and relative costs of different fuels; (l) sudden, drastic increases in the price of energy purchased on the open market that may occur in times of high public demand (m) changes in market dynamics and generator dispatch resulting from expansion of energy market participation; (n) the credit quality of third-party power providers; and (o) the national, state, and local economic conditions. Any of these factors (as well as other factors) could have an impact on the financial condition of any given electric utility and likely will affect individual utilities in different ways.

The Utilities cannot predict what effects such factors will have on its operations and financial condition, but the effects could be significant. The discussion contained in this Official Statement does not purport to be comprehensive or definitive, and these matters are subject to change subsequent to the date hereof.

FERC Electric Transmission Regulation

The Federal Energy Regulatory Commission (“FERC”) regulates interstate-related electric transmission services under the Federal Power Act, 16 USC § 791a, et seq. FERC jurisdiction under the Federal Power Act does not extend to the Utilities. However, under FERC precedent, FERC-jurisdictional electric utilities (mainly investor-owned utilities) could deny the Utilities interstate electric transmission services if the Utilities does not provide those electric utilities access to the Utilities electric transmission system on the same terms and conditions that the Utilities provides to itself (“Reciprocal Service”). For the purpose of ensuring that the Utilities would not be denied such Reciprocal Service, the Utilities maintains an Open Access Transmission Tariff (“OATT”) for interstate electric transmission service that is similar to the pro forma OATT prescribed by the FERC for its jurisdictional utilities. The FERC pro forma OATT is generally adopted (with minor variations) by FERC-jurisdictional electric utilities for those utilities’ interstate transmission services.

NERC Regulation

NERC establishes and enforces reliability and security standards, including critical infrastructure protection standards, for the bulk power system. The critical infrastructure protection standards focus on controlling access to critical physical and cyber security assets. Compliance with these standards is mandatory. The maximum penalty that may be levied for violating a NERC reliability standard is \$1 million per violation, per occurrence, per day. The Utilities is in the Western Interconnection, and in that interconnection NERC standards are enforced and monitored by NERC and by the Western Electricity Coordinating Council (“WECC”).

The Utilities was audited by the WECC in 2024 with no violations of the selected NERC Operation and Planning standards identified. FERC also audited the Utilities in 2024 on its compliance with the NERC CIP standards. The Utilities' FERC audit is pending finalization, which is anticipated in late 2025. In 2023 and early 2024, Utilities self-reported violations of NERC standards to WECC. WECC's Enforcement team has closed all but one of the self-reported violations, leaving one still in WECC's processing queue. Utilities will continue to negotiate potential noncompliance findings with WECC Enforcement, with no fines expected. The Utilities has formal programs, processes, and policies in place to promote compliance with NERC standards. However, it is not possible to predict whether the Utilities will have future violations or what the fines for such violations might be. FERC and WECC are expected to audit the Utilities again in 2027.

Capital Improvements to the Electric System

The City has experienced substantial annual growth resulting in new construction and additional assets. The Electric System has a large number of capital projects planned and in process to address such growth and to replace aging infrastructure, invest in new technologies and meet regulatory and compliance requirements. The Utilities completed the annual update to its EIRP and the Utilities Board approved a resource portfolio on June 26, 2020. The selected portfolio will directly support the Utilities Energy Vision and provide guidance for future capital project development. The Electric System accounts for \$323.0 million (51.4%) of the total 2025 capital budget.

On June 26, 2020, the Utilities Board approved a future generation portfolio subsequently updated and approved on June 21, 2023 that called for the retirement of Units 6 and 7 at the Martin Drake power plant no later than December 31, 2022, the Ray Nixon power plant no later than December 31, 2029, and the Birdsall gas fired plant no later than December 31, 2027. On September 1, 2022 all power generation inside the Martin Drake coal-fired power plant was permanently shut down. The Utilities expects to spend \$1.1 billion on new combustion turbine and transmission projects from 2025 to 2029, and \$500 million over the term of two energy storage lease agreements. See "COLORADO SPRINGS UTILITIES – Other Fixed Cost Obligations."

In 2022, the Utilities began building a high-speed fiber optic telecommunications network that will reach every neighborhood in the City. This modern network will enhance utility operations, allow for better customer service, and meet the needs of the community by enabling multi-gigabit telecommunications connectivity to help bridge the digital divide within the City. The Utilities leases unused capacity of this network to a private provider. Lease payments to the Utilities are expected to significantly offset the financial investment necessary for the network buildout. The Utilities plans to spend \$300 million over the next five years to finish building an estimated 2,000 miles of fiber-optic lines. The Utilities does not plan to issue bonds to finance this project but instead plans to cash fund the project.

The Peak Innovation Park project involves constructing a dedicated high voltage substation and transmission lines, with an initial configuration designed for future expandability. The Utilities anticipates investing \$213 million from 2025-2030 on the Peak Innovation Park. This infrastructure will support extreme load growth due to the expansion of the Peak Innovation Park, Peterson Space Force Base, COS Airport, and new facilities such as data centers, large industrial customers, and manufacturing facilities. In support of this project, the Utilities will install a new 150MVA 230/34.5kV power transformer and four new 34.5kV feeders at both the Claremont Substation and Horizon Substation. Overall, these enhancements will accommodate significant load growth and improve infrastructure to support expanding facilities and new developments in the area.

THE GAS SYSTEM

The Gas System operates a local distribution system which supplied natural gas to approximately 222,000 customers in 2024 in a 527 square mile service area. In addition to the City, the service area includes Manitou Springs, the Academy, the northerly portion of Fort Carson and certain unincorporated portions of the County. The Gas System purchases gas under contracts with a variety of gas suppliers including nationwide

marketing companies as well as national and regional production companies. The Academy, Peterson, Cheyenne Mountain Space Force Station, and Fort Carson are served under a General Services Administration Areawide Contract.

The Utilities has the natural gas franchise to serve Manitou Springs through July 2044. No franchise fee is paid upon the gross revenues received from natural gas service to Manitou Springs. The Utilities also has the natural gas franchise to serve portions of the City of Fountain through December 2033. As part of its agreements with the City of Fountain, the Utilities will pay the City of Fountain a franchise fee equal to 3% of the gross revenues from the natural gas service provided to customers within the Utilities' certificated area located in the City of Fountain's municipal limits.

The Gas System facilities consist of approximately 2,790 miles of natural gas pipe mains and approximately 183,960 tied in service lines.

While the Gas System is subject to federal and state environmental regulations, the Utilities does not anticipate material costs for its compliance with such regulations.

Gas Rates

The following table sets forth rates as they relate to residential and commercial services provided by the Gas System. In addition to base natural gas rates, the Utilities charges customers a gas cost adjustment, a gas capacity charge, and a clean heat plan charge. The gas cost adjustment is designed to recover fuel-related costs and may be changed as frequently as monthly to pass actual costs to customers on a timely basis. The gas capacity charge is designed to recover costs associated with transportation and storage of natural gas. The clean heat plan charge recovers costs of programs that encourage customers to reduce emissions generated by natural gas-based appliances and heating systems, as required under state legislation passed in 2021 (Senate Bill 21-264).

Natural Gas Rates As of April 1, 2025

Residential Service – Firm

Access and Facilities Charge, per day	\$0.3943
Access and Facilities Charge, per CCF ⁽¹⁾	\$0.2047
Gas Cost Adjustment ⁽²⁾ , per CCF	\$0.2804
Gas Capacity Charge, per CCF	\$0.0964
Colorado Clean Heat Plan Charge, per CCF	\$0.0125

Commercial Service – Large Firm

Access and Facilities Charge, per day	\$0.7872
Access and Facilities Charge, per CCF	\$0.1857
Gas Cost Adjustment ⁽²⁾ , per CCF	\$0.2804
Gas Capacity Charge, per CCF	\$0.0840
Colorado Clean Heat Plan Charge, per CCF	\$0.0050

⁽¹⁾ "CCF" is an abbreviation for 100 cubic feet

⁽²⁾ The Utilities' gas rates include a gas cost adjustment effective April 1, 2025 and can change monthly.

On November 12, 2024, the City Council approved a five-year rate case. Effective January 1, 2025 through January 1, 2029, gas base rates will increase 4% on January 1st of each year.

The City Council is authorized to determine rates charged for gas service within the Gas System's service area (both inside and outside City limits). However, if the rates to be charged for the same customer

classifications are different for customers within and outside City limits, then a state statute requires that rates to be charged to customers outside the City limits be reviewed and approved by the PUC before becoming effective. The statute also provides that the PUC has jurisdiction to resolve any conflict relating to the rates established by the City Council upon the filing of a complaint by 5% of the affected customers outside the City limits. Under the statute, the City Council is ordinarily required to give at least 30 days' notice to the public prior to holding a public hearing to consider proposed base rate changes. The statute allows rate changes absent the public notice and hearing for good cause. By virtue of the ordinances establishing the rate making process for the Utilities, a 30-day public notice is not provided for changes to the gas cost adjustment. Published notice is provided within 10 days after Council approval for the gas cost adjustment.

Gas Sales and Revenues

In 2024, the Gas System had sales of 22,174,035 Mcf (excluding interdepartmental and transportation volumes). Of this amount, 55.9% came from Residential sales and 36.7% came from Commercial/Industrial sales. The Gas System had revenue of \$138.9 million (excluding interdepartmental, miscellaneous, and transportation revenues) with 65.3% attributable to Residential revenue and 29.7% attributable to Commercial/Industrial revenue.

The ten largest customers of the Gas System during 2024, ranked by sales volume, represented 3,651,163 McF, or 16.5% of sales (excluding interdepartmental and miscellaneous sales), and \$11.4 million or 8.2% of revenues during that period (excluding interdepartmental revenues and miscellaneous revenues).

The number of active residential meters served by the Gas System was 198,012, 199,599 and 202,756, at the end of 2022, 2023, and 2024 respectively. The average annual use per residential customer was 68.6 Mcf in 2022, 65.5 Mcf in 2023, and 61.2 Mcf in 2024.

The following tables set forth the Utilities' gas sales and revenues by customer class for the past five years (excluding information relating to the component units for the Public Authority for Colorado Energy described in Note 19 to the 2024 Audited Financial Statements included in Appendix A to this Official Statement):

<i>Customer Class</i>	<i>Gas Throughput (Mcf)⁽¹⁾ 14.65 p.s.i.a.)</i>				
	<i>Fiscal Year Ended December 31</i>				
	<i>2020</i>	<i>2021</i>	<i>2022</i>	<i>2023</i>	<i>2024</i>
Firm Sales:					
Residential	12,953,785	12,761,809	13,589,017	13,064,150	12,405,596
Commercial	6,922,639	7,076,621	7,652,068	7,799,129	7,587,505
Contract Service – Military	1,666,175	1,702,712	1,692,675	1,665,888	1,624,283
Interruptible Sales:					
Industrial	824,827	835,748	835,258	591,745	556,651
Interdepartmental – Firm and Interruptible	779,571	4,368,163 ⁽²⁾	2,821,379	1,986,082	2,248,985
Total Gas Sales Volume	23,146,997	26,745,053	26,590,397	25,106,994	24,423,020
Gas Transportation Volume	1,235,428	1,241,986	1,247,556	1,245,187	1,141,741
Total Throughput Volume	24,382,425	27,987,039	27,837,953	26,352,181	25,564,761
Less: Interdepartmental– Firm and Interruptible	(779,571)	(4,368,163)	(2,821,379)	(1,986,082)	(2,248,985)
Net Throughput Volume	<u>23,602,854</u>	<u>23,618,876</u>	<u>25,016,574</u>	<u>24,366,099</u>	<u>23,315,776</u>
Total Number of Active Gas Meters as of Year End	<u>214,849</u>	<u>218,766</u>	<u>222,226</u>	<u>224,832</u>	

(1) "Mcf" = one thousand cubic feet.

(2) Increase from 2020-2021 primarily due to the switch in the use of coal to gas in the production of electricity at the Martin Drake Plant.

<p style="text-align: center;">Gas Revenue Fiscal Year Ended December 31</p>					
Customer Class	2020	2021⁽¹⁾	2022⁽³⁾	2023⁽⁴⁾	2024
Firm Sales:					
Residential	\$ 88,752,107	\$ 139,950,932	\$ 184,660,733	\$ 125,262,405	\$ 90,671,536
Commercial	35,266,509	65,963,744	91,233,755	60,801,259	39,514,208
Contract Service – Military	7,094,962	11,977,307	15,441,653	11,691,854	6,945,189
Interruptible Sales:					
Industrial	2,999,955	4,476,692	6,497,212	3,173,451	1,779,154
Interdepartmental – Firm and Interruptible	<u>4,440,937</u>	<u>27,194,437⁽²⁾</u>	<u>23,103,779</u>	<u>7,350,215</u>	<u>7,724,202⁽⁵⁾</u>
Subtotal	\$ 138,554,470	\$ 249,563,112	\$ 320,937,132	\$ 208,279,184	\$ 146,634,289
Gas Transportation Revenue	2,582,427	4,844,180	2,634,270	2,689,052	2,446,196
Miscellaneous Revenue	<u>1,301,021</u>	<u>25,770,760</u>	<u>28,010,939</u>	<u>9,717,268</u>	<u>13,743,052</u>
Total Gas Revenue	\$ 142,437,918	\$ 280,178,052	\$ 351,582,341	\$ 220,685,504	\$ 162,823,537
Less: Interdepartmental Sales	<u>(4,440,937)</u>	<u>(27,194,437)</u>	<u>(23,103,779)</u>	<u>(7,350,215)</u>	<u>(6,501,129)⁽⁵⁾</u>
Net Gas Revenue	\$ 137,996,981	\$ 252,983,615	\$ 328,478,562	\$ 213,335,289	\$ 156,322,408

(1) Increase in Gas revenue from 2020-2021 due to an increase in the Utilities' Gas Cost Adjustment in April 2021 to recoup costs of February 2021 severe weather storm.

(2) Increase from 2020-2021 primarily due to the switch in the use of coal to gas in the production of electricity at the Martin Drake Plant.

(3) Increase in Gas revenue from 2021-2022 primarily due to an increase in fuel prices passed on to customers through the Utilities' Gas Cost Adjustments.

(4) Decrease in Gas revenue from 2022-2023 due to decreased fuel prices passed on to customers through the Utilities' Gas Cost Adjustments.

(5) In 2024, a portion of interdepartmental sales were not eliminated due to an accounting error.

Capital Improvements to the Gas System

The Utilities undertakes improvements to maintain the Gas System and to provide capacity for increased customer demand. For 2025-2029, the Utilities forecasts approximately \$251.4 million in Capital improvements to maintain the Gas System, including estimated capital expenditures of approximately \$55.2 million for the Distribution Integrity Management Plan, and \$59.3 million for the Gas Supply Resiliency Project.

The Distribution Integrity Management Program is a program required by federal law that requires gas distribution operators to quantify, prioritize, and mitigate risk on their gas systems. The Marksheffel Connector Gas Propane Air Plant Expansion is a project which will increase the capacity of the existing Gas Propane Air Plant from 1,800 dekatherm per hour to 2,400 dekatherm per hour by installing three additional air compressors, per the Gas Integrated Resource Plan. Automated Metering Infrastructure upgrades entails the Utilities' efforts to replace and install customer meters with enhanced capabilities, including 2-way communication, to support remote connect/disconnect capabilities and demand side management technologies.

The Gas Supply Resiliency project will improve gas supply reliability to the South Plant substation located in the downtown area of the City, enhance resiliency for Fort Carson, and supply gas to a proposed gas-fired electric generation unit in the southern part of the City. Design for this unit is set for 2025, with construction from 2027-2028. The Utilities is negotiating with a second gas supplier to provide additional capacity and meet future demands.

Gas Supply

The Utilities contracts for sufficient firm transportation capacity and supplies to meet its firm peak day and firm peak hour requirements. The Peak Day is a 24-hour period of demand that is used as a basis for planning gas capacity requirements. The Utilities planning criteria for Peak Day conditions as a day with an average temperature of -13 degrees Fahrenheit or 78 heating degree days. The Utilities' goal is to have the mix of capacity resources for achieving a balance between reliability and cost effectiveness through a diversified portfolio of gas supplies, transportation and storage services in order to meet its obligations. Notably, the Utilities entered into a prepaid gas supply agreement with Merrill Lynch & Co., Inc. and Merrill Lynch Commodities, Inc. in June 2008. This agreement provides for about 20% of the Utilities retail natural gas load with firm supplies priced at approximately \$5.0 million below market for each year of its 30-year

term. Also, the Utilities entered into a new Municipal Gas Acquisition and Supply Corporation agreement among Public Energy Authority of Kentucky, BP Energy Company, and Colorado Springs Utilities in December 2024. This agreement provides approximately 8% of the Utilities retail natural gas loads with about approximately \$200,000 of cost saving each year over the next five years.

In addition to the prepaid gas supply agreement, the Utilities' firm gas supply portfolio is comprised of multiple contracts with terms ranging from three months to thirty years. The expiring contracts are competitively bid by the suppliers each year, usually during the spring. In addition, the Utilities purchases approximately 45% of its annual gas supply needs on a short-term (30-day or less) basis, giving the Utilities the flexibility to react to warmer than normal conditions without having to manage excess firm commitments, and providing the flexibility to take advantage of short-term drops in gas prices. The staggered terms of the supply contracts help shape supply commitments to better match load requirements and ensure the Utilities can acquire and replace supplies in an orderly fashion.

In addition to maintaining a diversified portfolio of contracted supplies and assets, the Utilities actively pursues opportunities to reduce costs and realize value from its gas supply assets when the capacity is not being utilized to serve the Utilities' load. The Utilities also has an optimization strategy to generate additional cost savings for our firm customers. By closely monitoring the natural gas market and assessing our daily transportation and storage requirements, the Utilities can reduce costs by using the transportation and storage capacity resources that are not needed for the firm customers to make sales to entities within the footprint of the Utilities' capacity resources.

The Utilities maintains firm contracted natural gas pipeline capacity on Colorado Interstate Gas Company, an interstate pipeline, to transport natural gas supplies to the Gas System's distribution facilities. In addition, the Utilities maintains contracted natural gas storage services on Colorado Interstate Gas Company and Tallgrass Interstate Gas Transmission. The Utilities is a contracted customer and part owner (5%) of Young Gas Storage Company LLC. The Utilities also owns and operates a peak shaving propane air plant inside the boundaries of the Gas System itself.

THE WATER SYSTEM

In 2024, the Water System served an estimated population of approximately 540,000 persons, including City residents and customers living in the Ute Pass communities west of the City, military bases, and other suburban areas outside the City limits. In 2024, the Water System delivered 71,960 acre-feet (23.4 billion gallons) of potable water to the distribution system. This compares to water deliveries of 65,615 acre-feet (21.4 billion gallons) in 2023, 72,434 acre-feet (23.6 billion gallons) in 2022, and 70,985 acre-feet (23.1 billion gallons) in 2021. Presently, developed potable water supply sources and infrastructure can meet demands of roughly 95,000 acre-feet. See "—Water Supply and Raw Water Delivery" below.

Water Rates and Development Charges

The following table sets forth rates as they relate to residential and nonresidential services provided by the Water System:

Water Rates
As of April 1, 2025

Residential Service	<u>Inside City</u>	<u>Outside City</u>
Service Charge, per meter, per day ⁽¹⁾	\$0.8000	\$1.2000
Commodity Charge, per cubic foot		
1 through 999 cubic feet.....	\$0.0543	\$0.0815
1,000 through 2,499 cubic feet.....	\$0.0678	\$0.1017
2,500 cubic feet and greater	\$0.1018	\$0.1527
Nonresidential Service		
Service Charge, per meter, per day ⁽²⁾	\$1.9648	\$2.9472
Commodity Charge, per cubic foot (Nov-April)	\$0.0597	\$0.0896
Commodity Charge, per cubic foot (May-Oct)	\$0.0746	\$0.1119

⁽¹⁾ For meters from 5/8 to 1 inch. Higher rates apply for larger meter sizes.

