



Colorado Springs Utilities  
*It's how we're all connected*

# 2025C Plan of Finance Update

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# Plan of Finance Overview

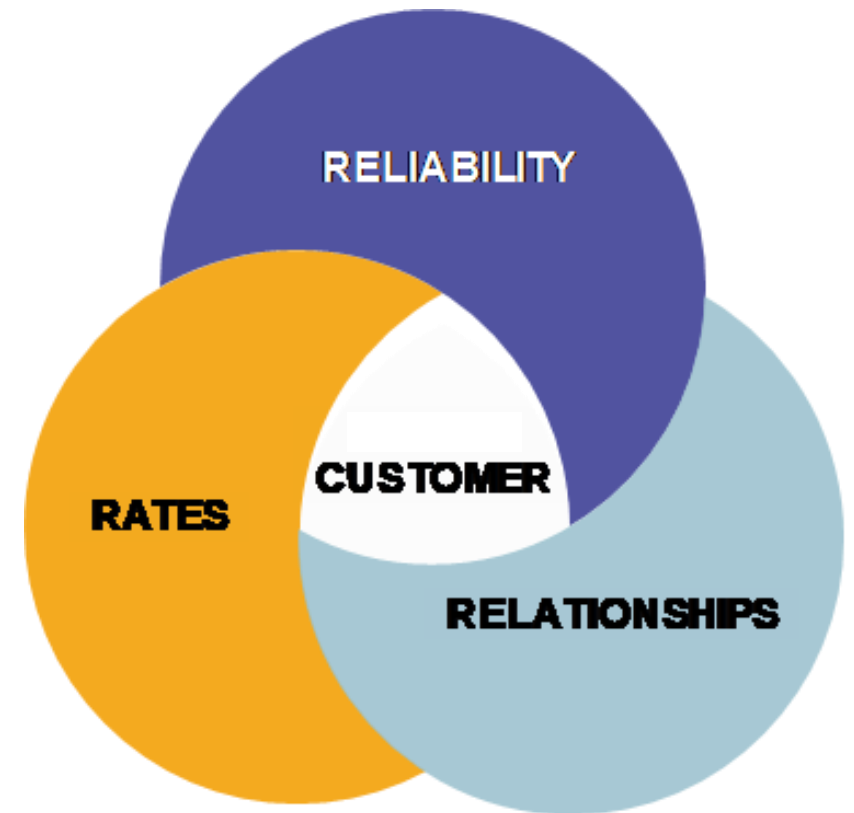
The Plan of Finance is an annual strategic effort to effectively obtain and manage debt obligations to support Colorado Springs Utilities' ("The Utilities") capital needs

- Critical to Utilities Board's Strategic Focus
- Core tenets:

**Prudence - Efficiency - Flexibility**

Collectively executed by:

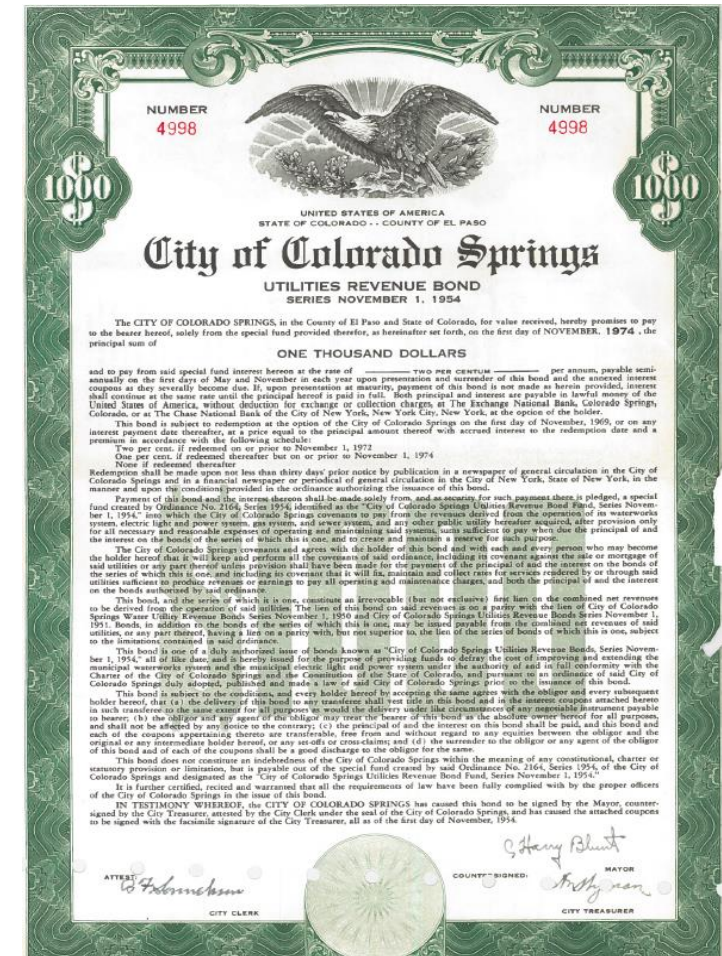
- Utilities Leadership
- Planning and Finance Staff
- Key Advisors
  - Financial Advisor
  - Bond Counsel
- Key Banking Partners and Counterparties



