

Governance Process and Governance Structure Review

What is the best Board structure for the community to continue benefitting from owning Colorado Springs Utilities, now and into the future?

Public Education, Outreach and Dialogue

City Council Town Hall

City Hall

Municipally-Owned Utilities Peer Governance

APPA 2015 Governance Survey Results Type of Primary Governing Body

Customer Size Class	Number of Responses	Independent Utility Board		City Council
		Elected	Appointed	
Less than 5,000 Customers	323	9%	23%	68%
5,000 to 20,000 Customers	134	19%	42%	39%
20,000 to 50,000 Customers	47	23%	34%	43%
Greater than 50,000 Customers	30	23%	54%	23%
Total	534	14%	30%	56%

Source: American Public Power Association

Excellence in Governance Model Changes

Excellence in Governance Process

COLORADO SPRINGS UTILITIES MISSION

To provide safe, reliable, competitively priced electric, natural gas, water, and wastewater services to the citizen-owners and customers of Colorado Springs Utilities.

EXCELLENCE IN GOVERNANCE

The Board must excel at the primary obligations of governance for the organization to meet its Board-directed mission and customer-focused performance expectations.

D 1-2 Board Duties Fiduciary, Statutory/Regulatory

R 1-4 Board Responsibilities Direction, Outcomes, Oversight, Accountability

Board Commitments to **Excellence**

C-1 Board Ethics and Norms
C-2 Board Evaluation

C-3 Limits of Individual Authority
C-4 Board Development

C-5 Board Decisions
C-6 Policy Directives

Board Procedures for **Excellence**

P-1 Board Meetings
P-2 CEO Excellence

P-3 Unified Board Direction to the CEO
P-4 Role of the Chair

P-5 Committees
P-6 Operational Resources

Board Evaluation

Board/CEO Partnership Expectations

E-1 Board/CEO Strategic Cooperation
E-2 Delegations to the CEO

E-3 CEO Responsibilities
E-4 Board Approvals

E-5 Organization Oversight
E-6 Evaluating CEO Performance

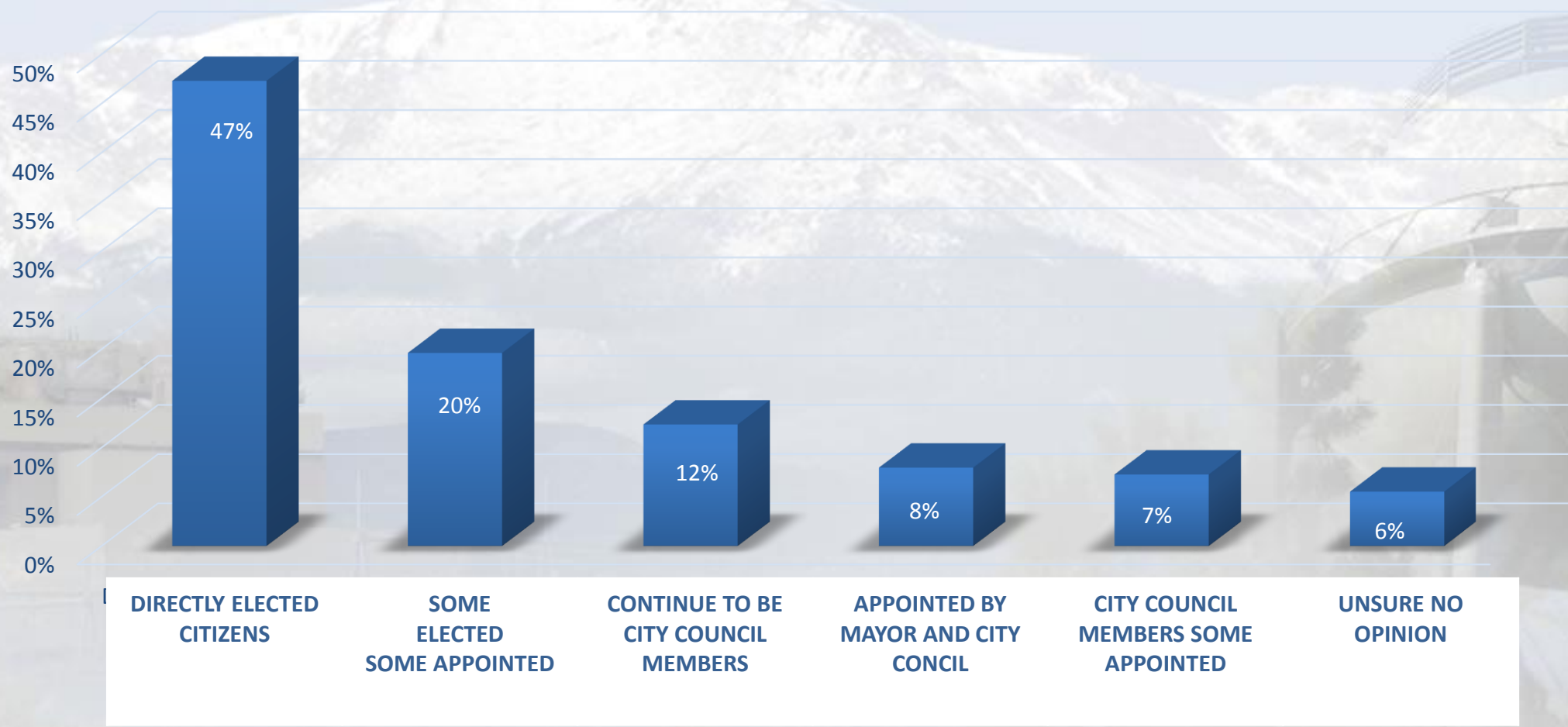
Policies

Authorities Delegated by the Board to the CEO

Board Instructions to the CEO

Board Monitored Results

Research Results - March



Municipal Utility Governance Models

Elected Boards

One method of municipal utility governance is for the people of the community to directly elect their utility board. This board is either the elected City Council or a separately elected board that deals only with municipal utility matters.

Both models of this method have the most direct accountability between the people and the utility. However, it is less likely that industry and business experts serve on the board.