⁽²⁾ For meters less than 2 inches. Higher rates apply for larger meter sizes.

On November 12, 2024, the City Council approved a five-year rate case. Effective January 1, 2025 through January 1, 2029, water base rates will increase 6.5% on January 1st of each year.

Pursuant to the requirements set forth in the City Code, water customers are required to use water efficiently in accordance with detailed water conservation measures. Additionally, the City Council may declare a water shortage when the Utilities' Chief Executive Officer informs the City Council that the analysis required by the City Code or the existence of an emergency shortage requires reductions in demand to a level proportionate to the severity of the shortage. The City is currently not in a water shortage declaration.

The Utilities also assesses water connection charges and fees that consist of the Water Development Charge and the Water Resource Fee. For single-family residential connections with a ¾-inch water meter, the Water Development Charge and the Water Resource Fee are based on lot size. For smaller lots, the Water Development Charge varies from \$5,297 and \$7,946 inside and outside the City limits, respectively, and the Water Resource Fee varies from \$3,847 and \$5,770 inside and outside the City limits, respectively. For larger lots, the Water Development Charge varies from \$10,949 and \$16,424 inside and outside the City limits, respectively, and the Water Resource Fee varies from \$7,952 and \$11,297 inside and outside the City limits, respectively. For nonresidential, multi-family or mixed-use connections, the Water Development Charge and Water Resource Fee are based on meter size. For ¾-inch and smaller meters, the Water Development Charge varies from \$7,904 and \$11,856 inside and outside the City limits, respectively, and the Water Resource Fee varies from \$5,740 and \$8,611 inside and outside the City limits, respectively. For 12-inch meters, the Water Development Charge varies from \$889,224 and \$1,333,836 inside and outside the City limits, respectively, and the Water Resource Fee varies from \$645,790 and \$968,684 inside and outside the City limits, respectively. Virtually all water sold within the Water System is metered.

Water Sales and Revenues

In 2024, the Water System had sales of 28,191,833 CCF (excluding interdepartmental and miscellaneous sales). Of this amount, 46.1% came from Residential sales and 44.8% came from Commercial sales. The Water System had revenue of \$222.8 million (excluding interdepartmental, and miscellaneous revenues) with 51.2% attributable to Residential revenue and 41.9% attributable to Commercial revenue.

During 2024, the Utilities' ten largest water customers ranked by sales volume accounted for 4,618,690 CCF, or 16.4% of the Utilities' sales (excluding interdepartmental, nonpotable and miscellaneous sales), and \$26.6 million, or 11.9% of revenues for sales (excluding interdepartmental, nonpotable and miscellaneous sales).

The number of active residential meters served by the Water System was 142,445, 143,487, and 144,695 at the end of 2022, 2023, and 2024, respectively. The average annual use per residential customer was 91.9 CCF in 2022, 81.7 CCF in 2023, and 89.8 CCF in 2024.

The following tables set forth the Utilities' water sales and revenues by customer class for the past five years (excluding information relating to the component units described in Note 19 to the 2024 Audited Financial Statements included in Appendix A to this Official Statement):

<i>Customer Class</i>	<i>Water Sales (CCF) ⁽¹⁾</i>				
	<i>Fiscal Year Ended December 31</i>				
	<i>2020</i>	<i>2021</i>	<i>2022</i>	<i>2023</i>	<i>2024</i>
Residential (City)	14,001,156	12,963,892	12,985,597	11,626,344	12,889,339
Residential (Suburban)	91,832	99,928	100,411	90,612	98,042
Commercial (City).....	11,871,923	11,855,128	12,305,879	11,160,894	12,595,655
Commercial (Suburban)	40,512	(21,454) ⁽³⁾	32,372	31,218	32,384
Contract Sales – Military.....	2,009,062	2,293,500	2,328,134	2,170,360	2,576,413
Nonpotable ⁽²⁾	1,633,997	1,451,670	1,557,970	1,373,615	2,316,068
Interdepartmental	<u>1,592,248</u>	<u>1,738,853</u>	<u>1,321,752</u>	<u>925,789</u>	<u>895,082</u>
Subtotal	31,240,730	30,381,517	30,632,115	27,378,832	31,402,983
Miscellaneous Sales	7,227,509	1,134,625 ⁽⁴⁾	1,361,269	4,041,068	9,404,582
City Use and Losses (Est.).....	<u>3,536,287</u>	<u>2,933,377</u>	<u>3,150,804</u>	<u>2,973,819</u>	<u>2,706,117</u>
Total Water Delivered for Sales.....	42,004,526	34,449,519	35,144,188	34,393,719	43,513,682
Less Interdepartmental	<u>(1,592,248)</u>	<u>(1,738,853)</u>	<u>(1,321,752)</u>	<u>(925,789)</u>	<u>(895,082)</u>
Net Water Delivered for Sales	<u>40,412,278</u>	<u>32,710,666</u>	<u>33,822,436</u>	<u>33,467,930</u>	<u>42,618,600</u>
Total Number of Active Water Meters as of Year End.....	<u>151,804</u>	<u>154,529</u>	<u>157,069</u>	<u>158,270</u>	<u>159,626</u>

(1) “CCF” is an abbreviation for 100 cubic feet, which represents approximately 748 gallons.

(2) Raw water spot sales volumes excluded.

(3) In 2021, incorrect zone billings in prior years were discovered which required cancellations and rebills resulting in the issuance of large customer credits.

(4) In 2021, there was a decrease in non-standard water sales to surrounding areas including: Donala Metro District, Security Water District, LAWMA, Cripple Creek & Victor Gold Mine.

<i>Customer Class</i>	<i>Water Revenues</i>				
	<i>Fiscal Year Ended December 31</i>				
	<i>2020</i>	<i>2021</i>	<i>2022</i>	<i>2023</i>	<i>2024</i>
Residential (City)	\$ 111,337,519	\$ 105,122,403	\$ 106,136,752	\$ 103,591,882	\$ 112,555,642
Residential (Suburban)	1,296,501	1,491,582	1,485,430	1,485,555	1,566,481
Commercial (City).....	84,001,603	83,702,621	86,798,074	83,115,467	92,900,250
Commercial (Suburban)	483,095	33,685 ⁽¹⁾	446,155	451,726	464,353
Contract Sales – Military.....	11,115,810	12,569,885	12,804,568	12,836,862	15,263,505
Nonpotable ⁽¹⁾	3,483,809	2,916,765	3,297,671	2,846,718	4,229,564
Interdepartmental	<u>2,463,760</u>	<u>3,566,344</u>	<u>1,904,303</u>	<u>878,720</u>	<u>995,817</u>
Subtotal.....	\$ 214,182,097	\$ 209,403,285	\$ 212,872,953	\$ 205,206,931	\$ 227,975,612
Miscellaneous Revenues	<u>7,201,391</u>	<u>4,739,863⁽²⁾</u>	<u>4,223,084</u>	<u>4,201,430</u>	<u>7,222,018</u>
Total Water Revenues.....	\$ 221,383,488	\$ 214,143,148	\$ 217,096,037	\$ 209,408,361	\$ 235,197,630
Less Interdepartmental	<u>(2,463,760)</u>	<u>(3,566,344)</u>	<u>(1,904,303)</u>	<u>(878,720)</u>	<u>(993,192)⁽³⁾</u>
Net Water Revenues	<u>\$ 218,919,728</u>	<u>\$ 210,576,804</u>	<u>\$ 215,191,734</u>	<u>\$ 208,529,641</u>	<u>\$ 234,204,438⁽⁴⁾</u>

(1) In 2021, incorrect zone billings in prior years were discovered which required cancellations and rebills resulting in the issuance of large customer credits.

(2) In 2021, there was a decrease in non-standard water sales to surrounding areas including: Donala Metro District, Security Water District, LAWMA, Cripple Creek & Victor Gold Mine.

(3) In 2024, a portion of interdepartmental sales were not eliminated due to an accounting error.

(4) In 2024, water revenue increased primarily due to drier weather during the 2024 irrigation period compared to 2023.

Water Demand

Per capita water demand in the City varies considerably from year to year depending upon weather conditions, economic conditions, watering restrictions, and other factors. In 2024, the total demand on the Water System of 23.4 billion gallons of potable water (total system production) resulted in an estimated average per capita demand on the Water System of 119 gallons per day (“gpcd”). This compares to estimated average per capita use of the Water System of 109 gpd in 2023 and 122 gpd in 2022.

The Utilities estimates that it has sufficient water supply to meet the growing needs of the area served by the Water System for the foreseeable future. The Utilities plans to secure its future water supply by retaining all present water resource entitlements and through timely development of necessary additional facilities and sources as discussed below under “—Capital Improvements to the Water System.” The loss of

entitlement, delays in the development of water resources, or growth of population and/or per capita demand in excess of projections, or other similar factors, could result in the Utilities not meeting Water System level of service criteria, which in turn may result in interim water supply shortages and reductions in total system wide storage levels below approved risk tolerance thresholds. See “—Water Supply and Raw Water Delivery” below.

Drought Conditions in the Region

Colorado, along with most of the western United States, experiences recurring cycles of drought. The Utilities’ water supply system is designed and operated to withstand recurring cycles of drought through its complex network of storage reservoirs, water delivery systems, and related water infrastructure. The Utilities relies more heavily on storage to meet customer demands during periods of drought when water system inflows are below average. Although the western United States has been experiencing drought conditions of varying degrees at different locations for over twenty years, the specific effects on local water providers varies greatly. The Utilities has implemented a comprehensive Drought Response Plan with the goal of maintaining greater than one year of customer demand in system-wide storage; this plan was updated in early 2021. System-wide storage remained close to or above the long-term historical average in 2024. In 2025, the snowpack in the Utilities’ mountain watersheds trended at near historic average. The Utilities continuously monitors conditions throughout the winter season and spring runoff. As of April 2025, the yield forecast predicts 99% of total system average yield in 2025, which is sufficient to keep water storage above 1.5 years of demand. As of June 2025, the Utilities had approximately 3 years of demand in system-wide storage. Drought response measures will not be required in 2025 based on that level of service metric.

Pursuant to the requirements set forth in the City Code, water customers are required to use water efficiently in accordance with detailed water conservation measures. Additionally, the City Council may declare a water shortage when the Utilities’ Chief Executive Officer informs the City Council that the analysis required by the City Code, or the existence of an emergency shortage, requires reductions in demand to a level proportionate to the severity of the shortage. The City is currently not in a water shortage declaration; however, beginning May 1st and running through October 15th, Utilities’ customers will be required to follow the Utilities’ Water-Wise Rules. Some of the key rules include a maximum of 3 days per week for watering yards, watering before 10:00 am or after 6:00 pm, use of a shut-off nozzle when washing anything with a hose, repairing leaking sprinkler systems within 10 days, and cleaning hard surfaces with water only if there is a public health and safety concern.

The Utilities closely monitors its water supply situation and will continue to rely on a combination of water in storage, water system inflows, and effective management of these supplies to meet customer demands.

Reliance on Colorado River Water Supply

The Utilities’ water supply is heavily reliant on the Colorado River Basin. The Utilities, along with the other major Colorado Front Range water providers including Denver, Aurora, Northern Colorado Water Conservancy District and certain others, serve approximately 80% of Colorado’s population and economy. Approximately 72% of the major Front Range water providers’ supply comes from the Colorado River Basin. As a result, Front Range water providers, including the Utilities, have a large stake in the future of the Colorado River and how the challenges of increasing growth and associated demands, long-term drought, and climate change will be addressed.

The Colorado River Compact allocates Colorado River water according to specified formulas among seven western states (the Lower Basin States of Arizona, California, and Nevada and the Upper Basin States of Colorado, New Mexico, Utah, and Wyoming). Pursuant to this system of allocation, the Utilities’ water rights are subject to the obligation of Colorado and the other Upper Basin States to ensure that they do not cause a river depletion below a certain ten-year rolling delivery requirement. If shortage conditions were experienced (e.g., as a result of a prolonged drought and resulting low streamflows) and the Lower Basin States did not

receive deliveries consistent with the aforementioned ten-year rolling delivery requirement, it is possible that the Utilities would be unable to divert all or part of its Colorado River water rights entitlements due to their subordinate status in relation to the State's obligations under the Colorado River Compact. However, due to the potential severe impacts of such an occurrence to the State and its citizens, the Utilities, along with other Front Range water providers are actively working on adaptation strategies for this unlikely event in coordination with downstream entities.

The Upper Basin States are, and have always been, in compliance with the Colorado River Compact. With the continuation of the long-term trend of drought conditions and lower runoff, the Upper Basin States are very carefully monitoring their respective Colorado River Compact depletions and reservoir levels in both Lake Powell and Lake Mead. Reclamation initiated drought response measures in 2022, slightly decreasing the release from Lake Powell to the Lower Basin and making an additional release of water from Flaming Gorge Reservoir to Lake Powell in an effort to boost the water level. The continuation of the current drought, despite the above average runoff in 2023, continues to stress the Colorado River Basin.

In March 2019, a Drought Contingency Plan was passed by Congress and signed into law by President Trump on April 16, 2019. The Drought Contingency Plan was then signed by the seven Colorado Basin States and Reclamation on May 20, 2019. This historic agreement provides a framework for each of the seven states to systematically reduce their consumptive use of Colorado River water to mitigate supply shortages and preserve critical storage levels in Lake Mead and Lake Powell. The Upper Basin portion of the Drought Contingency Plan consists of a Demand Management Storage Agreement and a Drought Response Operations Agreement ("DROA").

In April 2022, a Drought Response Operations Plan was approved that called for 500,000 acre-feet of releases from Flaming Gorge Reservoir between May 2022 and April 2023. At the same time, another 480,000 acre-feet of water that would have otherwise been released was left in Lake Powell by reducing Glen Canyon Dam's annual release volume from 7.48 million acre-feet ("maf") to 7.0 maf, as outlined in the 2007 Record of Decision associated with the Colorado River Interim Guidelines for Lower Basin Shortages and Coordinated Operations for Lake Powell and Lake Mead (the "2007 Interim Guidelines") that control operations of Glen Canyon Dam and Hoover Dam. This is in addition to the 161,000 acre-feet of water previously released pursuant to provisions of the DROA. This measure protects hydropower generation, critical infrastructure at Glen Canyon Dam, and water supply. In total, the Upper Basin States contributed approximately 463,000 acre-feet of water to protect critical reservoir levels in Lake Powell through April 2023.

The current 2007 Interim Guidelines expire on December 31, 2026. Reclamation released a final Supplemental Environmental Impact Statement ("SEIS") on March 1, 2024. The purpose of the SEIS is to consider revised guidelines for operation of Glen Canyon and Hoosier Dams through the remainder of the interim period (2024-2026). The Lower Division Proposal was adopted by Reclamation as the proposed action published March 2024.

For post-2026, there are three alternatives provided to Reclamation including Upper Basin Proposal dated March 5, 2024, Lower Basin Proposal dated March 6, 2024, and the Non-Governmental Organizations Proposal dated March 29, 2024. In January 2025, Reclamation released five proposed alternatives to be evaluated including a No Action Alternative. The alternatives do not match those previously proposed by basin states, tribal nations, and other stakeholders but rather borrow components from all interested parties to include a range of approaches to managing the river's increasingly strained resources. Since this report was issued, the current administration has not indicated if it supports evaluating the same five alternatives.

The Utilities continues to be actively involved in numerous planning efforts and studies and the ongoing discussions that are occurring between the Upper and Lower Basin States, the Federal Government, and other stakeholders on issues involving the Colorado River. The Utilities remains in close contact with the State of Colorado officials responsible for advancing the interests of the State, and of the Utilities, in these interstate forums.

Water Facilities

The Water System's raw water storage capacity is approximately 236,300 acre-feet in 25 reservoirs. In addition, the Utilities has a long-term contract for up to 28,000 acre-feet of water storage available as excess capacity in the Fryingpan-Arkansas Project. The Water System also has covered, treated water storage capacity of approximately 118 million gallons.

The Water System presently includes five water treatment facilities located around Utilities' water service area with a sustained rated water treatment capacity of 233 mgd and a peak capacity of 271 mgd. Upgrades to the Tollefson (formerly Mesa) Water Treatment Plant were completed in 2022, returning this facility to its full sustained treatment capacity of 36 mgd.

Peak water usage in a single day of approximately 182 million gallons occurred in July 2001. The past 5 year (2020-2024) peak single day water usage of 122 million gallons occurred in 2020. The Utilities believes that the Water System's current treatment capacity will be more than sufficient to meet the needs of Utilities' customers for the foreseeable future.

The Water System has over 2,200 miles of water distribution system mains, most of which have been constructed since 1954. Since 2016, the Water System's non-revenue water has averaged 9.6% of treated potable water supplied including unmetered fire flows, main breaks, and system leakage.

Water Supply and Raw Water Delivery

Approximately 50% of the City's raw water supply (first use) is sourced from the Colorado River system, while the remainder originates from the Arkansas and South Platte River systems.

In February 2017, the Utilities completed its Integrated Water Resource Plan (the "IWRP") (discussed below) which provides a long-term strategic plan for providing a reliable and sustainable water supply to the Utilities in a cost-effective manner. The IWRP is reviewed annually.

In the IWRP, the Utilities evaluated the performance of the Water System by determining the maximum annual demand that can be reliably met by the Water System while maintaining certain Level of Service criteria (Reliably Met Demand) through a selection of risks. The Reliably Met Demand is determined for the Water System as it currently exists (Existing System), and for the Water System as it is proposed to exist at community buildout. At this buildout future, the Existing System components are operated in combination with a proposed balanced portfolio containing a diversity of demand management, supply, storage, reuse, and conveyance options recommended and approved in the IWRP for future implementation (Existing System plus Full Balanced Portfolio). The table below shows the summarized estimates of Reliably Met Demand for current conditions and expected conditions at community buildout.

Reliably Met Demand of the Water System⁽¹⁾

<i>System Configuration</i>	<i>Reliably Met Demand</i>
Existing System (2016)	95,000 acre-feet/year (84.7 MGD)
Existing System plus Full IWRP Balanced Portfolio	136,000 acre-feet/year (121.3 MGD)

⁽¹⁾ This table shows the summarized estimates of Reliably Met Demand for current conditions, and expected conditions at community buildout.

The Utilities believes its capacity for delivery of raw water from remote watersheds to local storage, including near-term planned capacity additions and system improvements, will be adequate to meet demands for the foreseeable future. A diversity of water conservation, supply, storage, reuse, and conveyance options (the IWRP Balanced Portfolio) will need to be implemented in the future to address water supply risks and

satisfy the service area's needs between now and community buildout for the City boundary defined in the 2006 Colorado Springs Annexation Plan. Future consideration of annexations will be evaluated using the current city Water Extension Ordinance that defines a water surplus as 128% of current demand plus the buildout demand of the annexation proposed. If the 128% plus annexation demand exceeds the Reliably Met Demand of the current Water System, a surplus would not exist. Additional annexations will be additive to IWRP forecasted demands. The current status of implementation of the IWRP Balance Portfolio is discussed below in the section entitled "Capital Improvements to the Water System."

Reuse of Return Flows

The Utilities has the legal right (and in some cases, a legal obligation) to reuse and successively reuse to extinction the return flows that result from the initial use of its imported (or transmountain) water and certain other water sources. Reuse of these return flows can occur directly through non-potable uses of reclaimed wastewater or indirectly both by the operation of exchanges (i.e., the trading of the Utilities' return flows for other water sources at different upstream locations) and through augmentation of well pumping and diversions.