# Plan of Finance Overview

## Plan of Finance efforts are dedicated towards four key objectives:

1. Fund the debt-backed portion of The Utilities' upcoming capital plan
2. Manage and optimize The Utilities' current debt portfolio
3. Procure and manage debt-supporting instruments and ancillary services
4. Manage The Utilities' financial reputation and industry relationships to ensure market access





# Potential BABs Refunding: 2025Cs

## Build America Bonds ('BABs')

- Introduced in 2009 as part of the American Recovery and Reinvestment Act to help stimulate the economy and create jobs following the 2008 financial crisis
- Federal government issues a subsidy payment directly to bond issuer (Utilities), effectively lowering the cost of borrowing
  - Under current legislation, the original subsidy of 35% has been reduced by 5.7%

## Risk Reduction Through Refunding

- BABs Extraordinary Optional Redemption provision allows refunding under certain circumstances
- Mitigate future risk of sequestration or other Federal regulations that may impact subsidy payments by refunding Utilities' outstanding BABs
- Evaluate and time execution based on market conditions

# Potential BABs Refunding: 2025Cs

## Outstanding BABs

- \$207.3 million in outstanding Direct Payment BABs taxable bonds
- \$4.2 million in subsidy payments expected to be received in 2025

## Anticipated Actions:

- Seeking authorization to execute transaction if market conditions are favorable, within set parameters:
  - Refunding will result in combined NPV savings
  - OR Refunding will alleviate the risk of further sequestration or other impact to the BABs subsidy
- Ordinance effective for one year following adoption (July 22, 2026)

## Estimated Refunding Results

	2009B-2	2009D-2	2010D-4
Par Amount	\$46,390,000	\$46,090,000	\$107,085,000
Refunded Par Amount	\$52,200,000	\$47,870,000	\$107,260,000
NPV Savings (\$)	(\$591,515)	(\$3,942,488)	(\$6,453,576)
NPV Savings (%)	(1.1%)	(8.2%)	(6.0%)

# Debt Issuances Working Timetable

Date*	Event
<i>Tuesday, January 21, 2025</i>	<i>Plan of Finance Presentation to Finance Committee</i>
<i>Tuesday, March 25, 2025</i>	<i>JP Morgan Investor Conference</i>
<i>Wednesday, May 21, 2025</i>	<i>Underwriter RFP Selection</i>
<i>Monday, June 16, 2025</i>	<i>Working Committee Presentation</i>
<i>Wednesday, June 18, 2025</i>	<i>Utilities Board Presentation</i>
<b>Tuesday, July 8, 2025</b>	<b>First Reading of Ordinances - City Council</b>
Wednesday, July 9, 2025	Rating Agency Presentation (Moody's)
Thursday, July 10, 2025	Rating Agency Presentation (S&P)
Tuesday, July 22, 2025	Second Reading of Ordinances & Ordinance Approval – City Council
Monday, July 28, 2025	2025AB Due Diligence Call
Week of August 4 <sup>th</sup> or 11 <sup>th</sup> , 2025	2025AB Bond Pricing
Tuesday, August 26, 2025	2025AB Issuance Closing

*\*Preliminary schedule as of June 9, 2025*



Colorado Springs Utilities<sup>®</sup>

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