Currently in Colorado Springs, the voters elect the City Council who oversees Colorado Springs Utilities by serving as the Utilities Board.

City Council Utilities Board

Voters Elect City Council



City Council Oversees City & Utilities

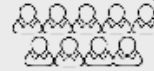


Elected Utilities Board

Voters Elect Utility Board Separate From City Council



Elected Board Oversees Only Utilities



Appointed Boards

Another method of municipal utility governance is for elected leaders to appoint utility boards that function separately from the elected officials, but are accountable to them through the appointment process.

Either the Mayor solely appoints members with City Council approval, or the City Council appoints, or both the Mayor and City Council make appointments.

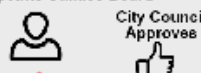
These models create indirect accountability between the utility and the voters, but is more likely that industry and business experts serve on the board.

Mayor Appointed Board

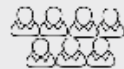
Voters Elect Mayor



Mayor Appoints Utilities Board



Appointed Board Oversees Utilities

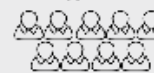


City Council Appointed Board

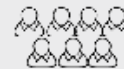
Voters Elect City Council



City Council Appoints Utilities Board



Appointed Board Oversees Utilities



Hybrid Boards

The final method of municipal utility governance can be any combination of elected and appointed board members. The Mayor and/or City Council could make appointments to the Board. Elected members could come from City Council or be directly elected. Either appointed or elected members could hold the majority.

Hybrid Board

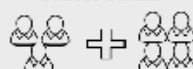
Voters Elect Mayor/City Council



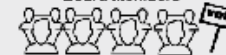
Mayor and/or City Council Appoints Some of Utilities Board



Appointed and Elected Board Oversee Utilities



Voters Elect City Council / Separate Board Members



Public Input and Dialogue

- **What are your Questions, Concerns and Comments?**
- **What are your ideas for other Utilities Board Structures?**
- **What are potential advantages and disadvantages of changing the Utilities Board structure?**
- **How could the future be different with a separate Utilities Board?**
- **What should City Council think about as we study a separate Utilities Board?**
- **If a separate Utilities Board is recommended, how should potential Board members with business or utility industry expertise be encouraged to serve?**
- **Other questions?**