The Utilities' non-potable reuse of return flows in the last ten years has ranged from a low of 1,950 acre-feet in 2023 to a high of 3,715 acre-feet in 2015 with the difference being attributable primarily to variations in demand due to weather, changes to the customer base, such as the Martin Drake Power Plant closure, and the implementation of water saving practices by large non-potable water users. Changes to non-potable demands will result in allocating the reuse of return flows to the exchange program and augmentation uses.

The Utilities exchanged approximately 42,300, 34,700 and 22,600 acre-feet of water during the 2022, 2023, and 2024 water years (October 1 to September 30), respectively. These totals include local system exchanges, river exchanges and reservoir trades within the Arkansas River basin. Reuse by augmentation totals approximately 7,900 acre-feet annually.

Joint Water Authorities

The City is a participant in the Fountain Valley Authority and the Aurora-Colorado Springs Joint Water Authority (the "Aurora-Colorado Springs Authority"). Each of these authorities is a separate political subdivision of the State and is treated as a component unit of the City for financial reporting purposes.

The Fountain Valley Authority constructed a water treatment plant with 18 mgd capacity approximately 17 miles south of the City. The Utilities acts as operator of the plant under contract with the Fountain Valley Authority. The City is entitled to receive approximately 71% of the water treated at the Fountain Valley Authority plant. The remaining water is available to the other Fountain Valley Authority participants, which include Fountain, the Security Water District, the Stratmoor Hills Water District and the Widefield Water and Sanitation District, each of which owns and operates a water distribution system. As part of the Southern Delivery System (the "SDS") partnership agreements, the Utilities and the City of Fountain agreed that Fountain would receive its share of the SDS water through the Fountain Valley Authority system.

Under the applicable long-term contracts relating to the Fountain Valley Authority, the City is obligated to pay water treatment service charges to the Fountain Valley Authority and water conveyance service charges to the U.S. Bureau of Reclamation ("Reclamation") for conveyance of its water through the Reclamation's Fountain Valley Conduit, which conveys raw water from the Pueblo Reservoir to the Fountain Valley Authority's treatment plant and treated water from the treatment plant to distribution reservoirs of the Fountain Valley Authority participants. See Note 19 to the 2024 Audited Financial Statements included in Appendix A to this Official Statement.

As of December 31, 2024, Fountain Valley Authority no outstanding debt obligations.

The City has a two-thirds participation share in the Aurora-Colorado Springs Joint Water Authority. The Aurora-Colorado Springs Joint Water Authority constructed a 66-inch diameter pipeline from the Twin Lakes Dam to the Otero Pumping Station intake pipeline. This pipeline is operated by Homestake Water Project staff on behalf of Aurora and the City. The bonds for this project have been repaid and the Aurora-Colorado Springs Authority has no long-term debt outstanding. There are no current plans by either city to use the Aurora-Colorado Springs Authority for future system extensions. See Note 19 to the 2024 Audited Financial Statements included in Appendix A to this Official Statement.

The payments to be made by the City to the Fountain Valley Authority and the Aurora-Colorado Springs Joint Water Authority are contractually required to be treated as Operation and Maintenance Expenses of the System payable out of the Gross Pledged Revenues of the System. See “DESCRIPTION OF THE BONDS— Security for the Bonds” and APPENDIX B—“THE BOND ORDINANCE—Equality of Lien.” The payments made by the City to the Fountain Valley Authority for 2022, 2023, and 2024 were \$9.9 million, \$8.9 million, and 9.0 million, respectively. The payments made by the City to the Aurora-Colorado Springs Authority are nominal.

Environmental Requirements Affecting Water Treatment

The Federal Safe Drinking Water Act authorizes the EPA to establish national health-based standards for the protection of drinking water from both naturally occurring and man-made contaminants. Additionally, the EPA maintains a list of unregulated contaminants that are not currently subject to any proposed or promulgated national primary drinking water regulation, but that are known or anticipated to occur in public water systems and may become subject to regulation in the future. As such, there is always the potential for new and/or more stringent standards that may impose additional costs to the Utilities, either to existing infrastructure or operations or to new water project development, such as the EPA’s revisions to the Lead and Copper Rule. In 2024, Utilities was required as per the Lead and Copper Rule Improvements, to submit an Initial Lead Service Line Inventory to CDPHE. Upon performing an extensive historical records review, visual assessments, and statistical analysis of unknown service lines, Utilities was able to certify that there are no lead service lines in Utilities’ system.

In 2023, the EPA proposed a National Primarily Drinking Water Regulation Maximum Contaminant Level (“MCL”) for per- and polyfluoroalkyl substances (“PFAS”) which was subject to a rulemaking action in May of 2023. In the winter of 2023, EPA submitted the final MCL regulation for interagency review. The EPA issued the final MCL on April 10, 2024, which applies to all public water systems. Based on preliminary sampling and analysis of the Utilities’ water supplies relative to the PFAS compounds addressed by this MCL regulation, the Utilities does not anticipate compliance issues with this regulation.

The CDPHE Water Quality Control Division is in the renewal process for reissuance of the water treatment plant discharge general permit. The discharge general permits for the Tollefson, Ute Pass, and Pine Valley/McCullough water treatment plants are currently in an administratively continued status, but are anticipated to include additional monitoring, reporting, and treatment requirements for the water treatment facilities upon their reissuance.

The Utilities’ annual Water Quality Report to customers consistently notes that the water treated and supplied by Utilities meets applicable primary drinking water quality standards.

Environmental Requirements Affecting Water Supply

Federal and State laws often influence the Utilities’ water development activities and can affect the timeline and even feasibility of new project development.

The conditions imposed under State and Federal water quality regulations are determined on a case-by-case basis when projects are permitted based on an assessment of the impacts of the proposed project. The

additional costs to operate the Water System and develop additional water sources, as a result of these regulations, is also determined on a case-by-case basis and cannot be fully quantified at this time. The Utilities is actively engaged in and partnering with several water industry groups to influence proposed State and Federal legislation, regulations or administrative actions that have the potential to adversely impact the Utilities' water system and related projects. Recently, the Utilities has been actively involved in commenting on numerous Federal and State agency rulemakings and legislative proposals including the adoption of HB24-1379 protecting state waters in 2024 and current Regulation 87 rulemaking for dredge and fill activities in state waters, related water quality certification requirements, new water quality standards and other similar developments that might negatively affect the Utilities' operations or the development of new water supplies.

Water Concerns

As part of the Pueblo County 1041 permit obtained by the Utilities for the development of the SDS pipeline project, the City and the Utilities agreed to “maintain storm water controls and other regulations intended to ensure that Fountain Creek peak flows resulting from new development served by SDS within the Fountain Creek basin are no greater than existing conditions.” However, it is the City that holds a Municipal Separate Storm Sewer System (“MS4”) permit under the Federal Clean Water Act, and the City’s stormwater system and MS4 Permit do not fall within the jurisdiction or responsibility of the Utilities. In furtherance of this commitment, in 2014 the City adopted a newly revised Drainage Criteria Manual that requires new development within the City to manage stormwater runoff so as to not increase Fountain Creek peak flows. Despite the adoption of the updated Drainage Criteria Manual, limited funding was made available for the City’s stormwater management program at that time.

In order to resolve Pueblo County’s concerns regarding the City’s funding for stormwater management, in April 2016 the City and the Utilities executed an intergovernmental agreement with Pueblo County in which the City and the Utilities agreed to spend \$460 million on storm water control activities and capital projects over the next twenty years. Of this total, the Utilities agreed to contribute between \$3.0 million and \$3.9 million per year (escalated over time) towards certain stormwater-related capital projects of benefit to the Utilities and to act as a guarantor of the City’s portion of the obligation (subject to reimbursement from the City under a separate agreement). Under this agreement with Pueblo County, the City will construct a total of 71 identified stormwater capital projects (or agreed upon substitute projects). All commitments under the intergovernmental agreement have been timely met since 2016. At this time, all issues related to stormwater management that have presented risks to the Utilities under the Pueblo County 1041 permit for the Utilities SDS pipeline have been fully resolved.

The continually developing water quality issue regarding the State and Federal regulation of PFAS is also of interest to the Utilities. Specifically, two PFAS compounds, perfluorooctane sulfonate (“PFOS”) and perfluorooctanoic acid (“PFOA”), were detected in regional public groundwater wells, not used or operated by the Utilities, that draw water from the Widefield Aquifer. In 2016, the EPA established a health advisory of 70 parts per trillion (equivalent to 70 nanograms per liter) for the sum of PFOS and PFOA in drinking water. The EPA intended this guidance regarding concentrations to trigger action to reduce exposure to these contaminants that were unregulated at that time. The affected regional groundwater wells, in part, serve as a potable water source to the communities of Security, Fountain, Widefield, and Stratmoor Hills located to the south of Colorado Springs. The water districts serving these neighboring communities have implemented solutions to remove these compounds from well water through advanced treatment processes. In 2018 the Colorado Water Quality Control Commission (“WQCC”) promulgated regulations that established a PFOA and PFOS numeric water quality standard of 70 parts per trillion for groundwater quality in the Widefield Aquifer area. In 2020 the WQCC administratively approved an agency policy establishing “translation levels” (essentially numeric standards) for a broader group of PFAS, including PFOS and PFOA. In response to this additional regulation, the Utilities initiated PFAS monitoring of water supplies at its five drinking water treatment facilities and wastewater effluent discharges at its two permitted wastewater treatment facilities. Results of this monitoring show no exceedances of applicable or currently proposed regulatory limits within the Utilities’ drinking water system or wastewater discharges. The application of the existing groundwater

standard for PFAS to construction dewatering activities that require a discharge permit has resulted in limited project delays and increased costs due to required groundwater sampling, storage and treatment of some groundwater. In March 2023, the EPA proposed an MCL for six PFAS compounds in drinking water, which was finalized on April 10, 2024. The MCL is 4.0 parts per trillion for PFOA and PFOS individually, and a unitless hazard index of 1.0 for PNFA, PFHxS, PFBS, and HFPO-DA (commonly called Gen-X Chemicals). It is anticipated that with the application of the EPA MCL, and future WQCC permitting and policy, the Utilities will have analytical requirements on drinking water, wastewater, source investigations and other monitoring activities. During 2023-2025, many public drinking water systems were required to sample treated drinking water for PFAS under the EPA's Unregulated Contaminants Monitoring Rule ("UCMR 5"). The Utilities initiated this required sampling in the fourth quarter of 2024 and will complete it in July 2025. Results from the 2025 sampling events will be published in 2026. The Utilities' voluntary monitoring of PFAS compounds to date has not indicated any exceedances of any of the above limits.

Capital Improvements to the Water System

The Utilities plans for future water system needs through various water resource projects and has capital needs forecasted at approximately \$249.5 million from 2025-2029. The Utilities is actively pursuing the acquisition of one or more storage reservoirs on the Arkansas River for the primary purpose of managing reusable return flows and exchanges and will seek to acquire additional local and Arkansas River water rights as opportunities arise. The Utilities signed an Intergovernmental Agreement with Pueblo Water in October 2022 to study and plan for future permitting actions associated with an enlargement at Pueblo Water's Clear Creek Reservoir in Granite, Colorado. The Utilities continues participation in the Restoration of Yield intergovernmental agreement and identified a storage site in the Lower Arkansas Valley. The Restoration of Yield partners have exercised the land purchase agreement for the potential Haynes Creek Reservoir. These projects are included in the Utilities' general capital improvement program. See "COLORADO SPRINGS UTILITIES—Capital Improvements."

Forecasted capital expenditures from 2025-2029 include approximately \$72 million related to the ongoing water main renewal and replacement efforts completed under the Finished Water Linear Asset Program. These efforts are expected to be completed in coordination with the City's 2C2 Road Improvement projects while prioritizing renewal and replacement of high criticality/high probability of failure (high risk) mains, maintaining leak rate level of service criteria, and addressing high priority water quality and fire flow improvement projects.

The Tollefson Water Treatment Plant Master Plan Update was completed in 2015 and identified a capital improvement program at the Utilities' oldest water treatment plant. The first phase of improvements was completed in 2022 and included a new pretreatment facility, replaced aging infrastructure and enabled the treatment plant to effectively treat and make more efficient use of the Utilities local water supplies. In 2024, Utilities updated the 2015 Master Plan to refine requirements for Phase 2 and 3 Improvements. The Utilities anticipates initiating these improvements with estimated capital expenditures of \$34.6 million from 2025-2029.

THE WASTEWATER SYSTEM

The Wastewater System provides wastewater services for the City and for those areas approved by the City Council on a long-term, contractual basis, including Peterson, Manitou Springs and the Stratmoor Hills Water and Sanitation District. An average of nearly 38 million gallons per day (mgd) of wastewater is treated for a per capita treatment of about 77 gallons per day (gpd). The per capita flow has steadily decreased since 2007 due to improvements in the collection system, increased customer drought awareness and greater usage of water efficient appliances. As of December 31, 2024, the Utilities owned and operated over 1,820 miles of sewer main.

Wastewater Rates

The following table sets forth rates as they relate to residential and nonresidential service provided by the Wastewater System. Wastewater services are not metered (except for three contract customers), and residential charges for this service are based on the average daily usage of water billed during the December, January, and February billing periods of each winter. Charges for nonresidential customers are calculated monthly based on water usage (less irrigation and consumptive use adjustments, if applicable).

Wastewater Treatment Service Charges As of April 1, 2025

	<i>Inside City</i>	<i>Outside City</i>
Residential		
Service Charge, per day	\$0.5606	\$0.8409
Normal Quantity Charge, per cubic foot	\$0.0293	\$0.0440
Nonresidential		
Service Charge, per day	\$1.1105	\$1.6658
Normal Quantity Charge, per cubic foot	\$0.0349	\$0.0524

On November 12, 2024, the City Council approved a five-year rate case. Effective January 1, 2025 through January 1, 2029, wastewater base rates will increase 9% on January 1st of each year.

The Utilities also assesses a surcharge to some large industrial customers whose discharge exceeds 25,000 gallons per day. The surcharge is adjusted periodically and is based on the average excess of biochemical oxygen demand and total suspended solids measured for each specific customer over normal discharge levels.

The Utilities also assesses wastewater development charges for new connections based on meter size. For each single-family residential connection with a ¾-inch water meter, the wastewater development charge is \$1,868 and \$2,802 inside and outside City limits, respectively. For nonresidential, multi-family or mixed use, the wastewater development charge varies based on water meter size. For ¾-inch and smaller meters, charges range from \$2,604 and \$3,906 inside and outside the City limits, respectively. For 12-inch meters, charges range from \$460,049 and \$690,074 inside and outside City limits, respectively.

Wastewater Revenues

The following table sets forth the wastewater revenues by customer class for the past five years:

<i>Customer Class</i>	<i>Wastewater Revenues</i>				
	<i>Fiscal Year Ended December 31</i>				
	<i>2020</i>	<i>2021</i>	<i>2022</i>	<i>2023</i>	<i>2024</i>
Residential (City)	\$ 53,157,436	\$ 53,979,186	\$ 54,190,445	\$ 54,626,096	\$ 55,377,393
Residential (Suburban)	111,575	105,991	106,941	107,789	109,330
Commercial (City)	13,843,559	14,834,548	15,695,334	16,911,859	17,267,656
Commercial (Suburban)	88,840	70,013	69,463	77,430	78,673
Contract Service – Military	132,606	145,906	225,790	230,093	187,153
Interdepartmental	429,308	507,064	225,284	101,066	75,630
Subtotal	\$ 67,763,324	\$ 69,642,708	\$ 70,513,257	\$ 72,054,333	\$ 73,095,835
Miscellaneous Revenues	2,454,425	2,418,222	2,492,592	2,708,493	3,003,990
Total Wastewater Revenues	\$ 70,217,749	\$ 72,060,930	\$ 73,005,849	\$ 74,762,826	\$ 76,099,825
Less Interdepartmental Sales	(429,308)	(507,064)	(225,284)	(101,606)	(75,630)
Net Wastewater Revenues	\$ 69,788,441	\$ 71,553,866	\$ 72,780,565	\$ 74,661,760	\$ 76,024,195
Total Number of Active Wastewater Accounts as of Year End	147,767	150,388	152,695	152,888	153,827

Resource Recovery Facilities

The Utilities operates two wastewater treatment facilities with a combined permitted capacity of 95 million gpd. These include the J.D. Philips Water Resource Recovery Facility and the Las Vegas Street Water Resource Recovery Facility. The solids are pumped from the Las Vegas Street Water Resource Recovery Facility to the Clear Springs Ranch Resource Recovery Facility, where the solids are further treated and disposed of in dedicated fields. The Utilities evaluates existing infrastructure and short and long-range alternatives for meeting future demand on an ongoing basis.

Environmental Regulation

The Utilities is subject to various State and Federal environmental requirements, which affect operating and capital costs of the wastewater system. The CDPHE adopted Regulation 85 for reducing nutrients (nitrogen and phosphorus) in State waters through 2022 which became effective in September 2012. Based on these regulations, capital projects have been completed at both the Las Vegas Street Water Resource Recovery Facility and the J.D. Phillips Water Resource Recovery Facility to allow the Utilities to meet the new limits. In 2023, the J.D. Phillips Water Resource Recovery Facility experienced treatment issues which led to the effluent being diverted to the Las Vegas Street Water Resource Recovery Facility until the plant can be recalibrated. This will likely result in capital improvements. Some nutrient regulatory scenarios could result in much greater capital investment being required after 2027 for both facilities. Regulation 85 is on the Water Quality Control Commission's schedule for a Triennial Review Informational Hearing on November 10, 2025, and changes to the rule will be recommended by the CDPHE. The Utilities is currently participating in Regulation 85 stakeholder groups and the CDPHE is conducting a Feasibility and Implementation Study, which has resulted in the timeline for implementation of streams nutrient criteria being pushed out. This rulemaking hearing is not likely to occur before 2033, at the earliest.

In addition to nutrients, both temperature and PFAS will be pollutants that will need to be considered for both permitting purposes and potentially with capital upgrades. The Utilities' permits have been administratively continued by the CDPHE and the timeline for their renewal is unknown. The Utilities expects that upon renewal, the permits will include effluent temperature limits and PFAS monitoring that will include source investigation requirements. While stakeholders continue to discuss with the CDPHE how best to address temperature, nutrients, and PFAS, treatment infrastructure investment could become necessary. It is reasonably possible that new regulations would require more stringent requirements on controls for discharges from these facilities.

The Utilities' Clear Spring Ranch Resource Recovery Facility, where biosolids originating from the Utilities' two water resource recovery facilities are disposed, is currently regulated under federal biosolids disposal regulations, the CDPHE's solid waste regulations, and the Clear Spring Ranch Certificate of Designation ("CD"). Capital improvements of approximately \$10 million are anticipated over the next five years in relation to the biosolids disposal activities to aid in maintaining regulatory compliance. The Utilities is monitoring the emerging regulations related to PFAS, as such could be germane to the Facility.

In February 2012, the CDPHE adopted revisions to Section 9 (regarding waste impoundments) of its "Regulations Pertaining to Solid Waste Sites and Facilities." Additional capital investment of approximately \$12.5 million for existing wastewater utility and electric utility impoundments may be required in a five-year timeframe; however, the extent of impoundment-related capital investment, if any, is pending clarity from the CDPHE, as their reviews of the Utilities' submittals are long outstanding.

Capital Improvements to the Wastewater System

The Utilities owns and operates over 1,829 miles of sanitary sewer pipelines throughout thirty separate basins in Colorado Springs. Beginning in 2000, the Utilities implemented several aggressive and

comprehensive wastewater programs to systematically inspect, evaluate, prioritize, and rehabilitate its entire collection system.

The Wastewater System has capital needs forecasted at approximately \$593.8 million from 2025-2029, the largest of which include \$356.6 million for Eastern Wastewater System expansion and \$40.2 million for the Northern Monument Creek Interceptor Project.

The Eastern Wastewater System expansion is a portfolio of projects supporting the Utilities' 2024 strategic plan objectives to support our community and deliver quality utilities. The projects will serve the Utilities customers' need for wastewater collection in the eastern Colorado Springs region. Phase 1 of the portfolio will permit, design, acquire property, construct, integrate, and document three initial wastewater conveyance infrastructure projects, as well as two lift stations.

The Northern Monument Creek Interceptor Project consists of installing approximately 8.5 miles of 30-inch pipe and appurtenances from the southern edge of the Academy to the Upper Monument Creek Wastewater Treatment Facility just outside of the northern edge of the Academy. The Northern Monument Creek Interceptor Project will enable the Utilities to eliminate at least one lift station in the near-term and allow the flexibility to eliminate more in the future. It will accept wastewater flows from two sanitation districts north of the City.

PENDING LEGAL PROCEEDINGS

As the result of 2019 and 2021 periodic audits, the Colorado Public Utilities Commission (COPUC) issued a Warning Notice on January 31, 2020 and another Warning Notice on April 15, 2022, respectively, identifying ongoing areas of concern regarding Utilities' compliance with federal pipeline safety standards while simultaneously acknowledging Utilities' compliance progress. Utilities, as a municipal gas distribution operator, is subject to the requirements set forth in 49 U.S. Code §§ 60101- 60143 (49 CFR 190 – 199, predominately 49 CFR 192). Utilities, as part of a Colorado home rule city, operates under a state constitutional exemption from COPUC enforcement. Therefore, as of 2023, the U.S. Pipeline and Hazardous Materials Administration ("PHMSA") assumed responsibility for the enforcement of COPUC investigations. In accordance with this, PHMSA conducted a review of the previous COPUC investigations, and specifically the 2022 COPUC investigation, and issued a Notice of Proposed Safety Order ("NOPSO") to Utilities on October 21, 2024. The NOPSO included preliminary findings of noncompliance with three PHMSA standards. The NOPSO requested that Utilities submit a remedial work plan and leak mitigation plan to address the issues raised. Utilities reviewed the NOPSO, created draft plans, and then met with PHMSA on November 14 and 21, 2024 to discuss Utilities' draft plans. After receiving approval from Utilities Board at its January 22, 2025 regular meeting, Utilities submitted its draft plans to PHMSA on January 31, 2025. Utilities met with PHMSA on February 12, 2025 discuss the draft plans. Utilities is in the process of negotiating a consent agreement that incorporates the proposed plans with PHMSA. The proposed plans, if incorporated into a consent order, will accelerate Utilities' current natural gas Distribution Integrity Management Program.

On October 7, 2024, the City of Colorado Springs was served with a Summons in the matter of ADB Companies v. the City of Colorado Springs, Colorado and Colorado Springs Utilities, arising from disputes related to the construction of fiber optic lines in the City of Colorado Springs. ADB Companies asserts claims for breach of contract, cure damages, pavement degradation fees, and breach of the implied duty of good faith and fair dealing. ADB Companies assert damages in excess of \$62,000,000. The City of Colorado Springs and Utilities asserts counterclaims for breach of contract and declaratory judgment, for which they seek more than \$3,000,000 in damages. Trial is to commence on April 7, 2026. The result and outcome of this litigation is uncertain.

There is no pending litigation and the Utilities is not aware of any threatened litigation relating to the issuance of the Bonds or to the Bond Ordinance.

LEGAL MATTERS

Legal matters incidental to the authorization and issuance of the Bonds are subject to the approving opinion of Stradling Yocca Carlson & Rauth LLP, Denver, Colorado, as Bond Counsel. Stradling Yocca Carlson & Rauth LLP, Denver, Colorado, has been engaged to advise the City as Disclosure Counsel in connection with the preparation of this Official Statement and the sale of the Bonds to the purchasers. Certain legal matters will be passed upon for the Underwriters by their counsel, Kutak Rock, LLP, Denver, Colorado.

The obligations of the City are subject to the reasonable exercise in the future by the State of Colorado and its political subdivisions of the police power inherent in the sovereignty of the State and to the exercise by the United States of the powers delegated to it by the Federal Constitution, including without limitation exercise of such powers pursuant to the provisions of the Federal Bankruptcy Code. The opinion of Stradling Yocca Carlson & Rauth LLP, as Bond Counsel will refer to such limitations.

TAX STATUS

In the opinion of Stradling Yocca Carlson & Rauth LLP, Denver, Colorado, Bond Counsel, under existing statutes, regulations, rulings and judicial decisions, and assuming certain representations and compliance with certain covenants and requirements described herein, interest (and original issue discount, if any) on the Bonds is excluded from gross income for federal income tax purposes, and is not an item of tax preference for purposes of calculating the federal alternative minimum tax imposed on individuals. However, it should be noted that with respect to applicable corporations as defined in Section 59(k) of the Internal Revenue Code of 1986, as amended (the "Code"), generally certain corporations with more than \$1,000,000,000 of average annual adjusted financial statement income, interest (and original issue discount) with respect to the Bonds might be taken into account in determining adjusted financial statement income for purposes of computing the alternative minimum tax imposed by Section 55 of the Code on such corporations. In the further opinion of Bond Counsel, interest on the Bonds is excluded from Colorado taxable income and Colorado alternative minimum taxable income under Colorado income tax laws in effect on the date of delivery of the Bonds as described herein.

The excess of the stated redemption price at maturity of a Bond over the issue price of a Bond (the first price at which a substantial amount of the Bonds of a maturity is to be sold to the public) constitutes original issue discount. Original issue discount accrues under a constant yield method, and original issue discount will accrue to a Bond Owner before receipt of cash attributable to such excludable income. The amount of original issue discount deemed received by the Bond Owner will increase the Bond Owner's basis in the applicable Bond.

Bond Counsel's opinion as to the exclusion from gross income of interest on the Bonds is based upon certain representations of fact and certifications made by the Utilities and others and is subject to the condition that the Utilities comply with all requirements of the Code, that must be satisfied subsequent to the issuance of the Bonds to assure that interest on the Bonds will not become includable in gross income for federal income tax purposes. Failure to comply with such requirements of the Code might cause the interest on the Bonds to be included in gross income for federal income tax purposes retroactive to the date of issuance of the Bonds. The City has covenanted to comply with all such requirements.

The amount by which a Bond Owner's original basis for determining loss on sale or exchange in the applicable Bond (generally, the purchase price) exceeds the amount payable on maturity (or on an earlier call date) constitutes amortizable bond premium, which must be amortized under Section 171 of the Code; such amortizable Bond premium reduces the Bond Owner's basis in the applicable Bond (and the amount of tax-exempt interest received), and is not deductible for federal income tax purposes. The basis reduction as a result of the amortization of Bond premium may result in a Bond Owner realizing a taxable gain when a Bond is sold by the Owner for an amount equal to or less (under certain circumstances) than the original cost of the

Bond to the Owner. Purchasers of the Bonds should consult their own tax advisors as to the treatment, computation and collateral consequences of amortizable Bond premium.

The Internal Revenue Service (the “IRS”) has initiated an expanded program for the auditing of tax-exempt bond issues, including both random and targeted audits. It is possible that the Bonds will be selected for audit by the IRS. It is also possible that the market value of the Bonds might be affected as a result of such an audit of the Bonds (or by an audit of similar Bonds). No assurance can be given that in the course of an audit, as a result of an audit, or otherwise, Congress or the IRS might not change the Code (or interpretation thereof) subsequent to the issuance of the Bonds to the extent that it adversely affects the exclusion from gross income of interest on the Bonds or their market value.

SUBSEQUENT TO THE ISSUANCE OF THE BONDS THERE MIGHT BE FEDERAL, STATE, OR LOCAL STATUTORY CHANGES (OR JUDICIAL OR REGULATORY CHANGES TO OR INTERPRETATIONS OF FEDERAL, STATE, OR LOCAL LAW) THAT AFFECT THE FEDERAL, STATE, OR LOCAL TAX TREATMENT OF THE BONDS INCLUDING THE IMPOSITION OF ADDITIONAL FEDERAL INCOME OR STATE TAXES BEING IMPOSED ON OWNERS OF TAX-EXEMPT STATE OR LOCAL OBLIGATIONS, SUCH AS THE BONDS. THESE CHANGES COULD ADVERSELY AFFECT THE MARKET VALUE OR LIQUIDITY OF THE BONDS. NO ASSURANCE CAN BE GIVEN THAT SUBSEQUENT TO THE ISSUANCE OF THE BONDS STATUTORY CHANGES WILL NOT BE INTRODUCED OR ENACTED OR JUDICIAL OR REGULATORY INTERPRETATIONS WILL NOT OCCUR HAVING THE EFFECTS DESCRIBED ABOVE. BEFORE PURCHASING ANY OF THE BONDS, ALL POTENTIAL PURCHASERS SHOULD CONSULT THEIR TAX ADVISORS REGARDING POSSIBLE STATUTORY CHANGES OR JUDICIAL OR REGULATORY CHANGES OR INTERPRETATIONS, AND THEIR COLLATERAL TAX CONSEQUENCES RELATING TO THE BONDS.

Bond Counsel’s opinions may be affected by actions taken (or not taken) or events occurring (or not occurring) after the date hereof. Bond Counsel has not undertaken to determine, or to inform any person, whether any such actions or events are taken or do occur. The authorizing resolutions and the Tax Certificate relating to the Bonds permit certain actions to be taken or to be omitted if a favorable opinion of Bond Counsel is provided with respect thereto. Bond Counsel expresses no opinion as to the effect on the exclusion from gross income of interest on the Bonds for federal income tax purposes with respect to any Bond if any such action is taken or omitted based upon the advice of counsel other than Stradling Yocca Carlson & Rauth LLP.

Although Bond Counsel has rendered an opinion that interest on the Bonds is excluded from gross income for federal income tax purposes provided that the Utilities continues to comply with certain requirements of the Code, the ownership of the Bonds and the accrual or receipt of interest with respect to the Bonds may otherwise affect the tax liability of certain persons. Bond Counsel expresses no opinion regarding any such tax consequences. Accordingly, before purchasing any of the Bonds, all potential purchasers should consult their tax advisors with respect to collateral tax consequences relating to the Bonds.

A copy of the proposed form of opinion of Bond Counsel is attached hereto as Appendix D.

MUNICIPAL ADVISOR

Stifel, Nicolaus & Company, Incorporated, Denver, Colorado, is serving as Municipal Advisor to the Utilities with respect to the Bonds, and in such capacity has assisted in the preparation of this Official Statement and in other matters relating to the planning, structuring, rating and execution and delivery of the Bonds. However, the Municipal Advisor has not undertaken either to make an independent verification of or to assume responsibility for the accuracy or completeness of the information contained in this Official Statement, nor is the Municipal Advisor permitted to underwrite the Bonds.

UNDERWRITING

The Bonds will be purchased by Goldman Sachs & Co. LLC (“Goldman”), as representative of itself and BofA Securities, Inc., Morgan Stanley & Co. LLC, J.P. Morgan Securities LLC, and Barclays Capital Inc. (collectively with Goldman, the “Underwriters”). The Underwriters have agreed to purchase the Bonds at a price of \$_____ (representing the principal amount of the Bonds of \$_____, plus an original issue premium of \$_____, less an Underwriters’ discount of \$_____).

The Underwriters have advised the City that they intend to offer the Bonds to the public initially at the offering prices set forth on the inside cover page of this Official Statement. The Underwriters may allow concessions from the public offering price to certain dealers. After the initial public offering, the public offering price may be varied from time to time by the Underwriters.

[Additional underwriter disclosures to be added as necessary.]

BofA Securities, Inc., an underwriter of the Bonds, has entered into a distribution agreement with its affiliate Merrill Lynch, Pierce, Fenner & Smith Incorporated (“MLPF&S”). As part of this arrangement, BofA Securities, Inc. may distribute securities to MLPF&S, which may in turn distribute such securities to investors through the financial advisor network of MLPF&S. As part of this arrangement, BofA Securities, Inc. may compensate MLPF&S as a dealer for their selling efforts with respect to the Bonds.

Morgan Stanley & Co. LLC has entered into a retail distribution arrangement with its affiliate, Morgan Stanley Smith Barney LLC. As part of the distribution arrangement, Morgan Stanley & Co. LLC may distribute securities to retail investors through the financial network of Morgan Stanley Smith Barney LLC. As part of this arrangement, Morgan Stanley & Co. LLC may compensate Morgan Stanley Smith Barney LLC for its underwriting efforts with respect to the Bonds.

J.P. Morgan Securities LLC (“JPMS”), one of the Underwriters of the Bonds, has entered into negotiated dealer agreements (each, a “Dealer Agreement”) with each of Charles Schwab & Co., Inc. (“CS&Co.”) and LPL Financial LLC (“LPL”) for the retail distribution of certain securities offerings at the original issue prices. Pursuant to each Dealer Agreement, each of CS&Co. and LPL may purchase Bonds from JPMS at the original issue price less a negotiated portion of the selling concession applicable to any Bonds that such firm sells.

The Underwriters and their respective affiliates are full service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, financial advisory, investment management, principal investment, hedging, financing and brokerage activities. Certain of the Underwriters and their respective affiliates have, from time to time, performed, and may in the future perform, various investment banking services for the City, for which they received or will receive customary fees and expenses.

In the ordinary course of their various business activities, the Underwriters and their respective affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (which may include bank loans and/or credit default swaps) for their own account and for the accounts of their customers and may at any time hold long and short positions in such securities and investments. Such investment and securities activities may involve securities and instruments of the City.

The Underwriters and their respective affiliates may also communicate independent investment recommendations, market color or trading ideas and/or publish or express independent research views in respect of such assets, securities or instruments and may at any time hold, or recommend to clients that they should acquire, long and/or short positions in such assets, securities and instruments.

VERIFICATION OF MATHEMATICAL COMPUTATIONS

Prior to the delivery of the Series 2025B Bonds, Causey Public Finance, LLC, certified public accountants, Denver, Colorado, will deliver a report on the mathematical accuracy of certain computations relating to the adequacy of the uninvested cash and investments to affect a defeasance of the Refunded Bonds refunded by the Series 2025B Bonds.

CERTAIN RELATIONSHIPS OF PARTIES

Stifel, Nicolaus & Company, Incorporated acts as Municipal Advisor to the Utilities and Independent Swap Advisor to the Utilities.

Goldman Sachs & Co. LLC, one of the Underwriters of the Bonds, currently acts as dealer for a series of the Commercial Paper Notes. J. Aron & Co. is an affiliate Goldman Sachs & Co. LLC, which currently acts as a swap counterparty to the City under certain of the swap agreements described in “COLORADO SPRINGS UTILITIES – Interest Rate Swap Agreements.”

BofA Securities, Inc., one of the Underwriters, currently acts as remarketing agent for certain of the variable rate Parity Bonds. BofA Securities, Inc. is an affiliate of Bank of America, N.A., which currently acts as a swap counterparty to the City under certain of the swap agreements described in “COLORADO SPRINGS UTILITIES – Interest Rate Swap Agreements” and as liquidity provider related to certain utilities revenue bonds issued by the City as described in “COLORADO SPRINGS UTILITIES – Liquidity/Support Facilities.” BofA Securities, Inc. is an affiliate of Bank of America Corporation and Merrill Lynch Commodities, Inc., which are counterparties to a prepaid gas supply agreement with the City described in “THE GAS SYSTEM – Gas Supply.”

Barclays Capital Inc., one of the Underwriters, currently acts as remarketing agent for certain of the variable rate Parity Bonds. Barclays Capital Inc. is an affiliate of Barclays Bank PLC, which currently acts as liquidity provider related to certain utilities revenue bonds issued by the City as described in “COLORADO SPRINGS UTILITIES – Liquidity/Support Facilities.”

J.P. Morgan Securities LLC, one of the Underwriters of the Bonds, currently acts as remarketing agent for certain of the variable rate Parity Bonds. J.P. Morgan Securities LLC is an affiliate of JPMorgan Chase Bank, N.A., which currently is a counter party to certain interest rate swap agreements with the City as described in “COLORADO SPRINGS UTILITIES – Interest Rate Swap Agreements.”

RATINGS

Moody’s and S&P have assigned the Bonds the ratings listed on the cover of this Official Statement. Moody’s has assigned the Bonds a stable outlook. An explanation of the significance of the ratings given by Moody’s may be obtained from Moody’s at 7 World Trade Center, 250 Greenwich Street, 23rd Floor, New York, New York 10007. S&P has assigned the Bonds a stable outlook. An explanation of the significance of the ratings given by S&P may be obtained from S&P at 55 Water Street, New York, New York 10041.

The Utilities furnished the rating agencies with information relating to the Bonds. Generally, the rating agencies base their ratings on information furnished by issuers and their own investigation and assumptions. Each of the ratings assigned the Bonds should be evaluated independently of the other ratings. None of the ratings constitutes a recommendation by the rating agency to buy, sell or hold the Bonds. Any further explanation of the significance of any rating must be obtained from the rating agency. Each rating is subject to revision or withdrawal at any time by the rating agency. Any downward revision or withdrawal of any of the ratings may have an adverse effect on the market price of the Bonds.

MISCELLANEOUS

The references in this Official Statement to the Bond Ordinance, statutes, resolutions, contracts, and other documents are brief outlines or partial excerpts of certain provisions of the documents. These outlines or excerpts do not purport to be complete, and reference is made to the documents, copies of which are available at the offices of the City, for full and complete statements of their provisions. All estimates used in this Official Statement are intended only as estimates and not as representations.

The execution and delivery of this Official Statement by the Utilities' Chief Executive Officer and the Chief Planning and Finance Officer have been duly authorized by the City Council of the City of Colorado Springs, Colorado.

COLORADO SPRINGS UTILITIES

By: _____
Travas Deal,
Chief Executive Officer

By: _____
Tristan Gearhart,
Chief Planning and Finance Officer

APPENDIX A
2024 AUDITED FINANCIAL STATEMENTS

APPENDIX B

THE BOND ORDINANCE

The following summary describes certain provisions of the Bond Ordinance and is qualified in its entirety by reference to the document itself for a full statement of its provisions.

Definitions

The following are definitions of certain terms as used in the Bond Ordinance:

“Average Annual Principal and Interest Requirements” means the sum of the principal of and interest on the Bonds and any other Outstanding Parity Bonds, excluding any securities the principal of which is payable within less than one year from the date on which issued, but including any proposed Parity Bonds in the computation of the City’s ability to issue additional Parity Bonds, to be paid during each Fiscal Year for the period beginning with the Fiscal Year in which such computation is made and ending with the Fiscal Year in which any Bond or other such security last becomes due at maturity or on a Redemption Date, whichever time is later (but excluding any reserve requirement to secure such payments unless otherwise expressly provided) divided by the number of full Fiscal Years during the period beginning with the Fiscal Year in which such computation is made and ending with the last Fiscal Year in which any Bond or other such security last becomes due at maturity or on a Redemption Date, whichever time is later. The word “principal,” as used in the preceding sentence, means for all purposes of this paragraph, the principal which must be paid to security Owners, whether on stated maturity dates or on mandatory redemption dates, or otherwise. Any such computation will be adjusted for all purposes in the same manner as is provided in the Bond Ordinance. For the purposes of this computation, it will be assumed that (a) Variable Rate Bonds Outstanding at the time of such determination will bear interest during any period (i) if the interest rate such Variable Rate Bonds bear or will bear during such period has not been determined, at the fixed interest rate estimated by the remarketing agent for such Variable Rate Bonds and approved by the Finance Director or, if there is no such remarketing agent, by the Finance Director that, having due regard for prevailing financial market conditions, is necessary, but does not exceed the interest rate necessary, to sell such Variable Rate Bonds at 100% of the principal amount thereof in an open market transaction, assuming the Variable Rate Bonds had a term equal to the then remaining term of the Variable Rate Bonds (taking into account any mandatory redemption for such Variable Rate Bonds) or (ii) if the interest rate such Variable Rate Bonds bear or will bear during such period has been determined and is not subject to fluctuation, at such interest rate thus determined, and (b) any Tender Bonds Outstanding at the time of such determination will mature on the stated maturity or mandatory Redemption Date or Dates thereof.

For purposes of this calculation, if a Parity Financial Products Agreement has been entered into by the City with respect to the Bonds or any Parity Bonds, interest on the Bonds or such Parity Bonds will be included in the calculation of such principal and interest by including for each Fiscal Year an amount equal to the amount of interest payable on the Bonds or such Parity Bonds in such Fiscal Year during such period determined as hereinabove provided plus any Financial Products Payments payable in any such Fiscal Year minus any Financial Products Receipts receivable in any such Fiscal Year; provided that in no event will any calculation made pursuant to this sentence result in a number less than zero being included in the calculation of such interest.

In determining the amount of any Financial Products Payments or Financial Products Receipts on any interest rate swaps or other similar Financial Products Agreement which Payments or Receipts are based on interest rates which are not fixed in percentage for the entire term of the Financial Products Agreement, such amount will be calculated by assuming such variable interest rate is a fixed interest rate equal to (a) if the Parity Financial Products Agreement relates to Variable Rate Bonds, the fixed rate of interest estimated for such Variable Rate Bonds as provided above, or (b) if the Parity Financial Products Agreement relates to the Bonds or Parity Bonds which bear interest at a fixed interest rate, the average daily interest rate for such

Payments or Receipts under such Financial Products Agreement during the twelve months preceding the calculation or during the time the Financial Products Agreement has been in effect if less than twelve months and if such Financial Products Agreement is not then in effect, the variable interest rate will be deemed to be a fixed interest rate equal to the average daily interest rate for such Payments or Receipts which would have been applicable if such Financial Products Agreement had been in effect for the preceding twelve month period, which average daily interest rate will be set forth in a certificate of the Finance Director.

In determining the amount of any Financial Products Payments or Financial Products Receipts on any interest rate cap, floor, collar or other similar Financial Products Agreement with respect to Parity Bonds which are Variable Rate Bonds, such amount will be calculated by assuming the interest rate on the related Variable Rate Bonds will be a fixed interest rate equal to the average daily interest rate on such Variable Rate Bonds during the twelve months preceding the calculation or during the time the Variable Rate Bonds are Outstanding if less than twelve months and if such Variable Rate Bonds are not at the time of calculation Outstanding, the variable interest rate will be deemed to be a fixed interest rate equal to the average daily interest rate which such Bonds would have borne if they had been Outstanding for the preceding twelve month period as estimated by the Finance Director, all as set forth in a certificate of the Finance Director. In determining the amount of any Financial Products Payments or Financial Products Receipts on any interest rate cap, floor, collar or other similar Financial Products Agreement with respect to Parity Bonds bearing interest at a fixed rate, such amount will be the amount payable or receivable annually determined as of the date of issuance of the Parity Bonds as set forth in a certificate of the Finance Director.

For the purposes of this calculation, if Commercial Paper Notes are then Outstanding or are the Parity Bonds proposed to be issued, it will be assumed that (a) the principal amount of any Commercial Paper Notes Outstanding is that amount forecasted by the City as of the date of the calculation of Average Annual Principal and Interest Requirements to have been issued and be Outstanding at the expiration date of the program established for the Commercial Paper Notes, (b) only interest will be payable on the Commercial Paper Notes prior to the expiration date of the program established for the Commercial Paper Notes, and such amount will be calculated by assuming such interest rate is a fixed interest rate equal to the average daily interest rate for all Commercial Paper Notes issued as part of such program during the twelve months preceding the calculation or during the time the Commercial Paper Notes have been Outstanding if less than twelve months and if such Commercial Paper Notes are not then Outstanding, the interest rate will be deemed to be a fixed interest rate equal to the average daily interest rate which would have been applicable if such Commercial Paper Notes had been Outstanding for the preceding twelve month period as estimated by the Finance Director, and (c) the Commercial Paper Notes so forecasted to have been issued and Outstanding will mature over 25 years from the expiration date of the program established for the Commercial Paper Notes, will bear interest on the unpaid principal amount thereof at the fixed rate of interest equal to the Bond Buyer 30 Year Revenue Index of 25 Revenue Bonds as published in the most recent issue of The Bond Buyer (or any successor thereto) preceding the date of such determination or if such Index is no longer published, of a comparable index selected by the Finance Director and will be payable on a level annual debt service basis over such 25 year period, all as set forth in a certificate of the Finance Director. For the purposes of this paragraph, the term “expiration date of the program established for the Commercial Paper Notes” will mean the earlier of (i) such expiration date as set forth in the ordinance of the City authorizing the issuance of the Commercial Paper Notes, or (ii) 5 years from the initial date of issuance of any Commercial Paper Note under such program.

[to be updated if BAM isn't the surety provider] “Build America Bond Credit” means the credit provided in Section 6431 of the Code in lieu of any credit otherwise available to the Owners under Section 54AA(a) of the Code or credits from similar programs authorized in the future.

“Build America Mutual” means Build America Mutual Assurance Company, a mutual insurance corporation organized under the laws of, and domiciled in, the State of New York, or any successor thereto or assignee thereof.

“Balloon Bonds” means any securities payable from Net Pledged Revenues 25% or more of the original principal amount of which matures during any consecutive twelve month period if such maturing principal amount is not required to be amortized by mandatory redemption or prepayment prior to such period and if such twelve month period overlaps the Fiscal Year in which the Combined Maximum Annual Principal and Interest Requirements occur (without regard to the assumptions contained in clause (c) of the first paragraph of the definition of Combined Maximum Annual Principal and Interest Requirements).

“Beneficial Owner” means each owner of Bonds whose ownership is recorded under the book-entry only system maintained by the Depository.

“Bond Fund” means the special account designated as the “City of Colorado Springs, Colorado, Utilities System Improvement Revenue Bonds, Series 2025A and City of Colorado Springs Colorado, Utilities System Refunding Revenue Bonds, Series 2025B Bond Fund” created pursuant to the Bond Ordinance.

“Bond Requirements” means the principal of, any prior redemption premiums due in connection with, and the interest on any Bonds or other securities payable from the Net Pledged Revenues and heretofore or hereafter issued, if any, or such part of such securities as may be designated.

“Bonds” has the meaning ascribed to such terms in the Bond Ordinance.

“Combined Maximum Annual Principal and Interest Requirements” means the largest sum of the principal of and interest on the Bonds, and any other Outstanding Parity Bonds, excluding any securities the principal of which is payable within less than one year from the date on which issued, to be paid during any one Fiscal Year for the period beginning with the Fiscal Year in which such computation is made and ending with the Fiscal Year in which any Bond or other such security last becomes due at maturity or on a Redemption Date, whichever time is later (but excluding any reserve requirement to secure such payments unless otherwise expressly provided). The word “principal,” as used in the preceding sentence, means for all purposes of this paragraph, the principal which must be paid to security Owners, whether on stated maturity dates or on mandatory Redemption Dates, or otherwise. Any such computation will be adjusted for all purposes in the same manner as is provided in the Bond Ordinance. For the purposes of this computation, it will be assumed that (a) Variable Rate Bonds Outstanding at the time of such determination will bear interest during any period (i) if the interest rate such Variable Rate Bonds bear or will bear during such period has not been determined, at the fixed interest rate estimated by the remarketing agent for such Variable Rate Bonds and approved by the Finance Director or, if there is no such remarketing agent, by the Finance Director that, having due regard for prevailing financial market conditions, is necessary, but does not exceed the interest rate necessary, to sell such Variable Rate Bonds at 100% of the principal amount thereof in an open market transaction, assuming the Variable Rate Bonds had a term equal to the then remaining term of the Variable Rate Bonds (taking into account any mandatory redemption for such Variable Rate Bonds), or (ii) if the interest rate such Variable Rate Bonds bear or will bear during such period has been determined and is not subject to fluctuation, at such interest rate thus determined, (b) any Tender Bonds Outstanding at the time of such determination will mature on the stated maturity or mandatory Redemption Date or Dates thereof, and (c) any Balloon Bonds Outstanding at the time of such determination will mature over 30 years from the date of issuance of the Balloon Bonds, will bear interest on the unpaid principal amount thereof at the fixed rate of interest equal to the Bond Buyer 30 Year Revenue Index of 25 Revenue Bonds as published in the most recent issue of The Bond Buyer (or any successor thereto) preceding the date of such determination or if such Index is no longer published, of a comparable index selected by the Finance Director and will be payable on a level annual debt service basis over a thirty year period.

For purposes of this calculation, if a Parity Financial Products Agreement has been entered into by the City with respect to the Bonds or any Parity Bonds, interest on the Bonds or such Parity Bonds will be included in the calculation of such principal and interest by including for each Fiscal Year an amount equal to the amount of interest payable on the Bonds or such Parity Bonds in such Fiscal Year during such period determined as hereinabove provided plus any Financial Products Payments payable in any such Fiscal Year

minus any Financial Products Receipts receivable in any such Fiscal Year; provided that in no event will any calculation made pursuant to this sentence result in a number less than zero being included in the calculation of such interest.

In determining the amount of any Financial Products Payments or Financial Products Receipts on any interest rate swaps or other similar Financial Products Agreement which Payments or Receipts are based on interest rates which are not fixed in percentage for the entire term of the Financial Products Agreement, such amount will be calculated by assuming such variable interest rate is a fixed interest rate equal to (a) if the Parity Financial Products Agreement relates to Variable Rate Bonds, the fixed rate of interest estimated for such Variable Rate Bonds as provided above, or (b) if the Parity Financial Products Agreement relates to the Bonds or Parity Bonds which bear interest at a fixed interest rate, the average daily interest rate for such Payments or Receipts under such Financial Products Agreement during the twelve months preceding the calculation or during the time the Financial Products Agreement has been in effect if less than twelve months and if such Financial Products Agreement is not then in effect, the variable interest rate for such Payments or Receipts will be deemed to be a fixed interest rate equal to the average daily interest rate which would have been applicable if such Financial Products Agreement had been in effect for the preceding twelve month period, which average daily interest rate will be set forth in a certificate of the Finance Director.

In determining the amount of any Financial Products Payments or Financial Products Receipts on any interest rate cap, floor, collar or other similar Financial Products Agreement with respect to Parity Bonds which are Variable Rate Bonds, such amount will be calculated by assuming the interest rate on the related Parity Bonds will be a fixed interest rate equal to the average daily interest rate on such Variable Rate Bonds during the twelve months preceding the calculation or during the time the Variable Rate Bonds are Outstanding if less than twelve months and if such Variable Rate Bonds are not at the time of calculation Outstanding, the variable interest rate will be deemed to be a fixed interest rate equal to the average daily interest rate which such Bonds would have borne if they had been Outstanding for the preceding twelve month period as estimated by the Finance Director, all as set forth in a certificate of the Finance Director. In determining the amount of any Financial Products Payments or Financial Products Receipts on any interest rate cap, floor, collar or other similar Financial Products Agreement with respect to Parity Bonds bearing interest at a fixed rate, such amount will be the amount payable or receivable annually determined as of the date of issuance of the Parity Bonds, as set forth in a certificate of the Finance Director.

For the purposes of this calculation, if Commercial Paper Notes are then Outstanding or are the Parity Bonds proposed to be issued, it will be assumed that (a) the principal amount of any Commercial Paper Notes Outstanding is that amount forecasted by the City as of the date of the calculation of Combined Maximum Annual Principal and Interest Requirements to have been issued and be Outstanding at the expiration date of the program established for the Commercial Paper Notes, (b) only interest will be payable on the Commercial Paper Notes prior to the expiration date of the program established for the Commercial Paper Notes, and such amount will be calculated by assuming such interest rate is a fixed interest rate equal to the average daily interest rate for all Commercial Paper Notes issued as part of such program during the twelve months preceding the calculation or during the time the Commercial Paper Notes have been Outstanding if less than twelve months and if such Commercial Paper Notes are not then Outstanding, the interest rate will be deemed to be a fixed interest rate equal to the average daily interest rate which would have been applicable if such Commercial Paper Notes had been Outstanding for the preceding twelve month period as estimated by the Finance Director and (c) the Commercial Paper Notes so forecasted to have been issued and Outstanding will mature over 25 years from the expiration date of the program established for the Commercial Paper Notes, will bear interest on the unpaid principal amount thereof at the fixed rate of interest equal to the Bond Buyer 30 Year Revenue Index of 25 Revenue Bonds as published in the most recent issue of The Bond Buyer (or any successor thereto) preceding the date of such determination or if such Index is no longer published, of a comparable index selected by the Finance Director and will be payable on a level annual debt service basis over such 25 year period, all as set forth in a certificate of the Finance Director. For the purposes of this paragraph, the term "expiration date of the program established for the Commercial Paper Notes" will mean the earlier of (i) such expiration date as set forth in the ordinance of the City authorizing the issuance of the

Commercial Paper Notes, or (ii) 5 years from the initial date of issuance of any Commercial Paper Note under such program.

“Commercial Paper Notes” means any bonds or notes payable from and having an irrevocable lien upon Net Pledged Revenues on a parity with the Bonds (a) which have a stated maturity date which is not more than 365 days after the date of issuance thereof, and (b) are designated as Commercial Paper Notes in the ordinance authorizing their issuance, but does not include any Credit Facility Obligations relating to such bonds or notes.

“Continuing Disclosure Undertaking” means the certificate to be dated the date of delivery of the Bonds delivered by the City, which constitutes an undertaking pursuant to Rule 15c2-12 promulgated by the Securities and Exchange Commission.

“Cost of the Series 2025A Project” means all costs, as designated by the City, of the Series 2025A Project or any interest therein, which cost, at the option of the City (except as may be otherwise limited by law) may include all, any one or other portion of the incidental costs pertaining to the Series 2025A Project, including, without limitation:

(a) All preliminary expenses or other costs advanced by the City or advanced by the Federal Government, the State or by any other Person from any source, with the approval of the City Council, or any combination thereof, or otherwise;

(b) The costs of making surveys and tests, audits, preliminary plans, other plans, specifications, estimates of costs and other preliminaries;

(c) The costs of contingencies;

(d) The costs of premiums on any builders’ risk insurance and performance bonds during the construction, installation and other acquisition of the Series 2025A Project, or a reasonably allocated share thereof;

(e) The costs of appraising, printing, estimates, advice, inspection, other services of engineers, architects, accountants, financial consultants, attorneys at law, clerical help and other agents and employees;

(f) The costs of making, publishing, posting, mailing and otherwise giving any notice in connection with the Series 2025A Project, the taking of options and the issuance of the Bonds;

(g) The costs of the filing or recording of instruments and the cost of any title insurance premiums;

(h) The costs of funding any construction loans and other temporary loans pertaining to the Series 2025A Project and of the incidental expenses incurred in connection with such loans;

(i) The costs of demolishing, removing, or relocating any buildings, structures, or other facilities on land acquired for the Series 2025A Project, and of acquiring lands to which such buildings, structures or other facilities may be moved or relocated;

(j) The costs of machinery and equipment;

(k) The costs of any properties, rights, easements or other interests in properties, or any licenses, privileges, agreements and franchises;

(l) The costs of labor, material and obligations incurred to contractors, builders and materialmen in connection with the acquisition and construction of the Series 2025A Project and the costs of labor incurred for employees of the City engaged in the acquisition and construction of the Series 2025A Project;

(m) Interest on the Series 2025A Bonds through the completion date of the Series 2025A Project;

(n) The costs of amending any ordinance, resolution or other instrument pertaining to the Series 2025A Bonds or otherwise to the System; and

(o) All other expenses pertaining to the Series 2025A Project.

“Credit Facility” means any letter or line of credit, policy of bond insurance, surety bond or guarantee or similar instrument (other than a Reserve Fund Insurance Policy) issued by a financial, insurance or other institution and which specifically provides security and/or liquidity in respect of securities payable from Net Pledged Revenues.

“Credit Facility Obligations” means repayment or other obligations incurred by the City in respect of draws or other payments or disbursements made under a Credit Facility.

“Depository” means any securities depository that is a clearing agency under federal law operating and maintaining, with its participants or otherwise, a book-entry system to record ownership of book-entry interests in bonds, and to effect transfers of book-entry interests in bonds in book-entry form, and includes and means initially The Depository Trust Company (a limited purpose trust company), New York, New York.

“Federal Securities” means bills, certificates of indebtedness, notes, or bonds which are direct obligations of, or the principal of and interest on which obligations are unconditionally guaranteed as to full and timely payment by, the United States of America.

“Finance Director” means the chief financial officer of the Utilities, presently the Chief Planning and Finance Officer, or his or her designate, or his or her successor in functions, if any.

“Financial Products Agreement” means an interest rate swap, cap, collar, floor, other hedging agreement, arrangement or security, however denominated, entered into by the City with a Provider not for investment purposes but with respect to the Bonds or specific Parity Bonds and providing that any payments by the City thereunder will be made only from Net Pledged Revenues and for the purpose of (a) reducing or otherwise managing the City’s risk of interest rate changes, or (b) effectively converting the City’s interest rate exposure, in whole or in part, from a fixed rate exposure to a variable rate exposure, or from a variable rate exposure to a fixed rate exposure.

“Financial Products Payments” means payments periodically required to be paid to a Provider by the City pursuant to a Financial Products Agreement but specifically not including any termination, settlement or similar payments required to be paid upon an early termination of the Financial Products Agreement or as a result of any event of default thereunder.

“Financial Products Receipts” means amounts periodically required to be paid to the City by a Provider pursuant to a Financial Products Agreement but specifically not including any termination, settlement or similar payments required to be paid upon an early termination of the Financial Products Agreement or as a result of any event of default thereunder.

“Gross Pledged Revenues” means all income, charges and revenues derived directly or indirectly by the City from the operation and use of and otherwise pertaining to the System, or any part thereof, whether resulting from Capital Improvements, Capital Additions, or otherwise, and includes all income, charges and revenues received by the City from the System, including without limitation:

(a) All fees, rates and other charges for the use of the System, or for any service rendered by the City in the operation thereof, directly or indirectly, the availability of any such service, or the sale or other disposal of any commodities derived therefrom, including, without limitation, connection charges, but:

(i) Excluding any moneys borrowed and used for the acquisition of Capital Improvements or Capital Additions or for the refunding of securities, including the proceeds of Crossover Refunding Bonds and all income or other gain from any investment of such borrowed moneys;

(ii) Excluding any moneys received as grants, appropriations or gifts from the Federal Government, the State, or other sources, the use of which is limited by the grantor or donor to the construction of Capital Improvements or Capital Additions, except to the extent any such moneys shall be received as payments for the use of the System, services rendered thereby, the availability of any such service, or the disposal of any commodities therefrom;

(iii) Excluding any income and revenue from any Special Facilities which have not been transferred by the City, in its sole discretion, to the System and excluding any revenues from any special rates and charges imposed to finance any such untransferred Special Facilities; and

(iv) Excluding any Financial Products Receipts;

(b) All income or other gain from any investment of Gross Pledged Revenues (including without limitation the income or gain from any investment of all moneys in any bond fund or reserve fund for any securities payable from Net Pledged Revenues and of all Net Pledged Revenues, but excluding borrowed moneys and all income or other gain thereon in the Series 2025A Acquisition Fund or any other acquisition or construction fund, the Series 2025B Escrow Fund or any other escrow fund for any other securities payable from Net Pledged Revenues heretofore or hereafter issued and excluding any unrealized gains or losses on any investment of Gross Pledged Revenues) unless the City Council or the qualified electors of the City otherwise provide by ordinance, or such electors by Charter amendment;

(c) All Build America Bond Credits to the extent received by the City with respect to any securities payable from the Net Pledged Revenues; and

(d) All income and revenues derived from the operation of any other utility or other income-producing facilities added to the System and to which the pledge and lien herein provided are extended by ordinance passed by the City Council or the qualified electors of the City or by Charter amendment adopted by such electors.

“Independent Accountant” means any certified public accountant, or any firm of certified public accountants, duly licensed to practice and practicing as such under the laws of the State:

(a) Who is, in fact, independent and not under the domination of the City;

(b) Who does not have any substantial interest, direct or indirect, with the City; and

(c) Who is not connected with the City as an officer or employee thereof, but who may be regularly retained to make annual or similar audits of any books or records of the City.

“Investment Securities” means any securities or other obligations permitted as investments of moneys of the City under the laws of the State.

“Maturity-Rate” means the Series 2025A Bonds or the Series 2025B Bonds, as applicable, which are due on the same date and bear the same rate of interest.

“Net Pledged Revenues” means the Gross Pledged Revenues remaining after the payment of the Operation and Maintenance Expenses.

“Parity Bonds” means any securities heretofore or hereafter issued payable from and having an irrevocable lien upon the Net Pledged Revenues on a parity with the Bonds but does not include any Credit Facility Obligations relating to any such securities.

“Parity Credit Facility Obligations” means any Credit Facility obligations payable from the Net Pledged Revenues with a lien thereon which is on a parity with the Bonds.

“Parity Financial Products Agreement” means any Financial Products Agreement pursuant to which Financial Products Payments are payable from Net Pledged Revenues on a parity with the Bonds.

“Paying Agent” means Computershare Trust Company, N.A., in St. Paul, Minnesota, and being an agent of the City for the payment of the Bond Requirements due in connection with the Bonds, the registrar for the Bonds and for other administration of moneys pertaining to the Bonds, and includes any successor Commercial Bank as Paying Agent.

“Provider” means any financial institution or insurance company which is a party to a Financial Products Agreement with the City.

“Reserve Fund” means the special account designated as the “City of Colorado Springs, Colorado, Utilities System Improvement Revenue Bonds, Series 2025A and City of Colorado Springs, Colorado, Utilities System Refunding Revenue Bonds, Series 2025B Reserve Fund” created pursuant to the Bond Ordinance.

“Reserve Fund Insurance Policy” means any insurance policy, surety bond or letter of credit deposited in or credited to the Reserve Fund as provided in the Bond Ordinance in lieu of or in partial substitution for cash or Investment Securities on deposit in the Reserve Fund or similarly credited to a reserve fund for Parity Bonds.

“Reserve Fund Requirement” means the sum of (a) an amount equal to the sum of the interest on the Series 2025A Bonds then Outstanding to be paid during each Fiscal Year for the period beginning with the Fiscal Year in which the Series 2025A Bonds are issued and ending with the Fiscal Year in which any Series 2025A Bond last becomes due at maturity or on a mandatory Redemption Date divided by the number of full Fiscal Years during the period beginning with the first Fiscal Year in which interest on the Series 2025A Bonds is paid and ending with the Fiscal Year in which any Series 2025A Bond last becomes due at maturity or on a mandatory Redemption Date, and (b) an amount equal to the sum of the interest on the Series 2025B Bonds then Outstanding to be paid during each Fiscal Year for the period beginning with the Fiscal Year in which the Series 2025B Bonds are issued and ending with the Fiscal Year in which any Series 2025B Bond last becomes due at maturity or on a mandatory Redemption Date divided by the number of full Fiscal Years during the period beginning with the Fiscal Year in which interest on the Series 2025B Bonds is paid and ending with the Fiscal Year in which any Series 2025B Bonds last becomes due at maturity or on a mandatory Redemption Date.

“Special Facility” includes any construction or acquisition project undertaken by or on behalf of the City, or in which the City has an interest, for the generation or transmission of electricity, the supply, treatment or transmission of water, the treatment of sanitary waste, or the production or transmission of gas, which Special Facility is constructed or acquired in whole or in part by the City and is financed in whole or part by Special Facility Obligations.

“Special Facility Obligations” means bonds or other obligations issued by the City and payable solely or in part from, and secured by a pledge of, income, charges or revenue from or relating to designated Special

Facilities, including without limitation income, charges and revenues from special rates and charges upon customers of the System to finance any Special Facilities.

“Subordinate Credit Facility Obligations” means any Credit Facility Obligations payable from Net Pledged Revenues subordinate and junior to the lien thereon of the Bonds.

“Subordinate Securities” means securities payable from the Net Pledged Revenues subordinate and junior to the lien thereon of the Bonds but does not include any Credit Facility Obligations relating to any such securities.

“Supplemental Public Securities Act Certificate” means the certificate of the City described in the Bond Ordinance.

“Surety Agreement” means any agreement hereafter entered into by the City and a Surety Provider with respect to a Reserve Fund Insurance Policy for the Bonds.

“Surety Bond” means the municipal bond debt service reserve insurance policy issued by Build America Mutual for deposit in the Reserve Fund with respect to the Bonds as provided therein and subject to the limitations set forth therein.

“Surety Provider” means Build America Mutual or any other entity issuing a Reserve Fund Insurance Policy with respect to the Bonds, provided that such entity has a rating in one of the two highest rating categories assigned by any one of S&P Global Ratings, Moody’s Investors Service or Fitch, Inc. at the time such policy, bond or letter of credit is deposited in or credited to the Reserve Fund.

“Tax Compliance Certificate” means the Tax Compliance Certificate executed by the City in connection with the initial issuance and delivery of Bonds as it may from time to time be modified pursuant to its terms.

“Tender Bonds” means any securities payable from Net Pledged Revenues which by their terms may be required to be tendered for purchase or which may be tendered by and at the option of the Owner thereof for purchase, prior to the stated maturity thereof.

“Variable Rate Bonds” means any securities payable from Net Pledged Revenues issued with a variable, adjustable, convertible or other similar interest rate which is not fixed in percentage for the entire term at the date of issue.

Equality of Lien

The Bonds and any Parity Bonds previously or subsequently issued and outstanding, including any Parity Credit Facility Obligations relating thereto and any Parity Financial Products Agreements heretofore or hereafter entered into, are equitably and ratably secured by a lien on the Net Pledged Revenues. The Bonds and any Parity Bonds previously or subsequently issued will be ratably secured by a lien of the Net Pledged Revenues and will not be entitled to any priority to such Net Pledged Revenues one over the other regardless of the times of their issuance or maturity. See “DESCRIPTION OF THE BONDS—Security for the Bonds.”

The Bond Ordinance provides that the System does not and will not include the interest of the City in any Special Facility. One or more interests may be designated as Special Facilities. The power, water or gas produced by, or the treatment or transmission capability of a Special Facility either may be distributed by the City in its System or may be sold by the City to other utilities. Under the Bond Ordinance, the City reserves the right to impose special rates and charges upon customers of the System, in addition to the general rates and charges, to finance any Special Facility. If the City uses these provisions of the Bond Ordinance to acquire or construct any Special Facility while any of the Bonds or parity securities are outstanding, the revenues derived

by the City from the operation of any Special Facility (including revenues which might be received from the imposition of any such special rates and charges upon customers of the System) will not be included in the Gross Pledged Revenues of the System and will not be available to make payments due on the Bonds or parity securities.

Any interest in facilities such as those which might constitute Special Facilities, which interest is owned by any entity in which the City participates, including without limitation, an entity having the attributes of a municipal corporation or political subdivision (such as a water or power authority), or which may issue federally tax-exempt obligations, may not be designated a Special Facility and also will not be a part of the System (except that payments made by the City to such an entity may constitute operation and maintenance costs of the System payable out of Gross Pledged Revenues).

Additional Securities

The City may issue securities which have a lien on the Net Pledged Revenues which is subordinate to the lien of the Bonds at any time.

Additional securities having a lien against the Net Pledged Revenues on a parity with the lien of the Bonds may be issued only if the following conditions are satisfied:

- (a) There is no default in making any payments described under “Flow of Funds” below; and
- (b) If the additional Parity Bonds are to be issued to finance capital improvements, the Net Pledged Revenues derived in the fiscal year immediately preceding the date of the issuance of the Parity Bonds must have been not less than 130% of the Average Annual Principal and Interest Requirements of the Outstanding Bonds, any Outstanding Parity Bonds and the Parity Bonds proposed to be issued, except as provided in the Bond Ordinance.

In any computation of the earnings test for issuance of any additional Parity Bonds, the amount of Gross Pledged Revenues for the applicable period will be decreased (subject to certain exceptions) and may be increased by any gain or loss conservatively estimated by the City which results from any change in any schedule of fees, rates, and other charges constituting Gross Pledged Revenues made not less than 60 days prior to the last day of the period for which Gross Pledged Revenues are determined prior to the computation. In addition, consideration will be given to any probable net increase in the operation and maintenance expenses of the System, as estimated by the Director, that will result from the expenditure of the funds proposed to be derived from the issuance of the additional securities.

Additional Securities for Refundings – The Bond Ordinance also includes restrictions that would apply to any refunding of outstanding securities in which the refunding securities would be on a parity with the unrefunded Bonds. Such a partial refunding may be done only if one or more of the following conditions are satisfied:

- (a) The City receives the consent of the Owners of the unrefunded portion of the Bonds; or
- (b) The Combined Maximum Annual Principal and Interest Requirements for the Bonds and Parity Bonds Outstanding immediately after the refunding (calculated as specified and with the assumptions described in the Bond Ordinance) will not increase as a result of the refunding; or
- (c) The refunding securities are issued in compliance with the requirements for additional securities generally (*i.e.*, there is no default in making required payments and the 130% test is satisfied), as described above.

Flow of Funds

The Gross Pledged Revenues will be deposited in an Income Fund, payments from which will be made in the following order of priority:

- (a) Operation and maintenance expenses of the System will be paid.
- (b) Monthly accumulation will be made in the Bond Fund, in equal monthly installments, of current principal (including principal which becomes payable under redemption provisions) and interest payments due on or in connection with the Bonds and with respect to accumulation for principal and mandatory redemption, such accumulation need not commence until one year prior to the date on which such principal or mandatory redemption payment is due. Such credits will be made concurrently with similar payments to be made with respect to Parity Bonds under the applicable Parity Bond ordinances.
- (c) Concurrently with the monthly payments into the Bond Fund required above, and concurrently with similar payments to be made with respect to Parity Bonds under the applicable Parity Bond ordinances, and concurrently with any repayment or similar obligations payable to the issuer of any Reserve Fund Insurance Policy with respect to any Parity Bonds, from any moneys remaining in the Income Fund there will be credited to the Reserve Fund, monthly, commencing on the first day of the month next succeeding each date on which the moneys accounted for in the Reserve Fund for any reason are less than the Reserve Fund Requirement (see "Reserve Fund" below), such amounts in substantially equal monthly payments on the first day of each month to reaccumulate the Reserve Fund Requirement by not more than 12 such monthly payments. If a Reserve Fund Insurance Policy is on deposit in the Reserve Fund to fund all or a part of the Reserve Fund Requirement, the amounts payable into the Reserve Fund pursuant to the immediately preceding sentence will be paid by the City first to the Surety Provider to reimburse it (in accordance with the provisions of the Surety Agreement) for amounts disbursed by it until the Reserve Fund Insurance Policy is reinstated in full, and second to replenish cash in the Reserve Fund. If there are insufficient Net Pledged Revenues to comply with the requirements of the first sentence in this subparagraph, available Net Pledged Revenues are to be credited or paid to the Reserve Fund, to reserve funds established by any Parity Bond Ordinances and to any entity issuing any Reserve Fund Insurance Policy with respect to the Bonds or any Parity Bonds pro rata, based upon the aggregate principal amount of the Bonds and any such Parity Bonds then Outstanding; provided, however, that compliance with the provisions of this sentence will not cure any event of default caused by non-compliance with the first sentence in this subparagraph.
- (d) Subsequent to the payments summarized in (a) through (c) above, there will be deposited into the Rebate Fund moneys in the amounts and at the times specified in the Tax Compliance Certificate. Amounts on deposit in the Rebate Fund will not be subject to the lien and pledge of the Bond Ordinance to the extent that such amounts are required to be paid to the United States Treasury. The City will cause amounts on deposit in the Rebate Fund to be forwarded to the United States Treasury (at the address provided in the Tax Compliance Certificate) at the times and in the amounts set forth in the Tax Compliance Certificate.

If the moneys on deposit in the Rebate Fund are insufficient for the purposes thereof, the City will transfer moneys in the amount of the insufficiency to the Rebate Fund, to the extent permitted by the Bond Ordinance, from the Reserve Fund and the Bond Fund. Upon receipt by the City of an opinion of nationally recognized bond counsel acceptable to the City to the effect that the amount in the Rebate Fund is in excess of the amount required to be contained therein, such excess will be transferred to the Income Fund.
- (e) Subsequent to the payments summarized in (a) through (d) above, there will be paid to any Surety Provider interest on amounts advanced under a Reserve Fund Insurance Policy pursuant to such Surety Agreement.

(f) Subsequent to the payments summarized in (a) through (e) above, there may be paid interest on, principal of, reasonable reserves for, and rebate payments to the United States Treasury for additional bonds or obligations previously or subsequently issued subordinate to the lien and pledge of the Bonds.

(g) The balance remaining in the Income Fund may be used first for any necessary purposes relating to the System, and then for any lawful purposes as determined by the City Council.

Rate Covenant

The Bond Ordinance provides that there will be charged to users of service pertaining to, and users of, the System, including the City (except as otherwise provided in the Bond Ordinance), such fees, rates and other charges so that the Gross Pledged Revenues will be adequate to pay in each fiscal year (i) the operation and maintenance expenses, (ii) an amount equal to 130% of both the principal of and the interest on (but excluding any reserves) the Bonds and any other Parity Bonds payable from the Net Pledged Revenues during that fiscal year, and (iii) any amounts required to pay amounts, if any, owed to the Surety Provider pursuant to the Surety Agreement and to meet then-existing deficiencies pertaining to any fund or account relating to the Gross Pledged Revenues or any securities payable from the Gross Pledged Revenues, and to satisfy its obligations under any Financial Products Agreements (other than Financial Products Payments and other than any termination, settlement or similar payments required to be paid upon an early termination of the Financial Products Agreement or as a result of any event of default thereunder). The Bond Ordinance specifies that the fees, rates and other charges to be paid by users of the System are to be reasonable. If any parity Variable Rate Bonds, parity Balloon Bonds, Commercial Paper Notes or Parity Credit Facility Obligations are Outstanding, the Bond Ordinance specifies that for purposes of the rate covenant, the amount of principal and interest or similar payments with respect to such parity Variable Rate Bonds, parity Balloon Bonds, Commercial Paper Notes, or Parity Credit Facility Obligations due in such fiscal year will be deemed to be the amount specified in the ordinance pursuant to which such parity Variable Rate Bonds or parity Balloon Bonds, Commercial Paper Notes or Parity Credit Facility Obligations are authorized, and for the purposes of the rate covenant, parity Tender Bonds will be assumed to mature on the stated maturity or mandatory Redemption Date or Dates thereof and Commercial Paper Notes will be assumed to mature 25 years after the earlier of (i) the expiration date of the program established for them as set forth in the ordinance of the City authorizing the issuance of the Commercial Paper Notes, or (ii) 5 years from the initial date of issuance of any Commercial Paper Notes under such program.

For the purpose of subsection (ii) of the preceding paragraph, if a Parity Financial Products Agreement has been entered into by the City with respect to the Bonds or any Parity Bonds, interest on the Bonds or such Parity Bonds will be included in the calculation of such interest by including for that fiscal year an amount equal to the amount of interest payable on the Bonds or such Parity Bonds in that fiscal year determined as hereinabove provided plus any Financial Products Payments payable in that fiscal year minus any Financial Products Receipts receivable in that fiscal year; provided that in no event will any calculation made pursuant to this sentence result in a number less than zero being included in the calculation of such interest.

In determining the amount of any Financial Products Payments or Financial Products Receipts on any interest rate swaps or other similar Financial Products Agreement which Payments or Receipts are based on interest rates which are not fixed in percentage for such Fiscal Year, such amount will be calculated by assuming such variable interest rate is a fixed interest rate equal to (i) if the Parity Financial Products Agreement relates to Variable Rate Bonds, the fixed rate of interest estimated for such Variable Rate Bonds as provided above, or (ii) if the Parity Financial Products Agreement relates to the Bonds or Parity Bonds which bear interest at a fixed interest rate, the average daily interest rate for such Payments or Receipts under such Financial Products Agreement during the immediately preceding fiscal year or during the time the Financial Products Agreement has been in effect if less than all of such immediately preceding fiscal year.

In determining the amount payable under any Financial Products Payments or Financial Products Receipts on any interest rate cap, floor, collar or other similar Financial Products Agreement with respect to Parity Bonds which are Variable Rate Bonds, such amount will be calculated by assuming the interest rate on the related Parity Bonds is the rate determined as provided in the first paragraph of this section. In determining the amount of any Financial Products Payments or Financial Products Receipts on any interest rate cap, floor, collar or other similar Financial Products Agreement with respect to Parity Bonds bearing interest at a fixed rate, such amount will be the amount payable or receivable annually determined as of the date of issuance of the Parity Bonds.

Reserve Fund

No payment need be made into the Reserve Fund at any time so long as the moneys and/or Reserve Fund Insurance Policy deposited in the Reserve Fund equal not less than the Reserve Fund Requirement. If moneys on deposit in the Reserve Fund exceed the Reserve Fund Requirement, the excess cash is to be transferred to the Rebate Fund or the Bond Fund as directed by the City.

Commencing the first month following the date on which the moneys and/or Reserve Fund Insurance Policy in the Reserve Fund for any reason are less than the Reserve Fund Requirement, the City is required to accumulate monthly, over a period of not more than 12 months, amounts necessary to reaccumulate the Reserve Fund Requirement, as described under "Flow of Funds" above.

The City may at any time substitute (i) cash or Investment Securities for a Reserve Fund Insurance Policy, or (ii) a Reserve Fund Insurance Policy for cash or Investment Securities, so long as the amount on deposit in the Reserve Fund after such substitution is at least equal to the Reserve Fund Requirement. Any Reserve Fund Insurance Policy deposited to the credit of the Reserve Fund will be valued at the amount available to be drawn or otherwise paid.

If both cash and a Reserve Fund Insurance Policy are on deposit in the Reserve Fund, the City is required to use all cash before drawing on the Reserve Fund Insurance Policy.

Investment of Funds

Moneys deposited in the accounts designated in the Bond Ordinance and not needed for immediate use are to be invested or reinvested by the Finance Director in Investment Securities. The Bond Ordinance provides that Investment Securities credited to the Reserve Fund will not mature later than the last maturity date of the Bonds.

Disposal of System Prohibited

Except for the use of the System and services pertaining thereto in the normal course of business, neither all nor substantially all of the System will be sold, leased, mortgaged, pledged, encumbered, alienated or otherwise disposed of, so long as any Bonds are Outstanding.

Except as otherwise provided by the Charter and in the Bond Ordinance, the City may sell, exchange or otherwise dispose of property, facilities and assets of the System at any time and from time to time and may lease, contract or grant licenses for the operation of, or make arrangements for the use of, or grant easements or other rights to the properties, facilities and assets of the System. Any proceeds of any such sale, exchange or other disposition received and not used to replace such property so sold or so exchanged or otherwise so disposed of, will be deposited by the City in the Income Fund or into a special book account for the betterment, enlargement, extension, other improvement and equipment of the System, or any combination thereof, as the City Council may determine, and any proceeds of any such lease received will be deposited by the City as Gross Pledged Revenues in the Income Fund.

Insurance and Reconstruction

Except to the extent of any self-insurance, the City at all times will be required to maintain with responsible insurers fire and extended coverage insurance, workers compensation insurance, public liability insurance, and all other insurance customarily maintained with respect to utilities of like character against loss of or damage to the System and against loss of revenues and against public and other liability to the extent reasonably necessary to protect the interests of the City and of each Owner of the Bonds. See “COLORADO SPRINGS UTILITIES —Insurance.” If any useful part of the System is damaged or destroyed, the City will, as expeditiously as possible, commence the repair or replacement of the damaged property. If the costs of repair and replacement of the damaged property exceed the proceeds of any insurance, surplus moneys in the Income Fund will be used to the extent necessary, as permitted by the Bond Ordinance.

Events of Default and Remedies

Each of the following events is an “event of default” under the Bond Ordinance:

- (a) Payment of the principal of any of the Bonds is not made when the same becomes due and payable;
- (b) Payment of any installment of interest on any of the Bonds is not made when due and payable or within 30 days thereafter;
- (c) The occurrence and continuance of any “event of default” as defined in any bond ordinance governing Parity Bonds;
- (d) The City unreasonably delays or fails to carry out with reasonable dispatch the reconstruction of any part of the System which is destroyed or damaged and is not promptly repaired or replaced (unless such reconstruction is not essential to the efficient operation of the System);
- (e) An order or decree is entered by a court of competent jurisdiction with the consent or acquiescence of the City appointing a receiver or receivers for the System or for the Gross Pledged Revenues and any other moneys subject to the lien securing the Bonds then Outstanding, or such an order or decree is entered without the consent or acquiescence of the City and is not vacated, discharged, or stayed on appeal within 60 days after entry; or
- (f) The City defaults in the due and punctual performance of any representations, covenants, conditions, agreements, and other provisions contained in the Bonds or the Bond Ordinance (other than compliance with its continuing disclosure undertaking described under “DESCRIPTION OF THE BONDS – Continuing Disclosure Undertaking”), and such default continues for 60 days after written notice specifying such default and requiring the same to be remedied is given to the City by the Owners of not less than 25% in aggregate principal amount of the Bonds then Outstanding.

Upon the happening and continuance of any of the events of default, the Owners of not less than 25% of the aggregate principal amount of the Bonds then Outstanding, including, without limitation, a trustee or trustees therefor, may proceed against the City to protect and enforce the rights of any Owner of Bonds under the Bond Ordinance by mandamus or other suit, action, or special proceedings in equity or at law, in any court of competent jurisdiction. All such proceedings will be instituted, had, and maintained for the equal benefit of all Owners of the Bonds and any other Parity Bonds and Parity Credit Facility Obligation relating thereto and the Providers of any Parity Financial Products Agreements.

The Bond Ordinance does not authorize a declaration that all principal and unpaid accrued interest on the Bonds are to become immediately due and payable upon occurrence or continuation of an event of default.

The ability of the Owners of Bonds to enforce their remedies may be limited by bankruptcy, insolvency, reorganization, moratorium, or other laws affecting the enforcement of creditors' rights generally or affecting the enforcement of creditors' rights against entities such as the City. In addition, the availability of equitable remedies or equitable defenses is subject to the discretion of the court before which any proceedings may be brought.

Defeasance

When all Bond Requirements of the Bonds have been duly paid, the pledge and lien and all obligations under the Bond Ordinance will be discharged and the Bonds no longer will be deemed to be Outstanding. A Bond will be deemed to be duly paid when the City has placed in escrow or in trust an amount sufficient (including the known minimum yield available for such purpose from Federal Securities) to meet all Bond Requirements of such Bond, as the same become due to the final maturity of such Bond or upon any Redemption Date.

Amendment

The Bond Ordinance may be amended in certain circumstances without the consent of the Owners and in certain other circumstances with the consent of the Owners of not less than a majority of aggregate principal amount of the Parity Bonds outstanding, but no such amendment may (i) change the maturity, redemption, or payment of interest on any Outstanding Parity Bond without the consent of the Owner of such Parity Bond, (ii) reduce the principal amount of, or the interest payable on any Parity Bond without the consent of the Owner of such Parity Bond, (iii) create a lien or pledge of revenues superior to the lien or pledge created by the Bond Ordinance, (iv) otherwise affect the description of the Parity Bonds or reduce the principal amount of the Parity Bonds required to consent to any amendment, or (v) establish priorities as between the Parity Bonds Outstanding.

APPENDIX C

FORM OF CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate is executed and delivered by the City of Colorado Springs, Colorado (the “City”) in connection with the issuance of \$_____ aggregate principal amount of the Utilities System Improvement Revenue Bonds, Series 2025A and \$_____ aggregate principal amount of the Utilities System Refunding Revenue Bonds, Series 2025B (collectively, the “Bonds”) being issued pursuant to an ordinance (the “Ordinance”) passed by the City Council of the City on July 22, 2025. The City covenants and agrees as follows:

Section 1. Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the City for the benefit of the holders and beneficial owners of the Bonds and in order to assist the Participating Underwriter (as defined in Section 2 hereof) in complying with Rule 15c2-12(b)(5), as amended, of the Securities and Exchange Commission.

Section 2. Definitions. In addition to the definitions set forth in the Ordinance, or parenthetically defined herein, which apply to any capitalized terms used in this Disclosure Certificate unless otherwise defined in this Section, the following capitalized terms will have the following meanings:

“Annual Financial Information” means the financial information or operating data with respect to the City and the Utilities of the type contained in the Official Statement in the following portions: under (i) “COLORADO SPRINGS UTILITIES” the sections entitled “Nature of the Utilities,” “Summary of Operations,” “Outstanding Utilities Revenue Bonds and Other Obligations,” “Interest Rate Swap Agreements—Summary of Current Swap Agreements” and “Debt Service Coverage”; (ii) “THE ELECTRIC SYSTEM,” the sections entitled “Electric Rates,” “Electric System Sales and Revenues” and “System Capability”; (iii) “THE WATER SYSTEM,” the sections entitled “Water Rates and Development Charges,” “Water Sales and Revenues” and “Water Supply and Raw Water Delivery”; (iv) “THE WASTEWATER SYSTEM,” the sections entitled “Wastewater Rates” and “Wastewater Revenues”; and (v) “THE GAS SYSTEM,” the sections entitled “Gas Rates,” “Gas Sales and Revenues” and “Gas Price Hedge Program.”

“Audited Financial Statements” means the Utilities’ annual financial statements, prepared in accordance with Sections 827 and 828 of the Ordinance.

“Dissemination Agent” means, initially, the City, or any successor Dissemination Agent designated in writing by the City and which has filed with the City a written acceptance of such designation.

“Listed Events” means any of the events listed in Section 4 of this Disclosure Certificate.

“MSRB” shall mean the Municipal Securities Rulemaking Board. As of the date hereof, the MSRB’s required method of filing is electronically via its Electronic Municipal Market Access (EMMA) system available on the Internet at <http://emma.msrb.org>.

“Official Statement” means the Final Official Statement dated August __, 2025 relating to the Bonds.

“Participating Underwriter” means the original underwriters of the Bonds required to comply with the Rule in connection with an offering of the Bonds.

“Rule” means Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

Section 3. Provision of Annual Financial Information and Audited Financial Statements.

(a) Commencing with respect to the fiscal year ended December 31, 2024 and annually thereafter, the City will, or will cause the Dissemination Agent to, provide the Annual Financial Information and the Audited Financial Statements to the MSRB. Such Annual Financial Information will be provided to the MSRB on or before May 1 of each year or, in the event of a change in the fiscal year of the City, on or before 120 days after the end of the fiscal year, and such Audited Financial Statements will be provided to the MSRB annually reasonably promptly after receipt by the City. Not later than five (5) business days prior to said dates, the City will provide the Annual Financial Information or Audited Financial Statements, as the case may be, to the Dissemination Agent (if other than the City).

(b) The City may provide Annual Financial Information and Audited Financial Statements by specific reference to documents which are available to the public on the MSRB’s Internet Web Site or filed with the Securities and Exchange Commission.

(c) If the City is unable to provide to the MSRB the Annual Financial Information and Audited Financial Statements by the dates required in subsection (a) of this Section, the City will send a notice to the MSRB, in substantially the form attached as Exhibit A.

(d) The Dissemination Agent will:

(1) determine each year, prior to the dates for providing the Annual Financial Information and Audited Financial Statements, the electronic format prescribed by the MSRB;

(2) if the Dissemination Agent is other than the City, send written notice to the City at least 45 days prior to the dates the Annual Financial Information or the Audited Financial Statements, as the case may be, are due stating that the Annual Financial Information or the Audited Financial Statements, as the case may be, are due as provided in Section 3(a) hereof; and

(3) if the Dissemination Agent is other than the City, file a report with the City certifying the Annual Financial Information and Audited Financial Statements have been provided pursuant to this Disclosure Certificate, stating the dates they were provided and listing all the entities to which they were provided.

Section 4. Reporting of Significant Events. The City will provide or cause to be provided notice of any of the following events with respect to the Bonds in a timely manner to the MSRB not in excess of ten business days after the occurrence of the event:

- (a) Principal and interest payment delinquencies;
- (b) Non-payment related defaults, if material;
- (c) Unscheduled draws on debt service reserves reflecting financial difficulties;
- (d) Unscheduled draws on credit enhancements reflecting financial difficulties;
- (e) Substitution of credit or liquidity providers, or their failure to perform;

(f) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701- TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;

(g) Modifications to rights of Bondholders, if material;

(h) Bond calls (other than mandatory sinking fund redemptions), if material, and tender offers;

(i) Defeasances;

(j) Release, substitution or sale of property securing repayment of the Bonds, if material;

(k) Rating changes;

(l) Bankruptcy, insolvency, receivership or similar event of the City;*

(m) The consummation of a merger, consolidation, or acquisition involving the City or the sale of all or substantially all of the assets of the City, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;

(n) Appointment of a successor or additional trustee or the change of name of a trustee, if material;

(o) Incurrence of a financial obligation, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation, any of which affect security holders, if material;† and

(p) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the obligated person, any of which reflect financial difficulties.†

Section 5. Electronic Format and Identifying Information. All documents provided to the MSRB pursuant to this Disclosure Certificate shall be in an electronic format as prescribed by the MSRB and shall be accompanied by identifying information as prescribed by the MSRB.

Section 6. Termination of Reporting Obligation. The City's obligations under this Disclosure Certificate will terminate upon the earliest of: (i) the date of legal defeasance, prior redemption or payment in full of all of the Bonds; (ii) the date that the City will no longer constitute an "obligated person" within the meaning of the Rule; or (iii) the date on which those portions of the Rule which require this written

* For purposes of the event identified in Section 4(l), the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the City in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the City, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the City.

† For purposes of the events identified in Section 4(o) and 4(p), the term "financial obligation" means a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). The term "financial obligation" shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

undertaking are held to be invalid by a court of competent jurisdiction in a non-appealable action, have been repealed retroactively or otherwise do not apply to the Bonds.

Section 7. Dissemination Agent. The City may, from time to time, appoint or engage a Dissemination Agent to assist the City in carrying out its obligations under this Disclosure Certificate, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent.

Section 8. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Certificate, the City may amend this Disclosure Certificate, and any provision of this Disclosure Certificate may be waived, without the consent of the holders of the Bonds, if such amendment or waiver does not, in and of itself, cause the undertakings herein (or action of any Participating Underwriter in reliance on the undertakings herein), in the opinion of the Utilities' bond counsel, to violate the Rule, but taking into account any subsequent change in or official interpretation of the Rule. The City will provide notice of such amendment or waiver to the MSRB.

Section 9. Default. In the event of a failure of the City to comply with any provision of this Disclosure Certificate, any holder or beneficial owner of the Bonds may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the City to comply with its obligations under this Disclosure Certificate. A default under this Disclosure Certificate will not be deemed an event of default under the Ordinance, and the sole remedy under this Disclosure Certificate in the event of any failure of the City to comply with this Disclosure Certificate will be an action to compel performance.

Section 10. Beneficiaries. This Disclosure Certificate will inure solely to the benefit of the City, the Dissemination Agent, the Participating Underwriter and the holders and beneficial owners from time to time of the Bonds, and will create no rights in any other person or entity.

Dated _____, 2025.

CITY OF COLORADO SPRINGS, COLORADO

By _____
Chief Planning and Finance Officer,
Colorado Springs Utilities

EXHIBIT A

**NOTICE TO MUNICIPAL SECURITIES RULEMAKING BOARD OF FAILURE TO FILE
ANNUAL FINANCIAL INFORMATION OR AUDITED FINANCIAL STATEMENTS**

Name of Issuer: City of Colorado Springs, Colorado

Name of Issue: Utilities System Improvement Revenue Bonds, Series 2025A in the aggregate principal amount of \$_____, and Utilities System Refunding Revenue Bonds, Series 2025B in the aggregate principal amount of \$_____.

Date of Issuance: _____, 2025.

NOTICE IS HEREBY GIVEN that the City has not provided the [Annual Financial Information/Audited Financial Statements] with respect to the above Bonds as required by Section 831 of the ordinance of the City authorizing the issuance of the above Bonds and the Continuing Disclosure Certificate dated _____, 2025 of the City. The City anticipates that the [Annual Financial Information/Audited Financial Statements] will be filed by _____.

Dated: _____, _____

CITY OF COLORADO SPRINGS, COLORADO

By _____
Chief Planning and Finance Officer,
Colorado Springs Utilities

APPENDIX D
FORM OF BOND COUNSEL OPINION

_____, 2025

City of Colorado Springs, Colorado
30 S. Nevada Avenue
Colorado Springs, Colorado 80903

Re: \$_____ *City of Colorado Springs, Colorado, Utilities System Improvement Revenue Bonds, Series 2025A*

 \$_____ *City of Colorado Springs, Colorado, Utilities System Refunding Revenue Bonds, Series 2025B*

Ladies and Gentlemen:

We have acted as bond counsel to the City of Colorado Springs, Colorado (the “City”) in connection with the issuance by the City of the \$_____ aggregate principal amount of the Utilities System Improvement Revenue Bonds, Series 2025A (the “Series 2025A Bonds”), and \$_____ aggregate principal amount of the Utilities System Refunding Revenue Bonds, Series 2025B (the “Series 2025B Bonds” and, together with the Series 2025A Bonds, the “Bonds”) pursuant to an authorizing ordinance passed by the City Council and adopted on July 22, 2025 (the “Bond Ordinance”). We have examined the law and such certified proceedings and other documents as we deem necessary to render this opinion. This opinion is based on current statutory and constitutional law and published court decisions as of the date hereof. Capitalized terms used herein and not otherwise defined shall have the meaning ascribed thereto in the Bond Ordinance.

As to questions of fact material to our opinion, we have relied upon representations of the City contained in the Bond Ordinance and in the certified proceedings and certifications of public officials and others furnished to us, without undertaking to verify the same by independent investigation.

Based upon the foregoing we are of the opinion, under existing law, as follows:

1. The Bonds are valid and binding special, limited obligations of the City payable solely from the Net Pledged Revenues and from funds and accounts pledged therefor under the Bond Ordinance.
2. The Bond Ordinance creates a valid lien on the Net Pledged Revenues pledged therein for the security of the Bonds on a parity with the lien thereon and the pledge thereof to secure the payment of the Parity Bonds. The Bond Ordinance also creates a valid lien on the Bond Fund and the Reserve Fund. Except as described in this paragraph, we express no opinion regarding the priority of the lien on Net Pledged Revenues or on the funds and accounts created by the Bond Ordinance.
3. Under existing statutes, regulations, rulings and judicial decisions, interest (and original issue discount) on the Bonds is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of calculating the federal alternative minimum tax imposed on individuals; however, with respect to applicable corporations as defined in Section 59(k) of the Internal Revenue Code of 1986, as amended (the “Code”), interest (and original issue discount) with respect to the Bonds might be taken into account in determining adjusted financial statement income for the purposes of computing alternative minimum tax imposed on such corporations.

4. Interest (and original issue discount) on the Bonds is excluded from State of Colorado taxable income and State of Colorado alternative minimum taxable income under State of Colorado income tax laws in effect as of the date hereof.

5. The difference between the issue price of a Bond (the first price at which a substantial amount of the Bonds of a maturity is to be sold to the public) and the stated prepayment price at maturity with respect to such Bond constitutes original issue discount. Original issue discount accrues under a constant yield method, and original issue discount will accrue to a Bond Owner before receipt of cash attributable to such excludable income. The amount of original issue discount deemed received by a Bond Owner will increase the Bond Owner's basis in the applicable Bond.

6. The amount by which a Bond Owner's original basis for determining loss on sale or exchange in the applicable Bond (generally, the purchase price) exceeds the amount payable on maturity (or on an earlier call date) constitutes amortizable Bond premium, which must be amortized under the Code; such amortizable Bond premium reduces the Bond Owner's basis in the applicable Bond (and the amount of tax-exempt interest received), and is not deductible for federal income tax purposes. The basis reduction as a result of the amortization of Bond premium may result in a Bond Owner realizing a taxable gain when a Bond is sold by the Owner for an amount equal to or less (under certain circumstances) than the original cost of the Bond to the Owner. Purchasers of the Bonds should consult their own tax advisors as to the treatment, computation and collateral consequences of amortizable bond premium.

The opinions that are expressed herein as to the exclusion from gross income for federal income tax purposes of interest (and original issue discount) on the Bonds are subject to the condition that the City complies with all requirements of the Internal Revenue Code of 1986, as amended (the "Code"), that must be satisfied subsequent to the issuance of the Bonds to assure that such interest (and original issue discount) will not become includable in gross income for federal income tax purposes. Failure to comply with such requirements of the Code might cause interest (and original issue discount) on the Bonds to be included in gross income for federal income tax purposes retroactive to the date of issuance of the Bonds. The City has covenanted to comply with all such requirements. Except as set forth in paragraphs (3) through (6) above, we express no opinion as to any tax consequences related to the Bonds.

Certain requirements and procedures contained or referred to in the Bond Ordinance and Tax Certificate may be changed, and certain actions may be taken, under the circumstances and subject to the terms and conditions set forth in the Bond Ordinance and Tax Certificate, upon the advice or with the approving opinion of counsel nationally recognized in the area of tax-exempt obligations. We express no opinion as to the effect on the exclusion of interest on the Bonds from gross income for federal income tax purposes on and after the date on which any such change occurs or action is taken upon the advice or approval of counsel other than Stradling Yocca Carlson & Rauth LLP.

The opinions expressed herein are based upon an analysis of existing statutes, regulations, rulings and judicial decisions and cover certain matters not directly addressed by such authorities. We call attention to the fact that the foregoing opinions may be affected by actions taken (or not taken) or events occurring (or not occurring) after the date hereof. We have not undertaken to determine, or to inform any person, whether such actions or events are taken (or not taken) or do occur (or do not occur).

We call attention to the fact that the rights and obligations under the Bond Ordinance, the Bonds and the Tax Certificate are subject to bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance and other similar laws affecting creditors' rights, to the application of equitable principles if equitable remedies are sought, to the exercise of judicial discretion in appropriate cases and to limitations on legal remedies against public agencies in the State of Colorado.

Our opinion is limited to matters governed by the laws of the State of Colorado and federal income tax law. We assume no responsibility with respect to the applicability or the effect of the laws of any other jurisdiction.

Our engagement with respect to the Bonds terminates upon their issuance, and we disclaim any obligation to update the matters set forth herein. We express no opinion herein as to the accuracy, completeness or sufficiency of the Official Statement or other offering material relating to the Bonds and expressly disclaim any duty to advise the owners of the Bonds with respect to the matters contained in the Official Statement.

Respectfully submitted,

APPENDIX E

DTC BOOK-ENTRY ONLY SYSTEM

The Bonds initially will be issued solely in book-entry form to be held in the book-entry only system maintained by The Depository Trust Company (“DTC”), New York, New York. So long as such book-entry system is used, only DTC will receive or have the right to receive physical delivery of Bonds and Beneficial Owners will not be or be considered to be, and will not have any rights as, owners or Owners of the Bonds under the Bond Ordinance.

The information in this Appendix E concerning DTC and DTC’s book-entry system has been obtained from sources that the City believes to be reliable, but the City takes no responsibility for the accuracy thereof.

DTC will act as securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Bond certificate will be issued for each maturity of the Bonds, in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC, the world’s largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC’s participants (“Direct Participants”) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants’ accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (“DTCC”). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“Indirect Participants”). DTC has a Standard & Poor’s rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC’s records. The ownership interest of each actual purchaser of each Bond (“Beneficial Owner”) is in turn to be recorded on the Direct and Indirect Participants’ records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC’s partnership nominee, Cede & Co., or such other name as may be requested by an

authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not affect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Bond documents. For example, Beneficial Owners of Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the Registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the City as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal, interest and redemption proceeds on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the City or the Paying Agent on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Paying Agent or the City, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal, interest or redemption proceeds to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the City or the Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Bonds at any time by giving reasonable notice to the City or the Paying Agent. Under such circumstances, in the event that a successor depository is not obtained, Bond certificates are required to be printed and delivered.

The City may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Bond certificates will be printed and delivered to DTC.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the City believes to be reliable, but the City takes no responsibility for the accuracy thereof.

SO LONG AS CEDE & CO., AS NOMINEE OF DTC, IS THE REGISTERED OWNER OF THE BONDS, REFERENCES IN THIS OFFICIAL STATEMENT TO THE REGISTERED OWNERS OF THE BONDS WILL MEAN CEDE & CO. AND WILL NOT MEAN THE BENEFICIAL OWNERS.

APPENDIX F

ECONOMIC AND DEMOGRAPHIC INFORMATION

[Updates to follow in July 2025 as data reports are released] This portion of the Official Statement contains general information concerning historic economic and demographic conditions in and surrounding the City of Colorado Springs. It is intended only to provide prospective investors with general information regarding the City's community. The information was obtained from the sources indicated and is limited to the time periods indicated. The information is historic in nature; it is not possible to predict whether the trends shown will continue in the future. The City makes no representation as to the accuracy or completeness of data obtained from parties other than the City.

Population

The following table sets forth a history of the populations of the City, El Paso County and the State. Between 2010 and 2020, the City's population increased 14.17%, El Paso County increased 16.76% and the State increased 14.54%.

Population⁽¹⁾

<i>Year</i>	<i>City of Colorado Springs</i>	<i>Percent Change</i>	<i>El Paso County</i>	<i>Percent Change</i>	<i>Colorado</i>	<i>Percent Change</i>
1970	135,517	--	235,972	--	2,209,596	--
1980	215,105	58.73%	309,424	31.13%	2,889,733	30.78%
1990	281,140	30.70	397,014	28.31	3,294,394	14.00
2000	360,890	28.37	516,929	30.20	4,301,261	30.56
2010	420,691	16.57	627,232	21.33	5,050,332	17.42
2011	428,674	1.90	639,139	1.90	5,123,550	1.45
2012	433,979	1.24	648,445	1.46	5,194,662	1.39
2013	439,614	1.30	658,303	1.52	5,270,884	1.47
2014	443,553	0.90	665,754	1.13	5,347,654	1.46
2015	451,067	1.69	677,969	1.83	5,446,593	1.85
2016	460,505	2.09	692,295	2.11	5,529,629	1.52
2017	467,285	1.47	704,797	1.81	5,599,589	1.27
2018	474,691	1.58	717,812	1.85	5,676,913	1.38
2019	478,506	0.80	725,497	1.07	5,734,913	1.02
2020	481,713	0.37	733,804	0.94	5,787,129	0.87
2021	484,837	0.64	738,811	0.68	5,814,036	0.46
2022	488,136	0.68	742,676	0.52	5,850,935	0.63
2023	491,301	0.64	746,934	0.57	5,901,339	0.86
2024	493,554	0.45	752,772	0.78	5,957,493	0.95

⁽¹⁾ Figures for 1970 through 2010 represent Historical Census Data.

Sources: U.S. Census Bureau. Annual Estimates as of July 2024 and Colorado Department of Local Affairs, Demography Section as of July 2024. All figures are subject to periodic revisions.

Income

The following table sets forth annual total personal income for El Paso County, the State and the nation.

Personal Income (in thousands)

<i>Year</i>	<i>El Paso County</i>	<i>Colorado</i>	<i>United States</i>
2012	\$26,537,972	\$245,633,600	\$14,014,339,000
2013	26,992,626	255,164,900	14,193,635,000
2014	28,641,342	278,745,300	14,976,569,000
2015	30,097,140	286,520,600	15,685,228,000
2016	30,922,547	295,180,400	16,096,893,000
2017	32,637,705	317,900,500	16,839,839,000
2018	34,549,937	341,808,300	17,683,797,000
2019	39,979,710	361,209,100	18,586,994,000
2020	40,040,849	377,898,300	19,832,307,000
2021	43,258,594	415,822,200	21,294,815,000
2022	40,283,198	440,812,600	21,777,215,000
2023	48,906,130	463,852,063	21,668,520,000

⁽¹⁾ 2024 figures not available as of June 2025.

Source: United States Department of Commerce, Bureau of Economic Analysis. All figures are subject to periodic revisions.

The following table sets forth annual per capita personal income levels for El Paso County, the State and the nation. Per capita personal income levels in El Paso County have consistently been lower than personal income levels in the State and the nation during the period shown.

Per Capita Personal Income

<i>Year</i>	<i>El Paso County</i>	<i>Colorado</i>	<i>United States</i>
2012	\$41,215	\$45,637	\$44,582
2013	40,642	46,824	44,826
2014	43,360	49,823	47,025
2015	43,385	50,971	48,940
2016	44,409	51,999	49,870
2017	46,511	52,059	51,885
2018	48,467	56,846	54,098
2019	51,117	63,522	56,250
2020	54,504	69,016	59,765
2021	59,716	70,706	64,143
2022	61,076	74,167	65,280
2023	65,715	80,068	69,810

⁽¹⁾ 2024 figures not available as of June 2025.

Source: United States Department of Commerce, Bureau of Economic Analysis. All figures are subject to periodic revisions.

Employment

The following table presents information on employment within El Paso County, the State and the nation, for the time period indicated.

Labor Force and Percent Unemployed⁽¹⁾

<i>Year</i>	<i>El Paso County</i>		<i>Colorado ⁽¹⁾</i>		<i>United States</i>
	<i>Labor Force</i>	<i>Percent Unemployed</i>	<i>Labor Force</i>	<i>Percent Unemployed</i>	<i>Percent Unemployed</i>
2013	306,626	6.7	2,766,140	6.7	6.5
2014	306,538	4.9	2,800,666	5.0	5.4
2015	307,595	3.8	2,825,761	3.7	4.8
2016	314,650	3.0	2,894,157	3.1	4.5
2017	322,818	3.1	2,963,790	2.6	3.9
2018	332,289	3.7	3,054,347	3.0	3.7
2019	338,652	3.0	3,105,584	2.7	3.4
2020	342,131	6.7	3,088,995	6.8	6.5
2021	354,358	4.1	3,158,144	5.4	3.7
2022	358,771	2.7	3,200,625	3.0	3.3
2023 ⁽²⁾	365,168	3.3	3,128,115	3.2	3.6

⁽¹⁾ Not seasonally adjusted

⁽²⁾ Latest release July 3, 2024.

Sources: U.S. Bureau of Labor, Bureau of Labor Statistics.

The following table sets forth the number of individuals employed in selected industries in El Paso County covered by unemployment insurance. The largest employment sector in El Paso County in 2022 was health care and social assistance (comprising approximately 16.52% of the county's work force), followed, in order, by accommodation and food services, retail trade; professional and technical services, and educational services. For the 12-month period ended December 31, 2022, total average employment in the County increased 3.65% as compared to the same 12-month period ending December 31, 2021 and average weekly wages increased 6.36% during the same time period.

Average Number of Employees Within Selected Industries – El Paso County

<i>Industry</i>	<i>2017</i>	<i>2018</i>	<i>2019</i>	<i>2020</i>	<i>2021</i>	<i>2022</i>	<i>2023</i>
Accommodation & Food Services	30,877	31,408	31,972	26,817	30,224	33,289	35,850
Administrative & Waste Services	18,829	18,225	18,519	17,669	18,169	17,220	16,948
Agriculture, Forestry, Fishing, & Hunting	481	540	628	533	511	373	N/A
Arts, Entertainment & Recreation	5,435	5,638	5,984	4,532	4,898	5,273	6,257
Construction	16,208	16,968	17,619	17,791	18,068	18,355	18,130
Educational Services	27,417	27,648	28,328	26,752	26,576	27,330	28,416
Finance & Insurance	12,324	12,619	12,931	13,141	13,082	12,266	13,724
Health Care & Social Assistance	40,924	42,695	44,404	45,559	47,359	48,624	48,246
Information Management of Companies & Enterprises	6,172	6,179	6,181	5,647	5,631	5,591	5,144
Manufacturing	1,246	1,218	1,296	1,318	1,470	1,604	1,781
Mining	11,480	11,691	11,674	11,421	11,549	11,886	N/A
Other Services, Ex. Public Admin	70	57	50	37	43	44	N/A
Professional & Technical Services	11,511	11,461	11,878	11,230	11,000	11,334	22,691
Public Administration	23,858	25,603	26,837	28,112	29,605	31,935	34,083
Real Estate & Rental and Leasing	13,330	13,520	13,969	14,511	14,585	14,813	N/A
Retail Trade	4,823	4,861	5,012	4,884	5,013	5,200	5,958
Transportation & Warehousing	32,389	32,259	31,857	30,965	31,909	32,083	33,221
Utilities	5,392	5,625	5,899	6,077	8,226	10,662	10,247
Wholesale Trade	2,435	2,475	2,460	2,453	2,413	2,458	N/A
Total ⁽¹⁾	<u>5,574</u>	<u>5,641</u>	<u>5,878</u>	<u>5,813</u>	<u>5,914</u>	<u>6,357</u>	N/A
	270,781	276,351	283,376	275,262	286,245	296,697	302,940

⁽¹⁾ Figures do not equal totals when added due to the rounding of averages and data that is not available or confidential. Some 2023 data and 2024 data not available as of June 2025 for various industries.

Source: State of Colorado, Department of Labor and Employment, Labor Market Information, Annual Census of Employment and Wages.

Major Employers

The following tables set forth a brief description of the major employers located in the County and City, respectively. No independent investigation has been made regarding these major employers. Therefore, there can be no representation as to whether or not such employers will retain their status as major employers in the County or City.

Principal Employers El Paso, County

<i>Employer</i>	<i>Number of Employees</i>	<i>Product or Service</i>
Fort Carson	33,500	Military Installation
Peterson SFB, Schriever SFB, & Cheyenne SFS ⁽¹⁾	25,400	Military Installation
United States Air Force Academy	7,700	Military Installation
UCHealth Memorial Health System	7,050	Healthcare Supplier
School District #11 – Colorado Springs	5,150	Education/Training
University of Colorado, Colorado Springs	3,700	Education/Training
School District #20 – Air Academy	3,050	Education/Training
City of Colorado Springs ⁽²⁾	3,050	Government
Amazon	3,000	Online Retailer
Common Spirit Health (f/k/a Penrose/Centura)	2,900	Healthcare Supplier

1. Space Force Bases (SFB) were previously tracked individually but are now consolidated
2. City of Colorado Springs includes the total of all full-time equivalent employees in all funds and enterprises except Colorado Springs Utilities and Memorial Health System.

Source: El Paso County Annual Comprehensive Financial Report for the year ended December 31, 2023.

Principal Employers City of Colorado Springs

<i>Employer</i>	<i>Percent of Total County Employment</i>	<i>Product or Service</i>
Fort Carson	13.2%	Military Installation
Peterson SFB, Schriever SFB, & Cheyenne SFS ⁽¹⁾	6.5	Military Installation
United States Air Force Academy	3.0	Military Installation
UCHealth Southern Colorado Region	2.8	Healthcare Supplier
School District #11 – Colorado Springs	1.5	Education/Training
City of Colorado Springs ⁽²⁾	1.2	Government
School District #20 – Air Academy	1.2	Education/Training
Common Spirit Health (f/k/a Penrose/Centura)	1.2	Healthcare Supplier
Amazon	1.2	Online Retailer
El Paso County	1.1	Government

1. Space Force Bases (SFB) were previously tracked individually but are now consolidated.
2. City of Colorado Springs includes the total of all full-time equivalent employees in all funds and enterprises except Colorado Springs Utilities and Memorial Health System.

Source: City of Colorado Springs Annual Comprehensive Financial Report for the year ended December 31, 2023.

Retail Sales

Annual retail sales figures for the City, El Paso County and the State are set forth below.

Retail Sales (in thousands)

<i>Year⁽¹⁾</i>	<i>City of Colorado Springs</i>	<i>Percent Change</i>	<i>El Paso County</i>	<i>Percent Change</i>	<i>Colorado</i>	<i>Percent Change</i>
2011	\$11,931,673	--	\$13,929,941	--	\$154,632,762	--
2012	12,454,783	4.38%	14,502,456	4.11%	164,175,836	6.17%
2013	13,438,634	7.90	15,610,575	7.64	172,784,033	5.24
2014	14,311,405	6.49	16,684,061	6.88	182,709,978	5.74
2015	13,876,737	(3.04)	16,548,061	(0.82)	182,845,695	0.07
2016	14,327,014	3.24	17,264,285	4.32	184,703,410	1.02
2017	15,365,889	7.25	18,406,833	6.62	194,041,958	5.06
2018	16,677,187	8.53	20,098,236	9.19	206,121,045	6.22
2019	17,470,904	4.76	21,237,985	5.67	224,618,938	8.97
2020	20,888,972	19.56	23,243,627	9.44	228,812,220	1.86
2021	22,307,503	6.79	27,495,740	18.29	268,328,759	17.27
2022	24,285,025	8.86	29,842,758	8.54	299,923,778	11.77
2023	24,275,031	(0.04)	29,878,597	0.12	302,570,432	0.88
2024	24,523,809	1.02	30,261,044	1.28	306,519,024	1.30

⁽¹⁾ Through December 31, 2024.

Source: State of Colorado, Department of Revenue, State Sales Tax Collected in Colorado Counties and Selected Cities and Related Statistics (monthly reports).

Current Construction

The following table sets forth the number of permits issued for both residential and commercial construction in the County during the time period indicated.

Building Permits Issued for New Structures in El Paso County⁽¹⁾

<i>Year</i>	<i>Single Family</i>		<i>Multi-Family</i> ⁽²⁾		<i>Commercial</i> ⁽³⁾	
	<i>Permits</i>	<i>Value</i>	<i>Units</i>	<i>Value</i>	<i>Permits</i>	<i>Value</i>
2014 ⁽⁴⁾	2,433	1,032,039,203	1,090	153,369,996	246	161,959,800
2015 ⁽⁵⁾	2,739	1,131,190,529	846	114,315,368	303	246,359,103
2016 ⁽⁶⁾	3,237	1,360,333,105	1,717	294,641,637	372	371,017,235
2017 ⁽⁷⁾	3,504	1,417,418,973	1,351	202,830,494	347	460,911,485
2018 ⁽⁸⁾	3,856	1,516,644,352	1,729	268,739,728	413	409,650,808
2019	3,530	1,382,822,563	509	289,536,290	829	870,300,909
2020	4,497	1,735,475,424	605	361,553,861	1,143	846,505,164
2021	4,356	1,730,568,441	830	844,745,369	1,345	649,653,687
2022	3,070	1,264,603,164	666	882,689,538	1,242	490,507,063
2023	2,667	1,203,755,055	643	601,849,700	1,451	602,960,250
2024	2,853	1,622,941,146	229	232,546,514	1,191	526,811,216

⁽¹⁾ Pikes Peak Regional Building Department issue permits for unincorporated El Paso County and for the municipalities of Colorado Springs, Fountain, Green Mountain Falls, Manitou Springs, Monument, Palmer Lake and Woodland Park.

⁽²⁾ Includes townhouses, duplexes, condominiums, and multi-family buildings.

⁽³⁾ Includes commercial buildings such as hotels, motels, amusement/recreation, manufacturing, offices, banks and professional buildings; and stores and other retail buildings. Does not include structures other than buildings (Swim Pools, etc.) or signs.

⁽⁴⁾ Approximately 185 permits issued to replace residences destroyed by Waldo Canyon and Black Forest wildfires.

⁽⁵⁾ Approximately 49 permits issued to replace residences destroyed by Waldo Canyon and Black Forest wildfires.

⁽⁶⁾ Approximately 33 permits issued to replace residences destroyed by Waldo Canyon and Black Forest wildfires.

⁽⁷⁾ Approximately 27 permits issued to replace residences destroyed by Waldo Canyon and Black Forest wildfires.

⁽⁸⁾ Approximately 20 permits issued to replace residences destroyed by Waldo Canyon and Black Forest wildfires.

Source: Pikes Peak Regional Building Department.

Foreclosure Activity

The following table sets forth the number of foreclosures filed in El Paso County during the time period shown. Such information only represents the number of foreclosures filed and does not take into account foreclosures which were filed and subsequently redeemed or withdrawn.

History of Foreclosure Filings – El Paso County

<i>Year</i>	<i>Number of Foreclosures Filed</i>	<i>Percent Change</i>
2012	3,364	--
2013	1,861	(44.68)%
2014	1,825	(1.93)
2015	1,470	(19.45)
2016	1,287	(12.45)
2017	1,089	(15.38)
2018	908	(16.62)
2019	827	(8.92)
2020	281	(66.02)
2021	144	(48.75)
2022	770	434.72
2023	732	(4.94)
2024	613	(16.25)

Sources: El Paso County Public Trustee's Office.

APPENDIX G

THE REFUNDING PLAN

Net proceeds of the Series 2025B Bonds, together with other available moneys of the Utilities, are expected to be deposited into the Series 2025B Escrow Fund to pay on November 15, 2025 (the “Redemption Date”) the principal amount of the Refunded Bonds listed below maturing on and after the Redemption Date plus accrued interest to the Redemption Date, without premium; provided that the Refunded Bonds maturing on November 15, 2025 will be paid on November 15, 2025. Amounts deposited into the Series 2025B Escrow Fund will be held by Computershare Trust Company, N.A. (“Computershare”), as Escrow Agent and Paying Agent, pursuant to the Series 2025B Escrow Agreement dated as of _____ 1, 2025, between the City and Computershare. See “VERIFICATION OF MATHEMATICAL COMPUTATIONS.” Amounts in the Series 2025B Escrow Fund are not pledged as security for the Bonds.

The Refunded Bonds consist of the following:

**City of Colorado Springs, Colorado
, Utilities System Refunding Revenue Bonds, Series 2015A**

<i><u>Maturity</u></i> <i><u>(November 15)</u></i>	<i><u>CUSIP</u></i> [†]	<i><u>Principal</u></i> <i><u>Amount to be</u></i> <i><u>Refunded</u></i>	<i><u>Redemption</u></i> <i><u>Price (% of</u></i> <i><u>Par Amount)</u></i>
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[†] CUSIP® is a registered trademark of the American Bankers Association. CUSIP Global Services (CGS) is managed on behalf of the American Bankers Association by FactSet Research Systems Inc. CUSIP® numbers are provided for convenience of reference only. None of the City, the Utilities, the Underwriters or their agents or counsel assume responsibility for the accuracy of such numbers.